

# **DWS Investment Management Americas, Inc.**

## **March 28, 2024**

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This Brochure provides information about the qualifications and business practices of DWS Investment Management Americas, Inc. ("DIMA"). If you have any questions about the contents of this Brochure, please contact us at the following number: 212-454-4500.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about DIMA is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Note: DIMA is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

## Item 2 / Summary of Material Changes

This disclosure document (“the Brochure”) for DWS Investment Management Americas Inc. is dated March 28, 2024.

DIMA periodically makes changes in this Brochure to improve and clarify the descriptions of its own and affiliates’ business practices and compliance policies. To the extent necessary, other updates are made in accordance with evolving industry and firm practices.

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# Item 4 / Advisory Business

## Overview

DWS Investment Management Americas, Inc. (“DIMA”), a Delaware corporation, is an investment adviser registered with the Securities and Exchange Commission (“SEC”). DIMA is part of the global investment management business of DWS Group GmbH & Co. KGaA (“DWS Group”), a separate publicly listed financial services firm that is an indirect majority-owned subsidiary of Deutsche Bank AG, a multi-national financial services company (together with its affiliates, directors, officers, and employees, the “Deutsche Bank Group”). DIMA is an indirect, wholly-owned subsidiary of DWS Group.

DIMA is also registered as a Portfolio Manager in several Canadian provinces: British Columbia, Newfoundland and Labrador, Ontario, and Quebec. DIMA has offered its products and services to clients, across a range of asset classes, investment strategies, and products since its reorganization in 1984, although various predecessors have been registered with the SEC since 1940. In order to provide financial services in Australia, DIMA relies on an exemption from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth). DIMA is regulated by the SEC under U.S. laws, which differ from Australian laws.

This brochure, including any brochure supplement, is intended for those clients to whom DIMA provides investment advisory services. Investors in any DIMA-advised fund should rely on the fund’s prospectus or offering materials, and may therefore refer to this brochure, or any brochure supplement, for informational purposes only.

## Advisory Services

DIMA offers a range of advisory services to clients, with capabilities of tailoring investment strategies to meet the individual needs of clients. DIMA’s advisory services are tailored according to investment policies and guidelines that are either pre-established by its client or established at the inception of the adviser-client relationship (as amended from time to time) in cooperation with the client. Each private commingled fund and registered investment company (the “DIMA Advised Funds”) managed by DIMA is managed in accordance with its investment guidelines, restrictions and is generally not tailored to address the specific investment objectives or circumstances of any fund shareholder or fund investor. Accordingly, an investment in such vehicle does not, in and of itself, create an advisory relationship between the shareholder or investor and DIMA. DIMA uses both quantitative and/or qualitative processes to manage portfolios in accordance with their stated portfolio investment guidelines and restrictions. The separately managed accounts (or separate accounts) and pooled investment vehicles such as mutual funds, collective trusts and private investment funds that are sponsored, managed, or advised by DIMA are collectively referred to in this Brochure as “Advisory Accounts.”

Additionally, DIMA may bring together investment professionals throughout the platform to discuss and debate geographic markets, industry sectors, asset classes and investment styles to leverage the global capabilities of DWS. The outcome of these discussions and debates provides directional guidance to inform individual portfolio managers in implementing an investment strategy, including through the use of lead portfolios.

## **Institutional Separately Managed Accounts**

DIMA provides discretionary and non-discretionary investment advisory services to institutional investors, including [certain] qualified institutional family offices, who generally enter into an Investment Advisory Agreement (“IAA”) with DIMA (unless DIMA is appointed as a subadvisor). DIMA provides services to both U.S. and non-U.S. clients.

Ultra-high net worth clients may access certain DMA strategies through a separately managed account (“SMA”) sub-advisory program (“SMA Program”) sponsored by a DIMA affiliate, under which DIMA may be appointed as sub-advisor. DIMA requires a minimum account size such for certain of its investment strategies, which varies among SMA Programs. For institutional SMAs, DIMA is responsible for establishing that the client is a sophisticated institutional account, understanding the investment objectives, and investment restrictions.

## **Model Portfolio Programs**

For certain investment strategies, DIMA may provide non-discretionary or discretionary investment advice in the form of model portfolios to unaffiliated or affiliated advisers who may use such model portfolios to assist in the development of their own investment recommendations or who may make such model portfolios available to clients through investment platforms. DIMA currently provides model portfolios on a non-discretionary and discretionary basis to various sponsors of model portfolio programs who utilize such recommendations in connection with the management of their client accounts. As a general matter, program sponsors that receive model portfolios from DIMA on a non-discretionary basis and/or the independent advisers that may participate in such programs are responsible for exercising their own judgment in deciding whether DIMA’s model portfolio recommendations are appropriate for their client accounts. Sponsors of model portfolio programs are typically responsible for implementing trades in their client accounts. With respect to model portfolios provided to affiliated advisers, DIMA may execute securities transactions for such advisers. Such transactions will be treated like any other orders for purposes of DIMA’s order execution policies as set forth in Item 12 – Brokerage Practices. In accordance with Rule 3a-4 under the Investment Company Act, clients who participate in model portfolio programs generally have the ability to impose reasonable restrictions on the management of their accounts.

Certain model portfolios provided to unaffiliated model portfolio program sponsors on a non-discretionary basis will include mutual funds and/or exchange traded funds (“ETFs”) that are advised by DIMA or an affiliate of DIMA. DIMA’s inclusion of such DWS funds and/or ETFs in such model portfolios raises potential conflicts of interest. To the extent DIMA uses DWS funds and/or ETFs as components in such model portfolios, it will benefit DIMA and its affiliates by generating management fees and other fees and compensation for DIMA and its affiliates when intermediary accounts and other persons utilize such model portfolios. Moreover, the management fees and other fees and expenses of the DWS

funds and/or ETFs so used by DIMA may be higher than the fees and expenses charged by unaffiliated mutual funds and ETFs. Therefore, DIMA has an incentive to use such DWS funds and/or ETFs as components in such model portfolios. Clients should review the brochure provided by the managed account program sponsor for further information regarding the extent to which model portfolios provided by DIMA include DWS funds and/or ETFs.

In addition, DIMA may have business relationships with investment managers of unaffiliated mutual funds and ETFs that are included in the model portfolios. For example, certain intermediaries may distribute other funds or products advised by DIMA or its affiliates. Similarly, some model portfolio sponsors and intermediaries to whom DIMA provides model portfolios may have other business relationships with DIMA or its affiliates. In these regards, DIMA may benefit from its relationships with such other parties when entering into the model portfolio arrangements.

## **Insurance Asset Management**

DIMA offers advisory services focused on insurance companies, a segment of large institutional investors. DIMA partners with the insurance company client in developing customized investment policies and guidelines based on their unique objectives, needs and constraints that serves as the basis for how DIMA manages portfolios for the client. Advisory services are performed in partnership with the client and include matters such as: asset liability management; liquidity planning; portfolio risk analyses; and strategic asset allocation that considers regulatory constraints and investment income goals. These services are performed at the overall client level and may include a variety of asset classes, including fixed income, public equities, and private offerings, managed and non-managed assets.

## **DIMA Advised Funds and Other Pooled Vehicles**

DIMA also acts in an advisory or sub-advisory capacity to a variety of U.S. DIMA Advised Funds (including open-end and closed- end funds) and U.S and non-U.S. pooled vehicles for which an affiliate may act as adviser, sub-adviser, sub-sub-adviser, manager, or distributor. In connection with these funds, certain DIMA employees may serve as directors, trustees, or officers. These arrangements are disclosed in each fund's prospectus or offering document in accordance with any disclosure requirements. DIMA also acts in an administrator capacity to a variety of open-end and closed-end investment companies.

DIMA has sought and obtained a permanent order from the SEC providing exemptive relief under Section 9 of the Investment Company Act of 1940, as amended (“Investment Company Act”), on which it relies in connection with the continued provision of investment advisory services to registered investment companies.

## **Retail SMAs**

DIMA provides investment advisory services to retail SMAs (“Retail SMAs”) in a “dual contract” capacity. In a dual contract managed account arrangement or program, DIMA has separate agreements with third-party program sponsors (“Program Sponsor(s)”), which may be either a registered investment advisor or a broker-dealer/registered investment advisor, and each applicable client. The agreement between DIMA and the client outlines the scope and limitations of the advisory relationship between DIMA and the client. In dual contract arrangements, the Program Sponsor also has a direct

contractual relationship with the client and, as noted below, is generally responsible for determining whether a strategy offered by DIMA is suitable and appropriate for the client based on the client's investment objectives, risk tolerance and financial situation. The Program Sponsor's relationship with its client can be structured either as a "wrap fee" or "bundled" arrangement or as a non-wrap fee or "unbundled" arrangement.

In traditional wrap fee programs, a client selects a Program Sponsor that provides a bundle of services for a single fee. For example, for third-party wrap fee programs that utilize DIMA as portfolio manager, the Program Sponsor's bundle of services would typically include the payment of DIMA's investment advisory fee, ongoing monitoring, and evaluation of DIMA's performance, provision of periodic market commentaries prepared by DIMA, and/or execution of the client's portfolio transactions. In non-wrap fee or unbundled arrangements, fees are charged separately for various services. In such arrangements, DIMA's investment advisory fees would be charged separately to the client. In DIMA's current dual contract arrangements, DIMA's advisory fees typically are not bundled with fees for services provided by the Program Sponsor.

In addition to acting as an investment adviser in dual contract programs, DIMA may, from time to time, act as an investment adviser, on a sub-advisory basis, in "single contract" managed account arrangements or programs. Such arrangements may either be on a wrap fee or non-wrap fee basis. In such programs, the Program Sponsor enters into an investment management agreement with each client with respect to the overall management of the client's assets. The Program Sponsor identifies investment managers that it believes are suitable for each client, and either the Program Sponsor or the client selects an investment manager or managers to manage the client's assets. If DIMA is selected for a single contract program, DIMA would enter into an agreement with the Program Sponsor pursuant to which DIMA would provide investment advice with respect to a portion of the program clients' assets. DIMA would not enter into a separate agreement with each client.

The services provided by DIMA to Retail SMA clients in dual contract or single contract arrangements, be they structured as wrap fee or non-wrap fee programs, may differ from the services provided to its institutional separate managed accounts and DIMA Advised Funds, which do not participate in such programs. The investment strategy DIMA uses in managing third-party wrap fee and non-wrap fee advisory programs is similar to strategies offered to its other clients but may involve fewer securities holdings due to smaller account sizes and less ability for customization. In addition, DIMA typically will rely on the Program Sponsor to provide client portfolio reporting. In certain cases, there may be limitations on DIMA's ability, in the ordinary course, to communicate directly, on its own initiative, with the Program Sponsor's clients without going through the Program Sponsor. While DIMA may use information gathered by the Program Sponsor to assess the appropriateness of its investment style to individual client needs and financial situations, it is the Program Sponsor that is typically responsible for determining the appropriateness or suitability of the program, including DIMA's investment strategy, for the client. In certain programs, the Program Sponsor may restrict DIMA's access to client information, including, for example, information about the client's other investments or risk tolerance or other information relevant to determining whether DIMA's investment strategy or certain specific investments would be appropriate or suitable for the client. As a result, determinations by DIMA as to the appropriateness or suitability of an investment strategy or a particular investment for such clients will be made without regard to such information, and such determinations may be different than would have been had DIMA had access to more fulsome information regarding the client.

In wrap and non-wrap fee advisory programs, DIMA typically has discretion to select broker-dealers in accordance with its duty to seek best execution. Due to the unique nature of the municipal bond asset class, DIMA generally will execute transactions at financial institutions other than the Program Sponsor in its municipal bond strategy accounts (see “Item 8” below for more information). Such transactions ordinarily occur at net prices, meaning that the broker-dealer’s charge for the trade is built into the security’s purchase or sale price and is ultimately borne by the client in addition to any charges for execution otherwise included in a wrap fee sponsor’s overall fee. Each client should evaluate whether particular wrap programs are appropriate for his or her needs, including the fees charged and services provided. Depending upon the level of the wrap fee charged by a third- party wrap fee Program Sponsor, the amount of portfolio activity in a client’s account, the value of the custodial and other services that are provided under a wrap arrangement and other factors, a wrap fee client should consider whether the wrap fee would exceed the aggregate cost of such services if they were to be provided separately. A client paying separate fees in a non-wrap arrangement should consider whether the fees charged by different parties for custody, advisory services, portfolio management services, securities execution and other services would exceed the aggregate cost of such services if they were provided in a wrap fee arrangement. Some broker-dealers serving as custodian charge fees for settling transactions executed through other broker-dealers. Clients should refer to the Form ADV or other disclosure documents of the Program Sponsor for additional information regarding fees arrangement for single contract or dual contract arrangements.

## **Assets Under Management**

As of December 31, 2023, DIMA had discretionary assets under management of \$ 171,964,109,090 and non- discretionary assets under management of \$1,098,023,230.

## **Investment Capabilities**

Products listed below may be managed by DIMA either directly or through sub-advisory relationships with affiliated and non- affiliated advisors. See Item 10 – Other Financial Industry Activities and Affiliations for information regarding certain DIMA arrangements with affiliates related to its advisory business. DIMA’s investment policies and practices can vary by strategy and/or product type.

### **Principal investment strategies and products currently offered by DIMA include:**

#### **ALTERNATIVES**

- Asset Allocation-Alternatives
- Commodities
- Commodities with Fixed Income
- Commodity Securities
- U.S. Real Estate Equity
- Global Real Estate Equity
- Global Infrastructure
- Multi-Asset Allocation
- Multi-Asset Income
- Multi-Asset Highly Active



## **LIQUIDITY MANAGEMENT**

- U.S. Cash Prime
- ESG Liquidity/ESG U.S. Cash Prime
- U.S. Cash Government
- U.S. Cash Municipals
- U.S. Cash Municipals State-Specific

## **EQUITIES**

- ESG International Core
- International Equity Growth
- International Equity Value
- Global Small Cap
- Latin America Equity
- Emerging Markets Equity
- U.S. Large Cap Core
- U.S. ESG Large Cap Core
- U.S. Small Cap Core
- U.S. Sector Strategy
- U.S. Large Cap Growth
- U.S. Growth Equity Focus
- U.S. Small Cap Growth
- U.S. Small & Mid Cap Growth
- Global Sector Healthcare
- Global Sector Technology
- Global Sector Communications
- U.S. Large Cap Value (CROCI)
- U.S. Large Cap Dividend (CROCI)
- U.S. Small & Mid Cap Value (CROCI)
- Equity Index
- Institutional Managed Equity

## **FIXED INCOME**

- Core Fixed-Income
- Core Plus Fixed-Income
- Core Intermediate
- Core Short Duration
- U.S. Government
- U.S. Mortgage Backed
- U.S. High Yield
- U.S. High Yield Index
- U.S. Corporate Investment Grade
- U.S. Corporate Investment Grade Index
- U.S. Floating Rate Debt
- U.S. Syndicated Loans

- U.S. Structured Securities
- Global Fixed-Income
- Global Short Duration
- Global Government Bond Index
- Global Inflation Protected Securities
- Global High Yield
- ESG Global Bond
- Canada Fixed Income
- Emerging Markets Fixed-Income
- Emerging Markets Fixed-Income Index
- ESG Fixed-Income
- U.S. Municipals
- U.S. Municipals Index
- U.S. Municipals Long Term
- U.S. Municipals Intermediate
- U.S. Municipals Short Term
- U.S. Municipals State Specific
- U.S. Municipals High Yield
- ESG U.S. Municipals
- Fixed Income Multi Product
- Strategic Asset Allocation
- Liability Driven Investing

## **Multi-Manager Strategies/Other Arrangements**

DIMA offers a variety of non-U.S. strategies through its sub-advisory relationships with affiliated and non-affiliated advisers located in the U.S. and outside the U.S. When delegating advisory services to other advisors, DIMA will have ultimate responsibility to oversee any sub-advisor and to recommend the hiring, termination, and replacement of a sub-advisor.

Apart from furnishing investment advice to clients, DIMA also provides various investment advisory, consulting, trading, administrative, and research support services to its affiliates pursuant to intercompany agreements. DIMA may offer and negotiate, fees regarding its investment advisory, trading, administrative, and research support services to certain third-party banks, trust companies, insurance companies and other fiduciaries, and may also render investment advice to specific accounts of these banks, trust companies, and other fiduciaries that contract with DIMA. DIMA may also provide certain other services such as investment company administrative services and executing broker evaluations and selections.

## **Environmental, Social and Governance Considerations**

DIMA seeks to incorporate in its investment process environmental, social and governance (“ESG”) risks and opportunities that could have a material impact on the financial performance of the issuer, in accordance with the goals of a particular investment strategy and client investment guidelines, and further subject to its fiduciary obligations and applicable law, rule and regulation.

For most asset classes and market segments, DIMA portfolio managers have access to ESG research and grades, including research provided by internal DWS analysts which consider ESG risks and opportunities, as well as access to ESG quality assessment scores and additional information from DWS's proprietary ESG tool (also referred to as the "ESG Engine").

For those strategies that do not seek to implement a specific ESG strategy, the level of consideration of ESG factors in a strategy's process will differ from strategy to strategy, from sector to sector, and from portfolio manager to portfolio manager.

Certain DIMA Advised Funds, other pooled investment vehicles and separately managed account strategies advised by DIMA are labeled as ESG and/or otherwise incorporate specific ESG considerations into their investment objectives, strategies, and/or processes (collectively, "ESG-dedicated Strategies"), in each instance, as described in the offering documents for such DIMA Advised Funds or pooled investment vehicle or the strategy's investment guidelines (in the case of SMAs, as dictated by the Client). These ESG-dedicated strategies utilize ESG research and quality assessment scores, in addition to traditional financial considerations, in a number of ways, including screening for securities that meet certain minimum ESG identified thresholds, seeking to identify issuers or securities that support specified ESG-related initiatives (e.g., climate change mitigation and adaptation, addressing poverty and unemployment), or screening out issuers that engage in business practices or sectors that are deemed controversial (e.g., fossil fuels, nuclear energy, tobacco, weapons, gambling, adult entertainment).

In addition to ESG-dedicated Strategies, where appropriate, DIMA will seek to identify and consider relevant ESG factors when assessing the risk and return of a particular investment in providing advisory services for certain other strategies. For DIMA Advised Funds or other pooled investment vehicles, details relating to when and if ESG factors are considered by DIMA are disclosed in the offering documents for such vehicles.

Because investors can differ in their views of what constitutes positive or negative ESG characteristics, DIMA may invest in issuers that do not reflect the ESG beliefs and values of other investors. DIMA's considerations of ESG risks and opportunities may affect a fund's exposure to certain companies or industries, and an ESG-dedicated strategy may forego certain investment opportunities. While DIMA views considerations of ESG risks and considerations as having the potential to contribute to a client's account long-term performance, there is no guarantee that such results will be achieved.

## **DWS Proprietary ESG Tool**

DIMA's portfolio managers may use output from a proprietary DWS ESG tool that evaluates an issuer's performance across a variety of ESG indicators, primarily on the basis of data obtained from multiple third-party ESG data vendors and public sources and assigns a DWS ESG Quality Grade to each issuer covered by the ESG tool. An additional DWS internal review process allows for changes to the DWS ESG Quality Grade. An internal review may occur, for example, if it is deemed that information is not reflected in the existing ESG grade because new information or insights have emerged that the ESG data vendors have not yet processed. Examples of information that may be considered in this review process include, but are not limited to, the announcement of new (or withdrawal from previously announced) climate-related commitments, or the resolution of legacy (or involvement in new)

controversies. DIMA's portfolio management may consider application of internal reviews on a given DWS ESG Quality Grade and use their discretion whether and how to apply.

The DWS ESG Quality Grade seeks to identify ESG leaders and laggards within an industry- and region-specific peer groups in terms of overall ESG performance (best-in-class approach). Issuers within the same industry and region-specific peer group are graded on a scale of A (true leader) to F (true laggard). Issuers with a grade of C or above are deemed to meet DIMA's sustainability criteria. In calculating the DWS ESG Quality Grade, the DWS proprietary ESG tool utilizes a proprietary methodology to evaluate ESG scores from multiple third-party data vendors across a broad range of ESG indicators to arrive at a consensus overall quality grade intended to reflect which companies may be positioned better to address, and which companies may be more exposed to future ESG risks, relative to their peers. The broad range of ESG indicators measured include, among others, assessments of an issuer's carbon emissions including its own emissions and those of its products and services, land use and biodiversity, climate change strategy and vulnerability, product safety and quality, employee management issues including equal opportunities and non-discrimination, freedom of association and right to collective bargaining and occupational health and safety, community relations, human rights issues related to supply chain, business ethics and anti-corruption, and corporate governance matters including executive pay, board diversity and board independence.

The proprietary DWS ESG tool covers most listed asset classes but there is limited information on high yield, municipal bonds, emerging markets, IPOs and certain other types of securities due to incomplete vendor coverage. Through the DWS ESG tool, DIMA's portfolio management may also access issuer-specific contextual analysis that provides additional information about an issuer's ESG risks and opportunities, risk mitigation actions or plans and other characteristics.

# Item 5 / Fees and Compensation

## Fee Schedules, Account Minimums and Payment Arrangements

DIMA's general policy is to assess client fees according to the current fee schedule of the investment strategy in which they are invested. Actual fees, minimum fees and minimum account size may vary depending on the circumstances of a particular client (e.g., whether a client is an institutional client or an individual), additional or differing levels of servicing, or as otherwise agreed with specific clients. Fees are negotiable, and DIMA may also charge a lower fee depending on the entirety of the overall relationship with a particular client, or for any other reason, in DIMA's discretion.

- For fixed income strategies, the fees are generally in the range of 9 basis points – 62 basis points.
- For liquidity management strategies, the fees are generally in the range of 0.5 basis points – 5 basis points.
- For equities strategies, the fees are generally in the range of 15 basis points-102 basis points.

Fees are generally based on the combined market value of all securities and cash on the accounting date and are payable quarterly or monthly either in advance or in arrears based on the quarter- or month-end value, as applicable, and as also dictated by the client's investment management agreement (IMA). DIMA may also enter into performance-based fee arrangements with eligible clients.

Certain separately managed account clients may also be charged a flat fee for administrative and/or account services performed by DIMA, in addition to any applicable management and performance fees. Such flat fee will vary by client and is subject to negotiation.

For a mandate with multiple managed portfolios there is a per portfolio charge of up to \$25,000 in addition to the fees quoted. This fee covers the additional administrative, operational, and reporting costs associated with multiple portfolios.

For certain model portfolio arrangements, DIMA will benefit by generating management fees and other fees and compensation for DIMA and its affiliates when intermediary accounts and other persons utilize such model portfolios.

DIMA does not debit management fees directly from the client account; we render invoices in accordance with fee schedules. For separately managed accounts, DIMA does not impose multiple advisory fees when an advisory client's assets are invested in DIMA Advised Funds. As a result, DIMA generally does not charge an account level advisory fee for assets of separately managed accounts invested in DIMA Advised Funds. Separately managed accounts only pay such advisory fees charged by the DIMA Advised Funds. Separately managed accounts will incur additional fees and expenses relating to third-party services including, but not limited to, administration, custody, transfer agent, and other associated fees. With respect to the registered investment vehicles advised by DIMA that hold DIMA Advised Funds, please refer to the applicable prospectus, semiannual report, or annual report that sets forth the applicable fees and expenses.

In addition, DIMA faces a conflict of interest when allocating client assets between DIMA Advised Funds and investment funds managed by advisers who are not affiliated with DIMA (“Unaffiliated Funds”). DIMA has policies and procedures reasonably designed to appropriately identify and manage the conflicts of interest described above. For additional information regarding the investments in DIMA Advised Funds, please see Item 11 Code of Ethics, Participation, or interest in Client Transactions. In addition to paying advisory fees, clients will pay brokerage commissions, mark-ups, mark-downs and/or other commission equivalents related to transactions in their Advisory Accounts. See Item 12 for a discussion on Brokerage Practices.

The fees described herein do not include information about fees for advisory services DIMA provides through Retail SMAs. The terms of each client’s Retail SMA are governed by the client’s agreement with the Program Sponsor and disclosure document for each Retail SMA. Retail SMA clients are urged to refer to the appropriate disclosure document and client agreement for more information about the Retail SMA and advisory services. Similarly, dual-contract clients should refer to their agreement with their Program Sponsor, as applicable, the disclosure document for the applicable program, and the client's agreement with DIMA, which will vary depending on the strategy selected. See Item 4 – Advisory Business for additional information regarding Retail SMAs.

## **Termination Arrangements**

An advisory relationship with a client is generally terminable at will by either party. Certain agreements may require a notice period before the termination becomes effective. In addition, some agreements (e.g., in the case of CLO advisory agreements) may require certain events to occur prior to the termination of the investment advisory relationship. Furthermore, certain agreements may also stipulate that DIMA may not resign as investment adviser until a successor has been appointed. In the event of termination, investment advisory fees are prorated to the date of termination and, to the extent they have been paid for periods beyond the date of termination; the fees are refunded to the client.

## **DIMA Advised Funds/Unregistered Commingled Vehicles**

DIMA acts as investment adviser to certain DIMA Advised Funds. The management fees paid by the DIMA Advised Funds are subject to negotiation with the Board of Trustees/Directors of each DIMA Advised Fund and the approval of the respective shareholders. DIMA’s current investment management fees range up to 1.00% of aggregate net assets on an annual basis depending on the nature of the DWS Fund, the advisory fee structure, and the size of the DWS Fund's assets.

DIMA acts as an investment adviser to unregistered U.S. and non-U.S. pooled investment vehicles. With respect to such unregistered pooled investment vehicles advised by DIMA, please refer to the applicable Offering Memorandum, subscription agreement and/or other governing document that sets forth the applicable fees and expenses.

## Collateral Management of Structured Securities

The fee arrangements for CLOs generally are described in the offering circular for each CLO. The fees are calculated as well as performance fees based on the total portfolio collateral and may include both senior and subordinated components.

## Compensation of DIMA and Supervised Persons

Compensation of sales staff varies by types of products offered. In some functional areas outside of sales roles supervised individuals do not earn commissions; rather they receive a set annual “base” pay, along with a discretionary annual bonus that is determined on a variety of factors including profitability of DWS, profitability of the division, and contributions of that individual to the successes of the division.

While DIMA does not receive asset-based sales charges or service fees from the sale of DIMA Advised Funds, certain of its supervised persons, through their association with an affiliated broker-dealer, may from time to time receive compensation for the sale of DIMA Advised Funds. Such personnel may market the DIMA Advised Funds to financial intermediaries, including financial advisors, who in turn may recommend that their clients purchase these products. The DWS Incentive Plan (the “Plan”) combines monthly and quarterly incentive components with quarterly incentive award potential, based on achieving certain sales and other performance metrics. Under the Plan, DWS’s Wholesalers will receive a monetary monthly incentive based on the number of sales generated from their marketing of the DIMA Advised Funds, and that incentive will differ depending on the product tier of the DIMA Advised Fund. Each DIMA Advised Fund is assigned to one of four product tiers taking into consideration, among other things, the following criteria, where applicable:

- DIMA Advised Fund’s consistency with DWS branding and long-term strategy;
- The DIMA Advised Fund’s competitive performance;
- The DIMA Advised Fund’s Morningstar rating;
- The length of time the DIMA Advised Fund’s Portfolio Managers have managed the DIMA Advised Fund/strategy;
- Market size for the DIMA Advised Fund tier; and
- The DIMA Advised Fund’s size, including sales and redemptions of the DIMA Advised Fund’s shares.

This information and other factors are discussed with senior representatives from various groups within DIMA, who review on a regular basis the DIMA Advised Funds assigned to each product tier described above and may make changes to those assignments periodically. No one factor, whether positive or negative, determines a DIMA Advised Fund’s placement in a given product tier; all these factors together are considered, and the designation of DIMA Advised Funds in a particular tier represents management’s judgment based on the above criteria. In addition, management may consider a DIMA Advised Fund’s profile over the course of several review periods before making a change to its tier assignment. These tier assignments will be posted quarterly to the DIMA Advised Funds’ Web site at <https://fundsus.dws.com/EN/wholesaler-compensation.jsp>. DWS Wholesalers receive the highest compensation for Tier 1 DIMA Advised Funds and successively less for Tier 2,

successively less for Tier 3 funds and successively less for Tier 4 funds. The level of compensation among these product tiers may differ significantly.

The prospect of receiving or the receipt of additional compensation by a DWS Wholesaler under the Plan may provide an incentive to favor marketing DIMA Advised Funds in higher payout tiers over DIMA Advised Funds in lower payout tiers. The Plan, however, will not change the price that investors pay for shares of a fund. The DWS Compliance Department monitors DWS Wholesaler sales and other activity in an effort to detect unusual activity in the context of the compensation structure under the Plan. Disclosure regarding the Plan appears in the Statement of Additional Information for DIMA Advised Funds and investors may wish to take the compensation structure into account when considering purchasing a fund or evaluating any recommendations relating to fund shares.



## Item 6 / Performance-Based Fees and Side-by-Side Management

Certain accounts are subject to both performance-based and asset-based compensation components. Accounts that bear performance-based fees reward DIMA for positive performance in those accounts. DIMA may manage accounts using similar investment strategies that charge either performance-based fees and asset-based fees or only an asset-based fee.

DIMA will not determine allocations based upon whether an account has performance-based or other incentive fee arrangements; however, allocations among such accounts and asset-based fee paying-only accounts could be viewed as a potential conflict of interest. For example, DIMA may have an incentive to allocate attractive investments to performance-fee accounts over accounts not subject to a performance fee. Performance-based fee arrangements may also create a heightened incentive for portfolio managers to make investments that may present a greater potential for return but also a greater risk of loss, or that may be more speculative than would exist if only asset-based fees were applied. In addition, due to the method of calculating the performance fees, such fees may be affected by the timing of dispositions and other factors within DIMA's control. The performance fees are computed based on realized and appraised appreciation, and calculations based on appraised value may be higher or lower than the true value of the performance fees due to DIMA.

DIMA has implemented policies and procedures reasonably designed to provide fair and equitable treatment of similarly situated clients. Under these policies and procedures, and consistent with its fiduciary obligations, DIMA will allocate investment opportunities among Advisory Accounts based upon a number of factors that may include, but are not limited to:

- Investment objectives and guidelines;
- Suitability and risk tolerance;
- Availability of other investment opportunities;
- Available cash for investment;
- Tax sensitivity and objectives;
- Investment minimums, minimum increments, de minimis threshold and round lot considerations; and
- Whether DIMA has investment discretion over the account or has to request client approval for investments.

Notwithstanding DIMA's policies around fair and equitable treatment, the availability, amount, timing, structuring or terms of the investments available to particular accounts, including accounts engaging in the same or similar strategies, may differ.

## Item 7 / Types of Clients

DIMA provides investment advice directly or indirectly to many client types including: banks, corporations, governments (U.S. federal and state entities), international public authorities, foundations, endowments, financial institutions, insurance companies, non-governmental organizations (“NGO”), non-profit or not-for-profit organizations, individuals, trusts, qualified institutional family offices, DIMA Advised Funds, including open-end and closed-end funds, pension plans, including those covered under the Employee Income Retirement Income Security Act of 1974, as amended (“ERISA”), pooled investment vehicles, non-U.S. funds and private investment funds, issuers of collateralized bond and loan obligations and other structured products in the U.S. and abroad.

DIMA may impose a minimum dollar value of assets in order to open or maintain an account depending upon the type of product and type of client. However, DIMA does consider the minimum annual fee an account is expected to generate when determining whether to open or maintain an account. DIMA takes into account the dollar value of assets expected to be managed in an account, the expected length of the engagement, as well as the type of investment strategy to be employed, in determining whether to open or maintain a separately managed account. Typically, clients are required to sign an Investment Agreement that describes the investment management authority given to DIMA.

In the case of DIMA Advised Funds and other pooled vehicles, the minimum amount investors must invest in DIMA managed funds is set forth in each fund’s prospectus or relevant offering document and varies from fund to fund depending on the particular investment product.

Prior to establishing an Advisory Account with DIMA, among other things, clients are required to sign an IAA that, among other things, describes the nature of the investment advisory authority given to DIMA.

In addition, DIMA may from time to time provide investment advice to individual retail investors through either a traditional “single contract” wrap fee structure or through “dual contract” wrap accounts, each sponsored by unaffiliated investment advisers, banks, or broker-dealers. DIMA may also manage separately managed account clients through a third-party “manager of managers” program, under which the third-party investment adviser hires or recommends DIMA to its own advisory clients.

With regard to transactions for DIMA’s clients that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), DIMA may rely on various Prohibited Transaction Exemptions (“PTEs”) available under ERISA, including PTE 84-14, which is only available to qualified professional asset managers (the “QPAM Class Exemption”). Because of Deutsche Bank Group’s past criminal conviction in the LIBOR matter, which did not involve asset management activities, DIMA has been required to seek an individual QPAM exemption to avoid disqualification from relying on the QPAM Class Exemption. In April 2021, the U.S. Department of Labor (“DOL”) extended our individual QPAM exemption, which is now scheduled to expire on April 17, 2024, but which may terminate earlier if, among other things, we or our affiliates were to be convicted of crimes in other matters. On February 21, 2024, in response to our request for an additional relief through April 17, 2027, the DOL issued a proposed exemption which is now subject to public comment and the DOL’s further consideration prior to the DOL’s issuance of a final three-year exemption (the “QPAM Exemption

Extension”) for final approval. The QPAM Exemption Extension, if and when issued, may terminate prior to April 17, 2027, if among other things, we or our affiliates were to be convicted of crimes in other matters. Under the current individual exemption and the QPAM Exemption Extension PTE 2021-01, DIMA’s ERISA clients have a right, among other rights, to obtain a copy of the summary of the written policies developed in connection with the exemption.

## Item 8 / Methods of Analysis, Investment Strategies, and Risk of Loss

DIMA offers a wide range of investment products and opportunities. Portfolio management teams typically invest in securities that appear to offer the best potential to meet client needs, which may include factors such as: yield, value, growth, income, etc. In making their buy and sell determinations, a manager can weigh any number of factors against each other ranging from economic outlook, possible interest rate movements, supply, demand, analyst research and price. Portfolio management periodically reviews account allocations and may adjust them based on current or anticipated market conditions or to manage risk consistent with the account's overall investment strategy. In the course of adjusting these positions, a client would pay transaction costs when the strategy buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs, affect performance, and may mean higher taxes, if you are investing in a taxable account. Within each investment strategy there is a team that manages and specializes in the particular asset category being employed. The team may use a variety of quantitative and qualitative techniques in trying to meet a client's investment goals. Irrespective of what strategy clients select, investing in securities involves varying risks, principally the risk of loss. Additional risks include, but are not limited to, asset allocation risk, stock market risk, credit risk, interest rate risk, liquidity risk, foreign investment risk, and derivative risk.

DIMA may use research that is "bottom up" or focuses on individual companies that it believes have a history of above-average growth, strong competitive positioning, attractive prices relative to potential growth, sound financial strength and effective management, among other factors. Additionally, DIMA may use research that is "top down" or considers the economic outlook for various industries as a key indicator while looking for investments that may benefit from changes in the overall business environment. DIMA may also utilize its own individual research and the research it receives from a variety of sources, including other DWS companies and third-party research providers when selecting securities. A general description of each strategy and basic investment risks are represented below and in the appendix.

For certain fixed income strategies that invest in high yield debt, DIMA utilizes a proprietary system that employs machine learning to identify leaders and laggards within the particular bond universe. The system generates signals for bonds by combining various performance factors. When making investment decisions, DIMA applies a "bottom up" research analysis to the securities generated by the system as leaders or laggards. The signals generated by the system are one of the many factors used by DIMA when making investment decisions. The system does not directly select investments or determine trades on behalf of DIMA's clients.

## Alternatives

### Strategy: (asset allocation Alternatives)

Strategy Description: The strategy is designed to provide access to a diversified portfolio of alternative investment strategies. The strategy invests predominantly in a combination of affiliate funds. Investment strategies may fall into the following categories: absolute return, real return and non-traditional, in addition to employing a blend of alternative investment strategies to help enhance diversification. To maintain the desired allocations, the strategy will be rebalanced periodically.

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#### ASSOCIATED MATERIAL RISKS: (see, “associated material risks” below for further definitions.)

Asset allocation risk	Borrowing risk	Commodities – related investments risk
Concentration risk	Convertible securities risk	Counterparty risk
Credit risk	Currency risk	Currency strategies risk
Dividend-paying stock risk	Emerging markets risk	ETF risk
ETN risk	Focus risk	Foreign investment risk
High yield debt securities	Inflation-indexed bond risk	Inflation risk
Interest rate risk	Interest rate strategies risk	Liquidity risk
Market disruption risk	Market risk	Operational and technology risk
Preferred stock risk	Prepayment and extension risk	Pricing risk
Real estate securities risk	Regional focus risk	Security selection risk
Senior loans risk	Small company risk	Stock market risk
Subsidiary risk	Tax risk	Underlying funds risk

### Strategy: commodities

**Strategy Description:** The strategy seeks to provide the benefits of commodities investing with higher returns and lower volatility than otherwise investing in a passive commodity index. This strategy seeks to identify and exploit pricing inefficiencies among listed commodities through tactical positions in individual commodities.

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#### ASSOCIATED MATERIAL RISKS

Active trading risk	Commodities – related investments risk	Counterparty risk
Derivatives risk	Foreign investment risk	Inflation Indexed bond risk
Liquidity risk	Market disruption risk	Non-diversification risk
Pricing risk	Securities lending risk	Security selection risk
Tax risk		

### Strategy: commodities with fixed income

**Strategy Description:** The strategy invests in commodity-related securities and commodity-linked derivative instruments backed by a portfolio of fixed income instruments. The investment team seeks to use an active management strategy to improve return potential and decrease risk potential.

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#### ASSOCIATED MATERIAL RISKS

Commodities – related risk investments risk	Concentration risk	Counterparty risk
Credit risk	Derivative risk	Emerging markets securities risk
Foreign investment risk	Inflation- indexed bond	Inflation risk
Interest rate risk	Liquidity risk	Market disruption risk
Operational and technology risk	Prepayment and extension risk	Pricing Risk
Securities lending risk	Security selection risk	Subsidiary risk
Tax risk	Senior loans risk	

#### Strategy: commodity securities

**Strategy Description:** The strategy seeks to invest in equity issuers providing a broad exposure to the global commodity universe through exchange-traded commodities, commodity companies and commodity-related securities.

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#### ASSOCIATED MATERIAL RISKS

Active Trading risk	Commodities-related investments risk	Counterparty risk
Derivatives risk	Foreign investment risk	IPO risk
Liquidity risk	Market disruption risk	Non-diversification risk
Pricing risk	Securities lending risk	Security selection risk
Stock market risk	Tax risk	

#### Strategy: U.S. real estate equity

**Strategy Description:** The strategy looks to invest in real estate securities that portfolio management believes will provide superior returns over the long term, particularly in companies with the potential for stock price appreciation and a record of paying dividends. In particular, the strategy will invest in different types of domestic (U.S.) Real Estate Investment Trusts ("REITS") and Real Estate Operating Companies ("REOC").

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#### ASSOCIATED MATERIAL RISKS

Active trading risk	Concentration risk	Counterparty risk
Credit risk	Interest rate risk	Liquidity risk
Market disruption risk	Non-diversification risk	Operational and technology risk
Pricing risk	Real estate securities Risk	Securities lending risk
Security selection risk	Stock market risk	

**Strategy: global real estate equity**

**Strategy Description:** The strategy seeking current return, mainly invests in the equity securities of REITS and REOC listed on recognized stock exchanges around the world, including the U.S.

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**ASSOCIATED MATERIAL RISKS**

Concentration risk	Counterparty risk	Credit risk
Currency risk	Emerging market risk	Foreign investment risk
Interest rate risk	Liquidity risk	Market disruption risk
Operation and technology risk	Pricing risk	Real estate securities risk
Security selection risk	Securities lending risk	Small company risk
Stock market risk		

**Strategy: global infrastructure**

**Strategy Description:** The strategy primarily invests in both U.S. and non-U.S. infrastructure securities that have derived their gross income or net profits from ownership, management, construction, operation, utilization, or financing of infrastructure assets. These assets can include physical assets, structures, and networks that provide necessary services and operations to society. The strategy can invest in both equity and fixed income securities.

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**ASSOCIATED MATERIAL RISKS**

Concentration risk	Counterparty risk	Credit risk
Currency risk	Emerging markets risk	Foreign investment risk
Interest rate risk	Liquidity risk	Market disruption risk
Medium sized Company risk	Non-diversification risk	Operational and technology risk
Pricing risk	Securities lending risk	Security selection risk
Small company risk	Stock market risk	

**Multi-Asset**

**Strategy: multi-asset allocation**

**Strategy Description:** The strategy seeks to maximize total return by investing in a broad range of both traditional asset classes (such as equity and fixed income investments) and alternative asset classes (such as real estate including real estate investment trusts (REITs), infrastructure, convertibles, commodities, currencies, and absolute return strategies).

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Using a risk/return strategic asset allocation process, portfolio management allocates assets among various asset categories. Portfolio management periodically reviews the strategy allocations and may adjust them based on current or anticipated market conditions, to manage risk consistent with the overall investment strategy or based upon other relevant considerations. Portfolio management also utilizes a tactical asset allocation process to adjust allocations in response to short-term market changes from time to time. Tactical allocations reflect views from DWS's Chief Investment Officer and global research platform. Tactical allocations, which may include derivative instruments, have shorter investment horizons as positions reflect short-term views and may be implemented as: (i) changes to the strategic asset allocation, (ii) through the addition of new allocations, or (iii) through changes to prior tactical allocations.

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### ASSOCIATED MATERIAL RISKS

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Active trading risk	Asset allocation risk	Commodities – related investments risk
Concentration risk	Counterparty risk	Credit risk
Currency strategies risk	Derivatives risk	Emerging markets risk
ETF risk	Focus risk	Foreign investment risk
Interest rate risk	Liquidity risk	Market disruption risk
Operational and	Prepayment and extension	Pricing risk
Quantitative model risk	Real estate securities risk	Securities lending risk
Security selection risk	Stock market risk	Underlying funds risk

### Strategy: multi-asset allocation – income

**Strategy Description:** Portfolio management seeks to maximize risk adjusted returns by allocating assets among various asset categories. Portfolio management draws upon a broad investible universe to establish a strategic allocation based upon collective, long-term views on asset class selection, implementation, expected returns and other relevant factors. Portfolio management periodically reviews the strategy's allocations and may adjust them based on current or anticipated market conditions or to manage risk consistent with overall investment strategy.

Within each asset category, portfolio management uses one or more investment strategies for selecting equity and debt securities. Each investment strategy is managed by a team that specializes in a particular asset category, and that may use a variety of quantitative and qualitative techniques. As a general matter, in buying and selling securities for the portfolio, the portfolio management teams utilize in-house research and resources to determine the appropriateness of specific securities and use sector specialists to determine relative value within each relevant sector.

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### ASSOCIATED MATERIAL RISKS

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Active trading risk	Asset allocation risk	Commodities – related investments risk
Concentration risk	Counterparty risk	Credit risk



**ASSOCIATED MATERIAL RISKS**

Currency risk	Derivatives risk	Dividend paying stock risk
Emerging markets risk	ETF risk	ETN risk
Foreign investment risk	Focus risk	High yield debt securities risk
Inflation-indexed bond risk	Interest rate risk	Liquidity risk
Market disruption risk	Municipal securities risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Quantitative model risk
Real estate securities risk	Regional focus risk	Securities lending risk
Security selection risk	Senior loan risk	Small company risk
Stock market risk	Underlying funds risk	

**Strategy: multi-asset allocation – highly active**

**Strategy Description:** The strategy seeks to achieve total return by employing an active and flexible approach without benchmark constraints. It leverages a wide range of investment ideas within a stringent risk-controlled framework that targets a maximum 10% per annum volatility and a maximum 10% drawdown within a calendar year.

Portfolio management constructs the strategy using a combination of top-down macro views and bottom-up research along with risk management strategies. Based on the top-down macro views, the portfolio management team outlines a strategic allocation among asset classes for the portfolio which is a reflection of the team's broad market view. The portfolio management team further takes into consideration news flows, market sentiment and technical factors and then decides on a targeted level of risk. Idea generation, allocation by regions and sectors as well as position sizing are important features of the strategic allocation process during which exposures to different asset classes are determined. Selection of investments is then made using bottom-up fundamental analysis. The portfolio management team evaluates the strategic allocations and fund investments on an ongoing basis from a risk/return perspective. Currencies are considered an asset class in their own right by portfolio management and form an integral part of the strategic allocation and the investment selection process. Currencies are actively managed and portfolio management attempts to hedge against undesired currency risk. Portfolio management views currency as an important additional source of alpha-generation. Active currency positions may be taken across developed and emerging market currencies to exploit under- and/or over-valued currencies and to benefit from currency fluctuations. Portfolio management also views currency management as a beneficial source of risk diversification. Completely or partially applied currency hedges may also impact overall fund performance. Portfolio management may consider information about ESG issues in its fundamental research process and when making investment decisions.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Asset allocation risk	Commodities – related investments risk
Concentration risk	Counterparty risk	Credit risk
Currency risk	Derivatives risk	Dividend paying stock risk
Emerging markets risk	ETF risk	ETN risk
Focus risk	Foreign investment risk	High yield debt securities risk
Inflation-indexed bond risk	Interest rate risk	Liquidity risk
Market disruption risk	Municipal securities risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Quantitative model risk
Real estate securities risk	Regional focus risk	Securities lending risk
Security selection risk	Senior loan risk	Small-company risk
Stock market risk	Underlying funds risk	

**Liquidity management****Strategy: ESG liquidity/ESG U.S. cash prime**

**Strategy Description:** The strategy seeks a high level of current income consistent with liquidity and the preservation of capital. The strategy invests in high quality, short-term, U.S. dollar denominated money market instruments paying a fixed, variable, or floating interest rate. Portfolio management uses internal ESG ratings and proprietary quantitative models to select attractive securities and a systematic process for portfolio construction.

**ASSOCIATED MATERIAL RISKS**

Concentration risk	Counterparty risk	Credit risk
ESG investing risk	Foreign investment risk – money funds	Inflation risk
Interest rate risk Market risk	Liquidity and transaction risk	Market disruption risk
Money market fund risk	Municipal securities risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Repurchase agreement risk
Risks of holding cash	Security selection risk	

**Strategy: U.S. cash prime**

**Strategy Description:** The strategy seeks a high level of current income consistent with liquidity and the preservation of capital. The strategy invests in high quality, short-term, U.S. dollar denominated money market instruments paying a fixed, variable, or floating interest rate.

**ASSOCIATED MATERIAL RISKS**

Concentration risk	Counterparty risk	Credit risk
Foreign investment risk – money funds	Inflation risk	Interest rate risk
Liquidity and transaction risk	Market risk	Market disruption risk
Money market fund risk	Municipal Securities risk	Operational and technology risk
Prepayment and extension risk	Repurchase agreement risk	Risks of holding cash
Security selection risk – money market	U.S. Government default risk	

**Strategy: U.S. cash government**

**Strategy Description:** The strategy seeks a high level of current income consistent with liquidity and the preservation of capital. The strategy invests in high quality, short-term, U.S. dollar denominated money market instruments issued by the U.S. Government, its agencies, or instrumentalities (or in repurchase agreements collateralized by such obligations) paying a fixed, variable, or floating interest rate.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Interest rate risk
Liquidity and transaction risk	Market disruption risk	Market risk
Money market risk	Operational and technology risk	Prepayment and extension risk
Repurchase agreement risk	Risks of Holding cash	Security selection risk

**Strategy: U.S. cash municipals**

**Strategy Description:** The strategy seeks a high level of current income exempt from federal income taxes consistent with liquidity and the preservation of capital by investing in high quality, short-term, tax-exempt money market instruments. The strategy invests its assets in investments the income from which is excluded from federal income taxes. The strategy may invest in municipal obligations that pay interest that is subject to the federal alternative minimum tax (AMT).

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Inflation risk
Interest rate risk	Liquidity and transaction risk	Market disruption risk
Money market fund risk	Municipal securities risk	Municipal trust receipts
Operational and technology risk	Prepayment and extension	Risks of Holding cash
Security selection risk	Tax risk	

## Equity

### Strategy: U.S. core equity

**Strategy Description:** The strategy invests primarily in equities of large U.S. companies but can invest in companies of any size and from any country. Portfolio management uses proprietary quantitative stock selection models to select attractive securities and a systematic process for portfolio construction. The investment objective is long term capital appreciation, current income, and growth of income with risk management.

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#### ASSOCIATED MATERIAL RISKS

Counterparty risk	Derivatives risk	Focus risk
Liquidity risk	Market disruption risk	Medium-sized company risk
Operational and technology risk	Pricing risk	Quantitative model risk
Securities lending risk	Security selection risk	Stock market risk

### Strategy: ESG core equity

**Strategy Description:** The strategy invests primarily in equities of large U.S. companies but can invest in companies of any size and from any country. Portfolio management uses internal ESG ratings and proprietary quantitative models to select attractive securities and a systematic process for portfolio construction. The investment objective is long-term capital appreciation, current income, and growth of income with risk management.

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#### ASSOCIATED MATERIAL RISKS

Counterparty risk	Derivatives risk	ESG investing risk
Focus risk	Liquidity risk	Market disruption risk
Operational and technology risk	Quantitative model risk	Pricing risk
Securities lending risk	Security selection risk	Stock market risk

### Strategy: U.S. sector strategy

**Strategy Description:** U.S. Sector Strategy employs an active investment strategy that invests primarily in the stocks comprising the S&P 500 Index. The strategy is to “tilt” (over/under weight) toward industries and sectors in order to outperform the S&P 500 Index. The tilts will be based on the macro views of the DWS CIO Americas strategy team and global DWS CIO View forecasts.

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#### ASSOCIATED MATERIAL RISKS

Counterparty risk	Derivatives risk	ETF risk
Focus risk	Liquidity risk	Market disruption risk

**ASSOCIATED MATERIAL RISKS**

Operational and technology risk	Pricing risk	Securities lending risk
Stock market risk	Strategy risk	

**Strategy: U.S. small cap – core**

**Strategy Description:** The strategy invests primarily in U.S. small cap equities but can invest in companies of any size and from any country. Portfolio management uses fundamental analysis to identify attractive securities with a preference for companies with demonstrated profitability. The investment objective is long term capital appreciation with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Derivatives risk	Focus risk
Foreign investment risk	Liquidity risk	Market disruption risk
Operational and technology risk	Pricing risk	Securities lending risk
Security selection risk	Small company risk	Stock market risk

**Strategy: U.S. large cap growth and U.S. growth equity focus**

**Strategy Description:** The strategy invests primarily in U.S. large cap equities of companies with superior growth potential over time. The strategy uses fundamental analysis to seek companies that create shareholder value on the basis of competitive advantage and that are well positioned for secular trends. The portfolio is diversified across various corporate life cycle stages to deliver an investment exposure mix of both established and earlier stage and high growth potential companies. The investment objective is long term capital appreciation with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Focus risk	Focus risk – limited number of
Growth investing risk	Liquidity risk	Market disruption risk
Operational and technology risk	Securities lending risk	Security selection risk
Stock market risk		

**Strategy: U.S. small cap growth**

**Strategy Description:** The strategy invests primarily in U.S. small cap equities, with a preference for companies with superior growth potential over time but can invest in companies of any size and from any country. Portfolio management uses fundamental analysis to identify attractive securities across sectors. The investment objective is long term capital appreciation with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Emerging markets risk	Focus risk
Foreign investment risk	Growth investing risk	Liquidity risk
Market disruption risk	Operational and technology risk	Pricing risk

**ASSOCIATED MATERIAL RISKS**

Securities lending risk	Security selection risk	Small company risk
Stock market risk		

**Strategy: U.S. small & mid-cap growth**

**Strategy Description:** The strategy invests primarily in U.S. small and mid-cap equities, with a preference for companies with superior growth potential over time but can invest in companies of any size and from any country. Portfolio management uses fundamental analysis to identify attractive securities across sectors. The investment objective is long-term capital appreciation with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Emerging markets risk	Focus risk
Foreign investment risk	Growth investing risk	IPO risk
Liquidity risk	Market disruption risk	Medium-sized company risk
Operational and technology risk	Pricing risk	Security lending risk
Security selection risk	Small company risk	Stock market risk

**Strategy: Global sector – healthcare**

**Strategy Description:** The strategy invests in equities of healthcare companies. The management team focuses on biotechnology, pharmaceutical, medical device, life science instrumentation and medical service companies with stable earnings and superior growth potential with a solid pipeline of products and services. The strategy primarily invests in large-cap stocks, supplemented with mid-cap and small-cap stocks. The strategy is diversified across industries in Health Care to help manage risk.

**ASSOCIATED MATERIAL RISKS**

Concentration risk	Counterparty risk	Foreign investment risk
Liquidity risk	Growth investing risk	Stock market risk
Market disruption risk	Operational and technology risk	Pricing risk
Securities lending risk	Security selection risk	Small company risk

**Strategy: Global sector – technology**

**Strategy Description:** The strategy invests in equities of companies in the technology sector, including semiconductors, software, telecom equipment, computer/hardware, internet, IT services, and financial technology services. As a comprehensive Science & Technology strategy, it also invests in equities of companies that invent and develop technology-based solutions and/or apply and integrate leading edge

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technology-based solutions as a key element of their corporate strategies. This includes companies in the technology sector, but also includes companies applying technological and scientific advancement to other market sectors including, but not limited to, advertising, commerce, healthcare, and industrial. The strategy may invest in companies of any size and may invest in initial public offerings. While the strategy invests mainly in U.S. stocks, it also invests in foreign securities including emerging markets securities.

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### ASSOCIATED MATERIAL RISKS

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Concentration risk	Counterparty risk	Credit risk
Derivatives risk	Emerging markets risk	Foreign investment risk
Growth investing risk	Interest rate risk	IPO risk
Liquidity risk	Market disruption risk	Medium-sized company risk
Non-diversification risk	Operational and technology risk	Prepayment and extension risk
Pricing risk	Restricted securities risk	Securities lending risk
Security selection risk	Small company risk	Stock market risk

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### Global sector – communications

**Strategy Description:** The strategy invests primarily in securities of Communications companies including those that provide connectivity services, content, interactive media platforms that facilitate communications and commerce, and related communications technologies. This group includes traditional providers of Communications and Media services, but also includes newer Communications businesses employing digital, cloud and mobile technologies. Portfolio holdings primarily include common stocks but may also include convertible bonds and debt securities of Communications companies worldwide.

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### ASSOCIATED MATERIAL RISKS

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Concentration risk	Counterparty risk	Credit risk
Derivatives risk	Emerging markets risk	Foreign investment risk
Growth investing risk	IPO risk	Liquidity risk
Market disruption risk	Medium-sized company risk	Non-diversification risk
Operational and technology risk	Pricing risk	Real estate securities risk
Securities lending risk	Security selection risk	Small company risk
Stock market risk		

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### Strategy: U.S. large cap value and US large cap equity dividend

**Strategy Description:** These strategies follow DWS Group’s registered trademark CROCI<sup>®</sup> (Cash Return on Capital Invested) approach. These strategies use rules-based stock selection based on a proprietary equity valuation technique that aims to deliver investment exposure to underappreciated economic value. Strategy implementation is systematic based on ranking of stocks according to CROCI<sup>®</sup> Economic Price Earnings Ratios. The research and analysis within this valuation technique includes consistent method adjustments to reported financial statement measures that include adjustments for inflation, hidden liabilities, depreciating similar assets in the same manner and estimating the value of unreported assets. These adjustments improve comparability for investment purposes. Strategies are rebalanced on a regular (monthly or quarterly) basis. Extra screens are applied for the equity dividend strategies to focus more on higher dividend yield stocks and to minimize financial, operational and market risks.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	CROCI <sup>®</sup> risk	Dividend-paying stock risk
Focus risk	Foreign investment risk	Liquidity risk
Market disruption risk	Operational and technology	Pricing risk
Securities lending risk	Security selection risk	Stock market risk
Value investing risk		

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**Strategy: U.S. small & mid-cap value**

**Strategy Description:** The strategy invests primarily in equities of small and mid-size U.S. companies but can invest in companies of any size and from any country. Portfolio management uses proprietary quantitative models to select attractive securities and a systematic process for portfolio construction. The investment objective is long term capital appreciation, current income, and growth of income with risk management.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Derivatives risk	Focus risk
Foreign investment risk	IPO risk	Liquidity risk
Market disruption risk	Medium-sized company	Operational and technology risk
Quantitative model risk	Pricing risk	Real estate securities risk
Securities lending risk	Security selection risk	Small company risk
Stock market risk	Value investing risk	

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**Strategy: Institutional managed equity**

**Strategy Description:** These strategies provide customized equity solutions in separately managed accounts for insurance companies and other institutions. These strategies target client desired equity exposures with risk and tax management. Tax management is achieved by managing gains and losses with quantitative portfolio management tools to optimize after-tax total returns within risk budgets and other parameters. These strategies can be tailored across a wide range of U.S. and International equity benchmark indices and can include customized ESG criteria and active strategies from across the firm.



DIMA will endeavor to trigger capital losses to offset capital gains from other transactions, however, these losses may on occasion be disallowed by certain tax rules, such as the wash sale rules. DIMA monitors accounts to attempt to prevent wash sales but may not be able to prevent them in every case.

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**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	ESG investing risk	Foreign investment risk
Indexing risk	Interest rate risk	Liquidity risk
Market disruption risk	Pricing risk	Securities lending risk
Security selection risk	Stock market risk	

**Strategy: equity index**

**Strategy Description:** The strategy’s primary strategy seeks to replicate the performance of a broad market equity index. The strategy gains exposure to the largest stocks in the index in approximately the same proportion they are represented in the index, then gaining exposure to a statistically selected sample of the smaller stocks found in the index. This process is intended to produce a portfolio whose industry weightings, market capitalizations and fundamental characteristics (price-to-book ratios, price-to-earnings ratios, debt-to-asset ratios, and dividend yields) closely replicate those of the index. This approach attempts to maximize the strategy’s liquidity and returns while minimizing its costs.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Derivatives risk	Index-related risk
Liquidity risk	Market disruption risk	Non-diversification risk
Operational and technology risk	Passive investing risk	Pricing risk
Securities lending risk	Stock market risk	Tracking error risk

**Strategy: Active CROCI**

**Strategy Description:** The strategy follows DWS Group’s registered trademark CROCI<sup>®</sup> (Cash Return on Capital Invested) approach. These strategies use rules-based stock selection based on a proprietary equity valuation technique that aims to deliver investment exposure to under-appreciated economic value. Strategy implementation is systematic based on rankings of stocks according to CROCI<sup>®</sup> Economic Price Earnings Ratio. The research and analysis within the valuation technique includes consistent method adjustments to reported financial statement measures that include adjustments for inflation, hidden liabilities, depreciating similar assets in the same manner and estimating the value of underreported assets. These adjustments improve comparability for investment purposes. Strategies are rebalanced on a regular (monthly or quarterly) basis.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	CROCI <sup>®</sup> risk	Currency risk
Dividend-paying stock risk	Focus risk	Foreign investment risk
Liquidity risk	Market disruption risk	Operational and technology risk
Pricing risk	Securities lending risk	Security selection risk
Stock market risk	Value investing risk	

**Strategy: ESG international core**

**Strategy Description:** The strategy invests primarily in foreign equities of large companies in developed markets but can invest in companies of any size and from any country. Portfolio management uses internal ESG ratings and proprietary quantitative models to select attractive securities and a systematic process for portfolio construction. The investment objective is long-term capital appreciation, current income, and growth of income with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Currency risk	Derivatives risk
ESG investing risk	Focus risk	Foreign investment risk
Liquidity risk	Market disruption risk	Medium-sized company risk
Operational and technology	Pricing risk	Quantitative model risk
Regional focus risk	Securities lending risk	Security selection risk
Stock market risk		

**Strategy: international equity – growth**

**Strategy Description:** The strategy invests primarily in equities of foreign large cap companies with superior growth potential over time. The strategy uses fundamental analysis to seek companies that create shareholder value on the basis of competitive advantage and that are well positioned for secular trends. The portfolio is diversified across various corporate life cycle stages to deliver an investment exposure mix of both established and earlier stage and high growth potential companies. While most holdings are of developed market equities, the fund also invests in emerging market equities and companies with business in emerging markets. The investment objective is long-term capital appreciation with risk management.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Currency risk	Emerging markets risk
Focus risk	Foreign investment risk	Growth investing risk
Liquidity risk	Market disruption risk	Medium-sized company risk
Operational and technology risk	Pricing risk	Regional focus risk
Securities lending risk	Security selection risk	Small company risk
Stock market risk		

**Strategy: international equity – value**

**Strategy Description:** These strategies follow DWS Group’s registered trademark CROCI<sup>®</sup> (Cash Return on Capital Invested) approach. These strategies use rules-based stock selection based on a proprietary equity valuation technique that aims to deliver investment exposure to underappreciated economic value. Strategy implementation is systematic based on ranking of stocks according to CROCI<sup>®</sup> Economic Price Earnings Ratios. The research and analysis within this valuation technique includes consistent method adjustments to reported financial statement measures that include adjustments for inflation, hidden liabilities, depreciating similar assets in the same manner and estimating the value of unreported assets. These adjustments improve comparability for investment purposes. Strategies are rebalanced on a regular (monthly or quarterly) basis. Investment Universe includes major developed markets outside of the US.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	CROCI <sup>®</sup> risk	Currency risk
Focus risk	Foreign investment risk	Liquidity risk
Market disruption risk	Operational and technology risk	Pricing risk
Securities lending risk	Security selection risk	Stock market risk

**Strategy: global small cap**

**Strategy Description:** The strategy invests primarily in equities of small companies throughout the world but can invest in companies of any size. Portfolio management uses proprietary quantitative stock selection models to select attractive securities and a systematic process for portfolio construction. Portfolio management can use discretion to remove stocks from the portfolio or pass on quantitatively identified candidates. The investment objective is long-term capital appreciation with risk management.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Currency risk	Derivatives risk
Emerging markets risk	Foreign investment risk	Liquidity risk
Market disruption risk	Operational and technology risk	Pricing risk
Quantitative model risk	Securities lending risk	Security selection risk
Small company risk	Stock market risk	

**Strategy: Latin America equity**

**Strategy Description:** The strategy seeks long-term capital appreciation by investing primarily in Latin American common stocks and other Latin America-related equities, such as those issued by a company traded mainly on Latin American markets, issued, or guaranteed by a Latin American government or issued by a company with more than half of its business in Latin America. Portfolio management uses quantitative and field research to identify key regional economic and industrial themes, as well as changes such as privatization, improved inflow of direct foreign investment, and the development of a business environment conducive to investment and growth.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Currency risk
Emerging markets risk	Focus risk	Foreign investment risk
Frontier market risk	Growth investing risk	Interest rate risk
Liquidity risk	Market disruption risk	Non-diversification risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Regional focus risk	Regional risk – Latin America investments	Securities lending risk
Security selection risk	Stock market risk	

**Strategy: emerging markets equity**

**Strategy Description:** The strategy seeks long-term growth of capital. The strategy invests in emerging market equities (equities traded mainly in emerging markets or issued by companies that are organized in emerging markets or have more than half of their business there). The strategy typically invests in equities from the U.S. or other developed markets or but may have a portion of its assets in U.S. or emerging market debt securities when portfolio management believes the securities may perform as well as equities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Currency risk
Emerging markets risk	Focus risk	Foreign investment risk
Frontier markets risk	Growth investing risk	Interest rate risk
Liquidity risk	Market disruption risk	Medium-sized company
Operational and technology risk	Prepayment and extension	Pricing risk
Regional focus risk	Securities lending risk	Security selection risk
Small company risk	Stock market risk	

**Strategy: growth equity**

**Strategy Description:** This strategy is designed to capture shifts in global trends and economic developments. The strategy invests significantly in common stocks of U.S. and foreign companies. The strategy can invest in companies of any size from any country but invests mainly in established global companies.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Concentration risk	Counterparty risk
Credit risk	Currency risk	Derivatives risk
Emerging markets risk	ETF risk	ETN risk
Focus risk	Foreign investment risk	High yield debt securities risk

**ASSOCIATED MATERIAL RISKS**

Interest rate risk	Liquidity risk	Market disruption risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Real estate securities risk	Regional focus risk	Securities lending risk
Security selection risk	Stock market risk	

**Fixed income****Strategy: Canada fixed income**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in Canadian dollar-denominated investment grade debt securities of Canadian and non-Canadian issuers: government and government agencies, instrumentalities, provincials and municipals, corporate and asset-backed securities.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Credit risk	Currency risk
Derivatives risk	Foreign investment risk	High-yield debt securities risk
Interest rate risk	Liquidity risk	Market disruption risk
Pricing risk	Securities lending risk	Security selection risk

**Strategy: ESG fixed income**

**Strategy Description:** The strategy considers both financial return and social good. The strategy invests primarily in debt of U.S. and foreign companies whose corporate practices promote environmental stewardship, consumer protection, human rights, and diversity.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Currency risk	Derivatives risk	Emerging markets risk
ESG investing risk	Foreign investment risk	High-yield debt securities risk
Interest rate risk	Liquidity risk	Market disruption risk
Prepayment and extension risk	Pricing risk	Securities lending risk
Security selection risk		

**Strategy: ESG global bond**

**Strategy Description:** The strategy seeks total return by investing in fixed income securities of issuers from around the world including the U.S., which meet the DIMA’s sustainability criteria at the time of investment. The strategy will typically invest in bonds of all maturities, including U.S. and foreign government bonds, corporate bonds, and mortgage- and asset-backed securities, which may be rated below investment grade.

ASSOCIATED MATERIAL RISKS		
Counterparty risk	Credit risk	Currency risk
Derivatives risk	Emerging markets risk	ESG investing risk
Foreign investment risk	High-yield debt securities risk	Interest rate risk
Liquidity risk	Market disruption risk	Operational and technology risk
Prepayment an extension risk	Pricing risk	Regional focus risk
Securities lending risk	Security selection risk	

**Strategy: emerging markets fixed income**

**Strategy Description:** The strategy seeks to provide high current income and long-term capital appreciation. The strategy typically invests in high yield bonds rated below the fourth highest credit rating and other debt securities issued by governments and corporations in emerging market countries.

ASSOCIATED MATERIAL RISKS		
Counterparty risk	Credit risk	Currency risk
Derivatives risk	Emerging markets risk	Foreign investment risk
High-yield debt securities risk	Interest rate risk	Liquidity risk
Market disruption risk	Non-diversification risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Regional focus risk
Securities lending risk	Security selection risk	

**Strategy: emerging markets fixed income index**

**Strategy Description:** The strategy seeks to replicate the performance of an emerging markets fixed income index. The strategy gains exposure to securities in the index in approximately the same proportion they are represented in the index. This process is intended to produce a portfolio whose industry weightings and fundamental characteristics closely replicate those of the index.

ASSOCIATED MATERIAL RISKS		
Counterparty risk	Currency risk	Credit risk
Derivatives risk	Emerging markets risk	Foreign investment risk
High-yield debt securities risk	Index-related risk	Interest rate risk

Liquidity risk	Market disruption risk	Multi-Manager risk
Non-diversification risk	Operational and technology risk	Passive investing risk
Prepayment and extension risk	Pricing risk	Regional focus risk
Securities lending risk	Security selection risk	Tracking-error risk

### Strategy: fixed income multi product

**Strategy Description:** The strategy seeks high current income and total return. The strategy employs numerous investment techniques including, but not limited to leverage, U.S., and non-U.S. debt, fixed and floating-rate debt of both investment grade and high yield debt of varying maturities. The exact portfolio composition will vary over time as a result of market changes as well as DIMA's view of the portfolio composition that best enables the strategy to achieve its investment objectives.

### ASSOCIATED MATERIAL RISKS

Active trading risk	Credit risk	Counterparty risk
Currency risk	Derivatives risk	Foreign investment risk
High-yield debt securities risk	Interest rate risk	Liquidity risk
Machine learning risk	Market disruption risk	Prepayment and extension risk
Pricing risk	Securities lending risk	Security selection risk

### Strategy: global fixed income

**Strategy Description:** The strategy seeks total return by investing primarily in fixed income securities of issuers located outside the U.S. The strategy will typically invest in bonds of all maturities issued by governments, agencies, and corporations around the world, which may be rated below investment grade.

### ASSOCIATED MATERIAL RISKS

Active trading risk	Counterparty risk	Credit risk
Currency risk	Derivatives risk	Emerging markets risk
Foreign investment risk	High-yield debt securities risk	Interest rate risk
Liquidity risk	Market disruption risk	Non-diversification risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Regional focus risk	Securities lending risk	Security selection risk

### Strategy: global inflation protected securities

**Strategy Description:** The strategy seeks to provide maximum inflated adjusted return. The strategy will typically invest in inflation indexed bonds or other fixed income investments that are linked to the rate of inflation. The strategy can include investments in both U.S. and non-U.S. governments,

government agencies, instrumentalities, corporations, and other derivatives related to these types of securities.

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**ASSOCIATED MATERIAL RISKS**

Active trading risk	Commodities – related investments risk	Conflict of interest risk
Counterparty risk	Credit risk	Currency risk
Derivatives risk	Emerging markets risk	Focus risk
Foreign investment risk	High-yield debt securities risk	Inflation-indexed bond risk
Interest rate risk	Interest rate strategies risk	Liquidity risk
Market disruption risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	Senior loans risk
Stock market risk	Tax risk	

**Strategy: global short duration**

**Strategy Description:** The strategy seeks to maximize total return consistent with preservation of capital and prudent investment management. The strategy typically invests in investment grade debt securities of domestic (U.S.) and foreign: government agencies, instrumentalities, corporate, mortgage backed, asset backed, taxable and tax-exempt municipal bonds. In keeping with a short duration strategy, investments are typically in securities that have short to intermediate maturities.

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**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
Emerging markets risk	Focus risk	Foreign investment risk
Forward commitment risk	High-yield debt securities risk	Interest rate risk
Liquidity risk	Market disruption risk	Mortgage-backed and other asset-backed securities risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	Senior loans risk

**Strategy: global government bond index**



**Strategy Description:** The strategy seeks an investment return that approximates as closely as practicable before expenses, the performance of the J.P. Morgan Government Bond Index Global (GBI Global Index), net coupon reinvested, unhedged in USD. The strategy will typically invest directly in securities of companies included in GBI Global Index, in approximately the same proportions as they are represented in the GBI Global Index. The portfolio shall be rebalanced on a monthly basis, in line with the rebalancing of the GBI Global Index.

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**ASSOCIATED MATERIAL RISKS**

Credit risk	Currency risk	Derivatives risk
Indexing risk	Interest rate risk	Liquidity risk
Market disruption risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	Tracking error risk

**Strategy: core fixed income**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in U.S. dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds.

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**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Currency risk
Credit risk	Derivatives risk	Foreign investment risk
High-yield debt securities risk	Interest rate risk	Liquidity risk
Market disruption risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	

**Strategy: core intermediate**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in U.S. dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds. In keeping with an intermediate duration strategy, investments are typically in securities that have intermediate maturities.

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**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Currency risk	Derivatives risk	Foreign investment risk
High-yield debt securities risk	Interest rate risk	Liquidity risk

**ASSOCIATED MATERIAL RISKS**

Market disruption risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	

**Strategy: core plus fixed income**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management by investing for both current income and capital appreciation. The strategy primarily invests in U.S. dollar-denominated investment grade and debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds. It also may invest in below investment-grade debt securities of domestic (U.S.) and foreign issuers: emerging-market government and government agencies, corporate, mortgage backed, asset backed, and taxable municipal bonds.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	Emerging markets risk	Foreign investment risk
High-yield risk	Inflation risk	Interest rate risk
Liquidity risk	Market disruption risk	Market risk
Mortgage-backed and other asset-backed securities risk	Operational and technology risk	Prepayment and extension risk
Pricing risk	Securities lending risk	Securities selection risk
US government default risk		

**Strategy: core short duration**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in U.S. dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed and taxable municipal bonds. In keeping with a short duration strategy, investments are typically in securities that have short maturities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
Emerging markets risk	Focus risk	Foreign investment risk
Forward commitment risk	High-yield debt securities risk	Inflation risk
Interest rate risk	Liquidity risk	Market disruption risk
Mortgage-backed and other asset-backed	Operational and technology risk	Prepayment and extension risk
Pricing risk	Securities lending risk	Security selection risk
Senior loans risk	US Government default risk	

**Strategy: U.S. corporate investment grade**

**Strategy Description:** The strategy seeks high total investment return. The strategy invests in investment grade fixed income securities of U.S. dollar-denominated corporate issuers.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	High-yield debt securities	Interest rate risk
Liquidity risk	Market disruption risk	Prepayment and extension risk
Pricing risk	Securities lending risk	Security selection risk

**Strategy: U.S. corporate investment grade index**

**Strategy Description:** The strategy seeks to replicate the performance of US corporate investment grade securities index. The strategy gains exposure to securities in the index in approximately the same proportion they are represented in the index. This process is intended to produce a portfolio whose industry weightings and fundamental characteristics closely replicate those of the index.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	High-yield debt securities risk	Index-related risk
Interest rate risk	Liquidity risk	Market disruption risk
Prepayment and extension risk	Pricing risk	Securities lending risk
Security selection risk	Passive investing risk	Tracking error risk

**Strategy: U.S. floating rate debt**

**Strategy Description:** The strategy seeks to provide high current income. The strategy typically invests in U.S. adjustable-rate loans that have a senior right to payment ("Senior Loans") and other floating rate debt securities. The senior loans that make up the strategy are typically below investment grade and unsecured leading to higher yield and higher volatility and risk of default.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Foreign investment risk
Inflation risk	Interest rate risk	Liquidity risk
Market disruption risk	Market Risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Securities lending risk
Security selection risk	Senior loans risk	

**Strategy: U.S. government**

**Strategy Description:** The strategy seeks to provide current income, liquidity, and security of principal. The strategy typically invests in securities backed by the full faith and credit of the U.S. Government, including related repurchase agreements, agencies with the explicit guarantee of the U.S. Government, and U.S. Treasury securities. Depending on the implementation of the strategy and needs of a client, the strategy can include debt and mortgage-backed securities, including securities that are issued by U.S. government agencies or instrumentalities, but are not backed by the full faith and credit of the U.S. Government.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Credit risk	Derivatives risk
High-yield debt securities risk	Interest rate risk	Liquidity risk
Market disruption risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	

**Strategy: global high yield**

**Strategy Description:** The strategy seeks a high level of current income. The strategy invests primarily in below investment grade debt bonds that are below the fourth highest credit rating of Global fixed income securities.

**ASSOCIATED MATERIAL RISKS**

Convertible securities risk	Counterparty risk	Currency risk
Credit risk	Derivatives risk	Emerging markets risk
Focus risk	Foreign investment risk	High-yield debt securities risk
Inflation risk	Interest rate risk	Liquidity risk
Machine learning risk	Market disruption risk	Operational and technology risk
Prepayment and	Pricing risk	Securities lending risk
Security selection risk	Stock market risk	

**Strategy: U.S. high yield**

**Strategy Description:** The strategy seeks a high level of current income. The strategy invests primarily in below investment grade or below the fourth highest credit rating of U.S. fixed income securities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
Emerging markets risk	Focus risk	Foreign investment risk
High-yield debt securities risk	Inflation risk	Interest rate risk
Liquidity risk	Machine learning risk	Market risk
Market risk	Operational and technology risk	Prepayment and extension
Pricing risk	Securities lending risk	Security selection risk

**Strategy: U.S. high yield index**

**Strategy Description:** The strategy seeks to replicate the performance of US high yield index. The strategy gains exposure to securities in the index in approximately the same proportion they are represented in the index. This process is intended to produce a portfolio whose industry weightings and fundamental characteristics closely replicate those of the index.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
Emerging markets risk	Focus risk	Foreign investment risk
High-yield debt securities risk	Index-related risk	Inflation risk
Interest rate risk	Liquidity risk	Machine learning risk
Market disruption risk	Market risk	Operational and technology
Passive investing risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	Tracking-error risk

**Strategy: U.S. mortgage backed**

**Strategy Description:** The strategy seeks income by investing in mortgage-backed securities that are issued by one of the U.S. Government sponsored enterprises, including but not limited to Government National Mortgage Associate (GNMA), Federal.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Credit risk	Counterparty risk
Currency risk	Derivatives risk	Forward commitment risk
Inflation risk	Interest rate risk	Liquidity risk
Market disruption risk	Mortgage-backed and other asset-backed securities risk	Operational and technology risk
Prepayment and extension risk	Pricing risk	Securities lending risk
Security selection risk	US Government default risk	

**Strategy: U.S. municipals**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income tax. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
ETF risk	Focus risk	High-yield debt securities risk
Interest rate risk	Liquidity risk	Market disruption risk
Market risk – municipals	Municipal securities risk	Operational and technology risk

**ASSOCIATED MATERIAL RISKS**

Prepayment and extension risk	Pricing risk	Security selection risk
Tax risk	Tender option bonds risk	U.S. territory and Commonwealth obligations risk

**Strategy: U.S. municipals index**

**Strategy Description:** The strategy seeks to replicate the performance of a US municipal index. The strategy gains exposure to securities in the index in approximately the same proportion they are represented in the index. This process is intended to produce a portfolio whose industry weightings and fundamental characteristics closely replicate those of the index.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
ETF risk	Focus risk	High-yield debt securities risk
Index-related investing	Interest rate risk	Liquidity risk
Market disruption risk	Market risk - municipals	Municipals securities risk
Operational and technology risk	Passive investing risk	Prepayment and extension risk
Pricing risk	Security selection risk	Tax risk
Tender option bonds risk	Tracking-error risk	U.S. territory and Commonwealth obligations risk

**Strategy: U.S. municipals high yield**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income tax. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax. While the strategy can invest in investment grade municipal debt, it can also invest in high-yield bonds which are those rated below the fourth credit grade.

**ASSOCIATED MATERIAL RISKS**

Credit risk	Counterparty risk	Derivatives risk
Focus risk -Municipal	Forward commitment risk - Municipal	High-yield debt securities risk
Inflation risk	Interest rate risk	Liquidity risk
Market disruption risk	Market risk - Municipal	Municipal securities risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Security selection risk	Tax risk	Tender option bonds risk

**Strategy: U.S. municipals short term**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income tax, consistent with the preservation of capital. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax. Usually, the strategy is primarily invested in investment grade municipal debt and focuses on securities with short maturities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Focus risk-Municipal
Interest rate risk	Liquidity risk	Market disruption risk
Municipal securities risk	Operational and technology risk	Prepayment and extension risk
Pricing risk	Private activity and industrial development bond risk	Security selection risk
Tax risk	When-issued and delayed delivery securities risk	

**Strategy: U.S. municipals intermediate**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income taxes and seeks to limit principal fluctuation. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax. Usually, the strategy is primarily invested in investment grade municipal debt. As the strategy is intermediate, it will typically invest in securities that are between long and short maturities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Focus risk -Municipal
Forward commitment risk - Municipal	Inflation risk	Interest rate risk
Liquidity risk	Market disruption risk	Market risk - Municipal
Municipal securities risk	Operational and technology risk	Prepayment and extension risk
Pricing risk	Security selection risk	Tax risk

**Strategy: U.S. municipals long term**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income tax, consistent with the preservation of capital. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax. Usually, the strategy is primarily invested in investment grade municipal debt. As the strategy is long, it will typically invest in securities that have long maturities.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Focus risk -Municipal
Forward commitment risk - Municipal	Inflation risk	Interest rate risk
Market disruption risk	Market risk - Municipal	Municipal securities risk
Prepayment and extension risk	Pricing risk	Security selection risk
Tax risk		

**Strategy: U.S. municipals state specific**

**Strategy Description:** The strategy seeks income that is exempt from single state personal and federal income taxes. The strategy will typically invest in securities issued by municipalities in a single state that are exempt from state taxes and whose income is free from regular federal income tax. While the strategy can invest in investment grade single state municipal debt, it can also invest in high-yield bonds which are those rated below the fourth credit grade.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Focus risk-state municipal securities
Forward commitment risk-Municipal	Inflation risk	Interest rate risk
Liquidity risk	Market disruption risk	Market risk-Municipal
Non-diversification risk	Operational risk	Prepayment and extension risk
Pricing risk	Private activity and industrial development risk	Security selection risk
Tax risk	U.S. Territory and Commonwealth obligations risk	

**Strategy: ESG U.S. municipals**

**Strategy Description:** The strategy seeks a high level of income exempt from regular federal income tax, using a proprietary ESG screening process while seeking to promote environmental, social and governance impact. The strategy will typically invest in securities issued by municipalities across the U.S. and in other securities whose income is free from regular federal income tax.

**ASSOCIATED MATERIAL RISKS**

Counterparty risk	Credit risk	Derivatives risk
ESG investing risk	ETF risk	Focus risk
High-yield debt securities risk	Interest rate risk	Liquidity risk



**ASSOCIATED MATERIAL RISKS**

Market disruption risk	Market risk – municipals	Municipal securities risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Security selection risk	Tax risk	Tender option bonds risk
U.S. territory and Commonwealth obligations risk		

**Strategy: U.S. syndicated loans**

**Strategy Description:** The strategy seeks high yielding investments through the U.S. syndicated loan market, in addition to investments in U.S. corporate debt securities that are below investment grade, below the fourth highest rating grade.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	High-yield debt securities risk	Interest rate risk
Liquidity risk	Market disruption risk	Prepayment and extension risk
Pricing risk	Securities lending risk	Security selection risk

**Strategy: liability driven investing**

**Strategy Description:** The strategy provides a custom approach to strategic asset allocation that seeks to hedge the risk factors inherent in pension liabilities, while providing total return. A custom benchmark is created from a client's projected liabilities and rate of interest. The strategy then seeks to hedge the interest rate and credit risk factors inherent in pension liabilities through fixed income investments, while seeking a specific rate of return in equities. Depending on the client, it can also include alternative asset classes, including but not limited to hedge funds, private equity, real estate, and other complex products.

**ASSOCIATED MATERIAL RISKS**

Active trading risk	Counterparty risk	Credit risk
Derivatives risk	High-yield debt securities risk	Interest rate risk
Liquidity risk	Market disruption risk	

**Strategy: U.S. structured securities**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in U.S. dollar-denominated securities that are backed by pools of assets, including, but not limited to, of Commercial Mortgages

(CMBS), Bank Loans (CLO), Residential Mortgages (RMBS), Credit Card Receivables (Credit Card ABS), and Automobiles Loans (Automobile ABS).

ASSOCIATED MATERIAL RISKS		
Active trading risk	Counterparty risk	Credit risk
Derivatives risk	Forward commitment risk	Interest rate risk
Liquidity risk	Market disruption risk	Mortgage-backed and other asset-backed securities risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Securities lending risk	Security selection risk	

### Strategy: strategic asset allocation

**Strategy Description:** The strategy seeks to achieve as high a total return as is consistent with its allocation to one or more asset classes over a given period. The strategy will typically invest in other investment companies and other pooled vehicles that in turn, invest in fixed income, equity, and other asset classes (which may include closed end funds, open end mutual funds, exchange traded funds, or private investments) some of which may be affiliated with DIMA.

ASSOCIATED MATERIAL RISKS		
Asset allocation risk	Commodities – related investments risk	Concentration risk
Concentration -Real estate securities risk	Counterparty risk	Credit risk
Currency strategies risk	Derivatives risk	Emerging markets risk
ETF risk	Foreign investment risk	Interest rate risk
Interest rate strategies risk	Liquidity risk	Market disruption risk
Operational and technology risk	Prepayment and extension risk	Pricing risk
Security selection risk	Stock market risk	Underlying funds risk
US Government default risk		

### Associated Material Risks

- **Active trading risk.** The strategy may trade securities actively and this may lead to high portfolio turnover rate.
- **Asset allocation risk.** Portfolio management may favor one or more types of investments or assets that underperform other investments, assets, or securities markets as a whole. Anytime portfolio

management buys or sells securities in order to adjust the strategy's asset allocation this will increase portfolio turnover and generate transaction costs.

- **Borrowing risk.** Borrowing creates leverage. It also adds to any given strategy's expenses and at times could effectively force the strategy to sell securities when it otherwise might not want to.
- **Commodities – related investments risk.** The commodities-linked derivatives instruments in which the strategy invests tend to be more volatile than many other types of securities and may subject the strategy to special risks that do not apply to all derivatives transactions. For example, the value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as climate changes, drought, floods, weather, livestock disease, changes in storage costs, embargoes, tariffs, policies of commodity cartels and international economic, political, and regulatory developments.
- **Concentration risk.** Any market price movements, regulatory or technological changes affecting a particular sector in which a strategy concentrates, may have a significant impact on a strategies performance. A particular sector or industry strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly.
- **Convertible securities risk.** The market value of a convertible security performs like that of a regular debt security; that is, when interest rates rise, the price of a convertible security generally declines. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their price may change based on changes in the issuer's financial condition. Because a convertible security derives a portion of its value from the common stock into which it may be converted, market and issuer risks that apply to the underlying common stock could impact the price of the convertible security. Certain types of convertible securities may decline in value or lose their value entirely in the event the issuer's financial condition becomes significantly impaired.
- **Counterparty risk.** A financial institution or other counterparty with whom DIMA does business, or that underwrites, distributes, or guarantees any investments or contracts that the strategy owns or is otherwise exposed to, may decline in financial health, and become unable to honor its commitments. This could cause losses for the client or could delay the return or delivery of collateral or other assets to the client.
- **Credit risk.** The strategy's performance could be hurt if an issuer of a debt security suffers an adverse change in financial condition that results in the issuer not making timely payments of interest or principal, a security downgrade, or an inability to meet a financial obligation.

Because the issuers of high-yield debt securities (debt securities rated below the fourth highest credit rating category) may be in uncertain financial health, the prices of their debt securities can

be more vulnerable to bad economic news or even the expectation of bad news, than investment-grade debt securities. Credit risk for high-yield securities is greater than for higher-rated securities.

For securities that rely on third-party guarantors to support their credit quality, the same risks may apply if the financial condition of the guarantor deteriorates, or the guarantor ceases to ensure securities. Because guarantors may ensure many types of securities including subprime mortgage bonds and other high-risk bonds, their financial condition could deteriorate as a result of events that have little or no connection to securities within the strategy.

Some securities issued by U.S. government agencies or instrumentalities are backed by the full faith and credit of the U.S. government. Other securities that are supported only by the credit of the issuing agency or instrumentality are subject to greater credit risk than securities backed by the full faith and credit of the U.S. government. This is because the U.S. government might provide financial support but has no obligation to do so if there is a potential or actual loss of principal or failure to make interest payments.

Any non-payment of principal or interest could result in a reduction of income to the strategy, a reduction in the value of the strategy's interest in the senior loan and a reduction in the strategy's net asset value. There can be no assurance that the liquidation of any collateral securing a senior loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments or that such collateral could be readily liquidated.

- **CROCI<sup>®</sup> risk.** The strategy is managed using the CROCI<sup>®</sup> Investment Process, which is based on portfolio management's belief that, over time, stocks which display more favorable financial metrics (for example, the CROCI<sup>®</sup> Economic P/E ratio) as generated by this process may outperform stocks which display less favorable metrics. This premise may not always be correct and prospective investors should evaluate this assumption prior to investing in the strategy. The calculation of the financial metrics used by the strategy (such as, among others, the CROCI<sup>®</sup> Economic P/E ratio is determined by the CROCI<sup>®</sup> Investment Strategy and Valuation Group using publicly available information. This publicly available information is adjusted on assumptions made by the CROCI<sup>®</sup> Investment Strategy and Valuation Group that, subsequently, may prove not to have been correct. As financial metrics are calculated using historical information, there can be no guarantee of the future performance of the CROCI<sup>®</sup> strategy. The measures utilized by portfolio management to attempt to reduce portfolio turnover, market impact and transaction costs could affect performance. In addition, certain regulatory restrictions (e.g., limits on percentage of assets invested in a single industry) could constrain the strategy's ability to invest in some stocks that may have the most attractive financial metrics as determined by the CROCI<sup>®</sup> Investment Process.
- **Currency risk.** Changes in currency exchange rates may affect the value of the strategy's investment. The strategy's U.S. dollar share price may go down if the value of the local currency of the non-U.S. markets in which the strategy invests depreciates against the U.S. dollar. This is true even if the local currency value of securities in the strategy's holdings goes up. Furthermore, the strategy's use of forward currency contracts may eliminate some or all of the benefit of an

increase in the value of a foreign currency versus the U.S. dollar. The value of the U.S. dollar measured against other currencies is influenced by a variety of factors. These factors include interest rates, national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest, and inflation rates, global or regional political, economic, or financial events, monetary policies of governments, actual or potential government intervention, global energy prices, political instability and government monetary policies and the buying or selling of currency by a country's government. In order to minimize transaction costs or for other reasons, the strategy's exposure to non-U.S. currencies of the portfolio's investments may not be fully hedged at all times. Currency exchange rates can be very volatile and can change quickly and unpredictably. Therefore, the value of an investment in the strategy may also go up or down quickly and unpredictably.

- **Currency strategies risk.** The success of the currency strategies depends, in part, on the effectiveness and implementation of portfolio management's proprietary strategies. If portfolio management's analysis proves to be incorrect, losses to the fund may be significant and may substantially exceed the intended level of market exposure for the currency strategies.

As part of the currency strategies, the fund could have substantial exposure to the risks of non-US currency markets. Foreign currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and economic or political developments in the US or abroad. As a result, the fund's exposure to foreign currencies could cause lower returns or even losses to the fund. Although portfolio management seeks to limit these risks through the aggregation of various long and short positions, there can be no assurance that it will be able to do so.

- **Derivatives risk.** Derivatives involved risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Risks associated with derivatives include the risk that the derivative is not well correlated with the underlying asset, security or, index to which it relates; the risk that derivatives may result in losses or missed opportunities; the risk that the strategy will be unable to sell the derivative because of an illiquid secondary market; the risk that a counterparty is unwilling or unable to meet its obligation; which risk may be heightened in derivative transactions entered into "over-the-counter" (i.e., not on an exchange or contract market); and the risk that the derivative transaction could expose the strategy to the effects of leverage, which could increase the client's exposure to the market and magnify potential losses.

There is no guarantee that derivatives, to the extent employed, will have the intended effect, and their use could cause lower returns or even losses to a strategy. The use of derivatives by a particular strategy to hedge risk may reduce the opportunity for gain by offsetting the positive effect of favorable price movements.

- **Dividend-paying stock risk.** As a category, dividend-paying stocks may underperform non-dividend paying stocks (and the stock market as a whole) over any period of time. In addition, issuers of dividend-paying stocks may have discretion to defer or stop paying dividends for a stated

period of time. If the dividend-paying stocks held by a strategy reduce or stop paying dividends, the strategy's ability to generate income may be adversely affected, or an anticipated acceleration of dividends may not occur as a result of among other things, a sharp rise in interest rates or an economic downturn. If the dividend-paying stocks held by the strategy reduce or stop paying dividends, the strategy's ability to generate income may be adversely affected.

- **Economic Sanction Laws.** Economic sanction laws in the United States and other jurisdictions or other governmental action may significantly restrict or completely prohibit DIMA and investment Advisory Accounts from investing or continuing to hold an investment in, or transacting with or in certain countries, individuals, and companies, including, among other things, transactions with, and the provision of services to certain foreign countries, territories, in entities and individuals. The U.S. Foreign Corrupt Practices Act (the "FCPA") and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to, and restrict the activities of DIMA and investment Advisory Accounts (and their respective portfolio companies). DIMA seeks to comply with economic and trade sanctions laws and regulations, the FCPA, and other anti-corruption, anti-bribery and anti-boycott laws and regulations to which it is subject and has implemented policies and procedures reasonably designed to ensure compliance with such laws and regulations. As a result, DIMA may be adversely affected because of its unwillingness to participate in transactions that may violate such laws or regulations.
- **Emerging markets risk.** Foreign investment risks are greater in emerging markets than in developed markets. Investments in emerging markets are often considered speculative. Emerging market countries typically have economic and political systems that are less developed and can be expected to be less stable than developed markets. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation.
- **Emerging markets securities risk.** The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in more mature economies, and emerging markets generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price.
- **Equity Securities Risk.** Equity securities are subject to changes in value due to the fact that they can be more volatile than other asset classes. The value of equity securities varies in response to many factors, including, but not limited to, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and should be expected to do so again in the future.
- **ESG investing risk.** Investing primarily in investments that meet ESG criteria carries the risk that the fund may forgo otherwise attractive investment opportunities or increase or decrease its exposure to certain types of companies and, therefore, may underperform funds that do not consider ESG factors. The ESG research and assessments used by DIMA are based on information that is publicly available and/or provided by the companies themselves or by third parties. Such

information may be unavailable or unreliable or out of date and, with respect to information provided by third parties, may be based on criteria that differ among data providers. Additionally, investors can differ in their views of what constitutes positive or negative ESG characteristics. As a result, the strategy may invest in issuers that do not reflect the beliefs and values with respect to ESG of any particular investor.

- **ETF risk.** Because ETFs trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. An ETF is subject to the risks of the assets in which it invests as well as those of the investment thesis it follows. The strategy may incur brokerage costs when it buys and sells shares of an ETF and also bears its proportionate share of the ETF's fees and expenses, which are passed through to ETF shareholders.
- **Exchange Traded Notes ("ETNs") risk.** Because ETNs are senior, unsecured, unsubordinated debt securities of an issuer (typically a bank or bank holding company), ETNs are subject to the credit risk of the issuer and may lose value due to a downgrade in the issuer's credit rating. The returns of an ETN are linked to the performance of an underlying instrument (typically an index), minus applicable fees. ETNs typically do not make periodic interest payments and principal typically is not protected. The value of an ETN may fluctuate based on factors such as time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying assets, changes in the applicable interest rates, and economic, legal, political, or geographic events that affect the underlying assets. The strategy bears its proportionate share of any fees and expenses borne by the ETN. Because ETNs trade on a securities exchange, their shares may trade at a premium or discount to their net asset value.
- **Focus risk.** To the extent that the strategy focuses its investments in particular industries, asset classes or sectors of the economy, any market price movements, regulatory or technological changes, or economic conditions affecting companies in those industries, asset classes or sectors will have a significant impact on the strategy's performance. The strategy may become more focused in particular industries, asset classes or sectors of the economy as a result of changes in the valuation of the strategy's investments or fluctuations in the strategy's assets, and the strategy is not required to reduce such exposures under these circumstances.
- **Focus risk – limited number of securities.** To the extent that the strategy invests in a limited number of securities, it will have a relatively large exposure to the risks of each individual security and may be more volatile than a strategy that invests more broadly. The strategy may become more focused in a limited number of securities as a result of changes in the valuation of the investments or fluctuations in the assets, and the strategy is not required to reduce such exposures under these circumstances.
- **Focus risk – municipal.** To the extent that the strategy focuses on investments from a single state, region or sector of the municipal securities market, its performance can be more volatile than that of a strategy that invests more broadly. As an example, factors affecting a state, region, or sector such as severe fiscal difficulties, an economic downturn, court rulings, and increased expenditures

on domestic security or reduced monetary support from the federal government could over time impair a state's, regions or sector's ability to repay its obligations.

- **Focus risk – state municipal securities.** The municipal securities market in general can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening. Increases in volatility and decreases in liquidity may be caused by a rise in interest rates (or the expectation of a rise in interest rates). Because the strategy focuses its investments in state municipal securities, its performance can be more volatile than that of a strategy that invests more broadly, and it has a relatively large exposure to financial stresses affecting the single state it invests in.

For example, the State of California relies heavily on income tax revenues and these revenues are likely to drop during economic downturns but covering any shortfall by increasing taxes could be difficult due to California law restricting the imposition of new taxes. Examples of other factors include the costs and disruption caused by natural disasters, a fiscal crisis brought on by a national or regional economic downturn, and costs of maintaining certain government programs. California could also face severe fiscal difficulties, for example, from an economic downturn, increased costs for domestic security and reduced monetary support from the federal government.

For example, industries significant to the State of Massachusetts' economy, such as the technology, biotech, financial services, or healthcare industries could experience downturns or fail to develop as expected, hurting the local economy. Fluctuations in unemployment levels or in the state or national economy could result in decreased tax revenues, including decreases in personal income tax, corporate business tax, or sales and use tax revenues, and other sources of revenue. Massachusetts could also face severe fiscal difficulties, for example, an economic downturn, increased expenditures on domestic security, reduced monetary support from the federal government or costs and disruption caused by natural disasters.

A default or credit rating downgrade of a small number of municipal security issuers could affect the market values and marketability of all Massachusetts municipal securities and hurt the fund's performance. Over time, these issues may impair the ability of the state, municipalities, or other authorities to repay their obligations or to pay debt service on those obligations and could result in a downgrade of Massachusetts' credit rating or the ratings of authorities or political subdivisions of Massachusetts, which may negatively impact the value of bonds issued by those entities.

For example, a downturn in the financial industry could bring on a fiscal crisis in New York City, or a national or regional economic downturn could bring on such a crisis in New York State. Examples of other factors that may affect strategy performance include, but are not limited to, the costs and disruptions caused by national disasters, increased costs for domestic security and reduced monetary support from the federal government.

- **Foreign investment risk-money funds.** Foreign investments include certain special risks, such as unfavorable political and legal developments, limited financial information, regulatory risk, and economic and financial instability.



- **Foreign investment risk.** The strategy faces the risks inherent in foreign investing. Adverse political, economic, or social developments, as well as U.S. and foreign government actions such as the imposition of tariffs, economic and trade sanctions or embargoes could undermine the value of the strategy's foreign investments, prevent the strategy from realizing the full value of its foreign investments or prevent the strategy from selling securities it holds.

Financial reporting standards for companies based in foreign markets differ from those in the U.S. Additionally, foreign securities markets generally are smaller and less liquid than U.S. markets. To the extent that the strategy invests in non-U.S. dollar denominated foreign securities, changes in currency exchange rates may affect the U.S. dollar value of foreign securities or the income or gain received on these securities. In addition, because non-US markets may be open on days when the strategy does not price its shares, the value of the securities in the strategy's portfolio may change on days when shareholders will not be able to purchase or sell the strategy's shares. Foreign governments may restrict investment by foreigners, limit withdrawal of trading profit or currency from the country, restrict currency exchange or seize foreign investments. The investments of the strategy may also be subject to foreign withholding taxes. Foreign brokerage commissions and other fees are generally higher than those for U.S. investments or other taxes and the transactions and custody of foreign assets may involve delays in payment, delivery or recovery of money or investments. Foreign markets can have liquidity risks beyond those typical of U.S. markets. Because foreign exchanges generally are smaller and less liquid than U.S. exchanges, buying and selling foreign investments can be more difficult and costly. Relatively small transactions can sometimes materially affect the price and availability of securities. In certain situations, it may become virtually impossible to sell an investment in an orderly fashion at a price that approaches portfolio management's estimate of its value. For the same reason, it may at times be difficult to value the strategy's foreign investments.

- **Forward commitment risk.** When a strategy engages in when-issued, delayed delivery or forward commitment transactions (e.g., TBAs), the strategy relies on the counterparty to consummate the sale. Failure to do so may result in the strategy missing the opportunity to obtain a price or yield considered to be advantageous. Such transactions may also have the effect of leverage on the strategy and may cause it to be more volatile. Additionally, these transactions may create a higher portfolio turnover rate.
- **Forward commitment risk - Municipal.** When the fund engages in forward or delayed delivery transactions, the fund relies on the counterparty to consummate the transaction. Failure to do so may result in the fund missing the opportunity to obtain a price or yield considered to be advantageous. Such transactions may also have the effect of leverage on the fund and may cause the fund to be more volatile.
- **Frontier market risk.** Frontier market countries generally have smaller, less diverse economies and even less developed capital markets and legal, regulatory, and political systems than traditional emerging markets.

- **Growth investing risk.** As a category, growth stocks may underperform value stocks (and the stock market as a whole) over any period of time and may shift in and out of favor with investors generally, sometimes rapidly, depending on changes in market, economic and other factors that could impact expectations of future earnings. Because the prices of growth stocks are based largely on the expectation of future earnings, growth stock prices can decline rapidly and significantly in reaction to negative news about such factors as earnings, the economy, political developments, or other news.
  
- **Hedging Risk.** Hedging techniques could involve a variety of derivatives, including futures contracts, exchange listed and over the counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge will be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, will not necessarily be completely effective in insulating portfolios from currency or other risks.
  
- **High yield debt securities risk.** High yield debt securities, or junk bonds, are generally regarded as speculative with respect to the issuer's continuing ability to meet principal and interest payments. High yield debt securities' total return and yield may generally be expected to fluctuate more than the total return and yield of investment-grade debt securities. A real or perceived economic downturn or an increase in market interest rates could cause a decline in the value of high yield debt securities, result in increased redemptions and/or result in increased portfolio turnover, which could result in a decline in net asset value of the fund, reduce liquidity for certain investments and/or increase costs. High yield debt securities are often thinly traded and can be more difficult to sell and value accurately than investment-grade debt securities as there may be no established secondary market. Investments in high yield debt securities could increase liquidity risk for the fund. In addition, the market for high yield debt securities can experience sudden and sharp volatility which is generally associated more with investments in stocks.
  
- **Indexing risk.** An index strategy's performance may not exactly replicate the performance of its target index. For example, the strategy incurs fees, administrative expenses, and transaction costs that an index itself does not. The strategy also bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of an index. The strategy may use sampling techniques (investing in a representative selection of securities included in the index rather than all securities in the index), or the composition of its portfolio may diverge from that of the index. Also, while the exposure of the index to its component securities is by definition 100%, the strategy's effective exposure to index securities may be greater or less than 100% and may vary over time. Because an index strategy is designed to maintain a high level of

exposure to its target index at all times, it will not take any steps to invest defensively or otherwise reduce the risk of loss during market downturns.

- **Index-related risk.** An index strategy seeks to replicate, as closely as possible, before the deduction of expenses, the performance of the index as published by the index provider. There is no assurance that the index provider will compile the index accurately, or that the index will be determined, composed, or calculated accurately. Market disruptions could cause delays in the index's rebalancing schedule. During any such delay, it is possible that the index and, in turn, the strategy will deviate from the index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule. Generally, the index provider does not provide any warranty, or accept any liability, with respect to the quality, accuracy or completeness of the index or its related data and does not guarantee that the index will be in line with its stated methodology. Errors in the index data, the index computations and/or the construction of the index in accordance with its stated methodology may occur from time to time and may not be identified and corrected by the index provider for a period of time or at all, which may have an adverse impact on the strategy and its shareholders. DIMA and its affiliates do not provide any warranty or guarantee against such errors. Therefore, the gains, losses or costs associated with the index provider's errors will generally be borne by the strategy and its shareholders.
- **Inflation risk.** Inflation risk is the risk that the real value of certain assets or real income from investments (the value of such assets or income after accounting for inflation) will be less in the future as inflation decreases the value of money. Inflation, and investors' expectation of future inflation, can impact the current value of the fund's portfolio, resulting in lower asset values and losses to shareholders. This risk may be elevated compared to historical market conditions and could be impacted by monetary policy measures and the current interest rate environment.
- **Inflation-indexed bond risk.** Any actual or anticipated rise in interest rates may cause inflation-indexed bonds to decline in price, hurting the strategy's performance. Interest rates in the US have been rising and may continue to increase in the near future. If interest rates rise owing to reasons other than inflation, the strategy's investment in inflation-indexed bonds may not be fully protected from the effects of rising interest rates. The performance of any bonds that are indexed to non-U.S. rates of inflation may be higher or lower than those indexed to U.S. inflation rates. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy or changes in fiscal or monetary policies. The client's actual returns could fail to match the real rate of inflation.
- **Interest rate strategies risk.** The success of the interest rate futures strategies depends, in part, on the effectiveness and implementation of portfolio management's proprietary models. If portfolio management's analysis proves to be incorrect, losses to the strategy may be significant. The risk of loss is heightened during periods of rapid rises in interest rates.
- **Interest rate risk.** When interest rates rise, prices of debt securities generally decline. The longer the duration of the strategy's debt securities, the more sensitive the strategy will be to interest

rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.) Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, and other factors. Recent and potential future changes in monetary policy made by central banks or governments are likely to affect the level of interest rates. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and potential illiquidity and may detract from performance to the extent the strategy is exposed to such interest rates and/or volatility. Rising interest rates could cause the value of the strategy's investments — and therefore its share price as well — to decline. A rising interest rate environment may cause investors to move out of fixed-income securities and related markets on a large scale, which could adversely affect the price and liquidity of such securities and could also result in increased redemptions from the strategy, increased redemptions may force the strategy to sell investments at a time when it is not advantageous to do so, which could result in losses. Beginning in 2022, the US Federal Reserve ("Fed") raised interest rates significantly in response to increased inflation. It is unclear if and when the Fed may begin to implement interest rate cuts, if rates will remain at current levels for a prolonged period or, if the Fed deems necessary in response to certain economic developments such as a turnaround in the decline of inflation, the Fed may consider additional rate increases. As a result, fixed-income and related markets may experience heightened levels of volatility and liquidity risk.

- **Interest rate risk** (money market). Rising interest rates could cause the value of the strategy's investments to decline. A rising interest rate environment may cause investors to move out of fixed-income securities and related markets on a large scale, which could adversely affect the price and liquidity of such securities and could also result in increased redemptions from the strategy. Increased redemptions from the strategy may force the strategy to sell investments at a time when it is not advantageous to do so, which could result in losses. Beginning in 2022, the US Federal Reserve ("Fed") raised interest rates significantly in response to increased inflation. It is unclear if and when the Fed may begin to implement interest rate cuts, if rates will remain at current levels for a prolonged period or, if the Fed deems necessary in response to certain economic developments such as a turnaround in the decline of inflation, the Fed may consider additional rate increases. As a result, fixed-income and related markets may experience heightened levels of risk and impair the strategy's ability to maintain a stable \$1.00 share price. Conversely, any decline in interest rates is likely to cause the strategy's yield to decline, and during periods of unusually low or negative interest rates, the strategy's yield may approach or fall below zero. A low or negative interest rate environment may prevent the strategy from providing a positive yield. Over time, the total return of money market securities may not keep pace with inflation, which would result in a net loss of purchasing power for long-term investors. Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, and other factors. Recent and potential future changes in monetary policy made by central banks or governments are likely to affect the level of interest rates. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and potential illiquidity and may detract from fund performance to the extent the strategy is exposed to such interest rates and/or volatility. Money market funds try to minimize interest rate risk by purchasing short-term securities.

- **Investment style risk.** To the extent that the strategy maintains a style-neutral portfolio, either growth or value strategies may outperform the strategy during any time period when one or the other is in favor. To the extent that the strategy favors either growth or value stocks, it may perform less well than if it had remained style-neutral if the style it favors underperforms the overall market.
- **IPO risk.** Prices of securities bought in an initial public offering (IPO) may rise and fall rapidly, often because of investor perceptions rather than economic reasons. To the extent a client's investment is relatively small in size, its IPO investments may have a significant impact on its performance since they may represent a larger proportion of the strategy's overall.
- **Liquidity and transaction risk.** The liquidity of portfolio securities can deteriorate rapidly due to credit events affecting issuers or guarantors or due to general market conditions and a lack of willing buyers. When there are no willing buyers and an instrument cannot be readily sold at a desired time or price, the strategy may have to accept a lower price or may not be able to sell the instrument at all. The potential for liquidity risk may be magnified by a rising interest rate environment or other circumstances where investor redemptions from money market funds may be higher than normal, potentially causing increased supply in the market due to selling activity. If dealer capacity in debt instruments is insufficient for market conditions, it may further inhibit liquidity and increase volatility in the debt markets. Additionally, market participants other than the portfolio may attempt to sell debt holdings at the same time as the portfolio, which could cause downward pricing pressure and contribute to illiquidity. An inability to sell one or more portfolio securities can prevent the strategy from being able to take advantage of other investment opportunities.

Unusual market conditions, an unusually high volume of redemption requests, or other similar conditions, could cause the strategy to be unable to pay redemption proceeds within a short period of time.

Certain shareholders, including DIMA's clients or affiliates, may from time to time own or control a significant percentage of the strategy's shares. These shareholders may include, for example, institutional investors and other shareholders whose buy-sell decisions; are controlled by a single decision maker. Redemptions by these shareholders, or a high volume of redemption requests generally, may further increase the strategy's liquidity risk.

- **Liquidity risk.** In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price. (For senior loans: No active trading market may exist for some senior loans and certain senior loans may be subject to restrictions on resale. The inability to dispose of senior loans in a timely fashion could result in losses to the strategy. Because some senior loans that the strategy invests in have a limited secondary market, liquidity risk is more pronounced for the strategy than for strategy's that invest primarily in equity securities.)
- **Machine learning risk.** For strategies where DIMA utilizes a proprietary algorithm that employs machine learning, any changes to an algorithm or underlying assumptions may have unintended

consequences, which could have an adverse effect on the performance of any strategy that employs such algorithm. Algorithms may not perform as intended for a variety of reasons, including, but not limited to, incorrect assumptions, changes in the market and changes to data inputs. In addition, the datasets that the algorithm processes may be insufficient, of poor quality, or contain biased information. Although DIMA obtains data and information from third party sources that it considers to be reliable, DIMA does not guarantee the accuracy and/or completeness of any data or information provided by these sources. While the algorithm is a component in identifying potential securities for investment, the machine learning algorithms employed by DIMA's strategies do not directly select securities or make trades. All security selection decisions are made by a portfolio manager.

- **Market disruption risk.** Economies and financial markets throughout the world have become increasingly interconnected, which has increased the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. This includes reliance on global supply chains that are susceptible to disruptions resulting from, among other things, war and other armed conflicts, extreme weather events, and natural disasters. Such supply chain disruptions can lead to, and have led to, economic and market disruptions that have far-reaching effects on financial markets worldwide. The value of investments may be negatively affected by adverse changes in overall economic or market conditions, such as the level of economic activity and productivity, unemployment and labor force participation rates, inflation or deflation (and expectations for inflation or deflation), interest rates, demand and supply for particular products or resources including labor, and debt levels and credit ratings, among other factors. Such adverse conditions may contribute to an overall economic contraction across entire economies or markets, which may negatively impact the profitability of issuers operating in those economies or markets, including the investments held by the strategy. In addition, geopolitical and other globally interconnected occurrences, including war, terrorism, economic uncertainty, trade disputes, government debt crises (including defaults or downgrades) or uncertainty about government debt payments, public health crises, natural disasters, supply chain disruptions, climate change and related events or conditions have led, and in the future may lead, to disruptions in the US and world economies and markets, which may increase financial market volatility and have significant adverse direct or indirect effects on the strategy and its investments. Adverse market conditions or disruptions could cause the strategy to lose money, experience significant redemptions, and encounter operational difficulties. Although multiple asset classes may be affected by adverse market conditions or a particular market disruption, the duration and effects may not be the same for all types of assets.

Current military and other armed conflicts in various geographic regions, including those in Europe and the Middle East, can lead to, and have led to, economic and market disruptions, which may not be limited to the geographic region in which the conflict is occurring. Such conflicts can also result, and have resulted in some cases, in sanctions being levied by the United States, the European Union and/or other countries against countries or other actors involved in the conflict. In addition, such conflicts and related sanctions can adversely affect regional and global energy, commodities, financial and other markets and thus could affect the value of the strategy's investments. The extent and duration of any military conflict, related sanctions and resulting economic and market disruptions are impossible to predict but could be substantial.

Other market disruption events include pandemic spread of viruses, such as the novel coronavirus known as COVID-19, which at times has caused significant uncertainty, market volatility, decreased economic and other activity, increased government activity, including economic stimulus measures, and supply chain disruptions. While COVID-19 is no longer considered to be a public health emergency, the strategy's investments may be adversely affected by lingering effects of this virus or future pandemic spread of viruses. In addition, markets are becoming increasingly susceptible to disruption events resulting from the use of new and emerging technologies to engage in cyber-attacks or to take over the websites and/or social media accounts of companies, governmental entities or public officials, or to otherwise pose as or impersonate such, which then may be used to disseminate false or misleading information that can cause volatility in financial markets or for the stock of a particular company, group of companies, industry or other class of assets.

Adverse market conditions or particular market disruptions, such as those discussed above, may magnify the impact of other risks and may increase volatility in one or more markets in which the strategy invests leading to the potential for greater losses for the strategy.

- **Market risk.** Although individual securities may outperform the market, the entire market may decline as a result of rising interest rates, regulatory developments or deteriorating economic conditions.
- **Market risk – municipals.** Deteriorating market conditions might cause a general weakness in the market that reduces the prices of securities in that market. Developments in a particular class of debt securities or the stock market could also adversely affect the strategy by reducing the relative attractiveness of debt securities as an investment. Also, to the extent that the strategy emphasizes debt securities from any given state or region, it could be hurt if that state or region does not do well.
- **Medium-sized company risk.** Medium-sized company stocks tend to be more volatile than large company stocks. Medium-sized companies are less widely followed by stock analysts and less information about them is available to investors. Industry-wide reversals may have a greater impact on medium-sized companies, since they may lack the financial resources of larger companies. Medium-sized company stocks are typically less liquid than large company stocks.
- **Money market fund risk.** You could lose money by investing in the strategy. Because the share price of the strategy will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. The strategy may impose a discretionary liquidity fee (not exceed 2%) upon t redemption of shares if the strategy's Board determines a liquidity fee is in the strategy's best interest. The Board may impose such a fee in times of market stress, impaired liquidity of the strategy's investments or in other circumstances. A liquidity fee would reduce the amount a shareholder receives upon redemption of shares. An investment in the strategy is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The strategy's sponsor has no legal obligation to provide financial support to the strategy,

and you should not expect that the sponsor will provide financial support to the strategy at any time.

- **Money market risk.** An investment in the strategy is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the strategy generally seeks to preserve the value of a client's investment, it isn't guaranteed, and a client could lose money. The credit quality of the strategy's holdings can change rapidly in certain markets, and the default of a single holding could cause the value of the client's portfolio to decline. If the client's investment is commingled with other investors, redemptions could have a significant, adverse effect on the portfolio. DIMA and its affiliates have no legal obligation to provide financial support to a money market product and you should not expect that it will provide financial support at any time.
- **Mortgage-backed and other asset-backed securities risk.** These securities represent interests in "pools" of mortgages or other assets such as consumer loans or receivables held in trust and often involve risks that are different from or possibly more acute than risks associated with other types of debt instruments. When market interest rates increase, the market values of mortgage-backed securities generally decline. At the same time, however, increased rates typically cause mortgage refinancing and prepayments slow, which lengthens the effective duration of these securities. As a result, the negative effect of an interest rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed income securities, potentially increasing the volatility of the strategy. Conversely, when market interest rates decline, the market values of mortgage-backed securities generally increase. However, as mortgage holders seek to refinance at the lower rates, the rate of prepayment of the underlying mortgages also tends to increase, which shortens the effective duration of these securities and may expose the strategy to a lower rate of return on reinvestment. Mortgage-backed securities, and in particular those not backed by a government guarantee, are subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgage may decline in value and be insufficient, upon foreclosure, to repay the associated loan.

Investments in other asset-backed securities are subject to risks similar to those associated with mortgage-backed securities, as well as additional risks associated with the nature of the assets and the servicing of those assets. Payment of principal and interest on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

- **Multi-manager risk.** While the investment strategies employed by the strategy's sub-advisors are intended to be complementary, they may not in fact be complementary. The interplay of the various strategies employed by the strategy's multiple sub-advisors may result in the strategy holding a significant amount of certain types of securities. This may be beneficial or detrimental to the strategy's performance depending upon the performance of those securities and the overall economic environment. The sub-advisors selected for the strategy may underperform the market generally or other sub-advisors that could have been selected for the strategy. The multi-manager approach could increase the strategy's portfolio turnover rate which may result in higher levels of realized capital gains or losses with respect to the strategy's portfolio securities, higher brokerage commissions and other transaction costs. The success of the strategy's investment strategy



depends on, among other things, both DIMA's skill in selecting sub-advisers and allocating assets to those sub-advisers and the skill of the sub-advisers in executing the relevant investment strategy and selecting investments for the strategy. The degree of correlation among the various investment strategies of the sub-advisers and the market as a whole will vary as a result of market conditions and other factors, and certain sub-advisers could have a greater degree of correlation with each other and with the market than other sub-advisers.

- **Municipal securities risk.** Municipal instruments may be susceptible to periods of economic stress, which could affect the market values and marketability of many or all municipal obligations of issuers in a state, US territory, or possession. The strategy could also be impacted by events in the municipal securities market, including the supply and demand for municipal securities. Negative events, such as severe fiscal difficulties, an economic downturn, unfavorable legislation, court rulings or political developments, or reduced monetary support from the federal government, could hurt strategy's performance. The municipal securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening. Increases in volatility and decreases in liquidity may be caused by a rise in interest rates (or the expectation of a rise in interest rates). Municipal securities may include revenue bonds, which are generally backed by revenue from a specific project or tax. The issuer of a revenue bond makes interest and principal payments from revenues generated from a particular source or facility, such as a tax on particular property or revenues generated from a municipal water or sewer utility or an airport. Revenue bonds generally are not backed by the full faith and credit and general taxing power of the issuer. The value of municipal securities is strongly influenced by the value of tax-exempt income to investors. Changes in tax and other laws, including changes to individual or corporate tax rates, could alter the attractiveness and overall demand for municipal securities. Municipal securities may also have exposure to potential physical risks resulting from climate change, including extreme weather, flooding and fires. Climate risks, if they materialize, can adversely impact a municipal issuer's financial plans in current or future years or may impair a facility or other source generating revenues backing a municipal issuer's revenue bonds. As a result, the impact of climate risks may adversely impact the value of the strategy.
- **Municipal trust receipts ("MTRs") risk.** The strategy's investment in MTRs is subject to similar risks as other investments in debt obligations, including interest rate risk, credit risk and security selection risk. Additionally, investments in MTRs raise certain tax issues that may not be presented by direct investments in municipal securities. There is some risk that certain issues could be resolved in a manner that could adversely impact the performance of the strategy.
- **Non-diversification risk.** The strategy invests in securities of relatively a few issuers. Thus, the performance of one or a small number of portfolio holdings can affect overall performance.
- **Operational and technology risk.** Cyber-attacks, disruptions, or failures that affect the strategy's service providers or counterparties, issuers of securities held by the strategy, or other market participants may adversely affect the strategy and its shareholders, including by causing losses for the strategy or impairing its operations. For example, the strategy's or its service providers' assets or sensitive or confidential information may be misappropriated, data may be corrupted, and

operations may be disrupted (e.g., cyber-attacks, operational failures or broader disruptions may cause the release of private shareholder information or confidential information, interfere with the processing of shareholder transactions, impact the ability to calculate the net asset value and impede trading). Market events and disruptions also may trigger a volume of transactions that overloads current information technology and communication systems and processes, impacting the ability to conduct the strategy's operations.

While the strategy and its service providers may establish business continuity and other plans and processes that seek to address the possibility of and fallout from cyber-attacks, disruptions or failures, there are inherent limitations in such plans and systems, including that they do not apply to third parties, such as counterparties, issuers of securities held by the strategy or other market participants, as well as the possibility that certain risks have not been identified or that unknown threats may emerge in the future and there is no assurance that such plans and processes will be effective. Among other situations, disruptions (for example, pandemics or health crises) that cause prolonged periods of remote work or significant employee absences at the strategy's service providers could impact the ability to conduct the strategy's operations. In addition, the strategy cannot directly control any cybersecurity plans and systems put in place by its service providers, strategy counterparties, issuers of securities held by the strategy or other market participants.

- **Passive investing risk.** Unlike a strategy that is actively managed, in which portfolio management buys and sells securities based on research and analysis, the strategy invests in securities included in, or representative of, the index, regardless of their investment merits. Because the strategy is designed to maintain a high level of exposure to the index at all times, portfolio management generally will not buy or sell a security unless the security is added or removed, respectively, from the index, and will not take any steps to invest defensively or otherwise reduce the risk of loss during market downturns.
- **Preferred stock risk.** Preferred stock generally has a preference as to dividends and liquidation over an issuer's common stock but ranks junior to debt securities in an issuer's capital structure. Preferred stock is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock.
- **Prepayment and extension risk.** When interest rates fall, issuers of high interest debt obligations may pay off the debts earlier than expected (prepayment risk), and the strategy may have to reinvest the proceeds at lower yields. When interest rates rise, issuers of lower interest debt obligations may pay off the debts later than expected (extension risk), thus keeping the strategy's assets tied up in lower interest debt obligations. Ultimately, any unexpected behavior in interest rates could increase the volatility of the strategy's yield and could hurt performance. Prepayments could also create capital gains tax liability in some instances.
- **Pricing risk.** If market conditions make it difficult to value some investments, DIMA may internally value these investments using more subjective methods, such as fair value pricing. In

such cases, the value determined for an investment could be different from the value realized upon such investment's sale. Secondary markets may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods, which may prevent the strategy from being able to realize full value and thus sell a security for its full valuation.

- **Private activity and industrial development bond risk.** The payment of principal and interest on these bonds is generally dependent solely on the ability of the facility's user to meet its financial obligations and the pledge, if any, of property financed as security for such payment.
- **Quantitative model risk.** The strategy relies heavily on quantitative models and the analysis of specific metrics to construct the strategy's portfolio. The impact of these metrics on a stock's performance can be difficult to predict, and stocks that previously possessed certain desirable quantitative characteristics may not continue to demonstrate those same characteristics in the future. In addition, relying on quantitative models entails the risk that the models themselves may be limited or incorrect, that the data on which the models rely may be incorrect or incomplete, and that DIMA may not be successful in selecting companies for investment or determining the weighting of particular stocks in the strategy's portfolio. Any of these factors could cause the strategy to underperform similar strategies that do not select stocks based on quantitative analysis.
- **Real estate securities risk.** The value of real estate securities in general, and REITs in particular, are subject to the same risks as direct investments in real estate and will depend on the value of the underlying properties or the underlying loans or interest. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and changes in interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. In addition, real estate values have been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. During periods of rising interest rates, real estate securities may lose appeal for investors who may be able to obtain higher yields from other income-producing investments. Rising interest rates may also mean that financing for property purchases and improvements is more costly and difficult to obtain. Further, real estate companies may be negatively impacted by liabilities or losses due to environmental problems, extreme weather or natural disasters. In addition, real estate values have been subject to substantial fluctuations and declines on a local, regional and national basis in the past and may continue to be in the future. Highly leveraged real estate companies are particularly vulnerable to the effects of rising interest rates and/or an economic downturn. REITs may be more volatile and/or more illiquid than other types of equity securities.
- **Regional focus risk.** Focusing investments in a single country or few countries, or regions, involves increased currency, political, regulatory, and other risks. Market swings in such a targeted country or region will be likely to have a greater effect on performance than they would in a more geographically diversified strategy.

- **Regional risk – Latin America investments.** The economies of Latin American countries have in the past experienced considerable difficulties, including high inflation rates, high interest rates, high unemployment, government overspending and political instability. Similar conditions in the present or future could impact the strategy's performance. Many Latin American countries are highly reliant on the exportation of commodities and their economies may be significantly impacted by fluctuations in commodity prices and the global demand for certain commodities. Investments in Latin American countries may be subject to currency risks, such as restrictions on the flow of money in and out of a country, extreme volatility relative to the U.S. dollar, and devaluation, all of which could decrease the value of the strategy. Other Latin American investment risks may include inadequate investor protection, less developed regulatory, accounting, auditing and financial standards, unfavorable changes in laws or regulations, natural disasters, corruption, and military activity. The governments of many Latin American countries may also exercise substantial influence over many aspects of the private sector, and any such exercise could have a significant effect on companies in which the strategy invests.
  
- **Repurchase agreement risk.** If the party that sells the securities to the strategy defaults on its obligation to repurchase them at the agreed-upon time and price, the client could lose money.
  
- **Restricted securities risk.** The strategy may purchase securities that are subject to legal or contractual restriction on resale ("restricted securities"). The strategy may be unable to sell a restricted security and it may be more difficult to determine a market value for a restricted security. This investment practice, therefore, could increase the level of illiquidity of the strategy.
  
- **Risks of holding cash.** The strategy will at times hold cash positions, which may hurt the strategy's performance. Cash positions may also subject the strategy to additional risks and costs, including any fees imposed by the strategy's custodian for large cash balances.
  
- **Securities lending risk.** Securities lending involves the risk that the strategy may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. A delay in the recovery of loaned securities could interfere with the strategy's ability to vote proxies or settle transactions. Delayed settlement may limit the ability of the strategy to reinvest the proceeds of a sale of securities or prevent the strategy from selling securities at times and prices it considers desirable. The strategy could also lose money in the event of a decline in the value of the collateral provided for the loaned securities, or a decline in the value of any investments made with cash collateral or even a loss of rights in the collateral should the borrower of the securities fail financially while holding the securities.
  
- **Security selection risk (money market).** Although short-term securities are relatively stable investments, it is possible that the securities in which the strategy invests will not perform as expected. This could cause the client's returns to lag behind those of similar money market investments.

- **Security selection risk (non-money market).** The securities in the client’s portfolio may decline in value. Portfolio management could be wrong in its analysis of municipalities, industries, companies, economic trends, the relative attractiveness of different securities or other matters.
- **Security selection risk (with ESG).** The securities in the fund’s portfolio may decline in value. Portfolio management could be wrong in its analysis of municipalities, industries, companies, economic trends, ESG factors, the relative attractiveness of different securities or other matters.
- **Senior loans risk.** Senior loans are not rated by a rating agency, registered with the US Securities and Exchange Commission or any state securities commission or listed on any national securities exchange. Therefore, there may be less publicly available information about them than for registered or exchange-listed securities. Also, because portfolio management relies mainly on its own evaluation of the creditworthiness of borrowers, the strategy is particularly dependent on portfolio management’s analytical abilities. Senior loans involve other risks described elsewhere in this Form ADV, including conflict of interest risk, credit risk, interest rate risk, liquidity risk, and prepayment and extension risk. Because DIMA may wish to invest in the publicly traded securities of a borrower, it may not have access to material non-public information regarding the borrower to which other lenders have access.
- **Small company risk.** Small company stocks tend to be more volatile than large company stocks. Small companies are less widely followed by stock analysts and less information about them is available to investors. Industry-wide reversals may have a greater impact on small companies, since they lack the financial resources of larger companies. Small company stocks are typically less liquid than large company stocks.
- **Stock market risk.** When stock prices fall, you should expect the value of your investment to fall as well. Stock prices can be hurt by poor management on the part of the stock’s issuer, shrinking product demand and other business risks. These may affect single companies as well as groups of companies. In addition, movements in financial markets may adversely affect a stock’s price, regardless of how well the company performs. The market as a whole may not favor the types of investments the strategy makes, which could affect the ability to sell them at an attractive price. To the extent that the strategy invests in a particular geographic region, capitalization or sector, client’s performance will be affected by that region’s general performance. High market volatility may also result from significant shifts in momentum of one or more specific stocks due to unusual increases or decreases in trading activity. Momentum can change quickly, and securities subject to shifts in momentum may be more volatile than the market as a whole and returns on such securities may drop precipitously. To the extent the strategy invests in a particular capitalization or market sector, performance may be affected by the general performance of that region, capitalization, or sector.
- **Strategy risk.** The securities in the fund’s portfolio may decline in value. Portfolio management could be wrong in its analysis of sectors, industries, companies, economic trends, ESG risks and opportunities, the relative attractiveness of different sectors and industries, or other matters.

- **Subsidiary risk.** The strategy may invest in the Subsidiary, which is not registered as an investment company under the Investment Company Act of 1940, as amended, and therefore is not subject to all of the investor protections of the Investment Company Act of 1940. A change in the US or the Cayman Islands laws or regulations, under which the strategy and the Subsidiary, respectively, are organized, that impacts the Subsidiary or how the strategy invests in the Subsidiary, such as a change in tax law, could adversely affect the strategy. By investing in the Subsidiary, the strategy is exposed to the risks associated with the Subsidiary's investments, which generally include the risks of investing in derivatives and commodities-related investments.
  
- **Tax risk.** Income and gains from commodities and certain commodity-linked derivatives generally do not constitute "qualifying income" to the client. If such income were not to constitute qualifying income, the client might be subject to additional taxes.
  
- **Tender option bonds ("TOB") risk.** The strategy's participation in tender option bond transactions may reduce the strategy's returns or increase volatility. Tender option bond transactions create leverage. Leverage magnifies returns, both positive and negative, and risk by magnifying the volatility of returns. An investment in TOB Inverse Floater Residual Interests will typically involve more risk than an investment in the underlying municipal bonds. The interest payment on TOB Inverse Floater Residual Interests generally will decrease when short-term interest rates increase. There are also risks associated with the tender option bond structure, which could result in terminating the trust. If a TOB Trust is terminated, the strategy must sell other assets to buy back the TOB Floaters, which could negatively impact performance. Events that could cause a termination of the TOB Trust include a deterioration in the financial condition of the liquidity provider, a deterioration in the credit quality of underlying municipal bonds, or a decrease in the value of the underlying bonds due to rising interest rates.
  
- **Tracking error risk.** The strategy may be subject to tracking error, which is the divergence of the strategy's performance from that of the index. The performance of the strategy may diverge from that of in the index for a number of reasons, including operating expenses, transaction costs, cash flows and operational inefficiencies. The strategy's return also may diverge from the return of the underlying index for the strategy (Underling Index) because the strategy bears the costs and risks associated with buying and selling securities (especially when rebalancing the strategy's securities holdings to reflect changes in the index) while such costs and risks are not factored into the return of the index. Market disruptions and regulatory restrictions could have an adverse effect on the strategy's ability to adjust its exposure to the required levels in order to track the index. To the extent the portfolio management uses a representative sampling approach (investing in a representative selection of securities included in the Underlying Index rather than all securities in the index) such approach may cause the strategy's return to not be as well correlated with the return of the index as would be the case if the strategy purchased all of the securities in the index in the proportions represented in the Underlying Index. In addition, the strategy may not be able to invest in certain securities included in the index or invest in them in the exact proportions in which they are represented in the index, due to legal restrictions or limitations imposed by the governments of certain countries, a lack of liquidity in the markets in which such securities trade, potential adverse tax consequences or other reasons. To the extent the strategy calculates its net asset value based on fair value prices and the value of the index is based on market prices (i.e., the value of the index is not

based on fair value prices), the strategy's ability to track the index may be adversely affected. Tracking error risk may also be heightened during times of increased market volatility or other unusual market conditions. For tax purposes, the strategy may sell certain securities, and such sale may cause the strategy to recognize a taxable gain or realize a loss and deviate from the performance of index. In light of the factors discussed above, the strategy's return may deviate significantly from the return of the index.

- **US Government default risk.** Due to the rising US government debt burden and potential limitations caused by the statutory debt ceiling, it is possible that the US government may not be able to meet its financial obligations or that securities issued by the US government may experience credit downgrades. In the past, US sovereign credit has experienced downgrades and there can be no guarantee that it will not experience further downgrades in the future by rating agencies. Such a credit event may adversely impact the financial markets and the fund. From time to time, uncertainty regarding the status of negotiations in the US government to increase the statutory debt ceiling and/or failure to increase the statutory debt ceiling could increase the risk that the US government may default on payments on certain US government securities, cause the credit rating of the US government to be downgraded or increase volatility in financial markets, result in higher interest rates, reduce prices of US Treasury securities and/or increase the costs of certain kinds of debt.
- **U.S. territory and Commonwealth obligations risk.** Adverse political and economic conditions and developments affecting any territory or Commonwealth of the U.S. may, in turn, negatively affect the value of the strategy's holdings in such obligations. For example, Puerto Rico has experienced a recession and difficult economic conditions, along with a severe natural disaster, which may negatively affect the value of any holdings the strategy may have in Puerto Rico municipal obligations.
- **Underlying funds risk.** Because the strategy invests in underlying funds, the strategy's relative performance is affected by the performance of the underlying funds. Because the strategy may invest in a few underlying funds, the performance of a small number of underlying funds could affect overall performance. The strategy also indirectly pays a portion of the expenses of the underlying funds, which lowers the strategy's returns. Allocations to underlying funds with higher expenses will cause the overall expenses of the strategy to be higher.
- **Value investing risk.** As a category, value stocks may underperform growth stocks (and the stock market as a whole) over any period of time and may shift in and out of favor with investors generally, sometimes rapidly, depending on changes in market, economic and other factors. In addition, value stocks selected for investment by portfolio management may not perform as anticipated.
- **When-issued and delayed delivery securities risk.** Certain investment strategies may involve the purchase or sell of a security at a future date for a predetermined price. There is risk that the market value of the securities may change before delivery.

## Other Risk Factors

In addition to the risk described above, the following risk are applicable to all strategies.

- **Banking Laws and Regulations.** Due to Deutsche Bank AG's ("DBAG") majority shareholding, DWS and its subsidiaries, including DIMA, remain subject to a broad array of U.S. and certain non-U.S. banking laws and regulations. By virtue of DWS's co-investment or seed positions in certain funds advised by DIMA, these funds may become subject to the banking laws and regulations that are applicable to DBAG. Such laws and regulations may, among other things, impose restrictions on the types and amounts of investments that a fund may make, the types of activities in which the fund may engage and the amount of influence and control DIMA or the fund may have over the operations of the underlying investments.

Under the Bank Holding Company Act of 1956, as amended ("BHCA"), if a fund were deemed to be controlled by DIMA or an affiliate, the fund may be subject to the same limitations under the BHCA that applies to DBAG and its affiliates, including DIMA. Additionally, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") included significant alterations to the regulations applicable to financial institutions and investment advisers including DIMA and its affiliates, as well as the Advisory Accounts DIMA sponsors and manages. Among other requirements, the "Volcker Rule", which came into full effect on July 21, 2017, limits the ability of banking entities and their affiliates, including DIMA, to sponsor and invest in, and in some cases serve as investment manager of Advisory Accounts.

As a result of these laws and regulations, DWS may be subject to restrictions that could limit an advised fund's investments in third parties or its ability to be involved in the day-to-day management of a target company or holding periods of the underlying investments. DBAG or its affiliates may not be permitted to extend credit to or enter into financing arrangements with certain funds advised by DIMA due to the Volcker Rule and/or other banking regulations. Certain bank regulatory limits may apply to DBAG and funds advised by DIMA on an aggregate basis, and the size of DWS's and DWS personnel's ownership interest in, as well as DWS's seed contributions to, funds advised by DIMA may be limited by the Volcker Rule. Other DWS personnel may be prohibited from obtaining or retaining interests in such funds. Additionally, some otherwise appropriate investments may not be available to, or may need to be unprofitably disposed of by, funds advised by DIMA.

Other final regulations adopted under the Dodd-Frank Act and comparable European laws and regulations relating to the regulation of swaps and derivatives will continue to impact the manner by which DIMA and its Advisory Accounts and trade swaps and other derivatives and may increase the costs of derivatives trading.

Overall, regulatory reforms, together with increased regulatory scrutiny more generally, including ESG and other reforms have had and continue to have a significant impact on executing and/or may impact adversely DIMA's investment strategies. They may result in increased planning uncertainty, a higher cost base or higher capital demands, and hence may significantly affect DWS's business model, financial condition and results of operations as well as the competitive environment generally. As regulatory guidance and industry



standards evolve, regulations like the Volcker Rule could pose other potential risks for DWS, and while DWS attempts to limit the impact of such regulations on the funds they advise, DWS's regulatory requirements may conflict with the interests of clients, which may be adversely affected by any such actions.

- **Cybersecurity risk.** The computer systems, networks and devices used by DIMA and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses; interference with DIMA's ability to calculate the value of an investment in a client account; impediments to trading; inability to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; counterparties with which a Client engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity security breaches in the future.

- **Sustainability and ESG-Related Risks.** Sustainability risk means an ESG event or condition, that, if it occurs, could potentially or actually cause a negative material impact on the value of the investments selected for clients. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to the risk, such as market risks, liquidity risks or operational risks. For example, real estate assets could be severely damaged or destroyed by physical climate risks, that could materialize as either singular extreme weather events (for example floods, storms, and wildfires) or through long-term impacts of climatic conditions (such as precipitation frequency, weather instability and rise of sea levels). Insofar as investments into securities are considered, sustainability risks may have a negative impact on the market price of these investments and thus on the return of the portfolio, e.g., if issuers were to underestimate or fail to adequately assess sustainability risks and an event or condition were to occur adversely affecting the market price of their securities. In addition, reputational risks, caused by unsustainable acts of an issuer, could also adversely affect the market price of its securities.

While DIMA believes that material ESG considerations can be drivers of long-term investment performance, investment strategies that consider ESG factors may perform differently than those in which no ESG factors are applied. The consideration of ESG factors carries the risk that a

portfolio may forgo otherwise attractive investment opportunities or increase or decrease its exposure to certain types of issuers or properties and, therefore, may underperform portfolios that do not consider such ESG factors.

The ESG research and quality assessment score used by DIMA are based on information that is publicly available and/or provided by the companies themselves or by third parties. Such information may be incomplete, unavailable, or unreliable and, with respect to information provided by third parties, may be based on criteria that differ among data providers. The reliability and comparability of the data will affect the proprietary ratings utilized by certain business lines within DIMA.

Certain ESG quality assessment scores utilized by DIMA are based on peer group comparisons, which may result in a favorable rating for an issuer that might not have received a favorable rating if compared to a broader universe of issuers. Additionally, investors can differ in their views of what constitutes positive or negative ESG characteristics and DIMA's investment decisions may differ from other's views. As a result, certain strategies may invest in issuers that do not reflect the beliefs and values with respect to ESG of any particular investor.

In addition, there is a risk that the companies or assets identified by an investment strategy that considers ESG factors do not operate as expected as it relates to the ESG considerations. A company or asset's ESG performance or DIMA's assessment of its ESG performance could vary over time, which could cause a fund or portfolio to be temporarily invested in assets that do not comply with the strategy's approach towards considering ESG characteristics.

Moreover, DIMA may change its view of a company or asset's ESG characteristics over time. While DIMA views ESG considerations as drivers of long-term performance, there is no guarantee that pursuing investments with positive ESG characteristics will yield such results.

- **Legal, regulatory and enforcement risk.** DIMA and its affiliates are regulated and supervised by banking and other regulatory authorities in those jurisdictions in which they operate. In recent years, regulators and governmental bodies in certain countries have sought to subject investment advisers to increasing regulation. In light of an uncertain and evolving regulatory framework, legislative and regulatory reform may have a significant impact on DIMA's investment advisory business.

DIMA utilizes certain exemptions and exclusions under the Volcker Rule that allow it to continue its investment advisory business. For instance, under the asset management exemption, DIMA may sponsor and advise a covered fund but is prohibited from owning more than 3% of the outstanding ownership interests of such covered fund, among other conditions and restrictions. Moreover, certain of the Advisory Accounts are not covered funds because they would not be considered investment companies for purposes of the Investment Company Act or because they are foreign funds not sponsored by a U.S. banking entity that were organized and offered in offshore transactions targeting non-U.S. Persons; these Advisory Accounts are generally considered beyond the scope of the Volcker Rule.

A number of U.S. states and governmental pension plans have adopted laws, regulations or policies which prohibit, restrict, or require disclosure of payments to (and/or certain contacts with) state or local officials by individuals and entities seeking to do business with state or local entities, including those seeking investments by public retirement funds. The SEC has also adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to certain government affiliated investors for two years after the adviser or certain of its executives, employees or agents make a contribution to certain elected officials or candidates. Such laws, regulations or policies may inhibit an investment adviser from providing advisory services for compensation to a governmental client. If DIMA or any of its employees or affiliates or any service provider acting on their behalf fails to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on DIMA's clients.

DIMA and its investment Advisory Accounts may also be subject to regulation in jurisdictions where they engage in business. Recent legislative, tax, and regulatory reform may impact the activities of DIMA by requiring DIMA to provide additional client account information to the Internal Revenue Service or other taxing authorities. Other non-U.S. jurisdictions in which DIMA operates are also in the process of developing more comprehensive regulation related to the financial services industry, which could have a similar impact on DIMA and the broader markets. For example, foreign regulators have passed legislation that may affect certain clients, including the European Commission's Alternative Investment Fund Managers Directive ("AIFMD"), which imposed certain requirements and restrictions on managers of alternative investment funds. Similarly, the European Union's revised Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation (collectively called "MiFID II"), which came into effect on January 3, 2018, is a wide-ranging piece of legislation that regulates firms which provide services to clients relating to financial instruments and that has implications for asset managers located in the U.S. with business ties to the European Union. From time to time, DIMA may be subject to a higher standard with respect only to specific clients with particular regulatory requirements. For example, DIMA might be indirectly subject to MiFID II only to the extent that DIMA (1) trades on European trading venues; (2) trades with European counterparties, or (3) provides investment management services to EU clients or DWS legal entities in the EU or performs delegated activities for an EU DWS legal entity or fund and is contractually required to adhere to the regulatory standards of the outsourcing/delegating EU entity. Where DIMA aggregates trades, however, it will apply the higher standard to all clients.

Additionally, regulators in diverse global jurisdictions are developing various sustainable finance and climate-related risk management, disclosure and taxonomy frameworks for listed companies and financial institutions that will impact investment managers and advisers, including DIMA. As a result, DIMA may be subject to multiple risk and regulatory framework requirements imposed by various regional regulators.

DIMA's business is dynamic, and the regulatory landscape can change significantly over time, thus subjecting investment Advisory Accounts to new or additional regulatory constraints in the future. Offering materials and other documents received in connection with an investment advisory account cannot address or anticipate every possible current or future circumstance that may affect the investment advisory account, DIMA, or its businesses. A multitude of factors may significantly impact the business operations of DIMA, investors and/or operational construct of an

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investment advisory account. For the avoidance of doubt, DIMA is not obligated to effect any transaction that it reasonably believes would violate federal or state law, or the regulations of any regulatory body or self-regulatory body.

## Item 9 / Disciplinary Information

On September 25, 2023, DIMA entered into a settlement with the SEC regarding DIMA's ESG policies and procedures. The SEC found that DIMA did not adequately implement certain provisions of its global ESG integration policy for certain actively managed mutual funds and retail separately managed account strategies. The SEC also found that DIMA had weaknesses in its marketing processes that resulted in certain of DIMA's public statements about its ESG integration approach containing material misstatements. The SEC did not find that any of these public statements was intentionally false. DIMA was censured and ordered to cease and desist from violating Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. DIMA agreed to pay a penalty in the amount of \$19 million. DIMA neither admitted nor denied the SEC's findings.

## Item 10 / Other Financial Industry Activities and Affiliates

Deutsche Bank Group is an indirect majority-owner of DIMA and DIMA's parent DWS Group. The Deutsche Bank Group provides and/or engages in numerous financial services such as: commercial banking, insurance, brokerage, investment banking, financial advising and broker-dealer activities (including sales and trading). DWS Group is a global asset manager providing services to institutions and individuals.

Deutsche Bank Group continues to exercise significant influence over DWS Group's operations. The varied and complex financial services offered by Deutsche Bank Group can result in real, potential, or apparent conflicts of interest that appear to or prove disadvantageous to some of DIMA's advisory clients. Specifically, Deutsche Bank Group entities may act in their own interest, in the interest of third parties other than DIMA's clients, for example when Deutsche Bank Group entities other than DIMA engage in advisory, transactional, and financial activities, or acquire or divest interests in assets that DIMA may directly or indirectly purchase or sell for its clients' Advisory Accounts. On occasion, other entities within the Deutsche Bank Group may have engagements and responsibilities that could give rise to the appearance of a conflict with DIMA's fiduciary obligation. Present and future activities of the Deutsche Bank Group in addition to those described herein may result in conflicts of interest that may be disadvantageous to DIMA's clients. In addition, DWS Group engages in global asset management activities, which could result in actual, potential, or apparent conflicts of interest between clients of DIMA and the interests of other DWS Group affiliates and their clients.

### Conflict Mitigation

- DIMA personnel involved in decision-making for Advisory Accounts are required to act in the best interests of their advisory clients. DIMA acts as a fiduciary with respect to its asset management activities and owes its clients a duty of utmost care and loyalty.
- DWS Group has implemented policies, procedures, and controls to identify and address actual, potential, or perceived conflicts of interest, whether with respect to Deutsche Bank Group or other DWS Group businesses interests.
- Contacts between DIMA employees associated with the investment process, including portfolio managers, research analysts, and traders, and employees of the Deutsche Bank Group as it pertains to specific clients, business matters, or initiatives is governed by internal procedures or approved by DWS Group's Compliance.
- DIMA personnel generally, but not exclusively, act without knowledge of specific business goals or positions of Deutsche Bank Group. When advisory personnel have knowledge of actual or potential conflicts among Advisory Accounts or between Advisory Accounts and the

Deutsche Bank Group, applicable policies require mitigation of the conflicts. A discussion about additional conflicts of interest that involve related persons is set out in Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.

### **Material Relationships or Arrangements with Financial Industry**

DIMA may utilize, suggest, or recommend other services of any of its affiliates to DIMA's clients, which may involve revenue sharing or joint compensation, thus creating a conflict of interest. DWS has established a variety of policies, procedures and disclosures designed to address conflicts of interest arising between its employees, vendors, Advisory Accounts, and the Deutsche Bank Group's businesses. Pursuant to DWS's policies, DIMA personnel involved in decision-making for Advisory Accounts must act in the best interests of their advisory clients and generally (but not exclusively) without knowledge of the interests of proprietary trading and other operations of the Deutsche Bank Group and/or personnel of the Deutsche Bank Group. Where advisory personnel do know of conflicts or potential conflicts among Advisory Accounts or between Advisory Accounts and the Deutsche Bank Group and/or personnel of the Deutsche Bank Group, it is DIMA's policy to mitigate such conflicts, and generally to disclose the types of conflicts involving related persons that may arise through this Form ADV. A discussion concerning additional conflicts of interest involving related persons is set out in Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.

DIMA has entered into and may in the future enter into arrangements with affiliates and third-party service providers to perform various compliance, administrative, back-office and other services on behalf of, and relating to, Advisory Accounts. Such affiliates and service providers may be located in the U.S. or in non-U.S. jurisdictions. Accordingly, certain information about Advisory Accounts may be shared with such affiliates and third-party service providers in connection with these functions. Moreover, upon client request, DIMA may share information about its clients with affiliates with whom the clients wish to enter into a business arrangement.

Deutsche CIB Centre Private Limited; DBOI Global Services Private Limited, Deutsche Bank Securities Inc., and Deutsche Knowledge Services Pte, Ltd provide certain near sourced financial services to DIMA including but not limited to trade processing, client account management, FX sell off activities and conduct period end substantiation of cost related accounts.

### **Broker-Dealers**

DIMA has arrangements with the following related persons that are broker-dealers:

- Deutsche Bank Securities Inc. ("DBSI"), New York, NY, is a registered broker dealer under the U.S. Securities Exchange Act of 1934 (the "Securities Exchange Act") and is registered as a Futures Commission Merchant with the U.S. Commodity Futures Trading Commission ("CFTC"). It is a member of the New York Stock Exchange and other principal exchanges in the U.S., the National Futures Association ("NFA"), as well as the Financial Industry Regulatory Authority ("FINRA"). DBSI also serves as distributor for certain funds of DIMA. DIMA may also utilize DBSI's services to effect securities transactions for clients.
- DWS Distributors, Inc. is a wholly owned subsidiary of DIMA, which is registered as a limited purpose broker-dealer in the U.S. It serves as the principal underwriter for the DIMA-advised

mutual funds, and proprietary private funds (or private placements). Certain management persons of DIMA may be designated as registered representatives of DWS Distributors, Inc., a registered broker-dealer, as necessary or appropriate to perform their responsibilities.

### **Investment Companies and Other Pooled Vehicles**

DIMA acts in an advisory or sub-advisory capacity to a variety of U.S. investment companies and U.S and non-U.S. pooled vehicles for which an affiliate may act as adviser, sub-adviser, manager, or distributor. DIMA also acts in an administrator capacity to a variety of closed-end investment companies for which an affiliate acts as adviser. In connection with these funds, certain DIMA employees may serve as directors, trustees, or officers. These arrangements are disclosed in each fund's prospectus or offering document in accordance with any disclosure requirements. DIMA and its affiliates will receive management or advisory fees with respect to these services. Although such fees are generally paid by the entities, the costs are ultimately borne by their investors. These fees will be in addition to any advisory fees or other fees agreed between the investors in their capacities as clients and DIMA and its affiliates for investment advisory, brokerage, or other services.

When DIMA recommends or invests advisory account assets in DIMA Advised Funds conflict of interests arise where the Adviser and/or its Affiliates may benefit from increased allocations to the DIMA Advised Funds, and certain Affiliates of DIMA may receive advisory or other fees for services provided to such funds. Please refer to Item 11, Participation, or interest in client transactions for a more complete discussion regarding conflicts of interest.

As described in Item 5, DIMA generally does not receive advisory fees from both the advisory account and the DIMA Advised Fund in which the advisory account is invested. Please refer to Item 5, Fees and Compensation for a more complete discussion regarding fees and compensation.

### **Investment Advisers**

DIMA has investment advisory affiliates around the globe, including, without limitation, in Australia, United Kingdom, Germany, Hong Kong, Japan, Singapore, Luxembourg, Switzerland and the U.S. The following DIMA investment advisory affiliates are registered with the SEC as investment advisers: DBSI, DWS International GmbH, DWS Investments Australia Limited, DWS Investments Hong Kong Limited, RREEF America L.L.C., DWS Alternatives Global Limited, and DBX Advisors LLC. A number of DIMA's non-U.S. investment advisory affiliates are not registered with the SEC, including without limitation, DWS Investments UK Limited and DWS Investments (Japan) Limited. DWS Investments SA is an exempt reporting adviser.

Apart from furnishing investment advice to clients, DIMA also provides various investment advisory, consulting, trading, administrative, and research support services to its affiliates pursuant to intercompany agreements. With respect to certain non- U.S. strategies, or otherwise as it determines, DIMA may, in its discretion, delegate all or a portion of its advisory or other functions (including placing trades on behalf of clients) to any affiliate that is registered with the SEC as an investment adviser, in the U.S. or outside the U.S., or to any Participating Affiliate, or otherwise as permitted by law. To the extent DIMA delegates its advisory or other functions to affiliates that are registered with the SEC as investment advisers, a copy of the brochure of each such affiliate is available on the SEC's website (<http://www.adviserinfo.sec.gov>) and will be provided to



clients or prospective clients upon request. Certain services may be performed for affiliates by DIMA employees who are also employees of such affiliates or through delegation or other arrangements. In addition, DIMA may participate in sub-advisory, co-advisory or other joint projects related to pooled investment vehicles with unaffiliated entities.

DIMA’s affiliates, including DBSI, offer investment views to their clients through the provision of proprietary published research pertaining to investment securities, including debt and equity securities and access to the research analysts who prepare such research (collectively, “DB Research Services”). DBSI’s research Services do not include any securities trading activity on a discretionary basis or otherwise and are not specially tailored for particular clients. DB Research Services are developed independently of DIMA. While DIMA may, from time to time, consider DB Research Services in providing advisory service to Advised Accounts, DIMA is not bound by the views expressed in these DB Research Services, which could differ from DIMA developed research. There is no sharing of information by DIMA related to development or provision of the DB Research Services.

**Commodity Pool Operator, Commodity Trading Advisor and Futures Commission Merchant**

DIMA is registered with the CFTC as a commodity pool operator (“CPO”) and a commodity trading advisor (“CTA”). Certain management persons of DIMA are registered with the National Futures Association (“NFA”) as associated persons and swap associated persons to the extent necessary or appropriate to perform their responsibilities.

DIMA may have related persons that are registered with the CFTC as either a CPO, CTA, or futures commission merchant (“FCM”) including but not limited to the following:

Affiliates	Licenses
RREEF America L.L.C.	CTA/Exempt CPO
Deutsche Bank Securities Inc.	FCM/ SEC broker-dealer

To the extent permitted by law and applicable regulations, DIMA may utilize the foregoing or other affiliates as FCM, Exempt CPO or CTA in connection with DIMA's purchase or sale of futures, on behalf of certain of its clients or may delegate advisory services to an affiliate as a CTA, FCM, Exempt CPO or CTA affiliates which may receive remuneration for such services.

**Banking Institutions**

The following banking institutions are related persons of DIMA:

- DWS Trust Company ("DWS TC") is a New Hampshire trust company. DWS TC is the trustee as well as sponsor and/or investment adviser to privately offered investment funds, including various funds exempt from registration under the Investment Company Act. DWS TC also provides trustee and/or custodial services to various individual retirement accounts (“IRAs”), profit sharing plans, pension plans and other retirement plan clients of DIMA.
- Deutsche Bank AG is a publicly traded international commercial and investment banking concern listed on the Frankfurt and New York Stock Exchanges and is the indirect parent of DIMA and its affiliates. DIMA’s clients may utilize custodians unaffiliated with DIMA who may,

in turn, hire affiliates of DIMA as sub-custodians in certain jurisdictions. Any of DBAG's branches may be selected as a foreign sub-custodian by a U.S. global custodian, acting as custodian for Advisory Accounts including an account subject to ERISA. In these circumstances, DIMA affiliates may execute certain transactions on behalf of DIMA's clients (e.g., foreign exchange transactions, corporate actions). These circumstances may give rise to the appearance of conflicts of interest. DIMA has developed policies and procedures to monitor such circumstances. DBAG may also provide various non-financial services to DIMA.

### **Sponsor or Syndicator of Limited Partnerships**

From time to time, DIMA's affiliates may act as placement agent, sponsor, general partner, managing member or other controlling entity in private investment vehicles in which DIMA's clients may be solicited to invest, and DIMA's clients may also be solicited to invest in private investment vehicles for which DIMA acts as adviser or sub-adviser. Absent specific authority, DIMA does not exercise any discretionary authority with respect to client decisions to invest in such vehicles. Please see further discussion under the above section "Investment Companies and Other Pooled Vehicles."

### **Management persons; policies and procedures**

Certain of DIMA's management persons may also hold positions with DIMA's affiliates. In these positions, those management persons of DIMA may have certain responsibilities with respect to the business of these affiliates and the compensation of these management persons may be based, in part, upon the profitability of these affiliates. Consequently, in carrying out their roles at DIMA and these other entities, the management persons of DIMA may be subject to the same or similar potential conflicts of interest that exist between DIMA and these affiliates. DIMA has established a variety of restrictions, policies, procedures, and disclosures designed to address potential conflicts that may arise between DIMA, its management persons, and its affiliates. These policies and procedures include; information barriers designed to prevent the flow of information between DIMA, personnel of DIMA and certain other affiliates; policies and procedures relating to brokerage selection, trading with affiliates or investing in products managed or sponsored by affiliates; and allocation and trade sequencing policies applicable to clients.

# Item 11 / Code of Ethics, Participation, or Interest in Client Transactions, and Personal Trading

## Code of Ethics

DIMA has adopted the DWS Code of Ethics – DWS Group (the "Code") under Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act, designed to provide that DIMA employees, which are all considered Access Persons under the Code, comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions and act solely in the interest of DIMA's clients. The Code imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid conflicts of interest. These restrictions may include but are not limited to requiring Access Persons to hold positions in securities and DWS advised/sponsored funds for a minimum of 30 calendar days and not knowingly or otherwise effect the purchase or sale of a security on a day during which any DWS client account has an open buy or sell order, subject to limited exceptions. Subject to the limitations of the Code, Access Persons may buy and sell securities or other investments for their personal accounts, including investments in pooled investment vehicles that are sponsored, managed, or advised by DWS, and may also take positions that are the same as, different from, or made at different times than, positions taken (directly or indirectly) for accounts.

Pursuant to the Code, Access Persons are required to pre-clear all of their personal securities transactions in securities that are not exempt from the Code. Additionally, employees must also receive prior approval before purchasing any securities in a private placement. Finally, Access Persons may not purchase a security pursuant to an initial public offering.

The Code further classifies Access Persons based on whether they are Investment Personnel. Investment Personnel are those employees involved in the investment management and trading activity of clients' assets (including portfolio managers, research analysts and traders) and imposes additional personal trading restrictions on those most centrally involved in the investment management process. For example, Investment Personnel may not knowingly purchase or sell a security within five days before and after a transaction of that security in a client account if he/she manages or provides advice to that client account.

All Access Persons are subject to reporting obligations, including filing quarterly personal securities transaction reports (which provides information with regard to all securities and certain DWS advised/sponsored fund transactions that are required to be reported, if any, effected during the previous quarter for their own accounts and any accounts over which they have direct or indirect beneficial interest, influence and/or control). All Access Persons are required to disclose their security accounts to DIMA upon hire and annually thereafter. Additionally, Access Persons are required to

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acknowledge annually that they have received, read, understood, and had the opportunity to ask questions regarding the Code.

Any Access Person who violates the Code may be subject to disciplinary actions, including possible dismissal. In addition, any securities transactions executed in violation of the Code, such as short-term trading or trading during blackout periods, may subject the employee to sanctions, including but not limited to unwinding the trade and/or disgorging the profits or other financial penalties. All violations are reported to the Chief Compliance Officer on a monthly basis. Violations and suspected violations of criminal laws will be reported to the appropriate authorities as required by applicable laws and regulations. A copy of the Code will be provided to any client and/or prospective client upon request.

### **Outside Business Activities**

DIMA has policies and procedures in place which requires DIMA employees to obtain approval before engaging in any outside activities, including serving on the board of a publicly traded company, so that DIMA has the opportunity to consider whether such activities create actual or potential conflicts of interest. The Code and other DWS policies are intended to identify activities that have the potential to conflict with DWS and/or DWS activities.

### **Gifts and Entertainment**

DIMA has policies and procedures in place which limit and prohibit DIMA employees from accepting gifts, entertainment and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. Additionally, Access Persons may not offer gifts, entertainment or other things of material value that could be viewed as attempting to unduly influence the decision making or objectivity of any client or other business partner. In general, the policies dictate that giving and receiving of gifts or participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment is deemed excessive or extravagant. The policies impose specific restrictions and require DWS Compliance approval of certain gifts and entertainment.

In general, the policy permits employees to accept gifts having a nominal value (e.g., promotional items) which must be logged. Reporting and approval requirements and restrictions apply in the case of entertainment offered to or to be provided by DIMA. DWS' Policy also sets forth parameters with respect to entertainment-related expenses.

Additional restrictions regarding gifts and entertainment apply to Access Persons who are registered representatives or other associates of DIMA's affiliated broker-dealers.

### **Participation or Interest in Client Transactions**

Deutsche Bank Group is a major participant in global financial markets, and it acts as an investor, investment banker, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent and principal in the global fixed income, currency, commodity, equity, and other markets in which DIMA's Advisory Accounts directly and indirectly invest. In those and other capacities, Deutsche Bank Group advises clients in all markets and transaction and purchases, sells, holds, and recommends a broad array of investments, including securities, derivatives, loans, commodities, currencies, swaps, indices, and other financial instruments and products for its own account and for the accounts of clients and of its personnel, through Advisory Accounts and the relationships and products it sponsors, manages, and advises. As permitted by and in conformity with applicable laws and regulations, DIMA's

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Advisory Accounts will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which Deutsche Bank Group performs or seeks to perform banking or other services. Additionally, it is likely that DIMA's Advisory Accounts will undertake transactions in securities in which Deutsche Bank Group makes a market or otherwise has direct or indirect interests. DIMA makes decisions for its clients in accordance with its fiduciary obligations as manager of its Advisory Accounts. As disclosed in Item 10 – Other Financial Industry Activities and Affiliations, certain activities of Deutsche Bank Group may have a negative or detrimental effect on Advisory Accounts managed by DIMA.

DIMA may take investment positions in securities of the same issuer that are different parts of the capital structure in which other clients or related persons within the Firm have different investment positions. There may be instances in which DIMA is purchasing or selling for its Advisory Accounts or pursuing an outcome in the context of a workout or restructuring with respect to, securities in which Deutsche Bank Group is undertaking the same or differing strategy in other businesses or other Advisory Accounts. Prices, availability, liquidity, and terms of the investments may be negatively impacted by the Firm's activities and the transactions for DIMA's clients may, as result, be less favorable. The investment results for DIMA's clients may differ from the results achieved by Deutsche Bank Group and other clients of Deutsche Bank Group. In addition, results among DIMA clients may differ.

With respect to certain managed investment strategies, trading services including counterparty selection as well as certain “downstream” functions including, but not limited to, trade matching and settlement, investment accounting, reconciliations, corporate actions, and performance measurement may be provided through DIMA and its global affiliates. In providing these services, DIMA and its affiliated entities may have access to certain information about Advisory Accounts, including not limited to, client identities, portfolio transactions, open order, and positions.

As noted, DIMA makes decisions for its clients in accordance with its fiduciary obligations as manager of its Advisory Accounts independent of what decisions may be made by Deutsche Bank Group. While conflicts of interest could potentially arise between decisions that are in the best interests of DIMA's advisory clients and decisions that may benefit parts of the Deutsche Bank Group, such conflicts of interest are managed by the use of information barriers that control the sharing of information among the different businesses of the Deutsche Bank Group. For a summary of the restriction of the flow of certain information between DIMA and Deutsche Bank Group, please see "Information Barriers" below. The DWS Americas Investment Risk Oversight Committee (“IROC”) is responsible for monitoring investment performance of Advisory Accounts on a regular basis and performing an annual product review. See Item 12 – Brokerage Practices for more details.

The investment activities of Deutsche Bank Group may limit the investment opportunities for DIMA's Advisory Accounts. This may occur in certain regulated industries, private equity markets, emerging markets, and in certain futures and derivative transactions where restrictions may be imposed upon the aggregate amount of investment by affiliated investors. DIMA may voluntarily limit transactions for Advisory Accounts or limit the amount of voting securities purchased for Advisory Accounts or waive voting rights for certain securities held in Advisory Accounts, which may limit positions, in order to avoid circumstances which, in the view of DIMA, would require aggregation of such Advisory Account positions with investments in Deutsche Bank Group that would approach or exceed certain ownership thresholds.

DIMA may have portfolio managers who manage long/short accounts alongside long-only accounts. For example, DIMA may buy on behalf of an Advisory Account a security for which DIMA may establish a short position on behalf of another Advisory Account. The subsequent short sale may result in impairment of the price of the security held long in the Advisory Account. Conversely, DIMA may on behalf of an Advisory Account establish a short position in the same security which it may purchase on behalf of another Advisory Account. The subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure.

DIMA may engage in security transactions with brokers who may also sell shares of DIMA Advised Funds advised by DIMA, provided that it reasonably believes that the broker will provide best execution. However, trading with these brokers may raise the appearance of a conflict of interest. There are no quid pro quo arrangements or agreements in place with these brokers. Furthermore, DIMA has implemented policies and procedures reasonably designed to prevent its traders from considering sales of DWS Fund shares as a factor in the selection of broker-dealers to execute portfolio transactions for each DWS Fund.

This may affect potential returns on Advisory Accounts, and a client not advised by DIMA may not be subject to some of these restrictions.

DIMA may recommend and invest an Advisory Account in DIMA Advised Funds, which creates a conflict of interest because the Adviser and/or its Affiliates may benefit from increased allocations to the DIMA Advised Funds, and certain Affiliates of DIMA may receive advisory or other fees for services provided to such funds.

In accordance with a client's investment guidelines, when selecting DIMA Advised Funds for Advisory Accounts, DIMA must conduct independent due diligence and document the rationale for its selection of DIMA Advised Funds. DIMA has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

### **Information Barriers**

Deutsche Bank Group may come into possession of confidential, material non-public information particularly in connection with its commercial and investment banking activities. Deutsche Bank Group and DWS, have internal procedures in place intended to limit the potential flow of any such non-public information.

Should DIMA come into possession of any material, non-public information, DIMA has procedures that prohibit trading activities based on such information by DIMA for its clients and by DIMA employees. DIMA may not use material, non-public information when making investment decisions for its clients. These procedures and prohibitions may preclude Advisory Accounts from purchasing or selling certain securities, which could have a detrimental effect on one or more Advisory Accounts.

There may be instances in which senior management of DIMA, not involved in the investment process, may be privy to material, non-public information about transactions or securities due to discussions with senior personnel from other departments within Deutsche Bank Group. However, when in possession of material, non-public information, senior management may not participate or use

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that information to influence trading decisions; nor may they pass that information along to personnel within DWS involved in the investment process (e.g., portfolio managers, research analysts and traders) for use in investment activities. DIMA has developed policies and procedures to monitor such circumstances.

There may also be periods during which DIMA may not initiate or recommend certain types of transactions, disseminate research, or may otherwise restrict or limit its advice given to clients in certain securities issued by or related to companies that Deutsche Bank Group is performing banking or other services, or companies in which Deutsche Bank Group has a proprietary position. As a result, Advisory Accounts may be precluded from purchasing or selling certain securities, which could have a detrimental effect on one or more Advisory Accounts.

### Principal Trading

DIMA generally does not cause its clients to enter into principal transactions with related persons. Under limited circumstances, DIMA may enter into a principal transaction provided the transaction is in accordance with Section 206(3) of the Advisers Act. All such transactions must receive client consent for each transaction, are affected on arms' length terms and, with respect to commissions paid, are generally competitive with those paid to non-related broker dealers.

The only compensation received by DIMA for effecting securities transactions for clients is its advisory fees. Related persons of DIMA may receive brokerage commissions, commission equivalents, fees associated with acting as an issuer's paying agent, spread and other fees in connection with brokerage services provided. DIMA may also receive certain non-financial soft dollar benefits, as described in "Research and Soft Dollars," below. See Item 12 – Brokerage Practices for more details.

DIMA may purchase, on behalf of its clients (other than ERISA plans), securities in which an affiliate of DIMA serves as lead underwriter or co-manager of an underwriting syndicate or member of an underwriting syndicate other than ERISA Plans and IRAs. In these cases, the purchase is generally made from a party unaffiliated with any DWS company, but DIMA's affiliate may nevertheless benefit from such transactions, including in circumstances where the syndicate of which DIMA's affiliate is a member is experiencing difficulty in effectuating the distribution of the new issues.

DIMA's clients may utilize custodians unaffiliated with DIMA and such custodians may, in turn, hire affiliates of DIMA as sub-custodians in certain jurisdictions. In such circumstances, DIMA affiliates may affect certain transactions on behalf of DIMA clients (e.g., foreign exchange transactions, corporate actions). These circumstances may give rise to the appearance of conflicts of interest. DIMA has developed policies and procedures to monitor such circumstances.

While DIMA acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest, even though the transactions are effectuated in compliance with applicable regulations (see "Agency Transactions," "Investment Companies," and "Cross Trades" below). Additionally, regulatory, or other government requirements applicable to DIMA's related persons may restrict DIMA from investing in or disposing of certain securities for its clients on a temporary or on-going basis.

### Agency Transactions

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DIMA is a related person of various broker-dealers through which it may affect agency transactions. DIMA has procedures reasonably designed to ensure that agency transactions executed with these related broker-dealers acting as agent comply with applicable law and regulations. If any client portfolio transaction is executed with related broker-dealers, the broker-dealers may charge a commission in connection with these transactions; however, the commissions do not exceed the usual and customary commission that the broker-dealers would charge their own customers. As a general matter, DIMA can execute agency transactions on behalf of clients with related broker-dealers only if DIMA has determined in good faith that the client will receive best execution in the transaction, and only in compliance with applicable law and regulations, DWS's policies and procedures, and in accordance with the consent of clients to these kinds of transactions. Executing transactions with affiliates of DIMA may present conflicts of interest, including that DIMA affiliates will earn fees with regard to such transactions. See Item 12 – Brokerage Practices for a discussion of “Trading and Restricted Brokerage.”

### **Investment Companies**

For DIMA Advised Fund clients, agency and underwriting transactions with affiliated broker-dealers will be executed only pursuant to procedures adopted by the Boards of Trustees or Directors of such companies under Rule 17e-1 and Rule 10f-3 under the Investment Company Act. Rule 17e-1 under the Investment Company Act provides that, when purchasing or selling securities as agent, an affiliate of the DIMA Advised Funds may not accept any compensation, except in that person's role as an underwriter or broker. In addition, Rule 10f-3 under the Investment Company Act provides an exception to the prohibition on DIMA Advised Funds from knowingly purchasing or acquiring securities during the existence of an underwriting or selling syndicate when a principal underwriter of such security is an affiliate of the DIMA Advised Funds as long as certain conditions are met.

### **Cross trades**

DIMA may affect cross transactions directly between Advisory Accounts, provided that: such transactions are consistent with the investment objectives and policies of such accounts (for mutual funds, consistent with the funds' Rule 17a-7 procedures (procedures for transactions with affiliated persons)); are, in the view of the respective portfolio managers, favorable to both sides of transactions; and are otherwise executed in accordance with applicable laws, rules and regulation.

DIMA will only consider engaging in cross transactions to the extent permitted by applicable law and will, to the extent required by law, obtain the necessary client consents. Clients may revoke their consent for agency cross transactions at any time.

### **Portfolio Holdings Disclosure Policy**

As investment advisers, DIMA and each sub-adviser have a responsibility to their clients and investors not to disclose non-public portfolio holdings information unless such disclosure is consistent with relevant laws and regulations and with the fiduciary duties DIMA and each sub-adviser owe to their clients.

DIMA may make non-public portfolio holdings information available to certain clients or other parties including DIMA affiliates, sub-advisers, custodians, independent registered accounting firms, a DWS Fund's officers and trustees/directors, securities lending agents, financial printers, proxy voting firms, mutual fund analysts and rating and tracking agencies or a fund's shareholders in connection with in-kind redemptions in accordance with DIMA's portfolio holdings disclosure policy.



### **Proprietary Account Trading and Hedging Activities**

In accordance with DWS policy, DIMA may invest and manage its own proprietary capital by investing in a variety of securities and other instruments that is also subject to Volcker compliance. Proprietary capital investments will include investing in certain products and strategies managed by DIMA for its clients. The market risks of these investments may be hedged, while market risks of client assets may not be so hedged. Hedging activities may include purchasing instruments or using investment strategies such as short selling, futures (or options on futures) trading or employing other derivative techniques. Portfolio management and trading of the proprietary capital as well as any associated hedging activity is undertaken in accordance with DWS policies and procedures. Proprietary capital may not perform the same as similarly managed Advisory Accounts for a variety of reasons, including, but not limited to regulatory restrictions on the type and amount of securities in which the proprietary capital may be invested, differential credit and financing terms, as well as any hedging transactions. While DIMA acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest or could potentially disadvantage its clients.

## Item 12 / Brokerage Practices

### Broker Dealer Selection

In general, the execution strategy and associated execution methods, including where and how to execute an order, are made based on the functional and economic merits e.g., liquidity, appropriateness, certainty, and settlement infrastructure of a broker or a venue.

The selection of a particular broker to execute client orders is based on a number of criteria, including, but not limited to, their:

- Price
- Inventory or risk appetite (i.e., size available)
- Market and security familiarity
- Access to liquidity or willingness to commit risk to principal trade
- Financial stability and certainty of settlement
- Reliability and Integrity of maintaining confidentiality
- Soundness of technological infrastructure and operational capabilities
- In case of new Issues: The broker's capability to provide subscription facility in the primary market
- Safeguards and compliance controls to protect Clients
- Pricing and costs for execution-only services
- Ability to provide transaction cost analysis (TCA)
- Access to Centralized Risk Book (CRB)
- Ability to provide analysis of speed of execution
- Level of control over interactions with internal and external Systematic Internalisers (SIs)
- Approach to double caps and new large-in-size (LIS) venues
- Smart order routing (SOR) logic and Algorithmic trading strategies
- Ability to produce customized reports, trade related performance data, performance attribution, risk reports (including breach violations and rejection) on a periodic basis
- Ability to provide assisted trade reporting
- Connectivity to OMS and FIX confirmation capabilities

### Allocation of Investments

DWS has policies and procedures, which DIMA has adopted, reasonably designed to ensure that all clients are treated fairly and equitably.

When DIMA aggregates orders for its clients, the order is placed with one or more broker-dealers or other counterparties for execution. When an aggregated order is completely filled, or if partially filled, at the end of the day, DIMA will generally allocate the securities or the proceeds from the sale in a pro-rata fashion amongst the participating Advisory Accounts, based on the accounts' relative order size. In accordance with DWS Trading's Allocation Methodology, adjustments or changes to an allocation may be made under certain circumstances. Such examples may include, but are not limited to, avoiding odd

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lots or small allocations, ensuring minimum lot size requirements are met or satisfying cash flows and guidelines.

### **Best Execution**

DIMA places orders for the execution of transactions for Advisory Accounts according to its best execution policies and procedures.

When selecting brokers for order execution, DIMA will seek to obtain the best possible results taking into account price, costs, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.

The relative importance of these execution factors will be determined based on the following criteria:

- The characteristics of the order
- The financial instruments that are the subject of the order
- The characteristics of the execution venues to which the order can be directed
- The current market circumstances
- Specifically, for Funds: the objectives, investment policy and risks of the Fund as indicated in the prospectus, articles of association or offering documents of the Fund

Generally, DIMA will regard price and cost as the important factors for Best Execution, however there may be circumstances when DIMA may determine that other execution factors have a greater influence in achieving the best possible result.

### **Brokerage Practices Fiduciary Oversight Sub-Committee (“BPSC”)**

The BPSC, which is directed by IROC, is the fiduciary oversight committee for brokerage practices, including broker selection, best execution and new commission sharing and soft dollar agreements for DWS in the Americas.

The responsibilities of the BPSC include, but are not limited to, the following:

1. Reviewing
  - Best execution practices including, but not limited to broker selection, new soft dollar arrangements, approval of standard commission schedules, etc.
2. Reviewing best execution determinations from each trading desk, including where applicable
  - Trading volume and commission by broker
  - Broker rank
  - Trends and market color as it related to execution
  - Cross trading activity
3. Reviewing list of approved counterparties.
4. Reviewing trading errors

### **Commission Rates**

DIMA utilizes a schedule of commission rates that have been negotiated with the broker-dealers approved by DWS Group. The schedule delineates the commission rates negotiated with the broker-

dealer by country and by types of trades. There may be limited instances in which a trade may deviate from the schedule.

### **Counterparty Risk**

Counterparty risk is the risk that a counterparty will not be able to complete a client's transaction, whether due to financial difficulties or otherwise, which may result in opportunity cost and/or loss of principal. While DWS Group cannot guarantee the creditworthiness of counterparties, DWS Group has a Counterparty Risk Management (CPRM) team within its Chief Control Office (“CCO”), which is responsible for assessing and managing counterparty risk for all transactions undertaken on behalf of DIMA’s clients and across all businesses globally within DWS Group. The CPRM team has developed policies and procedures which are used to assess credit worthiness and levels of credit exposure of all counterparties, to approve or decline counterparty limits and exposures, and to measure and monitor counterparty exposure to ensure that there is no undue concentration of exposure, within levels that, in DIMA’s judgment, are prudent with regard to the counterparty's financial resources. For certain transactions involving extended settlements, the CPRM team is heavily involved in the negotiation of special agreements with certain counterparties.

In less-developed markets, there may well be a higher level of counterparty risk because counterparties may not be as well capitalized. In addition, there is often limited and less reliable information about counterparties' financial condition, less regulatory supervision of securities markets, market policies that may require payment before delivery of securities, less automated clearance and settlement conditions, the uncertain enforceability of legal obligations, greater market volatility, and increased levels of sovereign and currency risk. In these markets, the effort to attain best execution may also increase counterparty risk, and DIMA will attempt to balance these factors when selecting a counterparty to execute client transactions.

### **Electronic Communication Network (ECN)**

DIMA may elect to utilize Electronic Communication Networks (ECNs) to execute trades. DIMA’s affiliates may maintain an ownership interest in one or more ECNs, which creates a conflict of interest. In no case does such interest by DIMA or any U.S. affiliate currently exceed 10%.

### **Electronic Trading Platforms**

DIMA may enter into agreements with various vendors who provide platforms for DIMA to gain electronic access to various participating broker-dealers. DIMA aims to make use of electronic venues wherever possible. This means that the order will be made available on the venues (i.e., request for quote submitted) on a best effort basis to avoid market movements adversely impacting execution.

When determining the execution venue for order execution in respect of a particular order, DIMA takes the following factors into consideration:

- The instrument types mainly traded on the particular venue where the competitive prices are available
- The depth of liquidity and the relative volatility of the market
- The speed and likelihood of execution
- The creditworthiness of the counterparty on the venue
- The quality, cost, and arrangements supporting clearing and settlement
- Impact to price/position leakage

DIMA has identified the brokers and execution venues on which we place significant reliance in meeting our best execution obligations on a consistent basis. There may, however, be occasions when achieving the best possible result in carrying out a client order will require executing the order outside trading venues.

### **Errors and Corrections**

A trading error is defined as an error in the placement, execution, or settlement of a client's trade. Trade errors include improper trades resulting from incorrect information being given to, and fully accepted by, the executing broker; trades that are inconsistent with a client's or fund client's investment guidelines, DWS Group policy or procedure, applicable laws and regulations, and operational errors that cause trading or guideline breaches. A trading error does not include, for example, a situation where DIMA invests in a particular investment that does not perform as expected. Operational mistakes which can be promptly reversed so as not to affect the client account also are not considered errors. In accordance with its policy, any trade error that affects a DIMA client account must be resolved promptly and fairly, and in accordance with legal/regulatory restrictions and guidelines. All trade errors caused by DIMA which result in a loss to a client account must be reimbursed regardless of the amount. With respect to certain trade errors, DIMA may determine the amount of such reimbursement by offsetting losses against gains resulting from such errors to the extent permitted by DWS's policies and procedures and applicable law. All trade errors are reported on a regular basis to DIMA management and/or DIMA Compliance. Trade error incidents resulting from the mistakes of brokers, custodians or other third parties are generally not compensable by DIMA to a client.

### **Investment and Brokerage Discretion**

Generally, DIMA is retained on a discretionary basis for Advisory Accounts and DIMA determines which securities should be bought or sold, the total amount to be bought or sold for the account, the broker or dealer through which the securities are executed, and the commission rates, if any, at which transactions are affected for those accounts. From time to time, a client may also retain DIMA on a non-discretionary basis, explicitly requiring that portfolio transactions be discussed in advance.

### **Model Portfolio Programs**

As noted above in "Item 4 – Advisory Business," DIMA may, for certain investment strategies, provide non-discretionary and discretionary investment advice in the form of model portfolios to model portfolio program sponsors (each a "Sponsor," and collectively, "Sponsors") who may utilize such recommendations in connection with the management of their Advisory Accounts.

With respect to model portfolios, DIMA normally intends to follow the general trading approach outlined below:

For discretionary model portfolios provided by DIMA to unaffiliated Sponsors (each a "Discretionary Model Portfolio Account," and collectively, the "Discretionary Model Portfolio Accounts") and for affiliated Sponsors, DIMA will generally communicate information regarding model portfolios, or updates thereto, to such Sponsors at approximately the same time as it communicates to its trade desk the corresponding transactions for its Advisory Accounts within the same investment strategy.

For non-discretionary model portfolios provided by DIMA to unaffiliated Sponsors (each a “Non-Discretionary Model Portfolio Account,” and collectively, the “Non-Discretionary Model Portfolio Accounts,” and together with Discretionary Model Portfolio Accounts, the “Model Portfolio Accounts”), DIMA will normally seek to communicate information regarding model portfolios to such Sponsors at approximately the same time as it communicates to its trade desk the corresponding transactions for its Advisory Accounts within the same investment strategy; provided that for situations where more than one such Sponsor is using the same investment strategy, DIMA intends to follow a trade rotation policy where it provides model portfolio changes to such Sponsors sequentially, with model portfolio changes normally being communicated to the Sponsor that is first in line in the sequence at approximately the same time corresponding advisory client account trade orders are communicated to DIMA’s trading desk. In an effort to treat the Non-Discretionary Model Portfolio Accounts on a fair and equitable basis over time, on each day where there is trading for multiple Non-Discretionary Model Portfolio Account Sponsors utilizing the same investment strategy, DIMA intends to randomly assign such Sponsor their spot in the trading sequence for that day. Once DIMA determines the trading sequence for a particular day for a particular investment strategy, it will normally follow that sequence for all trades that are initiated during that day (the “Initial Trade Date”). DIMA intends to release model portfolio changes to all Non-Discretionary Model Portfolio Accounts in a manner that does not intentionally systematically favor or disadvantage any particular Non-Discretionary Model Portfolio Account over time.

On any given day, if DIMA determines, in its discretion, that an advisory client account trade and a corresponding change to Non-Discretionary Model Portfolio Accounts are likely to be market moving (a “Market Moving Trade”), DIMA will seek to implement a trading approach that it deems fair and equitable under the circumstances. When determining whether a trade is or is not likely to be market moving, DIMA may base its determination on a number of factors, including the current or historical context and depth of the market, the average trading volume of the security, the total size or value of the trade, minimum lot size, the current float, shares outstanding and/or issue size of the security. In addition to these factors, DIMA may, in its discretion, take into account other relevant factors, including the time of day the investment decision is initiated. In the case of a Market Moving Trade involving an investment strategy being utilized by multiple Non-Discretionary Model Portfolio Account Sponsors, DIMA will normally seek to communicate the advisory client account trade order to its trading desk at approximately the same time that it communicates the corresponding model portfolio change to the Non-Discretionary Model Portfolio Account Sponsor that is first in line in the trade sequence for that day. Once it completes the Market Moving Trade and any and all other related trades for its Advisory Accounts and any affiliated Sponsors that trade in the aggregate with DIMA’s Advisory Accounts, DIMA will normally then sequentially communicate all of the corresponding model portfolio changes to the remaining Non-Discretionary Model Portfolio Account Sponsors in accordance with the trade sequence established on the Initial Trade Date.

If DIMA determines that the trading approach described above is not appropriate for a particular investment strategy, DIMA will normally release recommended model portfolio changes for Non-Discretionary Model Portfolio Accounts after it completes all of the corresponding trades for its Advisory Accounts within the same investment strategy.

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Under the above-described circumstances, DIMA may or may not complete its trading for its Advisory Accounts and any affiliated Sponsors before providing the model portfolio changes to all of the Model Portfolio Accounts. Under certain circumstances, such as when DIMA, in its discretion, determines that abnormal market conditions exist, DIMA reserves the right to modify its general trading approach in a manner that it deems fair and equitable over time to similarly situated clients.

As a result of DIMA's above-described trading activity on behalf of its Advisory Accounts and affiliated Sponsors, corresponding model portfolio related trades placed by Sponsors for their Model Portfolio Accounts may, as a general matter, be subject to price movements, particularly for orders that are large in relation to a security's average daily trading volume. This could potentially result in the Model Portfolio Accounts receiving prices that are less favorable than the prices obtained by DIMA for its Advisory Accounts and affiliated Sponsors. Similarly, model portfolio related trading activity by Sponsors on behalf of their Model Portfolio Accounts could potentially result in DIMA's advisory clients and affiliated Sponsors receiving prices that are less favorable than prices that might otherwise have been obtained absent the Sponsors' trading activity, particularly for orders that are large in relation to a security's average daily trading volume.

In addition, it is possible that the communication of the model portfolios to Sponsors may be delayed because of the Sponsors' administrative requirements or implementation practices. In such circumstances, Sponsors, including affiliated Sponsors, who make decisions for Model Portfolio Accounts, will not have had the chance to evaluate or act upon the model portfolio recommendations prior to the time at which other Advisory Accounts received such model portfolio and had the opportunity to act upon it. It is also possible that Sponsors, including affiliated Sponsors, who make execution decisions for Model Portfolio Accounts, may act upon such information before other Advisory Accounts have commenced trading.

For Sponsors participating in a trading sequence, particularly Sponsors that are not "first in line," trades placed by such Sponsors for their clients may be subject to price movements due to the trading activity of other Sponsors. This may result in adverse price impacts for the affected Sponsors' clients.

DIMA intends to take reasonable steps to minimize the market impact on Advisory Accounts and affiliated Sponsors of orders associated with model portfolio recommendations provided to all Sponsors. Because DIMA does not control the Sponsors' execution of transactions for the Model Portfolio Accounts, DIMA cannot minimize the potential market impact of such transactions on Model Portfolio Accounts to the same extent that it may be able to for its Advisory Accounts and affiliated Sponsors. DIMA believes that Sponsors are in the best position to take steps to address trading issues in furtherance of their best execution obligations to their clients. DIMA endeavors to treat its similarly situated clients fairly and equitably over time with respect to trade sequencing and allocation, recognizing that DIMA generally has different levels of responsibility with respect to its discretionary clients as compared to its non-discretionary clients.

### **New Issue Allocation**

When allocating Initial Public Offerings ("IPOs"), Secondary Public Offerings ("SPOs") (collectively "new issues") and other block trades, DWS must treat all Advisory Accounts in a fair and equitable manner.

When an order has been entered by the portfolio manager into the execution management system and sent to the responsible dealing desk, DIMA will aggregate all orders in relation to a new issue and submit an aggregated indication of interest for DWS to the broker. Communication to the broker should only reflect actual interest of the respective funds and clients of DWS. Participation in new issues is limited to those Advisory Accounts that meet applicable FINRA eligibility requirements. Not all Advisory Accounts or funds will be eligible for investment in new issues. Any deviations to the applicable allocation methodologies must be approved by DIMA Compliance.

### Non-Discretionary Accounts

DIMA provides non-discretionary investment advice to certain clients (including affiliates), requiring client consent prior to trading on behalf of such clients. In certain cases, depending on the time elapsed between DIMA seeking and receiving consent to purchase or dispose of an investment, such clients may not participate or receive the benefits of trading in the aggregate with other DIMA clients or may lose an investment or disposition opportunity altogether. In cases where clients receive non-discretionary advice and do not participate in an aggregated trade order, such clients' order may be traded after the aggregated order is completed.

### Order Aggregation

DIMA may, to the extent appropriate, permissible and/or feasible, to aggregate multiple client orders for the purchase or sell of the same security, placed at or around the same time, to achieve best execution with respect to all transactions being affected on behalf of Advisory Accounts. To the extent possible, the aggregation of orders shall be performed in a way that it does not disadvantage any client account or client whose orders are to be aggregated.

DIMA will generally execute aggregated orders across all applicable accounts. Orders of the same security and transaction type should, to the extent possible, be aggregated. Any subsequent orders that the trading desk receives prior to full execution of an aggregated order will generally be added to the unfilled portion. In addition, to the extent that aggregated orders are partially unfilled following execution, the unfilled amounts are to be combined with subsequent orders for future execution. When an aggregated order is executed at more than one price over the course of a day, the executed transactions are allocated so that each account pays (or receives) the weighted average execution price per broker and generally will pay the average commission, subject to odd lots or rounding. There may be instances in which not all accounts are charged the same commission or commission equivalent rates in an aggregated order, including restrictions under applicable law on the use of client commissions to pay for research services (i.e., those accounts subject to MiFID II). Accounts that do not use commissions to pay for research services included in the aggregated order pay commissions at "execution-only" rates which would be below the total commission rates paid by those Advisory Accounts that use commissions to pay for research services.

DIMA does not always bunch or aggregate orders for different accounts if aggregating is not appropriate or practicable from DIMA's operational or other perspectives or if doing so would not be appropriate in light of applicable regulatory considerations. For example, trading instructions, cash flows, separate portfolio management processes, among other factors may result in orders in the same security not being bunched or aggregated. This may result in DIMA placing orders in the same instrument for different accounts at different times.



Certain orders may be auto-routed electronically for execution and as such may not be aggregated with other orders. There may be instances in which other DIMA client orders for the same security are being placed through a broker and, in those instances, the auto-routed and the direct orders may theoretically compete against each other in the market. Prices and availability of a security may differ depending on whether an order was auto routed or aggregated, and this may result in certain Advisory Accounts receiving more or less favorable prices than the other Advisory Accounts in contemporaneous trades.

Certain affiliated advisers of DIMA may utilize DIMA's trading desk to facilitate the routing and execution of their client orders. In such cases, DIMA's trading desk will execute these client orders along with DIMA client orders in the manner described above.

DIMA may also utilize the trading desks of certain affiliated advisers to facilitate the routing and execution of client orders. In such cases, consistent with its best execution obligations, the affiliate advisers will execute these orders along with affiliate orders in the manner described above so as to treat all Advisory Accounts in a fair and equitable manner.

### **Research and Soft Dollar Benefits**

DIMA is permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended (such Act, the "1934 Act" and such Section, the "Sec. 28(e) Safe Harbor") when placing securities transactions for an account, to cause the account to pay brokerage commissions in excess of that which another broker-dealer might charge for executing the same transaction in order to obtain research and brokerage services if DIMA determines that such commissions are reasonable in relation to the overall services provided. DIMA may from time to time, execute portfolio transactions with broker-dealers that provide research and brokerage services to DIMA. When DIMA uses client commissions to obtain research and brokerage services, DIMA receives a benefit because it does not have to produce or pay for the research and brokerage services itself. As a result, DIMA will have an incentive to select or recommend a broker-dealer based on its interest in receiving the research and brokerage services from that broker-dealer, rather than solely on its clients' interest in receiving the best commission rate. As a result, DIMA must determine in good faith that the non-execution costs paid to broker-dealers are reasonable in relation to the value of the research and brokerage services received by DIMA.

Research services provided by brokers to DIMA may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and measurement and analysis of corporate responsibility issues. These research services are typically received in the form of written reports, telephone contacts and personal meetings with security analysts. Research services may also be provided in the form of market data services, and meetings arranged with corporate and industry representatives. Research and brokerage services may include products obtained from third parties, if DIMA determines that such product or service constitutes brokerage and research as defined in Section 28(e) and interpretations thereunder.

These research and brokerage services may be bundled with the trade execution services provided by a particular broker-dealer and subject to applicable law, DIMA may pay for such research and brokerage services with client commissions. Transactions will not always be executed at the most favorable available commission and DIMA may cause clients to pay commissions higher than those charged by other broker-dealers as a result of the research and brokerage services received by DIMA to service its clients. DIMA participates in "commission sharing arrangements" under which DIMA may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research to DIMA. DIMA believes such arrangements are useful in its investment decision-making process by, among other things, ensuring access to a variety of research, access to individual analysts and availability of resources that DIMA might not be provided absent such arrangements. Due to European regulatory changes affecting DIMA and certain of its affiliates, beginning in January 20218, certain clients no longer participate in the client commission sharing arrangement described above.

Clients may differ with regard to whether and to what extent they pay for research and brokerage services through commissions. As a result, brokerage and research services may disproportionately benefit some clients relative to other clients based on the relative amount of commissions paid by the clients and in particular those clients that do not pay for research and brokerage services. DIMA has implemented certain controls and processes designed to oversee and secure to its satisfaction substantially equivalent outcomes by putting in place processes to establish maximum budgets for research costs and allocating research costs based on assets that are participating in the commission sharing arrangements. DIMA will switch to execution only commissions when maximums are met and will pay for research services with its own assets. While DIMA seeks to estimate its research budget in good faith, the actual costs of such research may be higher or lower than budgeted, and DIMA may face conflicts of interest in estimating such budgets.

### **Trading and Broker Restrictions**

Clients may limit DIMA's authority by prohibiting or by limiting the purchasing of certain securities or industry groups. In addition, a client may further limit DIMA's authority by (i) requiring that all or a portion of the client's transactions be executed through the client's designated broker-dealer ("Designated Broker"); (ii) requiring trades or executing commissions to be stepped out or given up to a client's designated broker; and/or (ii) restricting DIMA from executing the client's transactions through a particular broker-dealer.

In situations where a client directs or restricts brokerage for their accounts ("Directed/Restricted Brokerage"), because the client has placed limitations on the selection of broker-dealers to execute Directed/Restricted Brokerage, DIMA may be unable to obtain "best execution" for such trades. Similarly, where a client directs DIMA to use a particular counterparty for swaps, OTC options, etc., DIMA may be unable to obtain best execution for such trades. Furthermore, Directed/Restricted Brokerage may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may trade after the aggregated trades and/or directed trades for other DIMA clients. As a result, such clients may have to pay higher commissions or receive less favorable net prices than would be the case if the clients had participated in the aggregated trading order and DIMA were authorized to choose the broker through which to execute transactions for such Advisory Accounts.

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In agreeing to satisfy a client's directions to execute transactions for its account through Designated Brokers, DIMA understands that it is the client's responsibility to ensure that: (i) all services provided by the Designated Brokers (a) will be provided solely to the client's account and any beneficiaries of the account, (b) are proper and permissible expenses of the account, and may properly be provided in consideration for brokerage commissions or other remuneration paid to the Designated Brokers, (ii) using the Designated Brokers in the manner directed is in the best interest of the client's account and any beneficiaries of the account, taking into consideration the services provided by the Designated Brokers, (iii) its directions will not conflict with any obligations persons acting for the client's account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations persons acting for the account may have to obtain the most favorable price and execution for the account and its beneficiaries; and (iv) persons acting for the client's account have requisite power and authority to provide the directions on behalf of the account and have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under applicable law or instruments governing the account.

## Item 13 / Review of Accounts

Regular reviews of accounts in each strategy vary in frequency and are tailored to the specific facts and circumstances applicable to the various investment strategies. Portfolio managers review accounts on an ongoing basis to ensure investments are appropriate and DWS' Investment Guideline Management team uses both automated and manual processes to monitor portfolios in accordance with their stated portfolio investment guidelines, restrictions, and other regulatory requirements.

Daily: Traders perform daily trade reviews to ensure that records are accurate and complete. Daily trade reviews are also completed by the portfolio managers who review and verify that orders were executed in accordance with the trading instructions.

Monthly: IROC is responsible for providing oversight of DIMA's investment performance, investment risk, investment compliance, brokerage practices, composite change process, liquidity risk management, valuation process, proxy voting activities, sub- advisory oversight, derivatives trading oversight and any other areas they may be deemed appropriate. DIMA also has policies and procedures in place to address trade errors and the BPSC (as described under Item 12 – Brokerage Practices) receives monthly reports on all trading errors. In addition, IROC monitors products/portfolio's investment risk profiles against defined limits, conducts annual product reviews, and reviews investment compliance violations identified by DWS Compliance.

Annually: In addition to the aforementioned trade reviews, institutional account reviews are also performed at least annually by DIMA Client Services. DIMA may actively participate in a client's Board and Investment Committee presentations as well as provide regular performance reviews to the client.

### Reports to Clients

The nature and frequency of reports to clients is primarily determined by the particular needs of the client, as negotiated with the client. Written client account reports are generally sent to clients on at least a quarterly basis and generally include holdings in the account with relevant transactions. Clients are also advised in writing or via telephone conversation of any material investment changes in their portfolio and per the individual client's requirements.

**Wrap fee and non-wrap fee advisory programs:** Third-party program sponsors will receive market commentaries prepared by DIMA upon request and may send such commentaries onto wrap fee and non-wrap fee advisory clients. Third-party program sponsors also typically issue performance reports to clients on a quarterly basis. In addition, DIMA personnel who are knowledgeable about wrap fee and non-wrap fee advisory programs will be reasonably available to the third-party program sponsors for consultation.

## Item 14 / Client referrals and Other Compensation

DIMA compensates affiliates or non-affiliates for client referrals in accordance with Rule 206(4)-1 under the Advisers Act. The compensation paid to any such entity will typically consist of a payment stated as a percentage of the advisory fee. Affiliates of DIMA and/or third parties who refer or help solicit investment advisory clients may also be compensated based on a percentage of the investment advisory fee charged to that client. Employees of DIMA and/or related persons to DIMA may be compensated pursuant to the Firm's approved compensation structure(s) which may take into account a variety of factors including profitability of DWS, profitability of the division, and contributions of that individual to the successes of the division. For the avoidance of doubt, compensation structure is never exclusively driven by sales targets or acquisition of specific clients. When required under the law, the policies and procedures require regulatory disclosure of the compensation arrangement between DIMA and the referring party.

DIMA may be referred advisory clients by unaffiliated consultants that are retained by existing or prospective clients. These consultants may advise existing or prospective clients whether to engage or retain the services of DIMA as investment adviser. Additionally, while payments are not made in connection with any advisory client referral such as these, DIMA may make payments to investment consultants in order to attend industry-wide conferences sponsored by these consultants.

## Item 15 / Custody

DIMA does not hold client assets. DIMA's clients appoint their own qualified custodians who are unaffiliated with DIMA. DIMA is not involved in the client's selection or ongoing monitoring of client custodians.

In certain limited circumstances, the third-party custodians selected by the client may appoint subsidiaries of the Deutsche Bank Group may as a sub-custodian, for example, for foreign stocks or currencies in jurisdictions where the client's custodian does not operate. Subsidiaries of the Deutsche Bank Group that are not subsidiaries of the DWS Group are operationally independent of DIMA; as such, DIMA is not in custody of client assets under Rule 206(4)-2 of the Advisers Act as a result of these arrangements. In addition, DIMA's clients receive statements from their qualified custodian at least on a quarterly basis. Clients are encouraged to review these statements carefully and compare statements received from DIMA with statements received from the qualified custodian. Comparing statements may allow clients to determine whether account transactions are proper. DIMA also instructs clients to contact their client service representative at their qualified custodian if they are not receiving statements from their custodian at least on a quarterly basis.

The assets of wrap account clients and Retail SMA accounts are custodied with the third-party program sponsor, or a qualified custodian selected by the third-party program sponsor or client. DIMA is not involved in the selection or ongoing monitoring of client custodians for wrap account clients and Retail SMA Accounts.

## Item 16 / Investment Discretion

Generally, DIMA offers investment advisory services on a discretionary or non-discretionary basis. Such advisory services are governed by a written IAA established between a client and DIMA. For discretionary clients, the IAA grants DIMA the authority to make investment decisions and effect portfolio transactions on behalf of the client without prior notice, consultation, or consent.

In making decisions as to which securities are to be bought or sold and the amounts thereof, DIMA is guided by a client's investment guidelines, objectives, and any limitations (such as certain securities not to be bought or sold) as set forth in the relevant IAA. In accordance with an applicable IAA, DIMA's authority could include the ability to select brokers and dealers (or may impose certain limitations on DIMA's use of broker-dealers, see Item 12 of this Brochure for more information) through which to execute transactions on behalf of its clients. For DIMA Advised Funds, DIMA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Where permitted by applicable law and a relevant IAA, DIMA may delegate investment management authority for all or a portion of a client's accounts to an affiliate, including affiliates that may be outside the U.S.

## Item 17 / Voting Client Securities

DIMA has proxy voting responsibility for an advisory account as indicated in the IAA, or pursuant to other delegated authority. DIMA has adopted a proxy voting policy and procedure that includes specific proxy voting guidelines (“Guidelines”) which set forth the general principles DIMA uses to determine how to vote proxies for issuers in Advisory Accounts for which DIMA has proxy voting responsibility. DIMA believes that the Guidelines are reasonably designed to ensure 1) that client proxies are voted in the best economic interests of clients and 2) that material conflicts of interest are avoided and/or resolved in a manner consistent with DIMA’s fiduciary duties under applicable law.

The Guidelines set forth standard voting positions on a comprehensive list of common proxy voting matters. Guidelines are monitored and periodically updated based on considerations of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments, among other considerations.

DIMA has engaged a third-party proxy voting service (the “Proxy Service”) to assist in the implementation of certain proxy voting- related functions, including, without limitation, operational, recordkeeping and reporting services. The Proxy Service also prepares recommendations for each proxy that reflects its application of the Guidelines to a particular proxy issue. The Proxy Service uses the Guidelines adopted by DIMA when providing proxy related services to DIMA.

Under normal circumstances, DIMA will generally vote proxies in accordance with the Guidelines. Any proxy vote that is not covered by the Guidelines or is one in which DIMA believes that voting in accordance with the Guidelines may not be in the best interests of clients, will be evaluated by the Proxy Voting Sub-Committee (“PVSC”) and voted in accordance with what the PVSC, in good faith, determines to be the best economic interest of the clients. The Conflicts of Interest Management Sub-Committee, established within DIMA, monitors for potential material conflicts of interest in connection with proxy proposals that are to be evaluated by the PVSC. The information considered by the Conflicts of Interest Management Sub-Committee may include without limitation information regarding: (i) DIMA client relationships; (ii) any relevant personal conflict known by the Conflicts of Interest Management Sub-Committee or brought to the attention of that sub-committee; and (iii) any communications with members of the PVSC (or anyone participating or providing information to the PVSC) and any person outside or within the organization (including Deutsche Bank Group and its affiliates) or any entity that identifies itself as an Advisory Client regarding the vote at issue. In the event that the Conflicts of Interest Management Sub-Committee determines that there is a material conflict of interest, DIMA will either follow the proxy voting recommendations under the Guidelines or, time permitting, will seek to obtain proxy voting instructions from affected clients. It is possible that actual proxy voting decisions by DIMA in respect of a particular client may benefit DIMA’s other clients or businesses of DIMA or its affiliates, provided DIMA’s proxy voting decisions are made in accordance with its fiduciary responsibilities and are independent of such considerations.



Form ADV Part 2A

DIMA may have voting discretion with respect to accounts that own securities issued by DWS, its affiliates (including Deutsche Bank Group itself) or pooled investment vehicles managed by DIMA or its affiliates. In circumstances in which DIMA has discretion to vote proxies with respect to such securities, DIMA will generally vote proxies pursuant to an echo voting arrangement under which shares are voted in the same manner and proportion as shares for which DIMA does not have voting discretion. For markets where echo voting is not permitted, DIMA will abstain from voting such shares. In addition, if DIMA Advised Funds (including an ETF advised by DIMA or an affiliate together with Advisory Clients, in aggregate, (i) hold more than 25% of the outstanding voting securities of an investment company that is not a registered closed-end fund or business development company, or (ii) hold more than 10% of the outstanding voting securities of an investment company that is a registered closed-end fund or business development company, then DIMA will vote its holdings in such DIMA Advised Fund's securities in the same proportion as the vote of all other holders of such securities as required by Rule 12d1-4 of the Investment Company Act and Master Fund proxies solicited from feeder funds will be are voted in accordance with applicable provisions of Section 12 of Investment Company Act. Determinations by DIMA as to whether and how to vote proxies with respect to securities issued by DWS, its affiliates or pooled investment vehicles managed by DIMA or its affiliates may create a conflict between the interests of DWS and DIMA, on the one hand, and clients on the other hand.

For clients who have delegated proxy voting responsibilities to DIMA, it is the custodian's fiduciary responsibility to send client proxy materials to DIMA. Clients who have delegated proxy voting responsibilities to DIMA may from time to time contact their client service representatives to direct as to how to vote certain proxies on behalf of their accounts. DIMA will use its commercially reasonable efforts to vote according to the client's request in these circumstances. Clients can obtain a copy of the Guidelines, or information about how DIMA voted proxies with respect to securities held in their account(s), by calling their client service representative.

If a client chooses not to delegate proxy voting authority to DIMA, the right to vote securities is retained by the client. With respect to certain discretionary model portfolio programs, where the underlying client of such program has delegated proxy voting authority to DIMA, DIMA has in turn, delegated proxy voting authority to a third-party proxy service provider, Institutional Shareholder Services Inc. ("ISS"), who will vote such proxies in accordance with its own proxy voting guidelines. In so doing, these proxies may not be voted in line with recommendations/votes that would be made in connection with other clients of DIMA.

## Item 18 / Financial Information

This section is not applicable.

# Additional Disclosures

## Business Continuity

DIMA is committed to protecting its staff and ensuring the continuity of critical DIMA businesses and functions in order to protect DWS.

It is DIMA's policy that every unit of DIMA develops, implements, tests, and maintains appropriate, comprehensive, and verifiable Business Continuity and Disaster Recovery strategies and plans in compliance with the goals and planning assumptions as defined by the policy.

## Class Action and Legal Proceedings

DIMA does not act on behalf of client separately managed accounts (including sub-advised accounts) in any legal proceeding involving assets managed by DIMA (and/or transactions effected for). "Legal proceedings" include, but are not limited to, class actions, insolvency filings, SIPC filings and settlement filings. If DIMA receives documentation relating to such a legal proceeding, where practicable, DIMA will forward the documentation to the client, its trustee and/or designated custodian of record.

## Know Your Customer ("KYC") and Customer Identification Program ("CIP") Policy

To help the government fight the funding of terrorism and money laundering activities, U.S. laws require certain covered financial institutions to obtain, verify, and record information that identifies each person and verifies the identity of each person who opens an account. KYC duties also mandate the on-going monitoring of relevant customer information.

DWS Group is subject to the Anti-Money Laundering Policy – DB Group and Know Your Client Policy, which applies to all DWS Group employees, which includes, DIMA.

KYC and CIP Policies are significant components of the AML Program.

DIMA is required to:

- Obtain at a minimum certain information such as an individual's name, address, date of birth and social security number and a driver's license, passport, or other identity verification document. For legal entities, it would include their formation documents and tax identification number. Information about the beneficial owners of legal entities may also be obtained.
- Based upon its assessment of the level of risk, DIMA is allowed to collect as much information as it deems appropriate as well as request the source of funds and purpose of the investment.
- KYC includes screening new and existing customers against applicable sanctions lists published by the Office of Foreign Assets Control ("OFAC"), European Union, as well as the United Nations. In addition, screening is completed against lists of persons and/or legal entities compiled by the U.S. Department of Treasury pursuant to Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("U.S. Patriot Act")

- KYC includes identifying customers unlawfully engaged in the Internet gambling business under Regulation GG, the Unlawful Internet Gambling Enforcement Act of 2006.
- KYC requires periodic review and update of a customer's KYC information and screening against appropriate lists.
- A customer's refusal to provide KYC information can result in a decision to decline entering into a new client relationship or a decision to exit an existing customer relationship.

### Privacy Notice

DIMA collects information about clients from account application forms and other written and verbal information that clients provide to DIMA. DIMA uses this information to process the client's requests and transactions (for example, to provide them with additional information about services performed, to open an account for the client or to process a transaction). In order to service the client account and effect transactions, DIMA may provide the client's personal information to firms that assist DIMA in servicing the client account, such as third-party administrators, custodians, and broker-dealers. DIMA also may provide the client's name and address to one of its agents for the purpose of mailing account statements and other information about DIMA's products and services to the client. DIMA generally requires these outside firms, organizations, and individuals to protect the confidentiality of client information and to use the information only for the purpose for which the disclosure is made. DIMA does not provide customer names and addresses to outside firms, organizations, or individuals except in furtherance of its business relationship with clients, or as otherwise required or permitted by the law.

DIMA will only share information about clients with those persons who will be working with it and its affiliates to provide products and services to clients and to manage DIMA's relationship. DIMA maintains physical, electronic, and procedural safeguards to protect our clients' personal information. DIMA does not sell customer lists or individual client information. DIMA considers privacy fundamental to its client relationships and adheres to the policies and practices described below to protect current and former clients' information. Internal policies are in place to protect confidentiality, while also allowing client needs to be served. Only individuals who have a business need to know in carrying out their job responsibilities may access client information. DIMA maintains physical, electronic, and procedural safeguards that comply with federal and state standards to protect confidentiality. These safeguards extend to all forms of interaction with DIMA, including the internet.

In the normal course of business, clients give DIMA non-public personal information on applications and other forms, on DIMA's websites, and through transactions with DIMA or affiliates. Examples of the non-public personal information collected are name, address, social security number, and transaction and balance information. To be able to service Advisory Accounts, certain client information is shared with affiliated and non-affiliated third-party service providers such as transfer agents, custodians, and broker-dealers to assist DIMA in processing transactions and servicing Advisory Accounts with DIMA.

DIMA may also disclose non-public personal information about clients to other parties as required or permitted by law. For example, DIMA is required, or it may provide information to government entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain

circumstances, to law enforcement authorities, or at any time it believes it is necessary to protect Deutsche Bank Group.

The California Consumer Privacy Act, as amended (the “CCPA”) which became effective January 1, 2020 imposes privacy compliance obligations with regard to the personal information of California residents. DIMA has created a separate privacy notice addressing CCPA which can be found at: [DWS California Consumer Privacy Disclosure](#). Other states may, in the future, impose similar privacy compliance obligations.

The brand DWS represents DWS Group GmbH & Co KGaA and any of its subsidiaries such as DWS Investment Management Americas, Inc., which offers investment advisory services.

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# **Pankaj Bhatnagar**

## **Head of Investment Strategy- US Equity**

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## **Item 2 - Educational Background and Business Experience**

### **Pankaj Bhatnagar, PhD**

- ▶ Head of Investment Strategy - Equity: New York
- ▶ Joined the Company in 2000 with 7 years of industry experience. Prior to joining, Pankaj worked on the proprietary trading desks at Credit Suisse and at Nomura Securities. Earlier, he worked in the Equity Portfolio Analysis/Derivatives Research Group at Salomon Brothers, where he published extensively.
- ▶ BTech in Civil Engineering from Indian Institute of Technology; MBA from Kent State University; PhD in Finance from University of North Carolina at Chapel Hill

## **Item 3 - Disciplinary Information**

### **(1) A criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which you:**

- Were convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

**No**

- are the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

**No**

- were found to have been involved in a violation of an investment-related statute or regulation;

**No**

- were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

**No**

### **(2) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of an investment-related statute or regulation and were the subject of an order by the agency or authority
  - denying, suspending, or revoking your authorization to act in an investment-related business; **No**
  - barring or suspending your association with an investment-related business; **No**
  - otherwise significantly limiting your investment-related activities; **No**
  - imposing a civil money penalty of more than \$2,500 on you. **No**



**(3) A self-regulatory organization (SRO) proceeding in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of the SRO's rules and were: (i) barred or suspended from membership or from association with other members, or were expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **No**

**(4) Any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct. No If so, please provide detail below.**

**If you responded Yes to the above, please note here the date of the proceeding, the regulatory body involved, the nature of the violation, and the final disposition.**

**(5) Any type of non-investment related felony conviction. No**

**If you responded Yes to the above, please explain when the incident occurred and the nature of the incident.**

**Item 4 - Other Business Activities**

**Do you engage in any "Outside Business Activities" meaning activities outside the scope of your relationship with DWS (including affiliates) in which you receive or has a reasonable expectation of receiving compensation. If yes, refer to SEC instructions for guidance for disclosure requirement. No**

**Item 5 - Additional Compensation**

**In connection with providing advisory services, your Portfolio Manager does not receive economic benefits from anyone other than DWS Investment Management Americas Inc. ("DIMA").**

**Item 6 - Supervision**

**Supervised persons dealing with DIMA's client accounts are supervised by each business line's Business Manager or Chief Operating Officer. Also within DWS, committees are and will continue to be used to oversee, complement and reinforce supervision. Major DWS Americas Committees, which are the Core of DWS' Control Structure are the Investment Risk Oversight Committee and the Americas Operating Committee.**

**If you have any questions regarding the supervision of your Portfolio Manager's investment advisory activities, you may contact Hepsen Uzcan, DWS Investment Management Americas Inc. ("DIMA")'s Head of Americas Fund Business, at 212-454-1313.**



**Hiten Shah**  
**Portfolio Manager – US Equity**

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## **Item 2 - Educational Background and Business Experience**

### **Hiten Shah**

- ▶ Portfolio Manager - Equity: New York
- ▶ Joined the Company in 2017 with 19 years of industry experience. Prior to joining, Hiten served as senior consultant at the firm with responsibility for the implementation of BlackRock's Aladdin platform in the US, covering front office and risk functions. Before this, he was a portfolio manager for multi-asset portable alpha strategies at Oppenheimer Funds. Prior to that, he worked as a portfolio manager for global macro and fixed income at various companies, including True North Partners, HSBC, Societe General and GE. Hiten began his career as an analyst at Metlife Investments.
- ▶ BA in Economics from Rutgers University.

## **Item 3 - Disciplinary Information**

### **(11) A criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which you:**

- Were convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

**No**

- are the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

**No**

- were found to have been involved in a violation of an investment-related statute or regulation;

**No**

- were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

**No**

### **(12) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of an investment-related statute or regulation and were the subject of an order by the agency or authority
  - denying, suspending, or revoking your authorization to act in an investment-related business; **No**
  - barring or suspending your association with an investment-related business; **No**
  - otherwise significantly limiting your investment-related activities; **No**

- imposing a civil money penalty of more than \$2,500 on you. **No**

**(13) A self-regulatory organization (SRO) proceeding in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of the SRO's rules and were: (i) barred or suspended from membership or from association with other members, or were expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **No**

**(14) Any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct. No If so, please provide detail below.**

If you responded Yes to the above, please note here the date of the proceeding, the regulatory body involved, the nature of the violation, and the final disposition.

**(15) Any type of non-investment related felony conviction. No**

If you responded Yes to the above, please explain when the incident occurred and the nature of the incident.

**Item 4 - Other Business Activities**

Do you engage in any "Outside Business Activities" meaning activities outside the scope of your relationship with DWS (including affiliates) in which you receive or has a reasonable expectation of receiving compensation. If yes, refer to SEC instructions for guidance for disclosure requirement. Yes

**Item 5 - Additional Compensation**

In connection with providing advisory services, your Portfolio Manager does not receive economic benefits from anyone other than DWS Investment Management Americas Inc. ("DIMA").

**Item 6 - Supervision**

Supervised persons dealing with DIMA's client accounts are supervised by each business line's Business Manager or Chief Operating Officer. Also within DWS, committees are and will continue to be used to oversee, complement and reinforce supervision. Major DWS Americas Committees, which are the Core of DWS' Control Structure are the Investment Risk Oversight Committee and the Americas Operating Committee.

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**Dr. David Kwak, CFA**  
**Portfolio Manager – US Equity**

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## **Item 2 - Educational Background and Business Experience**

### **David Kwak, PhD, CFA**

- ▶ Portfolio Manager - Equity: New York
- ▶ Joined the Company in 2008. Prior to his current role, David was a Quantitative Portfolio Manager at the Systematic & Quantitative Investments team in Cologne, Germany.
- ▶ Master's Degree in Mathematics from University of Bonn; PhD in Mathematics from University of Regensburg; CFA Charterholder

### **CFA**

The Chartered Financial Analyst (CFA) designation is conferred by the CFA Institute ([www.cfainstitute.org](http://www.cfainstitute.org)). Candidates for the CFA must meet one of the following requirements:

- Undergraduate degree and four years of professional experience involving investment decision-making; or
- Four years qualified work experience (full time, but not necessarily investment related).

The CFA program involves a self-study program comprised of an estimated 250 hours of study for each of the three exams.

## **Item 3 - Disciplinary Information**

### **(16)A criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which you:**

- Were convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

**No**

- are the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

**No**

- were found to have been involved in a violation of an investment-related statute or regulation;

**No**

- were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

**No**

### **(17)An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of an investment-related statute or regulation and were the subject of an order by the agency or authority
  - denying, suspending, or revoking your authorization to act in an investment-related business; **No**
  - barring or suspending your association with an investment-related business; **No**
  - otherwise significantly limiting your investment-related activities; **No**
  - imposing a civil money penalty of more than \$2,500 on you. **No**

**(18)A self-regulatory organization (SRO) proceeding in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of the SRO's rules and were: (i) barred or suspended from membership or from association with other members, or were expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **No**

**(19)Any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct. No If so, please provide detail below.**

If you responded Yes to the above, please note here the date of the proceeding, the regulatory body involved, the nature of the violation, and the final disposition.

**(20)Any type of non-investment related felony conviction. No**

If you responded Yes to the above, please explain when the incident occurred and the nature of the incident.

**Item 4 - Other Business Activities**

Do you engage in any “Outside Business Activities” meaning activities outside the scope of your relationship with DWS (including affiliates) in which you receive or has a reasonable expectation of receiving compensation. If yes, refer to SEC instructions for guidance for disclosure requirement. **No**

**Item 5 - Additional Compensation**

In connection with providing advisory services, your Portfolio Manager does not receive economic benefits from anyone other than DWS Investment Management Americas Inc. (“DIMA”).

## **Item 6 - Supervision**

Supervised persons dealing with DIMA's client accounts are supervised by each business line's Business Manager or Chief Operating Officer. Also within DWS, committees are and will continue to be used to oversee, complement and reinforce supervision. Major DWS Americas Committees, which are the Core of DWS' Control Structure are the Investment Risk Oversight Committee and the Americas Operating Committee.

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**Izzy Kuo**  
**Portfolio Manager - US Equity**

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**(212) 454-8557**

**This Brochure Supplement, last updated in May 2024, provides information about your Portfolio Manager that supplements the DWS Investment Management Americas Inc. (“DIMA”) Brochure. You should have received a copy of that Brochure. Please contact Hepsen Uzcan, Head of Americas Fund Business if you did not receive the Brochure or if you have any questions about the contents of this Brochure Supplement.**

## **Item 2 - Educational Background and Business Experience**

### **Izzy Kuo**

- ▶ Portfolio Manager - Equity: New York
- ▶ Joined the Company in 2019 with 4 years of industry experience. Prior to joining DWS, Izzy served as Quantitative Modeling Specialist at Deutsche Bank. Before that, she helped perform quantitative research using machine learning techniques & assisted development of proprietary trading strategies and risk models as Quantitative Researcher at State Street. She started her career as Quantitative Consulting at Boston Consulting Group (BCG) Platinion
- ▶ BS in Quantitative Finance & Industrial Engineering from National Tsing Hua University; Master's in Financial Engineering from New York University

## **Item 3 - Disciplinary Information**

### **(1) A criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which you:**

- Were convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

**No**

- are the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

**No**

- were found to have been involved in a violation of an investment-related statute or regulation;

**No**

- were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

**No**

### **(2) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of an investment-related statute or regulation and were the subject of an order by the agency or authority
  - denying, suspending, or revoking your authorization to act in an investment-related business; **No**
  - barring or suspending your association with an investment-related business; **No**
  - otherwise significantly limiting your investment-related activities; **No**

- imposing a civil money penalty of more than \$2,500 on you. **No**

**(3) A self-regulatory organization (SRO) proceeding in which you**

- were found to have caused an investment-related business to lose its authorization to do business; **No**
- were found to have been involved in a violation of the SRO's rules and were: (i) barred or suspended from membership or from association with other members, or were expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **No**

**(4) Any proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct. No If so, please provide detail below.**

**If you responded Yes to the above, please note here the date of the proceeding, the regulatory body involved, the nature of the violation, and the final disposition.**

**(5) Any type of non-investment related felony conviction. No**

**If you responded Yes to the above, please explain when the incident occurred and the nature of the incident.**

**Item 4 - Other Business Activities**

**Do you engage in any "Outside Business Activities" meaning activities outside the scope of your relationship with DWS (including affiliates) in which you receive or has a reasonable expectation of receiving compensation. If yes, refer to SEC instructions for guidance for disclosure requirement. No**

**Item 5 - Additional Compensation**

**In connection with providing advisory services, your Portfolio Manager does not receive economic benefits from anyone other than DWS Investment Management Americas Inc. ("DIMA").**

**Item 6 - Supervision**

**Supervised persons dealing with DIMA's client accounts are supervised by each business line's Business Manager or Chief Operating Officer. Also within DWS, committees are and will continue to be used to oversee, complement and reinforce supervision. Major DWS Americas Committees, which are the Core of DWS' Control Structure are the Investment Risk Oversight Committee and the Americas Operating Committee.**

**If you have any questions regarding the supervision of your Portfolio Manager's investment advisory activities, you may contact Hepsen Uzcan, DWS Investment Management Americas Inc. ("DIMA")'s Head of Americas Fund Business, at 212-454-1313.**

## Privacy Notice

### Why does DWS collect personal information?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

### What personal information does DWS collect?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Income
- Account balances
- Transaction history
- Purchase history
- Payment history
- Credit history
- Contact information such as mailing address, e-mail address and telephone number

When you are no longer our customer, we will continue to limit the sharing of your personal information as described in this notice.

### How does DWS collect personal information

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons DWS chooses to share and whether you can limit this sharing.

<b>Reasons we can share your personal information</b>	<b>Does DWS share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders or legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	We don't share
<b>For non-affiliates to market to you</b>	No	We don't share

### What personal information does DWS collect?

**For mutual fund customers**, call (800) 728-3337 or e-mail us at [service@dws.com](mailto:service@dws.com) <mailto:service@dws.com>. If we serve you through an investment professional or representative, please contact them directly.

### Who we are

<b>Who is providing this notice?</b>	<p>All DWS US legal entities such as corporations, trust companies and holding companies which include products and services. For greater detail, see "Other Important Information" in this Privacy Notice.</p> <p>This Privacy Notice comes from whichever entity maintains your account and/or provides you with a product or service.</p>
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## What we do

<b>How does DWS protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does DWS collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"><li>– open an account</li><li>– give us your contact information</li><li>– provide bank account information for ACH or wire transactions</li><li>– tell us where to send money</li><li>– seek advice about your investments</li></ul>
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"><li>– sharing for affiliates' everyday business purposes – information about your creditworthiness</li><li>– affiliates from using your information to market to you</li><li>– sharing for non-affiliates to market to you</li></ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## Definitions

<b>Affiliates</b>	Companies related by common ownership or control. They can be financial or non-financial companies. Our affiliates include financial companies with the DWS or Deutsche Bank ("DB") name, such as DB AG Frankfurt.
<b>Non-affiliates</b>	Companies not related by common ownership or control. They can be financial and non-financial companies.  Non-affiliates we share with include account service providers, service quality monitoring services, mailing service providers and verification services to help in the fight against money laundering and fraud.
<b>Joint marketing</b>	A formal agreement between non-affiliated financial companies that together market financial products or services to you. DWS does not jointly market.

## Other Important Information

DWS comprises the following entities in the US (we may update this list from time to time): DWS Distributors, Inc.; DWS Investment Management Americas, Inc. (includes any private funds and separately managed accounts advised by DWS); the DWS Fund (includes all funds under Cash Account Trust, Deutsche DWS Asset Allocation Trust, Deutsche DWS Equity 500 Index Portfolio, Deutsche DWS Global / International Fund, Inc., Deutsche DWS Income Trust, Deutsche DWS Institutional Funds, Deutsche DWS International Fund, Inc., Deutsche DWS Investment Trust, Deutsche DWS Investments VIT Funds, Deutsche DWS Market Trust, Deutsche DWS Money Funds, Deutsche DWS Money Market Trust, Deutsche DWS Municipal Trust, Deutsche DWS Portfolio Trust, Deutsche DWS Securities Trust, Deutsche DWS State Tax-Free Income Series, Deutsche DWS Tax Free Trust, Deutsche DWS Variable Series I, Deutsche DWS Variable Series II, DWS Municipal Income Trust, DWS Strategic Municipal Income Trust, Government Cash Management Portfolio, and Investors Cash Trust); DBX Advisors LLC; DBX ETF Funds (includes all funds under DBX ETF Trust and includes all Xtracker Funds); DWS Trust Company; Deutsche Cayman Ltd.; RoPro U.S. Holding, Inc.; Germany Funds (includes The European Equity Fund, Inc., The New Germany Fund, Inc., The Central and Eastern Europe Fund, Inc.); DB Commodity Services LLC; RREEF America L.L.C.; RREEF Property Trust, Inc.; RREEF Management L.L.C.; RREEF DCH, L.L.C.; DBRE Global Real Estate Management US IB, L.L.C.; G.O. IB-US, Management L.L.C.; RREEF Fund Holding Co. and DWS Service Company.

## State Specific notices

### California Consumer Privacy Act

California residents may go to <https://download.dws.com/download?elib-assetguid=7dc8ca5c91f94afea027443a22ef03c4>

<<https://www.dws.com/AssetDownload/Index?assetGuid=7dc8ca5c-91f9-4afe-a027-443a22ef03c4&consumer=E-Library>>

to obtain additional information relating to their rights under California state law.

Last updated October 2023



## Important Risk Information

This website is intended to be a general communication and is provided for informational and/or educational purposes only. None of the content should be viewed as a suggestion that you take or refrain from taking any action nor as a recommendation for any specific investment product, strategy, plan feature or other such purpose. Your use of this website indicates that you agree with the intended purpose. Prior to making any investment or financial decision, you should seek individualized advice from a personal financial, tax, and other professionals who are able to provide advice in the context of your particular financial situation.

Investments in mutual funds involve risk. Stocks may decline in value. Bond investments are subject to interest-rate and credit risks. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increased volatility. Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. There are additional risks associated with investing in commodities, high-yield bonds, aggressive growth stocks, non-diversified/ concentrated funds and small- and mid-cap stocks which are more fully explained in the prospectuses. Please read the prospectus for more information.

You cannot invest directly in an index. Shares of exchange traded funds (ETFs) are bought and sold at market price (not NAV) throughout the day on the New York Stock Exchange. There can be no assurance that an active trading market for shares of a fund will develop or be maintained. Transactions in shares of ETFs will result in Brokerage commissions and will generate tax consequences. There are risks associated with investing, including possible loss of principal. Stocks may decline in value. Bonds are subject to interest rate, credit, liquidity and market risks to varying degrees.

Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, real estate, currency, fixed income and alternative investments include additional risks. Due to the investment strategy of certain Funds, they may make higher capital gain distributions than other ETFs. Please see the fund's prospectus for a complete discussion of risks.

Shares of the exchange traded funds may be sold throughout the day on the exchange through any brokerage account. However, shares may only be purchased and redeemed directly from the funds by authorized participants in very large creation/redemption units. There is no assurance that an active trading market for shares of an exchange traded fund will develop or be maintained.

MSCI and MSCI Index are servicemarks of MSCI Inc. and have been licensed for use by db-X. The ETFs are not sponsored, endorsed, issued, sold or promoted by MSCI Inc. nor does this company make any representation regarding the advisability of investing in the ETFs. Index data source: MSCI Inc.

DWS investment products offered through DWS Distributors, Inc. Advisory services offered through DWS Investment Management Americas Inc. Xtrackers ETFs ("ETFs") are managed by DBX Advisors LLC (the "Adviser"), and distributed by ALPS Distributors, Inc. ("ALPS"). The Adviser is a subsidiary of DWS Group GmbH & Co. KGaA, and is not affiliated with ALPS.

[View our privacy policy, legal information and security statement.](#)



#### Obtain A Prospectus

Carefully consider the fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the fund's prospectus. To obtain a mutual fund summary prospectus, if available, or prospectus, call (800) 728-3337 or [download one from fundsus.dws.com](https://fundsus.dws.com)

<https://fundsus.dws.com/en-us/literature-page/?>

PageSize=10000&Literature+type=1&Product+type=MutualFund&Document+type=Prospectus,Summary+prospectus>

. To obtain an ETF prospectus call (844) 851-4255 or [download one from etf.dws.com](https://etf.dws.com)

<https://etf.dws.com/en-us/prospectuses-reports/>>. To obtain the RREEF Property Trust prospectus, [download one from rreefpropertytrust.com](https://www.rreefpropertytrust.com)

<https://www.rreefpropertytrust.com/Investor-Relations/Prospectus-and-Corporate-Governance/>>. Read the prospectus carefully before investing.

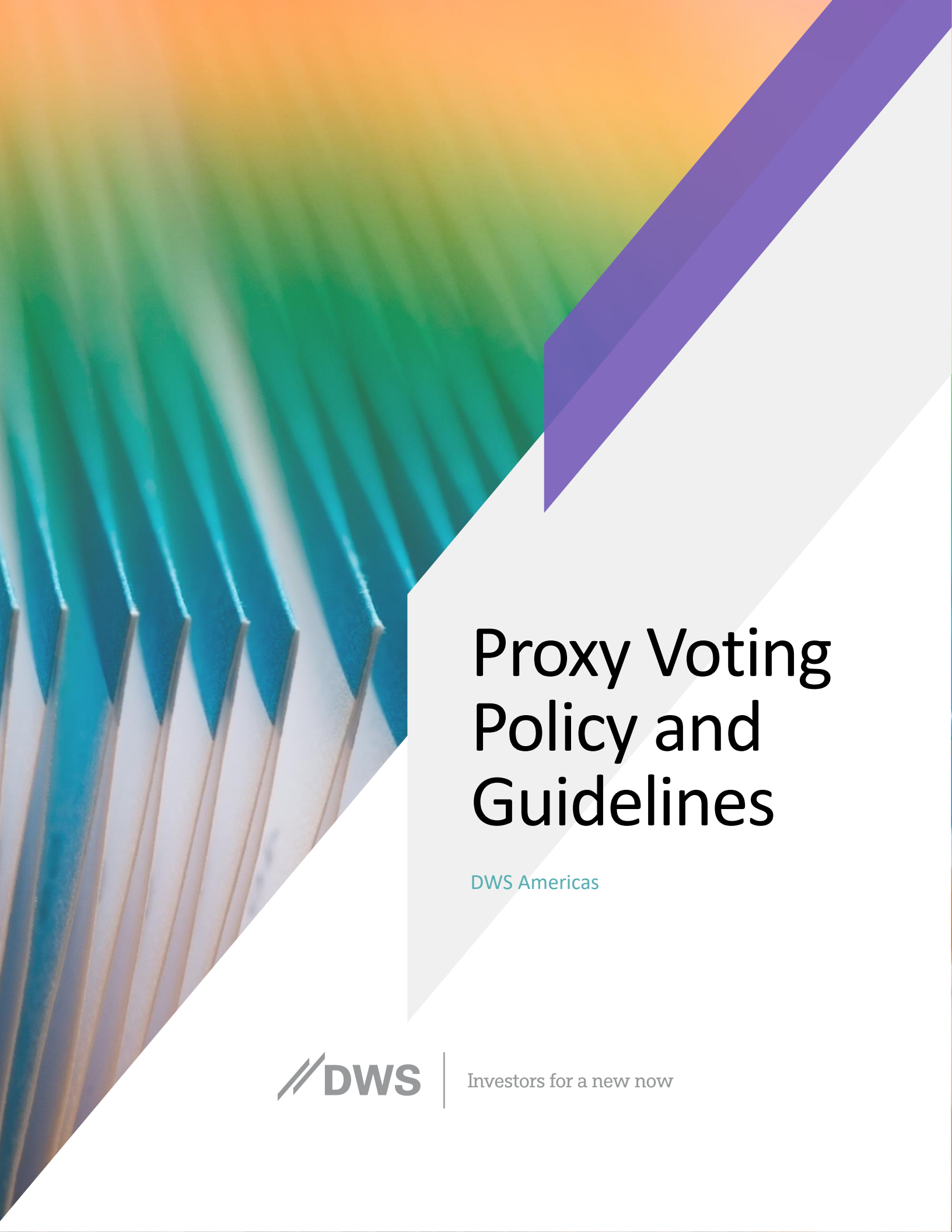
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R-064230-6 (5/24)



# Proxy Voting Policy and Guidelines

DWS Americas



Investors for a new now

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# 1 / Scope

DWS investment advisers (“DWS”)<sup>1</sup> registered with the SEC have adopted and implemented the following Proxy Voting Policy and Guidelines – DWS Americas (“Policy and Guidelines”). The Policy and Guidelines are reasonably designed to ensure that proxies are voted in the best economic interest of DWS’s advisory clients with voting rights<sup>2</sup> (i.e., equity securities) and in accordance with its fiduciary duties and local regulation. The Policy and Guidelines apply to DWS when on behalf of client accounts, it has taken on the responsibility to vote, or provide recommendations relating to proxies.

The guidelines attached as Attachment A represent a set of recommendations (the “Guidelines”) that were determined by the DWS Proxy Voting Sub-Committee (“the PVSC”). These Guidelines were developed and approved by the PVSC to provide DWS with a comprehensive list of recommendations that represent how DWS will generally vote proxies for its clients. The Guidelines are closely aligned with, although not identical to, those of its proxy voting agent, Institutional Shareholder Services (“ISS”). As a fiduciary, DWS owes its clients a duty of loyalty and duty of care. As a result, DWS has a fiduciary obligation to vote proxies in the best economic interest of clients taking into consideration reasonable costs without considering any relationship that it or its parent or affiliates may have with an issuer. In addition, the organizational structures and documents of the various DWS legal entities allow, where necessary or appropriate, the execution by individual DWS subsidiaries of the proxy voting rights independently of any parent or affiliated company.

Capitalised terms have the meaning ascribed to them in the Glossary.

<sup>1</sup> These include DWS Investment Management Americas, Inc. (“DIMA”), DBX Advisors LLC (“DBX”) and RREEF Americas L.L.C. (“RREEF”) as well as DWS registered investment advisers based outside the U.S. who provide services to U.S. accounts based on delegation from DIMA, DBX or RREEF.

<sup>2</sup> For purposes of this document, “clients” refers to persons or entities: (i) for which DWS serves as investment adviser or sub-adviser; (ii) for which DWS votes proxies; and (iii) that have an economic or beneficial ownership interest in the portfolio securities of issuers soliciting such proxies.

## 2 / DWS's Proxy Voting Responsibilities

Proxy votes are the property of DWS's advisory clients. As such, DWS's authority and responsibility to vote such proxies depend upon its contractual relationships with its clients or other delegated authority. DWS has delegated responsibility for effecting its advisory clients' proxy votes to ISS, an independent third-party proxy voting specialist. ISS analyses and votes DWS's advisory clients' proxies in accordance with the Guidelines or DWS's specific instructions. Where a client has given specific instructions as to how a proxy should be voted, DWS will notify ISS to carry out those instructions. Where no specific instruction exists, DWS will follow the procedures in voting the proxies set forth in this document. Certain Taft-Hartley clients may direct DWS to have ISS vote their proxies in accordance with Taft-Hartley Voting Guidelines.

Clients may in certain instances contract with their custodial agent and notify DWS that they wish to engage in securities lending transactions. In such cases, it is the responsibility of the custodian to deduct the number of shares that are on loan so that they do not get voted twice. DWS generally does not recall shares during a particular proxy vote but may recall shares under the limited circumstances described below. DWS maintains a list of U.S. and Canadian securities for certain clients that it does not intend to lend through a securities lending program during a given proxy voting season based on such factors as the overall ownership level to impact a vote, expected proxy votes on various matters or potential revenue associated with the security being out on loan over the period. DWS will also recall shares of securities on loan during a particular proxy vote for all products that have adopted an environmental, social and governance ("ESG") dedicated investment strategy. The handling of all recall requests is beyond DWS's control and may not be satisfied in time for DWS to vote the shares in question. When shares remain on loan through a securities lending program, the portfolio management teams will not be able to participate in the votes.

## 3 / Policies

### 3.1. Proxy Voting Activities are Conducted in the Best Economic Interest of Clients

DWS has adopted the following Policies and Guidelines to ensure that proxies are voted in accordance with the best economic interest of its clients, as determined by DWS in good faith after appropriate review. DWS believes that this responsibility includes consideration of the economic effect on companies of certain relevant ESG factors.

### 3.2. DWS Investment Platform

Portfolio managers or research analysts in the DWS Investment Platform with appropriate standing (“Portfolio Management”)<sup>3</sup> review recommendations for the U.S. accounts they manage from ISS on how to vote proxies based on its application of the Guidelines. Portfolio Management and members of the PVSC may request that the PVSC consider voting a particular proxy contrary to the Guidelines or recommendations from ISS based on its application of the Guidelines, if they believe that it may not be in the best economic interest of clients to vote the proxy in accordance with the Guidelines or ISS recommendations.

### 3.3. The Proxy Voting Sub-Committee

The PVSC is an internal working group established by the applicable DWS’s Investment Risk Oversight Committee pursuant to written Terms of Reference. The PVSC is responsible for overseeing DWS’s proxy voting activities, including:

- Adopting, monitoring and updating the Guidelines that provide how DWS will generally vote proxies pertaining to a comprehensive list of common proxy voting matters;
- Making decisions on how to vote proxies where: (i) the issues are not covered by specific client instruction or the Guidelines; or (ii) where an exception to the Guidelines may be in the best economic interest of DWS’s clients;
- Review recommendations raised by Portfolio Management, the PVSC and others to vote a particular proxy contrary to the Guidelines or recommendations from ISS based on its application of the Guidelines; and
- Monitoring DWS’s Proxy Vendor Oversight Group (“Proxy Vendor Oversight”) proxy voting activities (see below).

DWS’s Proxy Vendor Oversight, a function of DWS’s Operations Group, is responsible for coordinating with ISS to administer DWS’s proxy voting process and for voting proxies in accordance with any specific client instructions or, if there are none, the Guidelines, and overseeing ISS’s proxy responsibilities in this regard.

### 3.4. Availability of Proxy Voting Policies and Proxy Voting Record

Copies of this Policy and Guidelines, as it may be updated from time to time are made available to clients as required by law and otherwise at DWS’s discretion. Clients may also obtain information on how their proxies were voted by DWS as required by law and otherwise at DWS’s discretion. Note, however, that DWS must not selectively disclose its investment company clients’ proxy voting records. Proxy Vendor Oversight will make proxy voting reports available to advisory clients upon request. The investment companies’ proxy voting records will be disclosed to shareholders by means of publicly available annual filings of each company’s proxy voting record for the 12-month periods ending June 30, if so required by relevant law.

<sup>3</sup> Portfolio Management also includes portfolio managers from DWS registered investment advisers based outside the U.S. who provided services to the U.S. accounts based on a delegation from DIMA, DBX or RREEF.

## 4 / Procedures

The key aspects of DWS's proxy voting process are delineated below.

### 4.1. The DWS Proxy Voting Guidelines

The Guidelines set forth the PVSC's standard voting positions on a comprehensive list of common proxy voting matters. The PVSC has developed and continues to update the Guidelines based on consideration of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments.

The PVSC will review the Guidelines as necessary to support the best economic interest of DWS's clients and, in any event, at least annually. The PVSC will make changes to the Guidelines, whether as a result of the annual review or otherwise, taking solely into account the best economic interest of clients. Before changing the Guidelines, the PVSC will thoroughly review and evaluate the proposed change and the reasons therefore, and the PVSC Chairperson(s) will ask PVSC members whether anyone outside or within the DWS organization (including Deutsche Bank and its affiliates) or any entity that identifies itself as an DWS advisory client has requested or attempted to influence the proposed change and whether any member has a conflict of interest with respect to the proposed change. If any such matter is reported to the PVSC Chairperson(s), the Chairperson(s) will promptly notify the Conflicts of Interest Management Subcommittee and will defer the approval, if possible. Lastly, the PVSC will fully document its rationale for approving any change to the Guidelines.

The Guidelines may reflect a voting position that differs from the actual practices of the public company(ies) within the Deutsche Bank organization or of the investment companies for which DWS or an affiliate serves as investment adviser or sponsor. Investment companies, particularly closed-end investment companies, are different from traditional operating companies. These differences may call for differences in the actual practices of the investment company and the voting positions of the investment company on the same or similar matters. Further, the manner in which DWS votes proxies on behalf investment company proxies may differ from the voting recommendations made by a DWS-advised or sponsored investment company soliciting proxies from its shareholders.

### 4.2. Proxy Voting Recommendations and Decisions Made on a Case-by-Case Basis

Proxy Vendor Oversight will refer to Portfolio Management and members of the PVSC for review recommendations on how to vote proxies prepared by ISS based upon the Guidelines. The proxies shall be voted on a case-by-case basis based on ISS's application of the Guidelines. Portfolio Management and members of PVSC may request that the PVSC consider voting a particular proxy contrary to the Guidelines if they believe that it may not be in the best economic interest of clients to vote the proxy in accordance with the Guidelines.

### 4.3. Specific Proxy Voting Decisions Made by the PVSC

Proxy Vendor Oversight will refer to the PVSC only proxy proposals: (i) that are not covered by specific client instructions or the Guidelines; or (ii) that, in accordance with this Policy and Guidelines, have been appealed. The Proxy Vendor Oversight team will present to Portfolio Management and members of the PVSC all proposals voted on a case-by-case basis in accordance with the Guidelines which will include recommendations from ISS based on ISS's application of the Guidelines and, in certain instances as outlined in the Guidelines or its Sustainability Proxy Voting Guidelines ("Sustainability") Policy on social and sustainability issues. In addition, DWS may in certain circumstance consider the Coalition for Environmentally Responsible Economies ("CERES") guidance on environmental and social matters contained in the CERES Roadmap 2030. Portfolio Management may appeal a recommendation when they believe that it may not be in the best economic interest of the client to vote in accordance with the recommendation, and such appeal will be referred by the Proxy Vendor Oversight team to the PVSC for consideration. The DWS Corporate Governance Center ("CGC") provides support to the PVSC but does not make any voting recommendations or determinations. The CGC will research recommendations from ISS based on the Sustainability Policy or CERES Roadmap 2030 to assess whether such recommendations are in the best economic interest of clients and will inform the PVSC Chairperson(s) of any such ISS

recommendations that the CGC believes may not be in the best economic interest of clients. The CGC will periodically provide a report to the PVSC that includes details of its analysis with respect to the ISS recommendations based on the Sustainability Policy or CERES Roadmap 2030 and how DWS voted on each proxy. The CGC may also, at the PVSC's request, provide research and analysis related to other proxy matters.

Additionally, if Proxy Vendor Oversight, the PVSC Chairperson(s), any member of the PVSC or Portfolio Management believes that voting a particular proxy in accordance with the Guidelines may not be in the best economic interest of clients, that individual may bring the matter to the attention of the PVSC Chairperson(s) and/or Proxy Vendor Oversight.

If Proxy Vendor Oversight refers a proxy proposal to the PVSC (or Action Group) or the PVSC (or Action Group) determines that voting a particular proxy in accordance with the Guidelines is not in the best economic interest of clients, the PVSC (or Action Group) will evaluate and instruct the Proxy Vendor Oversight team to vote the proxy in accordance with its fiduciary duty and subject to the procedures below regarding conflicts. Proxy Vendor Oversight shall periodically report to the PVSC the details of any instructions received from any Action Group.

The PVSC endeavours determine how to vote particular proxies prior to the voting deadline.

#### **4.4. Proxies that Cannot Be Voted or Instances When DWS Abstains from Voting**

In some cases, the PVSC may determine that it is in the best economic interest of its clients not to vote certain proxies, or that it may not be feasible to vote certain proxies. If the conditions below are met with regard to a proxy proposal, DWS will not vote on the issue:

- Neither the Guidelines nor specific client instructions cover an issue;
- ISS does not make a recommendation on the issue; or
- There is not sufficient time prior to the voting deadline to make a determination as to what voting decision would be in the client's best interest.

In addition, it is DWS's policy not to vote proxies of issuers subject to laws of those jurisdictions that impose restrictions upon selling shares after proxies are voted, in order to preserve liquidity. In other cases, it may not be possible to vote certain proxies, despite good faith efforts to do so. For example, some jurisdictions do not provide adequate notice to shareholders so that proxies may be voted on a timely basis. Voting rights on securities that have been loaned to third parties, transfer to those third-parties, with loan termination often being the only way to attempt to vote proxies on the loaned securities. Lastly, the PVSC may determine that the costs to the client(s) associated with voting a particular proxy or group of proxies outweighs the economic benefits expected from voting the proxy or group of proxies.

There may be instances when DWS holds a position in a private company requiring a voting decision. ISS does not provide research and is unable to provide a voting recommendation based on the Guidelines with respect to private companies. As a result, DWS will refer all private company proxies to portfolio management for a review based on information that is available to them. Portfolio management will submit any recommendations to vote "For" or "Against" proposals for private companies to the PVSC for consideration. DWS will vote to "Abstain" for proposals for private companies if portfolio management does not have a recommendation to vote "For" or "Against" based on the available information.

Proxy Vendor Oversight will coordinate with the PVSC Chairperson(s) regarding any specific proxies and any categories of proxies that will not or cannot be voted. The reasons for not voting any proxy shall be documented.

#### **4.5. Conflict of Interest Procedures**

##### **4.5.1. Procedures to Address Conflicts of Interest and Improper Influence**

###### **Overriding Principle**



In the limited circumstances where the PVSC votes proxies,<sup>4</sup> the PVSC will vote those proxies in accordance with what it, in good faith, determines to be the best economic interest of DWS's clients.<sup>5</sup>

### **Independence of the PVSC**

As a matter of Compliance policy, the PVSC and Proxy Vendor Oversight are structured to be independent from other parts of Deutsche Bank. Members of the PVSC and the employee responsible for Proxy Vendor Oversight are employees of DWS. As such, they may not be subject to the supervision or control of any employees of Deutsche Bank Corporate and Investment Banking division ("CIB"). Their compensation cannot be based upon their contribution to any business activity outside of DWS without prior approval of Legal and Compliance. They can have no contact with employees of Deutsche Bank outside of DWS regarding specific clients, business matters, or initiatives without the prior approval of Legal and Compliance. They furthermore may not discuss proxy votes with any person outside of DWS (and within DWS only on a need-to-know basis).

### **Conflict Review Procedures**

The "Conflicts of Interest Management Sub-Committee" within DWS monitors for potential material conflicts of interest in connection with proxy proposals that are to be evaluated by the PVSC. The Conflicts of Interest Management Sub-Committee members include DWS Compliance, the chief compliance officers of the advisors and the DWS Funds. Promptly upon a determination that a proxy vote shall be presented to the PVSC, the PVSC Chairperson(s) shall notify the Conflicts of Interest Management Sub-Committee. The Conflicts of Interest Management Sub-Committee shall promptly collect and review any information deemed reasonably appropriate to evaluate, in its reasonable judgment, if DWS or any person participating in the proxy voting process has, or has the appearance of, a material conflict of interest. For the purposes of this policy, a conflict of interest shall be considered "material" to the extent that a reasonable person could expect the conflict to influence, or appear to influence, the PVSC's decision on the particular vote at issue. PVSC should provide the Conflicts of Interest Management Sub-Committee a reasonable amount of time (no less than 24 hours for the Americas/Europe and 48 hours for APAC) to perform all necessary and appropriate reviews. To the extent that a conflicts review cannot be sufficiently completed by the Conflicts of Interest Management Sub-Committee the proxies will be voted in accordance with the standard Guidelines.

The information considered by the Conflicts of Interest Management Sub-Committee may include without limitation information regarding: (i) DWS client relationships; (ii) any relevant personal conflict known by the Conflicts of Interest Management Sub-Committee or brought to the attention of that sub-committee; and (iii) any communications with members of the PVSC (or anyone participating or providing information to the PVSC) and any person outside or within the DWS organization (including Deutsche Bank and its affiliates) or any entity that identifies itself as an DWS advisory client regarding the vote at issue. In the context of any determination, the Conflicts of Interest Management Sub-Committee may consult with and shall be entitled to rely upon all applicable outside experts, including legal counsel.

Upon completion of the investigation, the Conflicts of Interest Management Sub-Committee will document its findings and conclusions. If the Conflicts of Interest Management Sub-Committee determines that: (i) DWS has a material conflict of interest that would prevent it from deciding how to vote the proxies concerned without further client consent; or (ii) certain individuals should be recused from participating in the proxy vote at issue, the Conflicts of Interest Management Sub-Committee will so inform the PVSC Chairperson(s). If notified that DWS has a material conflict of interest as described above, the PVSC chairperson(s) will obtain instructions as to how the proxies should be voted either from: (i) if time permits, the affected clients; or (ii) in accordance with the standard Guidelines. If notified that certain individuals should be recused from the proxy vote at issue, the PVSC Chairperson(s) shall do so in accordance with the procedures set forth below.

<sup>4</sup> As mentioned above, the PVSC votes proxies where: (i) neither a specific client instruction nor a Guideline directs how the proxy should be voted; or (ii) where voting in accordance with the Guidelines may not be in the best economic interest of clients. Further, the PVSC will review recommendations for proxies if Portfolio Management or a member of the PVSC recommends voting contrary to the ISS recommendation if they believe that it may not be in the best economic interest of the client to vote in accordance with the Guidelines or ISS recommendation based on its application of the Guidelines.

<sup>5</sup> Proxy Vendor Oversight, who serves as the non-voting secretary of the PVSC, may receive routine calls from proxy solicitors and other parties interested in a particular proxy vote. Any contact that attempts to exert improper pressure or influence shall be reported to the Conflicts of Interest Management Sub-Committee.

Note: Any DWS employee who becomes aware of a potential, material conflict of interest in respect of any proxy vote to be made on behalf of clients shall notify Compliance or the Conflicts of Interest Management Sub-Committee. Compliance shall call a meeting of the Conflicts of Interest Management Sub-Committee to evaluate such conflict and determine a recommended course of action.

#### **Procedures to be followed by the PVSC**

At the beginning of any discussion regarding how to vote any proxy, the PVSC Chairperson(s) (or his or her delegate) will inquire as to whether any PVSC member (whether voting or ex officio) or any person participating in the proxy voting process has a personal conflict of interest or has knowledge of an actual or apparent conflict that has not been reported to the Conflicts of Interest Management Sub-Committee.

The PVSC Chairperson(s) also will inquire of these same parties whether they have actual knowledge regarding whether any Director, officer, or employee outside or within the DWS organization (including Deutsche Bank and its affiliates) or any entity that identifies itself as an DWS advisory client, has: (i) requested that DWS, Proxy Vendor Oversight (or any member thereof), or a PVSC member vote a particular proxy in a certain manner; (ii) attempted to influence DWS, Proxy Vendor Oversight (or any member thereof), a PVSC member or any other person in connection with proxy voting activities; or (iii) otherwise communicated with a PVSC member, or any other person participating or providing information to the PVSC regarding the particular proxy vote at issue and which incident has not yet been reported to the Conflicts of Interest Management Sub-Committee.

If any such incidents are reported to the PVSC Chairperson(s), the Chairperson(s) will promptly notify the Conflicts of Interest Management Sub-Committee and, if possible, will delay the vote until the Conflicts of Interest Management Sub-Committee can complete the conflicts review. If a delay is not possible, the Conflicts of Interest Management Sub-Committee will instruct the PVSC (i) whether anyone should be recused from the proxy voting process or (ii) whether DWS should vote the proxy in accordance with the standard guidelines, seek instructions as to how to vote the proxy at issue from ISS or, if time permits, the affected clients. These inquiries and discussions will be properly reflected in the PVSC's minutes.

**Duty to Report.** Any DWS employee, including any PVSC member (whether voting or ex officio), that is aware of any actual or apparent conflict of interest relevant to, or any attempt by any person outside or within the DWS organization (including Deutsche Bank and its affiliates) or any entity that identifies itself as an DWS advisory client to influence how DWS votes its proxies has a duty to disclose the existence of the situation to the PVSC Chairperson(s) (or his or her designee) and the details of the matter to the Conflicts of Interest Management Sub-Committee. In the case of any person participating in the deliberations on a specific vote, such disclosure should be made before engaging in any activities or participating in any discussion pertaining to that vote.

#### **Recusal of Members**

The PVSC will recuse from participating in a specific proxy vote any PVSC members (whether voting or ex officio) and/or any other person who: (i) are personally involved in a material conflict of interest; or (ii) who, as determined by the Conflicts of Interest Management Sub-Committee, have actual knowledge of a circumstance or fact that could affect their independent judgment, in respect of such vote. The PVSC will also exclude from consideration the views of any person (whether requested or volunteered) if the PVSC or any member thereof knows, or if the Conflicts of Interest Management Sub-Committee has determined, that such other person has a material conflict of interest with respect to the particular proxy or has attempted to influence the vote in any manner prohibited by these policies. If, after excluding all relevant PVSC voting members pursuant to the paragraph above, there are three or more PVSC voting members remaining, those remaining PVSC members will determine how to vote the proxy in accordance with these Policies and Guidelines. If there are fewer than three PVSC voting members remaining, the PVSC Chairperson(s) will vote the proxy in accordance with the standard Guidelines or will obtain instructions as to how to have the proxy voted from, if time permits, the affected clients and otherwise from ISS.

#### **4.5.2. Affiliated Investment Companies, Rule 12d1-4 and Affiliated Public Companies**

##### **Investment Companies**

For investment companies for which DWS or an affiliate serves as investment adviser or principal underwriter, such proxies are voted in the same proportion as the vote of all other shareholders (i.e., "mirror" or "echo" voting). In addition, if a registered investment company

(including an exchange traded fund) advised by DWS or an affiliate together with DWS advisory clients, in aggregate, (i) hold more than 25% of the outstanding voting securities of an investment company that is not a registered closed-end fund or business development company, or (ii) hold more than 10% of the outstanding voting securities of an investment company that is a registered closed-end fund or business development company, then DWS will vote its holdings in such registered investment company's securities in the same proportion as the vote of all other holders of such securities (i.e., "mirror" or "echo" voting) as required by Rule 12d1-4 of the 1940 Act. Master Fund proxies solicited from feeder Funds are voted in accordance with applicable provisions of Section 12 of 1940 Act.

**Affiliated Public Companies**

For proxies solicited by non-investment company issuers of or within the DWS or Deutsche Bank organization (e.g., shares of DWS or Deutsche Bank), these proxies will be voted in the same proportion as the vote of other shareholders (i.e., "mirror" or "echo" voting). In markets where mirror voting is not permitted, DWS will "Abstain" from voting such shares.

Note: With respect to affiliated registered investment companies that invest in the DWS Central Cash Management Government Fund (registered under the 1940 Act), the affiliated registered investment companies are not required to engage in echo voting with respect to proxies of the DWS Central Cash Management Government Fund and the investment adviser will use these Guidelines and may determine, with respect to proxies of the DWS Central Cash Management Government Fund, to vote contrary to the positions in the Guidelines, consistent with the Fund's best interest.

**4.5.3. Other Procedures that Limit Conflicts of Interest**

DWS and other entities in the Deutsche Bank organization have adopted a number of policies, procedures, and internal controls that are designed to avoid various conflicts of interest, including those that may arise in connection with proxy voting, including but not limited to:

- Code of Conduct— DB Group;
- Conflicts of Interest Policy – DWS Group;
- Code of Ethics – DWS Group;

The PVSC expects that these policies, procedures, and internal controls will greatly reduce the chance that the PVSC (or its members) would be involved in, aware of, or influenced by an actual or apparent conflict of interest.

## 5 / Recordkeeping

At a minimum, the following records must be properly maintained and readily accessible in order to evidence compliance with this Policy.

- DWS will maintain a record of each proxy vote cast by DWS that includes among other things, company name, meeting date, proposals presented, vote cast, and shares voted.
- Proxy Vendor Oversight maintains records for each of the proxy ballots it votes. Specifically, the records include, but are not limited to:
  - The proxy statement (and any additional solicitation materials) and relevant portions of annual statements;
  - Any additional information considered in the voting process that may be obtained from an issuing company, its agents, or proxy research firms;
  - Analyst worksheets created for stock option plan and share increase analyses; and
  - Proxy Edge print-screen of actual vote election.
- DWS will: (i) retain this Policy and the Guidelines; (ii) maintain records of requests from Portfolio Management and members of the PVSC to appeal a recommendation on how to vote a proxy; (iii) maintain minutes of the meeting of the PVSC; (iv) maintain records of client requests for proxy voting information; and (v) retain any documents prepared by Proxy Vendor Oversight, the CGC or the PVSC that were material to making a voting decision or that memorialized the basis for a proxy voting decision.
- The PVSC also will create and maintain appropriate records documenting its compliance with this Policy, including records of its deliberations and decisions regarding conflicts of interest and their resolution.
- With respect to DWS's investment company clients, ISS will create and maintain records of each company's proxy voting record for the 12-month periods ending June 30. DWS will compile the following information for each matter relating to a portfolio security considered at any shareholder meeting held during the period covered by the report (and with respect to which the company was entitled to vote):
  - The name of the issuer of the portfolio security;
  - The exchange ticker symbol of the portfolio security (if symbol is available through reasonably practicable means);
  - The Council on Uniform Securities Identification Procedures ("CUSIP") number for the portfolio security (if the number is available through reasonably practicable means);
  - The shareholder meeting date;
  - A brief identification of the matter voted on;
  - Whether the matter was proposed by the issuer or by a security holder;
  - Whether the company cast its vote on the matter;
  - How the company cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding election of Directors); and
  - Whether the company cast its vote for or against Management.

Note: This list is intended to provide guidance only in terms of the records that must be maintained in accordance with this policy. In addition, please note that records must be maintained in accordance with the [Records Management Policy - Deutsche Bank Group](#) and applicable policies and procedures thereunder.

## Proxy Voting Policy and Guidelines

With respect to electronically stored records, “properly maintained” is defined as complete, authentic (unalterable), usable and backed-up. At a minimum, records should be retained for a period of not less than six years (or longer, if necessary to comply with applicable regulatory requirements), the first three years in an appropriate DWS office.

## 6 / Oversight Responsibilities

Proxy Vendor Oversight will review a reasonable sampling of votes based on its procedures on a regular basis to ensure that ISS has cast the votes in a manner consistent with the Guidelines. Proxy Vendor Oversight will provide the PVSC with a quarterly report of its review and identify any issues encountered during the period. Proxy Vendor Oversight will also perform a post season review once a year on certain proposals to assess whether ISS voted consistent with the Guidelines.

In addition, the PVSC will, in cooperation with Proxy Vendor Oversight and DWS Compliance, consider, on at least an annual basis, whether ISS has the capacity and competence to adequately analyze the matters for which it is responsible. This includes whether ISS has effective policies, and methodologies and a review of ISS's policies and procedures with respect to conflicts.

The PVSC also monitors the proxy voting process by reviewing summary proxy information presented by ISS to determine, among other things, whether any changes should be made to the Guidelines. This review will take place at least quarterly and is documented in the PVSC's meeting minutes.

## 7 / Annual Review

The PVSC, in cooperation with Proxy Vendor Oversight and DWS Compliance, will review and document, no less frequently than annually, the adequacy of the Guidelines, including whether the Guidelines continue to be reasonably designed to ensure that DWS votes in the best interest of its clients.

## 8 / Glossary

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Term	Definition
Action Group	A sub-group of the PVSC (as defined below) that will include the Chairperson(s) and at least one other member of the PVSC.
ISS	Institutional Shareholder Services, Inc.
PVSC	Proxy Voting Sub-Committee
SEC	Securities and Exchange Commission
1940 Act	Investment Company Act of 1940, as amended

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# 9 / List of Annexes and Attachments

Attachment A – DWS Proxy Voting Guidelines – DWS Americas



Attachment A

# DWS Proxy Voting Guidelines

DWS Americas

Effective April 18, 2024

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**NOTE:** Because of the unique oversight structure and regulatory scheme applicable to closed-end and open-end investment companies, except as otherwise noted, these voting guidelines are not applicable to holdings of shares of closed-end and open-end investment companies (except Real Estate Investment Trusts).

In voting proxies that are noted case-by-case, DWS will vote such proxies based on recommendations from ISS based on its application of the Guidelines.

# 1 / Board of Directors

DWS's policy is to generally vote for director nominees<sup>6</sup>, except under the following circumstances (with new nominees considered on case-by-case basis):

## 1.1. Independence

### General Recommendation

DWS's policy is to generally vote against<sup>7</sup> or withhold from non-independent directors when (See Appendix 1 for Classification of Directors):

- Independent directors comprise 50 percent or less of the board;
- The non-independent director serves on the audit, compensation, or nominating committee;
- The company lacks an audit, compensation, or nominating committee so that the full board functions as that committee; or
- The company lacks a formal nominating committee, even if the board attests that the independent directors fulfil the functions of such a committee.

## 1.2. Composition

### Attendance at Board and Committee Meetings

DWS's policy is to generally vote against or withhold from directors (except nominees who served only part of the fiscal year<sup>8</sup>) who attend less than 75 percent of the aggregate of their board and committee meetings for the period for which they served, unless an acceptable reason for absences is disclosed in the proxy or another SEC filing. Acceptable reasons for director absences are generally limited to the following:

- Medical issues/illness;
- Family emergencies; and
- Missing only one meeting (when the total of all meetings is three or fewer).

In cases of chronic poor attendance without reasonable justification, in addition to voting against the director(s) with poor attendance, DWS's policy is to generally vote against or withhold from appropriate members of the nominating/governance committees or the full board.

If the proxy disclosure is unclear and insufficient to determine whether a director attended at least 75 percent of the aggregate of his/her board and committee meetings during his/her period of service, DWS's policy is to generally vote against or withhold from the director(s) in question.

<sup>6</sup> A "new nominee" is a director who is being presented for election by shareholders for the first time. Recommendations on new nominees who have served for less than one year are made on a case-by-case basis depending on the timing of their appointment and the problematic governance issue in question.

<sup>7</sup> In general, companies with a plurality vote standard use "Withhold" as the contrary vote option in director elections; companies with a majority vote standard use "Against". However, it will vary by company and the proxy must be checked to determine the valid contrary vote option for the particular company.

<sup>8</sup> Nominees who served for only part of the fiscal year are generally exempted from the attendance policy.

### **Overboarded Directors**

DWS's policy is to generally vote against or withhold from individual directors who:

- Sit on more than four public company boards; or
- Are CEOs of public companies who sit on the boards of more than one public company besides their own—withhold only at their outside board<sup>9</sup>

### **Gender Diversity**

DWS's policy is to generally vote against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) at companies where there are no women on the company's board. An exception will be made if there was at least one woman on the board at the preceding annual meeting and the board makes a firm commitment to return to a gender-diverse status within a year.

### **Racial and/or Ethnic Diversity:**

For companies in the Russell 3000 or S&P 1500 indices, DWS's policy is to generally vote against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) where the board has no apparent racially or ethnically diverse members<sup>10</sup>. An exception will be made if (i) there was racial and/or ethnic diversity on the board at the preceding annual meeting and the board makes a firm commitment to appoint at least one racial and/or ethnic diverse member within a year; or (ii) there are no new nominees proposed for election to the board.

### **Combined Chair/CEO**

DWS's policy is to vote case-by-case for new nominees who are up for election to serve as a combined Chair and CEO, taking into considerations the following:

- A majority independent board and/or the presence of independent directors on a key board committees;
- A clearly defined lead independent director serving as an appropriate counterbalance to a combined CEO/chair role.

DWS's policy is to generally vote for an incumbent director who is a combined Chair and CEO up for reelection.

## **1.3. Responsiveness**

DWS's policy is to generally vote case-by-case on individual directors, committee members, or the entire board of directors as appropriate if:

- The board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year or failed to act on a management proposal seeking to ratify an existing charter/bylaw provision that received opposition of a majority of the shares cast in the previous year. Factors that will be considered are:
  - Disclosed outreach efforts by the board to shareholders in the wake of the vote;
  - Rationale provided in the proxy statement for the level of implementation;
  - The subject matter of the proposal;
  - The level of support for and opposition to the resolution in past meetings;
  - Actions taken by the board in response to the majority vote and its engagement with shareholders;
  - The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals); and
  - Other factors as appropriate.
- The board failed to act on takeover offers where the majority of shares are tendered; or

<sup>9</sup> Although all of a CEO's subsidiary boards with publicly traded common stock will be counted as separate boards, DWS will not recommend a withhold vote for the CEO of a parent company board or any of the controlled (>50 percent ownership) subsidiaries of that parent but may do so at subsidiaries that are less than 50 percent controlled and boards outside the parent/subsidiary relationships.

<sup>10</sup> Aggregate diversity statistics provided by the board will only be considered if specific to racial and/or ethnic diversity.

- At the previous board election, any director received more than 50 percent withhold/against votes of the shares cast and the company has failed to address the issue(s) that caused the high withhold/against vote.

DWS's policy is to generally vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) and the Say on Pay proposal if:

- The company's previous say-on-pay received the support of less than 70 percent of votes cast. Factors that will be considered are:

The company's response, including:

- Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated);
- Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; and
- Disclosure of specific and meaningful actions taken to address shareholders' concerns;
- Other recent compensation actions taken by the company;
- Whether the issues raised are recurring or isolated;
- The company's ownership structure; and
- Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness.
- The board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the plurality of votes cast.

## 1.4. Accountability

### 1.4.1. Problematic Takeover Defenses, Capital Structure and Governance Structure

#### Poison Pills

DWS's policy is to generally vote against or withhold from all nominees (except new nominees, who should be considered case-by-case) if:

- The company has a poison pill with a deadhand or slowhand feature<sup>11</sup>
- The board makes a material adverse modification to an existing pill, including, but not limited to, extension, renewal, or lowering the trigger, without shareholder approval; or
- The company has a long-term poison pill, (with a term of over one year) that was not approved by the public shareholders.<sup>12</sup>

DWS's policy is to generally vote case-by-case on nominees if the board adopts an initial short-term pill (with a term of one year or less) without shareholder approval, taking into consideration:

- The disclosed rationale for the adoption;
- The trigger;
- The company's market capitalization (including absolute level and sudden changes);
- A commitment to put any renewal to a shareholder vote; and
- Other factors as relevant

<sup>11</sup> If a short-term pill with a deadhand or slowhand feature is enacted but expires before the next shareholder vote, DWS will generally still withhold or vote against nominees at the next shareholder meeting following its adoption.

<sup>12</sup> Approval prior to, or in connection with, a company's becoming publicly traded or in connection with a de-SPAC transaction, is sufficient.

**Unequal Voting Rights:**

DWS's policy is to generally vote for directors of a company employing a common stock structure with unequal voting rights.<sup>13</sup>

**Classified Board Structure:**

DWS's policy is to generally vote against or withhold directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case), if the company's board is classified, and a continuing director responsible for a problematic governance issue at the board/committee level that would warrant a withhold / against vote recommendation is not up for election. All appropriate nominees (except new) may be held accountable.

**Removal of Shareholder Discretion on Classified Boards**

DWS's policy is to generally vote against or withhold directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case), if the company has opted into, or failed to opt out of, state laws requiring a classified board structure.

**Problematic Governance Structure**

For companies that hold or held their first annual meeting of public shareholders after February 1, 2015, DWS's policy is to generally vote against or withhold from directors individually, committee member, or the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board adopted the following bylaw or charter provisions that are considered to be materially adverse to shareholder rights:

- Supermajority vote requirements to amend the bylaws or charter;
- A classified board structure; or
- Other egregious provisions.

A provision which specifies that the problematic structure(s) will be sunset within seven years of the date of going public will be considered a mitigating factor.

Unless the adverse provision is reversed or removed, DWS's policy is to generally vote case-by-case on director nominees in subsequent years.

**Unilateral Bylaw/Charter Amendments**

DWS's policy is to generally vote against or withhold from directors individually, committee members, or the entire board (except new nominees who should be considered case-by-case) if the board amends the company's bylaws or charter without shareholder approval in a manner that materially diminishes shareholders' rights or that could adversely impact shareholders, considering the following factors:

- The board's rationale for adopting the bylaw/charter amendment without shareholder ratification;
- Disclosure by the company of any significant engagement with shareholders regarding the amendment;
- The level of impairment of shareholders' rights caused by the board's unilateral amendment to the bylaws/charter;
- The board's track record with regard to unilateral board action on bylaw/charter amendments or other entrenchment provisions;
- The company's ownership structure;
- The company's existing governance provisions;
- The timing of the board's amendment to the bylaws/charter in connection with a significant business development; and
- Other factors, as deemed appropriate, that may be relevant to determine the impact of the amendment on share-holders.

Unless the adverse amendment is reversed or submitted to a binding shareholder vote, in subsequent years DWS's policy is generally to vote case-by-case on director nominees.

<sup>13</sup> This generally includes classes of common stock that have additional votes per share than other shares; classes of shares that are not entitled to vote on all the same ballot items or nominees; or stock with time-phased voting rights ("loyalty shares").

DWS's policy is to generally vote against (except new nominees, who should be considered case-by-case) if the directors:

- Classified the board;
- Adopted supermajority vote requirements to amend the bylaws or charter; or
- Eliminated shareholders' ability to amend bylaws;
- Adopted a fee-shifting provision; or
- Adopted another provision deemed egregious.

#### **Restricting Binding Shareholder Proposals**

DWS's policy is to generally vote against or withhold from the members of the governance committee if:

- The company's governing documents impose undue restrictions on shareholders ability to amend the bylaws.

Such restrictions include but are not limited to: outright prohibition on the submission of binding shareholder proposals or share ownership requirements, subject matter restrictions, or time holding requirements in excess of Rule 14a-8 under the Securities Exchange Act of 1934. DWS's policy is to generally vote against or withhold on an ongoing basis in such cases.

Submission of management proposals to approve or ratify requirements in excess of the requirements under Rule 14a-8 for the submission of binding bylaw amendments will generally be viewed as insufficient restoration of shareholders' rights. DWS's policy is to generally vote against or withhold on an ongoing basis until shareholders are provided with an unfettered ability to amend the bylaws or a proposal providing for such unfettered right is submitted for shareholder approval.

#### **Director Performance Evaluation**

DWS's policy is to generally vote against or withhold from (the members of the governance committee) if the board lack mechanisms to promote accountability and oversight, coupled with sustained poor performance relative to peers. Sustained poor performance is measured by one-, three- and five-year total shareholder returns in the bottom half of a company's four-digit GICS industry group (Russell 3000 companies only). Take into consideration the company's operational metrics and other factors as warranted. Problematic provisions include but are not limited to:

- A classified board structure;
- A supermajority vote requirement;
- Either a plurality vote standard in uncontested director elections, or a majority vote standard in contested elections;
- The inability of shareholders to call special meetings;
- The inability of shareholders to act by written consent;
- A multi-class capital structure; and/or
- A non-shareholder-approved poison pill.

### **Management Proposals to Ratify Existing Charter or Bylaw Provisions**

DWS's policy is to generally vote against/withhold from individual directors, members of the governance committee, or the full board, where boards ask shareholders to ratify existing charter or bylaw provisions considering the following factors:

- The presence of a shareholder proposal addressing the same issue on the same ballot;
- The board's rationale for seeking ratification;
- Disclosure of actions to be taken by the board should the ratification proposal fail;
- Disclosure of shareholder engagement regarding the board's ratification request;
- The level of impairment to shareholders' rights caused by the existing provision;
- The history of management and shareholder proposals on the provision at the company's past meetings;
- Whether the current provision was adopted in response to the shareholder proposal;
- The company's ownership structure; and
- Previous use of ratification proposals to exclude shareholder proposals.

#### **1.4.2. Problematic Audit-Related Practices**

DWS's policy is to generally vote against or withhold from the members of the Audit Committee if:

- The non-audit fees paid to the auditor are excessive;
- The company receives an adverse opinion on the company's financial statements from its auditor; or
- There is persuasive evidence that the Audit Committee entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm.

DWS's policy is to generally vote case-by-case on members of the Audit Committee and potentially the full board if:

- Poor accounting practices are identified that rise to a level of serious concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures. Examine the severity, breadth, chronological sequence, and duration, as well as the company's efforts at remediation or corrective actions, in determining whether withhold/against votes are warranted.

#### **1.4.3. Problematic Compensation Practices**

In the absence of an Advisory Vote on Executive Compensation (Say on Pay) ballot item or in egregious situations, DWS's policy is to generally vote against or withhold from the members of the Compensation Committee and potentially the full board if:

- There is an unmitigated misalignment between CEO pay and company performance (pay for performance);
- The company maintains significant problematic pay practices; or
- The board exhibits a significant level of poor communication and responsiveness to shareholders.

DWS's policy is to generally vote against or withhold from the Compensation Committee chair, other committee members, or potentially the full board if:

- The company fails to include a Say on Pay ballot item when required under SEC provisions, or under the company's declared frequency of say on pay; or
- The company fails to include a Frequency of Say on Pay ballot item when required under SEC provisions.

DWS's policy is to generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e. two or more years) of awarding excessive non-employee director compensation without disclosing a compelling rationale or other mitigating factors.



#### 1.4.4. Problematic Pledging of Company Stock

DWS's policy is to generally vote against the members of the committee that oversees risks related to pledging, or the full board, where a significant level of pledged company stock by executives or directors raises concerns. The following factors will be considered:

- The presence of an anti-pledging policy, disclosed in the proxy statement, that prohibits future pledging activity;
- The magnitude of aggregate pledged shares in terms of total common shares outstanding, market value, and trading volume;
- Disclosure of progress or lack thereof in reducing the magnitude of aggregate pledged shares over time;
- Disclosure in the proxy statement that shares subject to stock ownership and holding requirements do not include pledged company stock; and
- Any other relevant factors.

#### 1.4.5. Climate Accountability

For companies that are significant greenhouse gas (GHG) emitters, through their operations or value chain<sup>14</sup>, DWS's policy is to generally vote case-by-case on the election of the incumbent chair of the responsible committee (or other directors) in cases where DWS determines that the company is not taking the minimum steps needed to understand, assess and mitigate the risks related to climate change to the company and the larger economy which may lead to regulatory risks.

Minimum steps to understand and mitigate those risks are considered to be the following. Detailed disclosure of climate-related risks, such as according to the framework established by the Task Force on Climate-related Financial Disclosures (TCFD), including:

- Board governance measures;
- Corporate strategy;
- Risk management analyses; and
- Metrics and targets.

#### 1.4.6. Governance Failures

DWS's policy is to generally vote case-by-case on directors individually, committee members, or the entire board, due to:

- Material failures of governance, stewardship, risk oversight<sup>15</sup>, or fiduciary responsibilities at the company, including failures to adequately manage or mitigate environmental, social and governance (ESG) risks;
- Failure to replace management as appropriate; or
- Egregious actions related to a director's service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interests of shareholders at any company.

<sup>14</sup> Companies defined as "significant GHG emitters" will be those on the current Climate Action 100+ Focus Group list.

<sup>15</sup> Examples of failure of risk oversight include but are not limited to: bribery; large or serial fines or sanctions from regulatory bodies; demonstrably poor oversight of environmental and social issues, including climate change; significant adverse legal judgments or settlement; or hedging of company stock.

## 1.5. Voting on Director Nominees in Contested Elections

### 1.5.1. Vote-No Campaigns

#### General Recommendation

In cases where companies are targeted in connection with public “vote-no” campaigns, evaluate director nominees under the existing governance policies for voting on director nominees in uncontested elections. Take into consideration the arguments submitted by shareholders and other publicly available information.

### 1.5.2. Proxy Contests/Proxy Access

#### General Recommendation

DWS’s policy is to generally vote case-by-case on the election of directors in contested elections, considering the following factors:

- Long-term financial performance of the company relative to its industry;
- Management’s track record;
- Background to the contested election;
- Nominee qualifications and any compensatory arrangements;
- Strategic plan of dissident slate and quality of the critique against management;
- Likelihood that the proposed goals and objectives can be achieved (both slates); and
- Stock ownership positions.

In the case of candidates nominated pursuant to proxy access, DWS’s policy is to generally vote case-by-case considering any applicable factors listed above or additional factors which may be relevant, including those that are specific to the company, to the nominee(s) and/or to the nature of the election (such as whether there are more candidates than board seats).

## 1.6. Other Board-Related Proposals

### 1.6.1. Adopt Anti-Hedging/Pledging/Speculative Investments Policy

#### General Recommendation

DWS’s policy is to generally vote for proposals seeking a policy that prohibits named executive officers from engaging in derivative or speculative transactions involving company stock, including hedging, holding stock in a margin account, or pledging stock as collateral for a loan. However, the company’s existing policies regarding responsible use of company stock will be considered.

### 1.6.2. Board Refreshment

DWS believes Board refreshment is best implemented through an ongoing program of individual director evaluations, conducted annually, to ensure the evolving needs of the board are met and to bring in fresh perspectives, skills, and diversity as needed.

### 1.6.3. Term/Tenure Limits

#### General Recommendation

DWS’s policy is to generally vote case-by-case on management proposals regarding director term/tenure limits, considering:

- The rationale provided for adoption of the term/tenure limit;
- The robustness of the company’s board evaluation process;
- Whether the limit is of sufficient length to allow for a broad range of director tenures;
- Whether the limit would disadvantage independent directors compared to non-independent directors; and
- Whether the board will impose the limit evenly, and not have the ability to waive it in a discriminatory manner.

DWS’s policy is to generally vote case-by-case on shareholder proposals asking for the company to adopt director term/tenure limits, considering:

- The scope of the shareholder proposal; and

- Evidence of problematic issues at the company combined with, or exacerbated by, a lack of board refreshment.

#### 1.6.4. Age Limits

##### **General Recommendation**

DWS's policy is to generally vote against management and shareholder proposals to limit the tenure of independent directors through mandatory retirement ages. DWS's policy is to generally vote for proposals to remove mandatory age limits.

#### 1.6.5. Board Size

##### **General Recommendation**

DWS's policy is to generally vote for proposals seeking to fix the board size or designate a range for the board size. DWS's policy is to generally vote against proposals that give management the ability to alter the size of the board outside of a specified range without shareholder approval.

#### 1.6.6. Classification/Declassification of the Board

##### **General Recommendation**

DWS's policy is to generally vote against proposals to classify (stagger) the board.

DWS's policy is to generally vote for proposals to repeal classified boards and to elect all directors annually.

#### 1.6.7. CEO Succession Planning

##### **General Recommendation**

DWS's policy is to generally vote for proposals seeking disclosure on a CEO succession planning policy, considering, at a minimum, the following factors:

- The reasonableness/scope of the request; and
- The company's existing disclosure on its current CEO succession planning process.

#### 1.6.8. Cumulative Voting

##### **General Recommendation**

DWS's policy is to generally vote against management proposals to eliminate cumulate voting, and for shareholder proposals to restore or provide for cumulative voting, unless:

- The company has proxy access<sup>16</sup>, thereby allowing shareholders to nominate directors to the company's ballot; and
- The company has adopted a majority vote standard, with a carve-out for plurality voting in situations where there are more nominees than seats, and a director resignation policy to address failed elections.

DWS's policy is to generally vote for proposals for cumulative voting at controlled companies (insider voting power > 50%).

<sup>16</sup> A proxy access right that meets the recommended guidelines.

### 1.6.9. Director and Officer Indemnification, Liability Protection and Exculpation

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals on director and officer indemnification, liability protection and exculpation<sup>17</sup>.

DWS's policy is to consider the stated rationale for the proposed change. DWS will also consider, among other factors, the extent to which the proposal would:

- Eliminate directors' and officers' liability for monetary damages for violating the duty of care;
- Eliminate directors' and officers' liability for monetary damages for violating the duty of loyalty;
- Expand coverage beyond just legal expenses to liability for acts that are more serious violations of fiduciary obligation than mere carelessness; or
- Expand the scope of indemnification to provide for mandatory indemnification of company officials in connection with acts that previously the company was permitted to provide indemnification for, at the discretion of the company's board (i.e., "permissive indemnification"), but that previously the company was not required to indemnify.

DWS's policy is to generally vote for those proposals providing such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if both of the following apply:

- If the individual was found to have acted in good faith and in a manner that the individual reasonably believed was in the best interests of the company; and
- If only the individual's legal expenses would be covered.

### 1.6.10. Establish/Amend Nominee Qualifications

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals that establish or amend director qualifications. Votes should be based on the reasonableness of the criteria and the degree to which they may preclude dissident nominees from joining the board.

DWS's policy is to generally vote case-by-case on shareholder resolutions seeking a director nominee who possesses a particular subject matter expertise, considering:

- The company's board committee structure, existing subject matter expertise, and board nomination provisions relative to that of its peers;
- The company's existing board and management oversight mechanisms regarding the issue for which board oversight is sought;
- The company's disclosure and performance relating to the issue for which board oversight is sought and any significant related controversies; and
- The scope and structure of the proposal.

### 1.6.11. Establish Other Board Committee Proposals

#### General Recommendation

- DWS's policy is to generally vote against shareholder proposals to establish a new board committee, as such proposals seek a specific oversight mechanism/structure that potentially limits a company's flexibility to determine an appropriate oversight mechanism for itself. However, the following factors will be considered:
  - Existing oversight mechanisms (including current committee structure) regarding the issue for which board oversight is sought;
  - Level of disclosure regarding the issue for which board oversight is sought;

<sup>17</sup> Indemnification: the condition of being secured against loss or damage.

Limited liability: a person's financial liability is limited to the fixed sum, or personal financial assets are not at risk if the individual loses a lawsuit that results in financial award/damages to the plaintiff.

Exculpation: to eliminate or limit the personal liability of a director or officer to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director or officer.

- Company performance related to the issue for which board oversight is sought;
- Board committee structure compared to that of other companies in its industry sector; and
- The scope and structure of the proposal.

#### 1.6.12. Filling Vacancies/Removal of Directors

##### **General Recommendation**

DWS's policy is to generally vote against proposals that provide that directors may be removed only for cause.

- DWS's policy is to generally vote for proposals to restore shareholders' ability to remove directors with or without cause.
- DWS's policy is to generally vote against proposals that provide that only continuing directors may elect replacements to fill board vacancies.
- DWS's policy is to generally vote for proposals that permit shareholders to elect directors to fill board vacancies.

#### 1.6.13. Independent Board Chair

##### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals requiring that the board chair position be filled by an independent director, taking into consideration the following:

- The scope and rationale of the proposal;
- The company's current board leadership structure;
- The company's governance structure and practices;
- Company performance; and
- Any other relevant factors that may be applicable.

The following factors will increase the likelihood of a "for" recommendation:

- A majority non-independent board and/or the presence of non-independent directors on key board committees;
- A weak or poorly defined lead independent director role that fails to serve as an appropriate counterbalance to a combined CEO/chair role;
- The presence of an executive or non-independent chair in addition to the CEO, a recent recombination of the role of CEO and chair, and/or departure from a structure with an independent chair;
- Evidence that the board has failed to oversee and address material risks facing the company;
- A material governance failure, particularly if the board has failed to adequately respond to shareholder concerns or if the board has materially diminished shareholder rights; or
- Evidence that the board has failed to intervene when management's interests are contrary to shareholders' interests.

#### 1.6.14. Majority of Independent Directors/Establishment of Independent Committees

##### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals asking that a majority or more of directors be independent unless the board composition already meets the proposed threshold by DWS's definition of Independent Director.

DWS's policy is to generally vote for shareholder proposals asking that board audit, compensation, and/or nominating committees be composed exclusively of independent directors unless they currently meet that standard.

#### 1.6.15. Majority Vote Standard for the Election of Directors

##### **General Recommendation**

DWS's policy is to generally vote for management proposals to adopt a majority of votes cast standard for directors in uncontested elections. DWS's policy is to generally vote against such proposals if no carve-out for a plurality vote standard in contested elections is included.

DWS's policy is to generally vote for precatory and binding shareholder resolutions requesting that the board change the company's bylaws to stipulate that directors need to be elected with an affirmative majority of votes cast, provided it does not conflict with the state law where the company is incorporated. Binding resolutions need to allow for a carve-out for a plurality vote standard when there are more nominees than board seats.

Companies are strongly encouraged to also adopt a post-election policy (also known as a director resignation policy) that will provide guidelines so that the company will promptly address the situation of a holdover director.

#### 1.6.16. Proxy Access

##### **General Recommendation**

DWS's policy is to generally vote for management and shareholder proposals for proxy access with the following provisions:

- Ownership threshold: maximum requirement not more than three percent (3%) of the voting power;
- Ownership duration: maximum requirement not longer than three (3) years of continuous ownership for each member of the nominating group;
- Aggregation: minimal or no limits on the number of shareholders permitted to form a nominating group; and
- Cap: cap on nominees of generally twenty-five percent (25%) of the board.

DWS will review for reasonableness any other restrictions on the right of proxy access. DWS's policy is to generally vote against proposals that are more restrictive than these guidelines.

#### 1.6.17. Require More Nominees than Open Seats

##### **General Recommendation**

DWS's policy is to generally vote against shareholder proposals that would require a company to nominate more candidates than the number of open board seats.

#### 1.6.18. Shareholder Engagement Policy (Shareholder Advisory Committee)

##### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals requesting that the board establish an internal mechanism/process, which may include a committee, in order to improve communications between directors and shareholders, unless the company has the following features, as appropriate:

- Established a communication structure that goes beyond the exchange requirements to facilitate the exchange of information between shareholders and members of the board;
- Effectively disclosed information with respect to this structure to its shareholders;
- Company has not ignored majority-supported shareholder proposals or a majority withhold vote on a director nominee; and
- The company has an independent chair or a lead director. This individual must be made available for periodic consultation and direct communication with major shareholders.

## 2 / Audit-Related

### 2.1. Auditor Indemnification and Limitation of Liability

#### General Recommendation

DWS's policy is to generally vote case-by-case on the issue of auditor indemnification and limitation of liability. Factors to be assessed include, but are not limited to:

- The terms of the auditor agreement—the degree to which these agreements impact shareholders' rights;
- The motivation and rationale for establishing the agreements;
- The quality of the company's disclosure; and
- The company's historical practices in the audit area.

DWS's policy is to generally vote against or withhold from members of an audit committee in situations where there is persuasive evidence that the audit committee entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm.

### 2.2. Auditor Ratification

#### General Recommendation

DWS's policy is to generally vote for proposals to ratify auditors unless any of the following apply:

- An auditor has a financial interest in or association with the company, and is therefore not independent;
- There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position;
- Poor accounting practices are identified that rise to a serious level of concern, such as fraud or misapplication of GAAP; or
- Fees for non-audit services ("Other" fees) are excessive.

Non-audit fees are excessive if:

- Non-audit ("other") fees > audit fees + audit-related fees + tax compliance/preparation fees

Tax compliance and preparation include the preparation of original and amended tax returns and refund claims, and tax payment planning. All other services in the tax category, such as tax advice, planning, or consulting, should be added to "Other" fees. If the breakout of tax fees cannot be determined, add all tax fees to "Other" fees.

In circumstances where "Other" fees include fees related to significant one-time capital structure events (such as initial public offerings, bankruptcy emergence, and spin-offs) and the company makes public disclosure of the amount and nature of those fees that are an exception to the standard "non-audit fee" category, then such fees may be excluded from the non-audit fees considered in determining the ratio of non-audit to audit/audit-related fees/tax compliance and preparation for purposes of determining whether non-audit fees are excessive.

### **2.3. Shareholder Proposals Limiting Non-Audit Services**

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals asking companies to prohibit or limit their auditors from engaging in non-audit services.

### **2.4. Shareholder Proposals on Audit Firm Rotation**

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals asking for audit firm rotation, taking into account:

- The tenure of the audit firm;
- The length of rotation specified in the proposal;
- Any significant audit-related issues at the company;
- The number of Audit Committee meetings held each year;
- The number of financial experts serving on the committee; and
- Whether the company has a periodic renewal process where the auditor is evaluated for both audit quality and competitive price.



## 3 / Shareholder Rights & Defenses

### 3.1. Advance Notice Requirements for Shareholder Proposals/Nominations

#### General Recommendation

DWS's policy is to generally vote case-by-case on advance notice proposals, giving support to those proposals which allow shareholders to submit proposals/nominations as close to the meeting date as reasonably possible and within the broadest window possible, recognizing the need to allow sufficient notice for company, regulatory, and shareholder review.

To be reasonable, the company's deadline for shareholder notice of a proposal/nominations must be no earlier than 120 days prior to the anniversary of the previous year's meeting and have a submittal window of no shorter than 30 days from the beginning of the notice period. The submittal window is the period under which shareholders must file their proposals/nominations prior to the deadline.

In general, support additional efforts by companies to ensure full disclosure in regard to a proponent's economic and voting position in the company so long as the informational requirements are reasonable and aimed at providing shareholders with the necessary information to review such proposals.

### 3.2. Amend Bylaws without Shareholder Consent

#### General Recommendation

DWS's policy is to generally vote against proposals giving the board exclusive authority to amend the bylaws.

DWS's policy is to generally vote case-by-case on proposals giving the board the ability to amend the bylaws in addition to shareholders, taking into account the following:

- Any impediments to shareholders' ability to amend the bylaws (i.e. supermajority voting requirements);
- The company's ownership structure and historical voting turnout;
- Whether the board could amend bylaws adopted by shareholders; and
- Whether shareholders would retain the ability to ratify any board-initiated amendments.

### 3.3. Control Share Acquisition Provisions

#### General Recommendation

DWS's policy is to generally vote for proposals to opt out of control share acquisition statutes unless doing so would enable the completion of a takeover that would be detrimental to shareholders.

DWS's policy is to generally vote against proposals to amend the charter to include control share acquisition provisions. DWS's policy is to generally vote for proposals to restore voting rights to the control shares.

Control share acquisition statutes function by denying shares their voting rights when they contribute to ownership in excess of certain thresholds. Voting rights for those shares exceeding ownership limits may only be restored by approval of either a majority or supermajority of disinterested shares. Thus, control share acquisition statutes effectively require a hostile bidder to put its offer to a shareholder vote or risk voting disenfranchisement if the bidder continues buying up a large block of shares.

### **3.4. Control Share Cash-Out Provisions**

#### **General Recommendation**

DWS's policy is to generally vote for proposals to opt out of control share cash-out statutes.

Control share cash-out statutes give dissident shareholders the right to "cash-out" of their position in a company at the expense of the shareholder who has taken a control position. In other words, when an investor crosses a preset threshold level, remaining shareholders are given the right to sell their shares to the acquirer, who must buy them at the highest acquiring price.

### **3.5. Disgorgement Provisions**

#### **General Recommendation**

DWS's policy is to generally vote for proposals to opt out of state disgorgement provisions.

Disgorgement provisions require an acquirer or potential acquirer of more than a certain percentage of a company's stock to disgorge, or pay back, to the company any profits realized from the sale of that company's stock purchased 24 months before achieving control status. All sales of company stock by the acquirer occurring within a certain period of time (between 18 months and 24 months) prior to the investor's gaining control status are subject to these recapture-of-profits provisions.

### **3.6. Fair Price Provisions**

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to adopt fair price provisions (provisions that stipulate that an acquirer must pay the same price to acquire all shares as it paid to acquire the control shares), evaluating factors such as the vote required to approve the proposed acquisition, the vote required to repeal the fair price provision, and the mechanism for determining the fair price.

DWS's policy is to generally vote against fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.

### **3.7. Freeze-Out Provisions**

#### **General Recommendation**

DWS's policy is to generally vote for proposals to opt out of state freeze-out provisions. Freeze-out provisions force an investor who surpasses a certain ownership threshold in a company to wait a specified period of time before gaining control of the company.

### **3.8. Greenmail**

#### **General Recommendation**

DWS's policy is to generally vote for proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

DWS's policy is to generally vote case-by-case on anti-greenmail proposals when they are bundled with other charter or bylaw amendments.

Greenmail payments are targeted share repurchases by management of company stock from individuals or groups seeking control of the company. Since only the hostile party receives payment, usually at a substantial premium over the market value of its shares, the practice discriminates against all other shareholders.

### **3.9. Shareholder Litigation Rights**

### 3.9.1. Federal Forum Selection Provisions

Federal forum selection provisions require that U.S federal courts be the sole forum for shareholders to litigate claims arising under federal securities law.

#### **General Recommendation**

DWS's policy is to generally vote for federal forum selection provisions in the charter or bylaws that specify "the district courts of the United States" as the exclusive forum for federal securities law matters, in the absence of serious concerns about corporate governance or board responsiveness to shareholders.

DWS's policy is to generally vote against provisions that restrict the forum to a particular federal district court; unilateral adoption (without a shareholder vote) of such a provision will generally be considered a one-time failure under the Unilateral Bylaw/Charter Amendments policy (page 24).

### 3.9.2. Exclusive Forum Provisions for State Law Matters

Exclusive forum provisions in the charter or bylaws restrict shareholders' ability to bring derivative lawsuits against the company, for claims arising out of state corporate law, to the courts of a particular state (generally the state of incorporation).

#### **General Recommendation**

DWS's policy is to generally vote for charter or bylaw provisions that specify courts located within the state of Delaware as the exclusive forum for corporate law matters for Delaware corporations, in the absence of serious concerns about corporate governance or board responsiveness to shareholders.

For states other than Delaware, DWS's policy is to generally vote case-by-case on exclusive forum provisions, taking into consideration:

- The company's stated rationale for adopting such a provision;
- Disclosure of past harm from duplicative shareholder lawsuits in more than one forum;
- The breadth of application of the charter or bylaw provision, including the types of lawsuits to which it would apply and the definition of key terms; and
- Governance features such as shareholders' ability to repeal the provision at a later date (including the vote standard applied when shareholders attempt to amend the charter or bylaws) and their ability to hold directors accountable through annual director elections and a majority vote standard in uncontested elections.

DWS's policy is to generally vote against provisions that specify a state other than the state of incorporation as the exclusive forum for corporate law matters, or that specify a particular local court within the state; unilateral adoption of such provision will generally be considered a one-time failure under the Unilateral Bylaw/Charter Amendments policy (page 24).

### 3.9.3. Fee shifting

Fee-shifting provisions in the charter or bylaws require that a shareholder who sues a company unsuccessfully pay all litigation expenses of the defendant corporation and its directors and officers.

#### **General Recommendation**

DWS's policy is to generally vote against provisions that mandate fee-shifting whenever plaintiffs are not completely successful on the merits (i.e. including cases where the plaintiffs are partially successful).

Unilateral adoption of a fee-shifting provision will generally be considered an ongoing failure under the Unilateral Bylaw/Charter Amendments policy (page 24).

## **3.10. Net Operating Loss (NOL) Protective Amendments**

#### **General Recommendation**

DWS's policy is to generally vote against proposals to adopt a protective amendment for the stated purpose of protecting a company's net operating losses (NOL) if the effective term of the protective amendment would exceed the shorter of three years and the exhaustion of the NOL.

DWS's policy is to generally vote case-by-case, considering the following factors, for management proposals to adopt an NOL protective amendment that would remain in effect for the shorter of three years (or less) and the exhaustion of the NOL:

- The ownership threshold (NOL protective amendments generally prohibit stock ownership transfers that would result in a new 5-percent holder or increase the stock ownership percentage of an existing 5-percent holder);
- The value of the NOLs;
- Shareholder protection mechanisms (sunset provision or commitment to cause expiration of the protective amendment upon exhaustion or expiration of the NOL);
- The company's existing governance structure including: board independence, existing takeover defenses, track record of responsiveness to shareholders, and any other problematic governance concerns; and
- Any other factors that may be applicable.

## **3.11. Poison Pills (Shareholder Rights Plans)**

### 3.11.1. Shareholder Proposals to Put Pill to a Vote and/or Adopt a Pill Policy

#### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals requesting that the company submit its poison pill to a shareholder vote or redeem it unless the company has: (1) A shareholder-approved poison pill in place; or (2) The company has adopted a policy concerning the adoption of a pill in the future specifying that the board will only adopt a shareholder rights plan if either:

- Shareholders have approved the adoption of the plan; or
- The board, in its exercise of its fiduciary responsibilities, determines that it is in the best interest of shareholders under the circumstances to adopt a pill without the delay in adoption that would result from seeking stockholder approval (i.e., the "fiduciary out" provision). A poison pill adopted under this fiduciary out will be put to a shareholder ratification vote within 12 months of adoption or expire. If the pill is not approved by a majority of the votes cast on this issue, the plan will immediately terminate.

If the shareholder proposal calls for a time period of less than 12 months for shareholder ratification after adoption, DWS's policy is to generally vote for the proposal, but add the caveat that a vote within 12 months would be considered sufficient implementation.

### 3.11.2. Management Proposals to Ratify a Poison Pill

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on management proposals on poison pill ratification, focusing on the features of the shareholder rights plan. Rights plans should contain the following attributes:

- No lower than a 20 percent trigger, flip-in or flip-over;
- A term of no more than three years;
- No deadhand, slowhand, no-hand, or similar feature that limits the ability of a future board to redeem the pill; and
- Shareholder redemption feature (qualifying offer clause); if the board refuses to redeem the pill 90 days after a qualifying offer is announced, 10 percent of the shares may call a special meeting or seek a written consent to vote on rescinding the pill.

In addition, the rationale for adopting the pill should be thoroughly explained by the company. In examining the request for the pill, take into consideration the company's existing governance structure, including: board independence, existing takeover defenses, and any problematic governance concerns.

### 3.11.3. Management Proposals to Ratify a Pill to Preserve Net Operating Losses (NOLs)

#### **General Recommendation**

DWS's policy is to generally vote against proposals to adopt a poison pill for the stated purpose of protecting a company's net operating losses (NOL) if the term of the pill would exceed the shorter of three years and the exhaustion of the NOL.

DWS's policy is to vote case-by-case on management proposals for poison pill ratification, considering the following factors, if the term of the pill would be the shorter of three years (or less) and the exhaustion of the NOL:

- The ownership threshold to transfer (NOL pills generally have a trigger slightly below 5 percent);
- The value of the NOLs;
- Shareholder protection mechanisms (sunset provision, or commitment to cause expiration of the pill upon exhaustion or expiration of NOLs);
- The company's existing governance structure including: board independence, existing takeover defenses, track record of responsiveness to shareholders, and any other problematic governance concerns; and
- Any other factors that may be applicable.

### 3.11.4. Proxy Voting Disclosure, Confidentiality, and Tabulation

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals regarding proxy voting mechanics, taking into consideration whether implementation of the proposal is likely to enhance or protect shareholder rights. Specific issues covered under the policy include, but are not limited to, confidential voting of individual proxies and ballots, confidentiality of running vote tallies, and the treatment of abstentions and/or broker non-votes in the company's vote-counting methodology.

While a variety of factors may be considered in each analysis, the guiding principles are: transparency, consistency, and fairness in the proxy voting process. The factors considered, as applicable to the proposal, may include:

- The scope and structure of the proposal;
- The company's stated confidential voting policy (or other relevant policies) and whether it ensures a "level playing field" by providing shareholder proponents with equal access to vote information prior to the annual meeting;
- The company's vote standard for management and shareholder proposals and whether it ensures consistency and fairness in the proxy voting process and maintains the integrity of vote results;
- Whether the company's disclosure regarding its vote counting method and other relevant voting policies with respect to management and shareholder proposals are consistent and clear;
- Any recent controversies or concerns related to the company's proxy voting mechanics;

- Any unintended consequences resulting from implementation of the proposal; and
- Any other factors that may be relevant.

### 3.11.5. Ratification Proposals: Management Proposals to Ratify Existing Charter or Bylaw Provisions

#### **General Recommendation**

DWS's policy is to generally vote against management proposals to ratify provisions of the company's existing charter or bylaws, unless these governance provisions align with best practice.

In addition, voting against/withhold from individual directors, members of the governance committee, or the full board may be warranted, considering:

- The presence of a shareholder proposal addressing the same issue on the same ballot;
- The board's rationale for seeking ratification;
- Disclosure of actions to be taken by the board should the ratification proposal fail;
- Disclosure of shareholder engagement regarding the board's ratification request;
- The level of impairment to shareholders' rights caused by the existing provision;
- The history of management and shareholder proposals on the provision at the company's past meetings;
- Whether the current provision was adopted in response to the shareholder proposal;
- The company's ownership structure; and
- Previous use of ratification proposals to exclude shareholder proposals.

### 3.11.6. Reimbursing Proxy Solicitation Expenses

#### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to reimburse proxy solicitation expenses.

When voting in conjunction with support of a dissident slate, DWS's policy is to generally vote for the reimbursement of all appropriate proxy solicitation expenses associated with the election.

DWS's policy is to generally vote for shareholder proposals calling for the reimbursement of reasonable costs incurred in connection with nominating one or more candidates in a contested election where the following apply:

- The election of fewer than 50 percent of the directors to be elected is contested in the election;
- One or more of the dissident's candidates is elected;
- Shareholders are not permitted to cumulate their votes for directors; and
- The election occurred, and the expenses were incurred, after the adoption of this bylaw.

### 3.11.7. Reincorporation Proposals

#### **General Recommendation**

Management or shareholder proposals to change a company's state of incorporation should be evaluated case-by-case, giving consideration to both financial and corporate governance concerns including the following:

- Reasons for reincorporation;
- Comparison of company's governance practices and provisions prior to and following the reincorporation; and
- Comparison of corporation laws of original state and destination state.

DWS's policy is to generally vote for reincorporation when the economic factors outweigh any neutral or negative governance changes.

### 3.11.8. Shareholder Ability to Act by Written Consent

#### **General Recommendation**

DWS's policy is to generally vote against management and shareholder proposals to restrict or prohibit shareholders' ability to act by written consent.

DWS's policy is to generally vote for management and shareholder proposals that provide shareholders with the ability to act by written consent, taking into account the following factors:

- Shareholders' current right to act by written consent;
- The consent threshold;
- The inclusion of exclusionary or prohibitive language;
- Investor ownership structure; and
- Shareholder support of, and management's response to, previous shareholder proposals.

DWS's policy is to vote case-by-case on shareholder proposals if, in addition to the considerations above, the company has the following governance and antitakeover provisions:

- An unfettered<sup>18</sup> right for shareholders to call special meetings at a 10 percent threshold;
- A majority vote standard in uncontested director elections;
- No non-shareholder-approved pill; and
- An annually elected board.

### 3.11.9. Shareholder Ability to Call Special Meetings

#### **General Recommendation:**

DWS's policy is to generally vote against management or shareholder proposals to restrict or prohibit shareholders' ability to call special meetings.

DWS's policy is to generally vote for management or shareholder proposals that provide shareholders with the ability to call special meetings taking into account the following factors:

- Shareholders' current right to call special meetings;
- Minimum ownership threshold necessary to call special meetings (10 percent preferred);
- The inclusion of exclusionary or prohibitive language;
- Investor ownership structure; and
- Shareholder support of, and management's response to, previous shareholder proposals.

### 3.11.10. Stakeholder Provisions

#### **General Recommendation**

DWS's policy is to generally vote against proposals that ask the board to consider non-shareholder constituencies or other non-financial effects when evaluating a merger or business combination.

<sup>18</sup> "Unfettered" means no restrictions on agenda items, no restrictions on the number of shareholders who can group together to reach the 10 percent threshold, and only reasonable limits on when a meeting can be called: no greater than 30 days after the last annual meeting and no greater than 90 prior to the next annual meeting.

#### 3.11.11. State Antitakeover Statutes

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to opt in or out of state takeover statutes (including fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, and anti-greenmail provisions).

#### 3.11.12. Supermajority Vote Requirements

##### **General Recommendation**

DWS's policy is to generally vote against proposals to require a supermajority shareholder vote.

- DWS's policy is to generally vote for management or shareholder proposals to reduce supermajority vote requirements. However, for companies with shareholder(s) who have significant ownership levels, DWS's policy is to generally vote case-by-case, taking into account:
  - Ownership structure;
  - Quorum requirements; and
  - Vote requirements.

#### 3.11.13. Virtual Shareholder Meetings

##### **General Recommendation**

DWS's policy is to generally vote for management proposals allowing for the convening of shareholder meetings by electronic means, so long as they do not preclude in-person meetings. Companies are encouraged to disclose the circumstances under which virtual-only<sup>19</sup> meetings would be held, and to allow for comparable rights and opportunities for shareholders to participate electronically as they would have during an in-person meeting.

DWS's policy is to vote case-by-case on shareholder proposals concerning virtual-only meetings, considering:

- Scope and rationale of the proposal; and
- Concerns identified with the company's prior meeting practices.

<sup>19</sup> Virtual-only shareholder meeting" refers to a meeting of shareholders that is held exclusively using technology without a corresponding in-person meeting.



## 4 / Capital / Restructuring

### 4.1. Capital

#### 4.1.1. Adjustments to Par Value of Common Stock

##### General Recommendation

DWS's policy is to generally vote for management proposals to reduce the par value of common stock unless the action is being taken to facilitate an anti-takeover device or some other negative corporate governance action.

DWS's policy is to vote for management proposals to eliminate par value.

#### 4.1.2. Common Stock Authorization

##### 4.1.2.1. General Authorization Requests

##### General Recommendation

DWS's policy is to generally vote case-by-case on proposals to increase the number of authorized shares of common stock that are to be used for general corporate purposes:

- if share usage (outstanding plus reserved) is less than **50%** of the current authorized shares, vote for an increase of up to 50% of current authorized shares;
- If share usage is 50% to 100% of the current authorized, vote for an increase of up to **100%** of current authorized shares;
- If share usage is greater than current authorized shares, vote for an increase of up to the current share usage; or
- In the case of a stock split, the allowable increase is calculated (per above) based on the post-split adjusted authorization.

DWS's policy is to generally vote against proposed increases, even if within the above ratios, if the proposal or the company's prior or ongoing use of authorized shares is problematic, including, but not limited to:

- The proposal seeks to increase the number of authorized shares of the class of common stock that has superior voting rights to other share classes;
- On the same ballot is a proposal for a reverse split for which support is warranted despite the fact that it would result in an excessive increase in the share authorization;
- The company has a non-shareholder approved poison pill (including an NOL pill); or
- The company has previous sizeable placements (within the past 3 years) of stock with insiders at prices substantially below market value, or with problematic voting rights, without shareholder approval.

However, DWS's policy is to generally vote for proposed increases beyond the above ratios or problematic situations when there is disclosure of specific and severe risks to shareholders of not approving the request, such as:

- In, or subsequent to, the company's most recent 10-k filing, the company discloses that there is substantial doubt about its ability to continue as a going concern;
- The company states that there is a risk of imminent bankruptcy or imminent liquidation if shareholders do not approve the increase in authorized capital; or
- A government body has in the past year required the company to increase capital ratios.

For companies incorporated in states that allow increases in authorized capital without shareholder approval, DWS's policy is to generally vote withhold or against all nominees if a unilateral capital authorization increase does not conform to the above policies.

#### 4.1.2.2. Specific Authorization Requests

##### **General Recommendation**

DWS's policy is to generally vote for proposals to increase the number of authorized common shares where the primary purpose of the increase is to issue shares in connection with transaction(s) (such as acquisitions, SPAC transactions, private placements, or similar transactions) on the same ballot, or disclosed in the proxy statement, that warrant support. For such transactions, the allowable increase will be the greater of:

- twice the amount needed to support the transactions on the ballot, and
- the allowable increase as calculated for general issuances above.

#### 4.1.3. Dual Class Structure

##### **General Recommendation**

DWS's policy is to generally vote against proposals to create a new class of common stock unless:

- The company discloses a compelling rationale for the dual-class capital structure, such as:
- The company's auditor has concluded that there is substantial doubt about the company's ability to continue as a going concern; or
- The new class of shares will be transitory;
- The new class is intended for financing purposes with minimal or no dilution to current shareholders in both the short term and long term; and
- The new class is not designed to preserve or increase the voting power of an insider or significant shareholder.

#### 4.1.4. Issue Stock for Use with Rights Plan

**General Recommendation:** DWS's policy is to generally vote against proposals that increase authorized common stock for the explicit purpose of implementing a non-shareholder-approved shareholder rights plan (poison pill).

#### 4.1.5. Preemptive Rights

**General Recommendation:** DWS's policy is to generally vote case-by-case on shareholder proposals that seek pre-emptive rights, taking into consideration:

- The size of the company;
- The shareholder base; and
- The liquidity of the stock.

#### 4.1.6. Preferred Stock Authorization

##### 4.1.6.1. General Authorization Requests

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to increase the number of authorized shares of preferred stock that are to be used for general corporate purposes as follow:

- If share usage (outstanding plus reserved) is less than 50% of the current authorized shares, vote for an increase of up to **50%** of current authorized shares;
- If share usage is 50% to 100% of the current authorized, vote for an increase up to **100%** of current authorized shares;
- If share usage is greater than current authorized shares, vote for an increase of up to the current share usage;
- In the case of a stock split, the allowable increase is calculated (per above) based on the post-split adjusted authorization; or
- If no preferred shares are currently issued and outstanding, vote against the request, unless the company discloses a specific use for the shares.

DWS's policy is to generally vote against proposed increases, even if within the above ratios, if the proposal or the company's prior or ongoing use of authorized shares is problematic, including, but not limited to:

- If the shares requested are blank check preferred shares that can be used for antitakeover purposes<sup>20</sup>;
- The company seeks to increase a class of non-convertible preferred shares entitled to more than one vote per share on matters that do not solely affect the rights of preferred stockholders ("supervoting shares");
- The company seeks to increase a class of convertible preferred shares entitled to a number of votes greater than the number of common shares into which they are convertible ("supervoting shares") on matters that do not solely affect the rights of preferred stockholders;
- The stated intent of the increase in the general authorization is to allow the company to increase an existing designated class of supervoting preferred shares;
- On the same ballot is a proposal for a reverse split for which support is warranted despite the fact that it would result in an excessive increase in the share authorization;
- The company has a non-shareholder approved poison pill (including NOL pill); or
- The company has previous sizeable placements (within the past 3 years) of stock with insiders at prices substantially below market value, or with problematic voting rights, without shareholder approval.

However, DWS's policy is to generally vote for proposed increases beyond the above ratios or problematic situations when there is disclosure of specific and severe risks to shareholders of not approving the request, such as:

- In, or subsequent to, the company's most recent 10-k filing, the company discloses that there is substantial doubt about its ability to continue as a going concern;
- The company states that there is a risk of imminent bankruptcy or imminent liquidation if shareholders do not approve the increase in authorized capital; or
- A government body has in the past year required the company to increase capital ratios.

For companies incorporated in states that allow increases in authorized capital without shareholder approval, DWS's policy is to generally vote withhold or against all nominees if a unilateral capital authorization increase does not conform to the above policies.

#### 4.1.6.2. Specific Authorization Requests

##### **General Recommendation**

DWS's policy is to generally vote for proposals to increase the number of authorized preferred shares where the primary purpose of the increase is to issue shares in connection with transaction(s) (such as acquisitions, SPAC transactions, private placements, or similar transactions) on the same ballot, or disclosed in the proxy statement, that warrant support. For such transactions, the allowable increase will be the greater of:

- twice the amount needed to support the transactions on the ballot, and
- the allowable increase as calculated for general issuances above.

#### 4.1.7. Recapitalization Plans

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on recapitalizations (reclassifications of securities), taking into account the following:

- More simplified capital structure;

<sup>20</sup> To be acceptable, appropriate disclosure would be needed that the shares are "declawed"; i.e., representation by the board that it will not, without prior stockholder approval, issue or use the preferred stock for any defensive or anti-takeover purpose or for the purpose of implementing any stockholder rights plan.

- Enhanced liquidity;
- Fairness of conversion terms;
- Impact on voting power and dividends;
- Reasons for the reclassification;
- Conflicts of interest; and
- Other alternatives considered.

#### 4.1.8. Reverse Stock Splits

##### **General Recommendation**

DWS's policy is to generally vote for management proposals to implement a reverse stock split if:

- The number of authorized shares will be proportionately reduced; or
- The effective increase in authorized shares is equal to or less than the allowable increase calculated in accordance with ISS's Common Stock Authorization policy.

DWS's policy is to generally vote case-by-case on proposals that do not meet either of the above conditions, taking into consideration the following factors:

- Stock exchange notification to the company of a potential delisting;
- Disclosure of substantial doubt about the company's ability to continue as a going concern without additional financing;
- The company's rationale; or
- Other factors as applicable.

#### 4.1.9. Share Issuance Mandates at U.S. Domestic Issuers Incorporated Outside the U.S.

##### **General Recommendation**

For U.S. domestic Issuers incorporated outside the U.S. and listed solely on a U.S. exchange, DWS' policy is to generally vote for resolutions to authorize the issuance of common shares up to 20% of currently issued common share capital, where not tied to a specific transaction or financing proposal.

For pre-revenue or other early-stage companies that are heavily reliant on periodic equity financing, DWS' policy is to generally vote for resolutions to authorize the issuance of common shares up to 50% of currently issued common share capital. The burden of proof will be on the company to establish that it has a need for the higher limit.

Renewal of such mandates should be sought at each year's annual meeting.

DWS's policy is to generally vote case-by-case on share issuances for a specific transaction or financing proposal.

#### 4.1.10. Share Repurchase Programs

##### **General Recommendation**

For U.S.-incorporated companies, and foreign-incorporated U.S. Domestic Issuers that are traded solely on U.S. exchanges, DWS's policy is to generally vote for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms, or to grant the board authority to conduct open-market repurchases, in the absence of company-specific concerns regarding:

- Greenmail,
- The use of buybacks to inappropriately manipulate incentive compensation metrics,
- Threats to the company's long-term viability, or

- Other company-specific factors as warranted.

DWS's policy is to generally vote case-by-case on proposals to repurchase shares directly from specified shareholders, balancing the stated rationale against the possibility for the repurchase authority to be misused, such as to repurchase shares from insiders at a premium to market price.

#### 4.1.11. Share Repurchase Programs Shareholder Proposals

##### **General Recommendation**

DWS's policy is to generally vote against shareholder proposals prohibiting executives from selling shares of company stock during periods in which the company has announced that it may or will be repurchasing shares of its stock. DWS's policy is to generally vote for the proposal when there is a pattern of abuse by executives exercising options or selling shares during periods of share buybacks.

#### 4.1.12. Stock Distributions: Splits and Dividends

##### **General Recommendation**

DWS's policy is to generally vote for management proposals to increase the common share authorization for stock split or stock dividend, provided that the effective increase in authorized shares is equal to or is less than the allowable increase calculated in accordance with ISS's Common Stock Authorization policy.

#### 4.1.13. Tracking Stock

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on the creation of tracking stock, weighing the strategic value of the transaction against such factors as:

- Adverse governance changes;
- Excessive increases in authorized capital stock;
- Unfair method of distribution;
- Diminution of voting rights;
- Adverse conversion features;
- Negative impact on stock option plans; and
- Alternatives such as spin-off.

## **4.2. Restructuring**

### 4.2.1. Appraisal Rights

##### **General Recommendation**

DWS's policy is to generally vote for proposals to restore or provide shareholders with rights of appraisal.

### 4.2.2. Asset Purchases

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on asset purchase proposals, considering the following factors:

- Purchase price;
- Fairness opinion;
- Financial and strategic benefits;
- How the deal was negotiated;
- Conflicts of interest;
- Other alternatives for the business; and
- Non-completion risk.

#### 4.2.3. Asset Sales

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on asset sales, considering the following factors:

- Impact on the balance sheet/working capital;
- Potential elimination of diseconomies;
- Anticipated financial and operating benefits;
- Anticipated use of funds;
- Value received for the asset;
- Fairness opinion;
- How the deal was negotiated; and
- Conflicts of interest.

#### 4.2.4. Bundled Proposals

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on bundled or "conditional" proxy proposals. In the case of items that are conditioned upon each other, examine the benefits and costs of the packaged items. In instances when the joint effect of the conditioned items is not in shareholders' best interests, vote against the proposals. If the combined effect is positive, support such proposals.

#### 4.2.5. Conversion of Securities

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals regarding conversion of securities. When evaluating these proposals, the investor should review the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.

DWS's policy is to vote for the conversion if it is expected that the company will be subject to onerous penalties or will be forced to file for bankruptcy if the transaction is not approved.

#### 4.2.6. Corporate Reorganization/Debt Restructuring/Prepackaged Bankruptcy Plans/Reverse Leveraged Buyouts/Wrap Plans

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan, after evaluating:

- Dilution to existing shareholders' positions;
- Terms of the offer - discount/premium in purchase price to investor, including any fairness opinion; termination penalties; exit strategy;
- Financial issues - company's financial situation; degree of need for capital; use of proceeds; effect of the financing on the company's cost of capital;
- Management's efforts to pursue other alternatives;
- Control issues - change in management; change in control, guaranteed board and committee seats; standstill provisions; voting agreements; veto power over certain corporate actions; and
- Conflict of interest - arm's length transaction, managerial incentives.

DWS's policy is to generally vote for the debt restructuring if it is expected that the company will file for bankruptcy if the transaction is not approved.

#### 4.2.7. Formation of Holding Company

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals regarding the formation of a holding company, taking into consideration the following:

- The reasons for the change;
- Any financial or tax benefits;
- Regulatory benefits;
- Increases in capital structure; and
- Changes to the articles of incorporation or bylaws of the company.

Absent compelling financial reasons to recommend for the transaction, DWS's policy is to generally vote against the formation of a holding company if the transaction would include either of the following:

- Increases in common or preferred stock in excess of the allowable maximum (see discussion under "Capital"); or
- Adverse changes in shareholder rights.

#### 4.2.8. Going Private and Going Dark Transactions (LBOs and Minority Squeeze-outs)

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on going private transactions, taking into account the following:

- Offer price/premium;
- Fairness opinion;
- How the deal was negotiated;
- Conflicts of interest;
- Other alternatives/offers considered; and
- Non-completion risk.

DWS's policy is to vote case-by-case on going dark transactions, determining whether the transaction enhances shareholder value by taking into consideration:

- Whether the company has attained benefits from being publicly traded (examination of trading volume, liquidity, and market research of the stock); and
- Balanced interests of continuing vs. cashed-out shareholders, taking into account the following:
  - Are all shareholders able to participate in the transaction?
  - Will there be a liquid market for remaining shareholders following the transaction?
  - Does the company have strong corporate governance?
  - Will insiders reap the gains of control following the proposed transaction?
  - Does the state of incorporation have laws requiring continued reporting that may benefit shareholders?

#### 4.2.9. Joint Ventures

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to form joint ventures, taking into account the following:

- Percentage of assets/business contributed;
- Percentage ownership;

- Financial and strategic benefits;
- Governance structure;
- Conflicts of interest;
- Other alternatives; and
- Non-completion risk.

#### 4.2.10. Liquidations

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on liquidations, taking into account the following:

- Management's efforts to pursue other alternatives;
- Appraisal value of assets; and
- The compensation plan for executives managing the liquidation.

DWS's policy is to generally vote for the liquidation if the company will file for bankruptcy if the proposal is not approved.

#### 4.2.11. Mergers and Acquisitions

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on mergers and acquisitions. Review and evaluate the merits and drawbacks of the proposed transaction, balancing various and sometimes countervailing factors including:

- **Valuation** - Is the value to be received by the target shareholders (or paid by the acquirer) reasonable? While the fairness opinion may provide an initial starting point for assessing valuation reasonableness, emphasis is placed on the offer premium, market reaction, and strategic rationale.
- **Market reaction** - How has the market responded to the proposed deal? A negative market reaction should cause closer scrutiny of a deal.
- **Strategic rationale** - Does the deal make sense strategically? From where is the value derived? Cost and revenue synergies should not be overly aggressive or optimistic, but reasonably achievable. Management should also have a favorable track record of successful integration of historical acquisitions.
- **Negotiations and process** - Were the terms of the transaction negotiated at arm's-length? Was the process fair and equitable? A fair process helps to ensure the best price for shareholders. Significant negotiation "wins" can also signify the deal makers' competency. The comprehensiveness of the sales process (e.g., full auction, partial auction, no auction) can also affect shareholder value.
- **Conflicts of interest** - Are insiders benefiting from the transaction disproportionately and inappropriately as compared to non-insider shareholders? As the result of potential conflicts, the directors and officers of the company may be more likely to vote to approve a merger than if they did not hold these interests. Consider whether these interests may have influenced these directors and officers to support or recommend the merger. The CIC figure presented in the "ISS Transaction Summary" section of this report is an aggregate figure that can in certain cases be a misleading indicator of the true value transfer from shareholders to insiders. Where such figure appears to be excessive, analyze the underlying assumptions to determine whether a potential conflict exists.
- **Governance** - Will the combined company have a better or worse governance profile than the current governance profiles of the respective parties to the transaction? If the governance profile is to change for the worse, the burden is on the company to prove that other issues (such as valuation) outweigh any deterioration in governance.

#### 4.2.12. Private Placements/Warrants/Convertible Debentures

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals regarding private placements, warrants, and convertible debentures taking into consideration:



- Dilution to existing shareholders' position: The amount and timing of shareholder ownership dilution should be weighed against the needs and proposed shareholder benefits of the capital infusion. Although newly issued common stock, absent pre-emptive rights, is typically dilutive to existing shareholders, share price appreciation is often the necessary event to trigger the exercise of "out of the money" warrants and convertible debt. In these instances, from a value standpoint, the negative impact of dilution is mitigated by the increase in the company's stock price that must occur to trigger the dilutive event.
- Terms of the offer (discount/premium in purchase price to investor, including any fairness opinion, conversion features, termination penalties, exit strategy):
  - The terms of the offer should be weighed against the alternatives of the company and in light of company's financial condition. Ideally, the conversion price for convertible debt and the exercise price for warrants should be at a premium to the then prevailing stock price at the time of private placement.
  - When evaluating the magnitude of a private placement discount or premium, consider factors that influence the discount or premium, such as, liquidity, due diligence costs, control and monitoring costs, capital scarcity, information asymmetry, and anticipation of future performance.
- Financial issues:
  - The company's financial condition;
  - Degree of need for capital;
  - Use of proceeds;
  - Effect of the financing on the company's cost of capital;
  - Current and proposed cash burn rate; and
  - Going concern viability and the state of the capital and credit markets.
- Management's efforts to pursue alternatives and whether the company engaged in a process to evaluate alternatives: A fair, unconstrained process helps to ensure the best price for shareholders. Financing alternatives can include joint ventures, partnership, merger, or sale of part or all of the company.
- Control issues:
  - Change in management;
  - Change in control;
  - Guaranteed board and committee seats;
  - Standstill provisions;
  - Voting agreements;
  - Veto power over certain corporate actions; and
  - Minority versus majority ownership and corresponding minority discount or majority control premium.
- Conflicts of interest:
  - Conflicts of interest should be viewed from the perspective of the company and the investor; and
  - Were the terms of the transaction negotiated at arm's length? Are managerial incentives aligned with shareholder interests?
- Market reaction:
  - The market's response to the proposed deal. A negative market reaction is a cause for concern. Market reaction may be addressed by analysing the one-day impact on the unaffected stock price.

DWS's policy is to generally vote for the private placement, or for the issuance of warrants and/or convertible debentures in a private placement, if it is expected that the company will file for bankruptcy if the transaction is not approved.

#### 4.2.13. Reorganization/Restructuring Plan (Bankruptcy)

##### General Recommendation

DWS's policy is to generally vote case-by-case on proposals to common shareholders on bankruptcy plans of reorganization, considering the following factors including, but not limited to:

- Estimated value and financial prospects of the reorganized company;
- Percentage ownership of current shareholders in the reorganized company;
- Whether shareholders are adequately represented in the reorganization process (particularly through the existence of an Official Equity Committee);
- The cause(s) of the bankruptcy filing, and the extent to which the plan of reorganization addresses the cause(s);
- Existence of a superior alternative to the plan of reorganization; and
- Governance of the reorganized company.

#### 4.2.14. Special Purpose Acquisition Corporations (SPACs)

##### General Recommendation

DWS's policy is to generally vote case-by-case on SPAC mergers and acquisitions taking into account the following:

- **Valuation** - Is the value being paid by the SPAC reasonable? SPACs generally lack an independent fairness opinion and the financials on the target may be limited. Compare the conversion price with the intrinsic value of the target company provided in the fairness opinion. Also, evaluate the proportionate value of the combined entity attributable to the SPAC IPO shareholders versus the pre-merger value of SPAC. Additionally, a private company discount may be applied to the target, if it is a private entity.
- **Market reaction** - How has the market responded to the proposed deal? A negative market reaction may be a cause for concern. Market reaction may be addressed by analysing the one-day impact on the unaffected stock price.
- **Deal timing** - A main driver for most transactions is that the SPAC charter typically requires the deal to be complete within 18 to 24 months, or the SPAC is to be liquidated. Evaluate the valuation, market reaction, and potential conflicts of interest for deals that are announced close to the liquidation date.
- **Negotiations and process** - What was the process undertaken to identify potential target companies within specified industry or location specified in charter? Consider the background of the sponsors.
- **Conflicts of interest** - How are sponsors benefiting from the transaction compared to IPO shareholders? Potential conflicts could arise if a fairness opinion is issued by the insiders to qualify the deal rather than a third party or if management is encouraged to pay a higher price for the target because of an 80 percent rule (the charter requires that the fair market value of the target is at least equal to 80 percent of net assets of the SPAC). Also, there may be sense of urgency by the management team of the SPAC to close the deal since its charter typically requires a transaction to be completed within the 18–24 month timeframe.
- **Voting agreements** - Are the sponsors entering into any voting agreements/tender offers with shareholders who are likely to vote against the proposed merger or exercise conversion rights?
- **Governance** - What is the impact of having the SPAC CEO or founder on key committees following the proposed merger?

#### 4.2.15. Special Purpose Acquisition Corporations (SPACs) - Proposals for Extensions

##### General Recommendation

DWS's policy is to generally vote case-by-case on SPAC extension proposals taking into account the length of the requested extension, the status of any pending transaction(s) or progression of the acquisition process, any added incentive for non-redeeming shareholders, and any prior extension requests.

- **Length of request**: Typically, extension requests range from two to six months, depending on the progression of the SPAC's acquisition process.

- **Pending transaction(s) or progression of the acquisition process:** Sometimes an initial business combination was already put to a shareholder vote, but, for varying reasons, the transaction could not be consummated by the termination date and the SPAC is requesting an extension. Other times, the SPAC has entered into a definitive transaction agreement, but needs additional time to consummate or hold the shareholder meeting.
- **Added incentive for non-redeeming shareholders:** Sometimes the SPAC sponsor (or other insiders) will contribute, typically as a loan to the company, additional funds that will be added to the redemption value of each public share as long as such shares are not redeemed in connection with the extension request. The purpose of the "equity kicker" is to incentivize shareholders to hold their shares through the end of the requested extension or until the time the transaction is put to a shareholder vote, rather than electing redemption at the extension proposal meeting.
- **Prior extension requests:** Some SPACs request additional time beyond the extension period sought in prior extension requests.

#### 4.2.16. Spin-offs

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on spin-offs, considering:

- Tax and regulatory advantages;
- Planned use of the sale proceeds;
- Valuation of spinoff;
- Fairness opinion;
- Benefits to the parent company;
- Conflicts of interest;
- Managerial incentives;
- Corporate governance changes; and
- Changes in the capital structure.

#### 4.2.17. Value Maximization Shareholder Proposals

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals seeking to maximize shareholder value by:

- Hiring a financial advisor to explore strategic alternatives;
- Selling the company; or
- Liquidating the company and distributing the proceeds to shareholders.

These proposals should be evaluated based on the following factors:

- Prolonged poor performance with no turnaround in sight;
- Signs of entrenched board and management (such as the adoption of takeover defenses);
- Strategic plan in place for improving value;
- Likelihood of receiving reasonable value in a sale or dissolution; and
- The company actively exploring its strategic options, including retaining a financial advisor.

# 5 / Compensation

## 5.1. Executive Pay Evaluation

### 5.1.1. Advisory Votes on Executive Compensation—Management Proposals (Say-on-Pay)

#### General Recommendation

DWS's policy is to generally vote case-by-case on ballot items related to executive pay and practices, as well as certain aspects of outside director compensation.

DWS's policy is to vote against Advisory Votes on Executive Compensation (Say-on-Pay or "SOP") if:

- There is an unmitigated misalignment between CEO pay and company performance (pay for performance);
- The company maintains significant problematic pay practices; or
- The board exhibits a significant level of poor communication and responsiveness to shareholders.

DWS's policy is to generally vote against or withhold from the members of the Compensation Committee and potentially the full board if:

- There is no SOP on the ballot, and an against vote on an SOP would otherwise be warranted due to pay-for- performance misalignment, problematic pay practices, or the lack of adequate responsiveness on compensation issues raised previously, or a combination thereof;
- The board fails to respond adequately to a previous SOP proposal that received less than 70 percent support of votes cast;
- The company has recently practiced or approved problematic pay practices, such as option repricing or option backdating; or
- The situation is egregious.

### 5.1.2. Frequency of Advisory Vote on Executive Compensation ("Say When on Pay")

#### General Recommendation

DWS's policy is to generally vote for annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

### 5.1.3. Voting on Golden Parachutes in an Acquisition, Merger, Consolidation, or Proposed Sale

#### General Recommendation

DWS's policy is to generally vote case-by-case on say on Golden Parachute proposals, including consideration of existing change-in-control arrangements maintained with named executive officers but also considering new or extended arrangements.

Features that may result in an "against" recommendation include one or more of the following, depending on the number, magnitude, and/or timing of issue(s):

- Single- or modified-single-trigger cash severance;
- Single-trigger acceleration of unvested equity awards;
- Full acceleration of equity awards granted shortly before the change in control;
- Acceleration of performance awards above the target level of performance without compelling rationale;
- Excessive cash severance (generally >3x base salary and bonus);
- Excise tax gross-ups triggered and payable; or

- Excessive golden parachute payments (on an absolute basis or as a percentage of transaction equity value);
- Recent amendments that incorporate any problematic features (such as those above) or recent actions (such as extraordinary equity grants) that may make packages so attractive as to influence merger agreements that may not be in the best interests of shareholders;  
or
- The company's assertion that a proposed transaction is conditioned on shareholder approval of the golden parachute advisory vote.

Recent amendment(s) that incorporate problematic features will tend to carry more weight on the overall analysis. However, the presence of multiple legacy problematic features will also be closely scrutinized.

In cases where the golden parachute vote is incorporated into a company's advisory vote on compensation (management say-on-pay), DWS will evaluate the say-on-pay proposal in accordance with these guidelines, which may give higher weight to that component of the overall evaluation.

## 5.2. Equity-Based and Other Incentive Plans

### General Recommendation

DWS's policy is to generally vote case-by-case on certain equity-based compensation plans<sup>21</sup> depending on a combination of certain plan features and equity grant practices, where positive factors may counterbalance negative factors, and vice versa, as evaluated using an "Equity Plan Scorecard" (EPSC) approach with three pillars:

- **Plan Cost:** The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both:
  - SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and
  - SVT based only on new shares requested plus shares remaining for future grants.
- **Plan Cost:**
  - Quality of disclosure around vesting upon a change in control (CIC);
  - Discretionary vesting authority;
  - Liberal share recycling on various award types;
  - Lack of minimum vesting period for grants made under the plan; and
  - Dividends payable prior to award vesting.
- **Grant Practices:**
  - The company's three-year burn rate relative to its industry/market cap peers;
  - Vesting requirements in CEO's recent equity grants (3-year look-back);
  - The estimated duration of the plan (based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years);
  - The proportion of the CEO's most recent equity grants/awards subject to performance conditions;
  - Whether the company maintains a sufficient claw-back policy; and
  - Whether the company maintains sufficient post-exercise/vesting share-holding requirements.

DWS's policy is to generally vote against the plan proposal if the combination of above factors indicates that the plan is not, overall, in shareholders' interests, or if any of the following egregious factors ("overriding factors") apply:

<sup>21</sup> Proposals evaluated under the EPSC policy generally include those to approve or amend (1) stock option plans for employees and/or employees and directors, (2) restricted stock plans for employees and/or employees and directors, and (3) omnibus stock incentive plans for employees and/or employees and directors; amended plans will be further evaluated case-by-case.

- Awards may vest in connection with a liberal change-of-control definition;
- The plan would permit repricing or cash buyout of underwater options without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies – or by not prohibiting it when the company has a history of repricing – for non-listed companies);
- The plan is a vehicle for problematic pay practices or a significant pay-for-performance disconnect under certain circumstances;
- The plan is excessively dilutive to shareholders' holdings;
- The plan contains an evergreen (automatic share replenishment) feature; or
- Any other plan features are determined to have a significant negative impact on shareholder interests.

### 5.2.1. Further Information on certain EPSC Factors:

#### 5.2.1.1. Shareholder Value Transfer (SVT)

The cost of the equity plans is expressed as Shareholder Value Transfer (SVT), which is measured using a binomial option pricing model that assesses the amount of shareholders' equity flowing out of the company to employees and directors. SVT is expressed as both a dollar amount and as a percentage of market value, and includes the new shares proposed, shares available under existing plans, and shares granted but unexercised (using two measures, in the case of plans subject to the Equity Plan Scorecard evaluation, as noted above). All award types are valued. For omnibus plans, unless limitations are placed on the most expensive types of awards (for example, full-value awards), the assumption is made that all awards to be granted will be the most expensive types.

For proposals that are not subject to the Equity Plan Scorecard evaluation, Shareholder Value Transfer is reasonable if it falls below a company-specific benchmark. The benchmark is determined as follows: The top quartile performers in each industry group (using the Global Industry Classification Standard: GICS) are identified. Benchmark SVT levels for each industry are established based on these top performers' historic SVT. Regression analyses are run on each industry group to identify the variables most strongly correlated to SVT. The benchmark industry SVT level is then adjusted upwards or downwards for the specific company by plugging the company-specific performance measures, size and cash compensation into the industry cap equations to arrive at the company's benchmark.<sup>22</sup>

#### 5.2.1.2. Three-Year Value-Adjusted Burn Rate

A "Value-Adjusted Burn Rate" is used for stock plan valuations. Value-Adjusted Burn Rate benchmarks will be calculated as the greater of: (1) an industry-specific threshold based on three-year burn rates within the company's GICS group segmented by S&P 500, Russell 3000 index (less the S&P 500) and non-Russell 3000 index; and (2) a de minimis threshold established separately for each of the S&P 500, the Russell 3000 index less the S&P 500, and the non-Russell 3000 index. Year-over-year burn-rate benchmark changes will be limited to a predetermined range above or below the prior year's burn-rate benchmark.

The Value-Adjusted Burn rate is calculated as follows:

Value-Adjusted Burn Rate = ((# of options \* option's dollar value using a Black-Scholes model) + (# of full-value awards \* stock price)) / (Weighted average common shares \* stock price).

### 5.2.2. Egregious Factors

#### 5.2.2.1. Liberal Change in Control Definition

DWS's policy is to generally vote against equity plans if the plan has a liberal definition of change in control and the equity awards could vest upon such liberal definition of change in control, even though an actual change in control may not occur. Examples of such a definition include, but are not limited to, announcement or commencement of a tender offer, provisions for acceleration upon a "potential" takeover, shareholder approval of a merger or other transactions, or similar language.

#### 5.2.2.2. Repricing Provisions

<sup>22</sup> For plans evaluated under the Equity Plan Scorecard policy, the company's SVT benchmark is considered along with other factors.

DWS's policy is to generally vote against plans that expressly permit the repricing or exchange of underwater stock options/stock appreciate rights (SARs) without prior shareholder approval. "Repricing" typically includes the ability to do any of the following:

- Amend the terms of outstanding options or SARs to reduce the exercise price of such outstanding options or SARs;
- Cancel outstanding options or SARs in exchange for options or SARs with an exercise price that is less than the exercise price of the original options or SARs;
- Cancel underwater options in exchange for stock awards; or
- Provide cash buyouts of underwater options.

DWS's policy is to generally vote against or withhold from members of the Compensation Committee who approved repricing (as defined above or otherwise determined by ISS), without prior shareholder approval, even if such repricings are allowed in their equity plan.

DWS's policy is to generally vote against plans that do not expressly prohibit repricing or cash buyout of underwater options without shareholder approval if the company has a history of repricing/buyouts without shareholder approval, and the applicable listing standards would not preclude them from doing so.

#### 5.2.2.3. Problematic Pay Practices or Significant Pay-for-Performance Disconnect

If the equity plan on the ballot is a vehicle for problematic pay practices, DWS's policy is to generally vote against the plan.

DWS's policy is to generally vote against an equity plan if the plan is determined to be a vehicle for pay-for- performance misalignment. Considerations in voting against the equity plan may include, but are not limited to:

- Severity of the pay-for-performance misalignment;
- Whether problematic equity grant practices are driving the misalignment; and/or
- Whether equity plan awards have been heavily concentrated to the CEO and/or the other NEOs.

#### 5.2.3. Amending Cash and Equity Plans (including Approval for Tax Deductibility (162(m)))

**General Recommendation:** DWS's policy is to generally vote case-by-case on amendments to cash and equity incentive plans.

DWS's policy is to generally vote for proposals to amend executive cash, stock, or cash and stock incentive plans if the proposal:

- Addresses administrative features only; or
- Seeks approval for Section 162(m) purposes only and the plan administering committee consists entirely of independent directors. Note that if the company is presenting the plan to shareholders for the first time for any reason (including after the company's initial public offering), or if the proposal is bundled with other material plan amendments, then the recommendation will be case-by-case (see below).

DWS's policy is to generally vote against proposals to amend executive cash, stock, or cash and stock incentive plans if the proposal:

- Seeks approval for Section 162(m) purposes only, and the plan administering committee does not consist entirely of independent directors.

DWS's policy is to generally vote case-by-case on all other proposals to amend cash incentive plans. This includes plans presented to shareholders for the first time after the company's IPO and/or proposals that bundle material amendment(s) other than those for Section 162(m) purposes.

DWS's policy is to generally vote case-by-case on all other proposals to amend equity incentive plans, considering the following:



- If the proposal requests additional shares and/or the amendments include a term extension or addition of full value awards as an award type, the recommendation will be based on the Equity Plan Scorecard evaluation as well as an analysis of the overall impact of the amendments;
- If the plan is being presented to shareholders for the first time (including after the company's IPO), whether or not additional shares are being requested, the recommendation will be based on the Equity Plan Scorecard evaluation as well as an analysis of the overall impact of any amendments; and
- If there is no request for additional shares and the amendments do not include a term extension or addition of full value awards as an award type, then the recommendation will be based entirely on an analysis of the overall impact of the amendments, and the EPSC evaluation will be shown only for informational purposes.

In the first two case-by-case evaluation scenarios, the EPSC evaluation/score is the more heavily weighted consideration.

#### 5.2.4. Specific Treatment of Certain Award Types in Equity Plan Evaluations

##### 5.2.4.1. Dividend Equivalent Rights

Options that have Dividend Equivalent Rights (DERs) associated with them will have a higher calculated award value than those without DERs under the binomial model, based on the value of these dividend streams. The higher value will be applied to new shares, shares available under existing plans, and shares awarded but not exercised per the plan specifications. DERS transfer more shareholder equity to employees and non-employee directors and this cost should be captured.

##### 5.2.5. Operating Partnership (OP) Units in Equity Plan Analysis of Real Estate Investment Trusts (REITs)

For Real Estate Investment Trusts (REITs), include the common shares issuable upon conversion of outstanding Operating Partnership (OP) units in the share count for the purposes of determining: (1) market capitalization in the Shareholder Value Transfer (SVT) analysis and (2) shares outstanding in the burn rate analysis.

### 5.3. Other Compensation Plans

#### 5.3.1. 401(k) Employee Benefit Plans

##### **General Recommendation**

DWS's policy is to generally vote for proposals to implement a 401(k) savings plan for employees.

#### 5.3.2. Employee Stock Ownership Plans (ESOPs)

**General Recommendation:** DWS's policy is to generally vote for proposals to implement an ESOP or increase authorized shares for existing ESOPs, unless the number of shares allocated to the ESOP is excessive (more than five percent of outstanding shares).

### 5.3.3. Employee Stock Purchase Plans—Qualified Plans

#### General Recommendation

DWS's policy is to generally vote case-by-case on qualified employee stock purchase plans. DWS's policy is to generally vote for employee stock purchase plans where all of the following apply:

- Purchase price is at least 85 percent of fair market value;
- Offering period is 27 months or less; and
- The number of shares allocated to the plan is 10 percent or less of the outstanding shares.

DWS's policy is to generally vote against qualified employee stock purchase plans where when the plan features do not meet all of the above criteria.

### 5.3.4. Employee Stock Purchase Plans—Non-Qualified Plans

#### General Recommendation

DWS's policy is to generally vote case-by-case on nonqualified employee stock purchase plans. DWS's policy is to generally vote for nonqualified employee stock purchase plans with all the following features:

- Broad-based participation;
- Limits on employee contribution, which may be a fixed dollar amount or expressed as a percent of base salary;
- Company matching contribution up to 25 percent of employee's contribution, which is effectively a discount of 20 percent from market value; and
- No discount on the stock price on the date of purchase when there is a company matching contribution.

DWS's policy is to generally vote against nonqualified employee stock purchase plans when the plan features do not meet all of the above criteria. If the matching contribution or effective discount exceeds the above, DWS may evaluate the SVT cost of the plan as part of the assessment.

### 5.3.5. Option Exchange Programs/Repricing Options

#### General Recommendation

DWS's policy is to generally vote case-by-case on management proposals seeking approval to exchange/reprice options taking into consideration:

- Historic trading patterns--the stock price should not be so volatile that the options are likely to be back "in- the-money" over the near term;
- Rationale for the re-pricing--was the stock price decline beyond management's control;
- Is this a value-for-value exchange;
- Are surrendered stock options added back to the plan reserve;
- Timing--repricing should occur at least one year out from any precipitous drop in company's stock price;
- Option vesting--does the new option vest immediately or is there a black-out period;
- Term of the option--the term should remain the same as that of the replaced option;
- Exercise price--should be set at fair market or a premium to market; and
- Participants--executive officers and directors must be excluded.

If the surrendered options are added back to the equity plans for re-issuance, then also take into consideration the company's total cost of equity plans and its three-year average burn rate.

In addition to the above considerations, evaluate the intent, rationale, and timing of the repricing proposal. The proposal should clearly articulate why the board is choosing to conduct an exchange program at this point in time. Repricing underwater options after a recent precipitous drop in the company's stock price demonstrates poor timing and warrants additional scrutiny. Also, consider the terms of the surrendered options, such as the grant date, exercise price and vesting schedule. Grant dates of surrendered options should be far enough back (two to three years) so as not to suggest that repricings are being done to take advantage of short-term downward price movements. Similarly, the exercise price of surrendered options should be above the 52-week high for the stock price.

DWS's policy is to generally vote for shareholder proposals to put option repricings to a shareholder vote.

#### 5.3.6. Stock Plans in Lieu of Cash

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on plans that provide participants with the option of taking all or a portion of their cash compensation in the form of stock.

DWS's policy is to generally vote for non-employee director-only equity plans that provide a dollar-for-dollar cash-for-stock exchange.

DWS's policy is to generally vote case-by-case on plans which do not provide a dollar-for-dollar cash for stock exchange. In cases where the exchange is not dollar-for-dollar, the request for new or additional shares for such equity program will be considered using the binomial option pricing model. In an effort to capture the total cost of total compensation, DWS will not make any adjustments to carve out the in-lieu-of cash compensation.

#### 5.3.7. Transfer Stock Option (TSO) Programs

##### **General Recommendation**

One-time Transfers: DWS's policy is to generally vote against or withhold from compensation committee members if they fail to submit one-time transfers to shareholders for approval.

DWS's policy is to generally vote case-by-case on one-time transfers. DWS's policy is to generally vote for such proposals if:

- Executive officers and non-employee directors are excluded from participating;
- Stock options are purchased by third-party financial institutions at a discount to their fair value using option pricing models such as Black-Scholes or a Binomial Option Valuation or other appropriate financial models; and
- There is a two-year minimum holding period for sale proceeds (cash or stock) for all participants.

Additionally, management should provide a clear explanation of why options are being transferred to a third-party institution and whether the events leading up to a decline in stock price were beyond management's control. A review of the company's historic stock price volatility should indicate if the options are likely to be back "in-the- money" over the near term.

Ongoing TSO program: DWS's policy is to generally vote against equity plan proposals if the details of ongoing TSO programs are not provided to shareholders. Since TSOs will be one of the award types under a stock plan, the ongoing TSO program, structure and mechanics must be disclosed to shareholders. The specific criteria to be considered in evaluating these proposals include, but not limited, to the following:

- Eligibility;
- Vesting;
- Bid-price;
- Term of options;
- Cost of the program and impact of the TSOs on company's total option expense; and
- Option repricing policy.

Amendments to existing plans that allow for introduction of transferability of stock options should make clear that only options granted post-amendment shall be transferable.

## 5.4. Director Compensation

### 5.4.1. Shareholder Ratification of Director Pay Programs

#### General Recommendation

DWS's policy is to generally vote case-by-case on management proposals seeking ratification of non-employee director compensation, based on the following factors:

- If the equity plan under which non-employee director grants are made is on the ballot, whether or not it warrants support; and
- An assessment of the following qualitative factors:
  - The relative magnitude of director compensation as compared to companies of a similar profile;
  - The presence of problematic pay practices relating to director compensation;
  - Director stock ownership guidelines and holding requirements;
  - Equity award vesting schedules;
  - The mix of cash and equity-based compensation;
  - Meaningful limits on director compensation;
  - The availability of retirement benefits or perquisites; and
  - The quality of disclosure surrounding director compensation.

### 5.4.2. Equity Plans for Non-Employee Directors

#### General Recommendation

DWS's policy is to generally vote case-by-case on compensation plans for non-employee directors, based on:

- The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants;
- The company's three-year burn rate relative to its industry/market cap peers (in certain circumstances); and
- The presence of any egregious plan features (such as an option repricing provision or liberal CIC vesting risk).

On occasion, non-employee director stock plans will exceed the plan cost or burn-rate benchmarks when combined with employee or executive stock plans. In such cases, DWS's policy is to generally vote case-by-case on the plan taking into consideration the following qualitative factors:

- The relative magnitude of director compensation as compared to companies of a similar profile;
- The presence of problematic pay practices relating to director compensation;
- Director stock ownership guidelines and holding requirements;
- Equity award vesting schedules;
- The mix of cash and equity-based compensation;
- Meaningful limits on director compensation;
- The availability of retirement benefits or perquisites; and
- The quality of disclosure surrounding director compensation.

#### 5.4.3. Non-Employee Director Retirement Plans

##### **General Recommendation**

DWS's policy is to generally vote against retirement plans for non-employee directors. DWS's policy is to generally vote for shareholder proposals to eliminate retirement plans for non-employee directors.

### 5.5. Shareholder Proposals on Compensation

#### 5.5.1. Bonus Banking/Bonus Banking "Plus"

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals seeking deferral of a portion of annual bonus pay, with ultimate payout linked to sustained results for the performance metrics on which the bonus was earned (whether for the named executive officers or a wider group of employees), taking into account the following factors:

- The company's past practices regarding equity and cash compensation;
- Whether the company has a holding period or stock ownership requirements in place, such as a meaningful retention ratio (at least 50 percent for full tenure); and
- Whether the company has a rigorous claw-back policy in place.

#### 5.5.2. Compensation Consultants—Disclosure of Board or Company's Utilization

##### **General Recommendation:**

DWS's policy is to generally vote for shareholder proposals seeking disclosure regarding the company, board, or compensation committee's use of compensation consultants, such as company name, business relationship(s), and fees paid.

#### 5.5.3. Disclosure/Setting Levels or Types of Compensation for Executives and Directors

##### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals seeking additional disclosure of executive and director pay information, provided the information requested is relevant to shareholders' needs, would not put the company at a competitive disadvantage relative to its industry, and is not unduly burdensome to the company.

DWS's policy is to generally vote against shareholder proposals seeking to set absolute levels on compensation or otherwise dictate the amount or form of compensation (such as types of compensation elements or specific metrics) to be used for executive or directors.

DWS's policy is to generally vote against shareholder proposals that mandate a minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.

DWS's policy is to generally vote case-by-case on all other shareholder proposals regarding executive and director pay, taking into account relevant factors, including but not limited to: company performance, pay level and design versus peers, history of compensation concerns or pay-for-performance disconnect, and/or the scope and prescriptive nature of the proposal.

#### 5.5.4. Golden Coffins/Executive Death Benefits

##### **General Recommendation**

DWS's policy is to generally vote for proposals calling for companies to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies that could oblige the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerated vesting or the continuation in force of unvested equity grants, perquisites and other payments or awards made in lieu of compensation. This would not apply to any benefit programs or equity plan proposals for which the broad-based employee population is eligible.

#### 5.5.5. Hold Equity Past Retirement or for a Significant Period of Time

### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals asking companies to adopt policies requiring senior executive officers to retain a portion of net shares acquired through compensation plans. The following factors will be taken into account:

- The percentage/ratio of net shares required to be retained;
- The time period required to retain the shares;
- Whether the company has equity retention, holding period, and/or stock ownership requirements in place and the robustness of such requirements;
- Whether the company has any other policies aimed at mitigating risk taking by executives;
- Executives' actual stock ownership and the degree to which it meets or exceeds the proponent's suggested holding period/retention ratio or the company's existing requirements; and
- Problematic pay practices, current and past, which may demonstrate a short-term versus long-term focus.

#### **5.5.6. Pay Disparity**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals calling for an analysis of the pay disparity between corporate executives and other non-executive employees. The following factors will be considered:

- The company's current level of disclosure of its executive compensation setting process, including how the company considers pay disparity;
- If any problematic pay practices or pay-for-performance concerns have been identified at the company; and
- The level of shareholder support for the company's pay programs.

DWS's policy is to generally vote against proposals calling for the company to use the pay disparity analysis or pay ratio in a specific way to set or limit executive pay.

#### **5.5.7. Pay for Performance/Performance-Based Awards**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals requesting that a significant amount of future long-term incentive compensation awarded to senior executives shall be performance-based and requesting that the board adopt and disclose challenging performance metrics to shareholders, based on the following analytical steps:

- First, vote for shareholder proposals advocating the use of performance-based equity awards, such as performance contingent options or restricted stock, indexed options or premium-priced options, unless the proposal is overly restrictive or if the company has demonstrated that it is using a "substantial" portion of performance-based awards for its top executives. Standard stock options and performance-accelerated awards do not meet the criteria to be considered as performance-based awards. Further, premium-priced options should have a meaningful premium to be considered performance-based awards; and
- Second, assess the rigor of the company's performance-based equity program. If the bar set for the performance-based program is too low based on the company's historical or peer group comparison, generally vote for the proposal. Furthermore, if target performance results in an above target payout, vote for the shareholder proposal due to program's poor design. If the company does not disclose the performance metric of the performance-based equity program, vote for the shareholder proposal regardless of the outcome of the first step to the test.

DWS's policy is to generally vote for the shareholder proposal if the company does not meet both of the above two steps.

#### 5.5.8. Pay for Superior Performance

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals that request the board establish a pay-for- superior performance standard in the company's executive compensation plan for senior executives. These proposals generally include the following principles:

- Set compensation targets for the plan's annual and long-term incentive pay components at or below the peer group median;
- Deliver a majority of the plan's target long-term compensation through performance-vested, not simply time- vested, equity awards;
- Provide the strategic rationale and relative weightings of the financial and non-financial performance metrics or criteria used in the annual and performance-vested long-term incentive components of the plan;
- Establish performance targets for each plan financial metric relative to the performance of the company's peer companies; and
- Limit payment under the annual and performance-vested long-term incentive components of the plan to when the company's performance on its selected financial performance metrics exceeds peer group median performance.

Consider the following factors in evaluating this proposal:

- What aspects of the company's annual and long-term equity incentive programs are performance driven?
- If the annual and long-term equity incentive programs are performance driven, are the performance criteria and hurdle rates disclosed to shareholders or are they benchmarked against a disclosed peer group?
- Can shareholders assess the correlation between pay and performance based on the current disclosure?
- What type of industry and stage of business cycle does the company belong to?

#### 5.5.9. Pre-Arranged Trading Plans (10b5-1 Plans)

##### **General Recommendation**

DWS's policy is to generally vote for shareholder proposals calling for the addition of certain safeguards in prearranged trading plans (10b5-1 plans) for executives. Safeguards may include:

- Adoption, amendment, or termination of a 10b5-1 Plan must be disclosed in a Form 8-K;
- Amendment or early termination of a 10b5-1 Plan is allowed only under extraordinary circumstances, as determined by the board;
- Request that a certain number of days that must elapse between adoption or amendment of a 10b5-1 Plan and initial trading under the plan;
- Reports on Form 4 must identify transactions made pursuant to a 10b5-1 Plan;
- An executive may not trade in company stock outside the 10b5-1 Plan; or
- Trades under a 10b5-1 Plan must be handled by a broker who does not handle other securities transactions for the executive.

#### 5.5.10. Prohibit Outside CEOs from Serving on Compensation Committees

**General Recommendation:** DWS's policy is to generally vote against proposals seeking a policy to prohibit any outside CEO from serving on a company's compensation committee, unless the company has demonstrated problematic pay practices that raise concerns about the performance and composition of the committee.

#### 5.5.11. Recoupment of Incentive or Stock Compensation in Specified Circumstances

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to recoup incentive cash or stock compensation made to senior executives if it is later determined that the figures upon which incentive compensation is earned turn out to have been in error, or if the senior executive has breached company policy or has engaged in misconduct that may be significantly detrimental to the company's financial position or reputation, or if the senior executive failed to manage or monitor risks that subsequently led to significant financial or reputational harm to the company. Many companies have adopted policies that permit recoupment in cases where an executive's fraud, misconduct, or negligence significantly contributed to a restatement of financial results that led to the awarding of unearned incentive compensation. However, such policies may be narrow given that not all misconduct or negligence may result in significant financial restatements. Misconduct, negligence or lack of sufficient oversight by senior executives may lead to significant financial loss or reputational damage that may have long-lasting impact.

In considering whether to support such shareholder proposals, DWS will take into consideration the following factors:

- If the company has adopted a formal recoupment policy;
- The rigor of the recoupment policy focusing on how and under what circumstances the company may recoup incentive or stock compensation;
- Whether the company has chronic restatement history or material financial problems;
- Whether the company's policy substantially addresses the concerns raised by the proponent;
- Disclosure of recoupment of incentive or stock compensation from senior executives or lack thereof; or
- Any other relevant factors.

#### 5.5.12. Severance and Golden Parachute Agreements

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals requiring that executive severance (including change-in-control related) arrangements or payments be submitted for shareholder ratification.

Factors that will be considered include, but not limited to:

- The company's severance or change-in-control agreements in place, and the presence of problematic features (such as excessive severance entitlements, single triggers, excise tax gross-ups, etc.);
- Any existing limits on cash severance payouts or policies which require shareholder ratification of severance payments exceeding a certain level;
- Any recent severance-related controversies; and
- Whether the proposal is overly prescriptive, such as requiring shareholder approval of severance that does not exceed market norms.

#### 5.5.13. Share Buyback Impact on Incentive Program Metrics

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals requesting the company exclude the impact of share buybacks from the calculation of incentive program metrics, considering the following factors:

- The frequency and timing of the company's share buybacks;
- The use of per-share metrics in incentive plans;
- The effect of recent buybacks on incentive metric results and payouts; and
- Whether there is any indication of metric result manipulation.

#### 5.5.14. Supplemental Executive Retirement Plans (SERPs)



**General Recommendation**

DWS's policy is to generally vote for shareholder proposals requesting to put extraordinary benefits contained in SERP agreements to a shareholder vote unless the company's executive pension plans do not contain excessive benefits beyond what is offered under employee-wide plans.

DWS's policy is to generally vote for shareholder proposals requesting to limit the executive benefits provided under the company's supplemental executive retirement plan (SERP) by limiting covered compensation to a senior executive's annual salary or those pay elements covered for the general employee population.

5.5.15. Tax Gross-Up Proposals

**General Recommendation**

DWS's policy is to generally vote for proposals calling for companies to adopt a policy of not providing tax gross-up payments to executives, except in situations where gross-ups are provided pursuant to a plan, policy, or arrangement applicable to management employees of the company, such as a relocation or expatriate tax equalization policy.

5.5.16. Termination of Employment Prior to Severance Payment/Eliminating Accelerated Vesting of Unvested Equity

**General Recommendation**

DWS's policy is to generally vote case-by-case on shareholder proposals seeking a policy requiring termination of employment prior to severance payment and/or eliminating accelerated vesting of unvested equity.

The following factors will be considered:

- The company's current treatment of equity upon employment termination and/or in change-in-control situations (i.e., vesting is double triggered and/or pro rata, does it allow for the assumption of equity by acquiring company, the treatment of performance shares, etc.); and
- Current employment agreements, including potential poor pay practices such as gross-ups embedded in those agreements.

DWS's policy is to generally vote for proposals seeking a policy that prohibits automatic acceleration of the vesting of equity awards to senior executives upon a voluntary termination of employment or in the event of a change in control (except for pro rata vesting considering the time elapsed and attainment of any related performance goals between the award date and the change in control).

## 6 / Routine / Miscellaneous

### 6.1. Adjourn Meeting

#### General Recommendation

DWS's policy is to generally vote against proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal.

DWS's policy is to generally vote for proposals that relate specifically to soliciting votes for a merger or transaction if supporting that merger or transaction. DWS's policy is to generally vote against proposals if the wording is too vague or if the proposal includes "other business."

### 6.2. Amend Quorum Requirements

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals to reduce quorum requirements for shareholder meetings below a majority of the shares outstanding, taking into consideration:

- The new quorum threshold requested;
- The rationale presented for the reduction;
- The market capitalization of the company (size, inclusion in indices);
- The company's ownership structure;
- Previous voter turnout or attempts to achieve quorum;
- Any provisions or commitments to restore quorum to a majority of shares outstanding, should voter turnout improve sufficiently; and
- Other factors as appropriate.

In general, a quorum threshold kept as close to a majority of shares outstanding as is achievable is preferred.

DWS's policy is to generally vote case-by-case on directors who unilaterally lower the quorum requirements below a majority of the shares outstanding, taking into consideration the factors listed above.

### 6.3. Amend Minor Bylaws

#### General Recommendation

DWS's policy is to generally vote for bylaw or charter changes that are of a housekeeping nature (updates or corrections).

### 6.4. Change Company Name

#### General Recommendation

DWS's policy is to generally vote for proposals to change the corporate name unless there is compelling evidence that the change would adversely impact shareholder value.

### 6.5. Change Date, Time, or Location of Annual Meeting

**General Recommendation**

DWS's policy is to generally vote for management proposals to change the date, time, or location of the annual meeting unless the proposed change is unreasonable.

DWS's policy is to generally vote against shareholder proposals to change the date, time, or location of the annual meeting unless the current scheduling or location is unreasonable.

**6.6. Other Business**

**General Recommendation**

DWS's policy is to generally vote against proposals to approve other business when it appears as a voting item.

## 7 / Social and Environmental Issues

### General Recommendation

DWS's policy will consider the Coalition for Environmentally Responsible Economies ("CERES") guidance on certain environmental and social matters contained in the CERES Roadmap 2030 as well as the recommendations of the ISS Sustainability Proxy Voting Guidelines "Sustainability" Policy on social and sustainability issues. DWS will rely on ISS to identify shareholder proposals addressing CERES Roadmap 2030 to examine these proxy items and to provide DWS with a voting recommendation based on ISS's application of the Guidelines including any factors set forth in the Guidelines. DWS will generally vote such proxies in accordance with ISS's recommendations for topics covered under CERES Roadmap 2030.

### 7.1. General Approach

DWS's policy is to generally vote for social and environmental shareholder proposals that are in the best economic interest of clients. DWS's general policy is to vote for disclosure reports that seek additional information particularly when it appears companies have not adequately addressed shareholders' social, workforce, and environmental concerns. In determining vote recommendations on shareholder social, workforce, and environmental proposals, DWS will analyze the following factors:

- Whether the proposal itself is well framed and reasonable;
- Whether adoption of the proposal would have either a positive or negative impact on the company's short-term or long-term share value
- Whether the company's analysis and voting recommendation to shareholders is persuasive
- The degree to which the company's stated position on the issues could affect its reputation or sales, or leave it vulnerable to boycott or selective purchasing
- Whether the subject of the proposal is best left to the discretion of the board
- Whether the issues presented in the proposal are best dealt with through legislation, government regulation, or company-specific action
- The company's approach compared with its peers or any industry standard practices for addressing the issue(s) raised by the proposal
- Whether the company has already responded in an appropriate or sufficient manner to the issue(s) raised by the proposal
- Whether there are significant controversies, fines, penalties or litigation associated with the company's practices related to the issue(s) raised in the proposal
- If the proposal requests increased disclosure or greater transparency, whether sufficient information is publicly available to shareholders and whether it would be unduly burdensome for the company to compile and avail the requested information to shareholders in a more comprehensive or amalgamated fashion
- Whether implementation of the proposal would achieve the objectives sought in the proposal

## 7.2. Endorsement of Principles

### General Recommendation

DWS's policy is to generally vote case-by-case on proposals seeking a company's endorsement of principles that support a particular public policy position. Endorsing a set of principles may require a company to take a stand on an issue that is beyond its own control and may limit its flexibility with respect to future developments. Management and the board should be afforded the flexibility to make decisions on specific public policy positions based on their own assessment of the most beneficial strategies for the company.

## 7.3. Animal Welfare

### 7.3.1. Animal Welfare Policies

#### General Recommendation

DWS's policy is to generally vote for proposals seeking a report on a company's animal welfare standards, or animal welfare-related risks, considering whether:

- The company has already published a set of animal welfare standards and monitors compliance;
- The company's standards are comparable to industry peers; and
- There are no recent significant fines, litigation, or controversies related to the company's and/or its suppliers' treatment of animals.

### 7.3.2. Animal Testing

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals to phase out the use of animals in product testing, considering whether:

- The company is conducting animal testing programs that are unnecessary or not required by regulation;
- The company is conducting animal testing when suitable alternatives are commonly accepted and used by industry peers; or
- There are recent, significant fines or litigation related to the company's treatment of animals.

### 7.3.3. Animal Slaughter

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals requesting the implementation of Controlled Atmosphere Killing (CAK) methods at company and/or supplier operations unless such methods are required by legislation or generally accepted as the industry standard.

DWS's policy is to generally vote case-by-case on proposals requesting a report on the feasibility of implementing CAK methods at company and/or supplier operations considering the availability of existing research conducted by the company or industry groups on this topic and any fines or litigation related to current animal processing procedures at the company.

## 7.4. Consumer Issues

### 7.4.1. Genetically Modified Ingredients

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals requesting that a company voluntarily label genetically engineered (GE) ingredients in its products.

DWS's policy is to generally vote for proposals asking for a report on the feasibility of labeling products containing GE ingredients, taking into account:

- The potential impact of such labelling on the company's business;
- The quality of the company's disclosure on GE product labelling, related voluntary initiatives, and how this disclosure compares with industry peer disclosure; and
- Company's current disclosure on the feasibility of GE product labelling.

DWS's policy is to generally vote case-by-case on proposals seeking a report on the social, health, and environmental effects of genetically modified organisms (GMOs).

DWS's policy is to generally vote against proposals to phase out GE ingredients from the company's products, or proposals asking for reports outlining the steps necessary to eliminate GE ingredients from the company's products.

#### 7.4.2. Reports on Potentially Controversial Business/Financial Practices

##### **General Recommendation**

DWS's policy is to generally vote for requests for reports on a company's potentially controversial business or financial practices or products, taking into account:

- Whether the company has adequately disclosed mechanisms in place to prevent abuses;
- Whether the company has adequately disclosed the financial risks of the products/practices in question;
- Whether the company has been subject to violations of related laws or serious controversies; and
- Peer companies' policies/practices in this area.

#### 7.4.3. Pharmaceutical Pricing, Access to Medicines, and Prescription Drug Reimportation

##### **General Recommendation**

DWS's policy is to generally vote against proposals requesting that companies implement specific price restraints on pharmaceutical products taking into account whether the company fails to adhere to legislative guidelines or industry norms in its product pricing practices.

DWS's policy is to generally vote for proposals requesting that a company report on its product pricing or access to medicine policies, considering:

- The potential for reputational, market, and regulatory risk exposure;
- Existing disclosure of relevant policies;
- Deviation from established industry norms;
- Relevant company initiatives to provide research and/or products to disadvantaged consumers;
- Whether the proposal focuses on specific products or geographic regions;
- The potential burden and scope of the requested report; and
- Recent significant controversies, litigation, or fines at the company.

DWS's policy is to generally vote for proposals requesting that a company report on the financial and legal impact of its prescription drug reimportation policies unless such information is already publicly disclosed.

DWS's policy is to generally vote case-by-case on proposals requesting that companies adopt specific policies to encourage or constrain prescription drug reimportation

#### 7.4.4. Product Safety and Toxic/Hazardous Materials

##### **General Recommendation**

DWS's policy is to generally vote for proposals requesting that a company report on its policies, initiatives/procedures, and oversight mechanisms related to toxic/hazardous materials or product safety in its supply chain, considering whether:

- The company already discloses similar information through existing reports such as a supplier code of conduct and/or a sustainability report;
- The company has formally committed to the implementation of a toxic/hazardous materials and/or product safety and supply chain reporting and monitoring program based on industry norms or similar standards within a specified time frame; or
- The company has not been recently involved in relevant significant controversies, fines, or litigation.

DWS's policy is to generally vote for resolutions requesting that companies develop a feasibility assessment to phase-out of certain toxic/hazardous materials, or evaluate and disclose the potential financial and legal risks associated with utilizing certain materials, considering:

- The company's current level of disclosure regarding its product safety policies, initiatives, and oversight mechanisms;
- Current regulations in the markets in which the company operates; and
- Recent significant controversies, litigation, or fines stemming from toxic/hazardous materials at the company.

DWS's policy is to generally vote against resolutions requiring that a company reformulate its products.

#### 7.4.5. Tobacco-Related Proposals

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on resolutions regarding the advertisement of tobacco products, considering:

- Recent related fines, controversies, or significant litigation;
- Whether the company complies with relevant laws and regulations on the marketing of tobacco;
- Whether the company's advertising restrictions deviate from those of industry peers;
- Whether the company entered into the Master Settlement Agreement, which restricts marketing of tobacco to youth; and
- Whether restrictions on marketing to youth extend to foreign countries.

DWS's policy is to generally vote case-by-case on proposals regarding second-hand smoke, considering:

- Whether the company complies with all laws and regulations;
- The degree that voluntary restrictions beyond those mandated by law might hurt the company's competitiveness; and
- The risk of any health-related liabilities.

DWS's policy is to generally vote against resolutions to cease production of tobacco-related products, to avoid selling products to tobacco companies, to spin-off tobacco-related businesses, or prohibit investment in tobacco equities. Such business decisions are better left to company management or portfolio managers.

DWS's policy is to generally vote against proposals regarding tobacco product warnings. Such decisions are better left to public health authorities.

## 7.5. Climate Change

### 7.5.1. Say on Climate (SoC) Management Proposals

#### General Recommendation

DWS's policy is to generally vote case-by-case on management proposals that request shareholders to approve the company's transition action plan<sup>23</sup>, taking into account the completeness and rigor of the plan.

Information that will be considered where available includes the following:

- The extent to which the company's climate related disclosures are in line with TCFD recommendations and meet other market standards;
- Disclosure of its operational and supply chain Green House Gas (GHG) emissions (Scopes 1, 2, and 3);
- The completeness and rigor of company's short-, medium-, and long-term targets for reducing operational and supply chain GHG emissions (Scopes 1, 2 and 3 if relevant);
- Whether the company has sought and received third-party approval that its targets are science-based;
- Whether the company has made a commitment to be "net zero" for operational and supply chain emissions (Scopes 1, 2, and 3) by 2050;
- Whether the company discloses a commitment to report on the implementation of its plan in subsequent years;
- Whether the company's climate data has received third-party assurance;
- Disclosure of how the company's lobbying activities and its capital expenditures align with company strategy;
- Whether there are specific industry decarbonization challenges; and
- The company's related commitment, disclosure, and performance compared to its industry peers.

### 7.5.2. Say on Climate (SoC) Shareholder Proposals

#### General Recommendation

DWS's policy is to generally vote case-by-case on shareholder proposals that request the company to disclose a report on providing its GHG emissions levels and reduction targets and/or its upcoming/approved climate transition action plan and provide shareholders the opportunity to express approval or disapproval of its GHG emissions reduction plan, taking into account information such as the following:

- The completeness and rigor of the company's climate-related disclosure;
- The company's actual GHG emissions performance;
- Whether the company has been the subject of recent, significant violations, fines litigation, or controversy related to its GHG emissions; and
- Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive.

### 7.5.3. Climate Change/Greenhouse Gas (GHG) Emissions

#### General Recommendation

DWS's policy is to generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments or on how the company identifies, measures, and manages such risks, considering:

- Whether the company already provides current, publicly available information on the impact that climate change may have on the company as well as associated company policies and procedures to address related risks and/or opportunities;
- The company's level of disclosure compared to industry peers; and

<sup>23</sup> Variations of this request also include climate transition related ambitions, or commitment to reporting on the implementation of a climate plan.



- Whether there are significant controversies, fines, penalties, or litigation associated with the company's climate change-related performance.

DWS's policy is to generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations, considering whether:

- The company already discloses current, publicly available information on the impacts that GHG emissions
- may have on the company as well as associated company policies and procedures to address related risks and/or opportunities;
- The company's level of disclosure is comparable to that of industry peers; or
- There are no significant, controversies, fines, penalties, or litigation associated with the company's GHG emissions.

DWS's policy is to generally vote for proposals that call for the adoption of GHG reduction goals from products and operations, taking into account:

- Whether the company provides disclosure of year-over-year GHG emissions performance data;
- Whether company disclosure lags behind industry peers;
- The company's actual GHG emissions performance;
- The company's current GHG emission policies, oversight mechanisms, and related initiatives; and
- Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to GHG emissions.

#### 7.5.4. Energy Efficiency

##### **General Recommendation**

DWS's policy is to generally vote for proposals requesting that a company report on its energy efficiency policies, considering whether:

- The company complies with applicable energy efficiency regulations and laws, and discloses its participation in energy efficiency policies and programs, including disclosure of benchmark data, targets, and performance measures; or
- The proponent requests adoption of specific energy efficiency goals within specific timelines.

#### 7.5.5. Renewable Energy

##### **General Recommendation**

DWS's policy is to generally vote for requests for reports on the feasibility of developing renewable energy resources unless the report would be duplicative of existing disclosure or irrelevant to the company's line of business.

DWS's policy is to generally vote case-by-case on proposals seeking increased investment in renewable energy resources taking into consideration whether the terms of the resolution are overly restrictive.

DWS's policy is to generally vote for proposals that call for the adoption of renewable energy goals, taking into account:

- The scope and structure of the proposal;
- The company's current level of disclosure on renewable energy use and GHG emissions; and
- The company's disclosure of policies, practices, and oversight implemented to manage GHG emissions and mitigate climate change risks.

## 7.6. Diversity

### 7.6.1. Board Diversity

#### General Recommendation

DWS's policy is to generally vote for requests for reports on a company's efforts to diversify the board, considering whether:

- The gender and racial minority representation of the company's board is reasonably inclusive in relation to companies of similar size and business; or
- The board already reports on its nominating procedures and gender and racial minority initiatives on the board and within the company.

DWS's policy is to generally vote for proposals asking a company to increase the gender and racial minority representation on its board, taking into account:

- The degree of existing gender and racial minority diversity on the company's board and among its executive officers;
- The level of gender and racial minority representation that exists at the company's industry peers;
- The company's established process for addressing gender and racial minority board representation;
- Whether the proposal includes an overly prescriptive request to amend nominating committee charter language;
- The independence of the company's nominating committee;
- Whether the company uses an outside search firm to identify potential director nominees; and
- Whether the company has had recent controversies, fines, or litigation regarding equal employment practices.

### 7.6.2. Equality of Opportunity

#### General Recommendation

DWS's policy is to generally vote for proposals requesting a company disclose its diversity policies or initiatives, or proposals requesting disclosure of a company's comprehensive workforce diversity data, including requests for EEO-1 data, considering whether:

- The company publicly discloses equal opportunity policies and initiatives in a comprehensive manner;
- The company already publicly discloses comprehensive workforce diversity data; or
- The company has no recent significant EEO-related violations or litigation.

DWS's policy is to generally vote for shareholder proposals requesting nondiscrimination in salary, wages and all benefits.

DWS's policy is to generally vote for shareholder proposals calling for action on equal employment opportunity and antidiscrimination.

DWS's policy is to generally vote case-by-case on proposals seeking information on the diversity efforts of suppliers and service providers.

### 7.6.3. Gender Identity, Sexual Orientation and Domestic Partner Benefits

#### General Recommendation

DWS's policy is to generally vote for proposals seeking to amend a company's EEO statement or diversity policies to prohibit discrimination based on sexual orientation and/or gender identity, unless the change would be unduly burdensome.

Generally vote for proposals to extend company benefits to domestic partners.

DWS's policy is to generally vote for shareholder proposals seeking reports on a company's initiatives to create a workplace free of discrimination on the basis of sexual orientation or gender identity.

DWS's policy is to generally vote against shareholder proposals that seek to eliminate protection already afforded to gay and lesbian employees.

#### 7.6.4. Gender, Race / Ethnicity Pay Gap

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on requests for reports on a company's pay data by gender or race /ethnicity, or a report on a company's policies and goals to reduce any gender, or race /ethnicity pay gaps, taking into account:

- The company's current policies and disclosure related to both its diversity and inclusion policies and practices and its compensation philosophy on fair and equitable compensation practices;
- Whether the company has been the subject of recent controversy, litigation, or regulatory actions related to gender, race, or ethnicity pay gap issues;
- The company's disclosure regarding gender, race, or ethnicity pay gap policies or initiatives is compared to its industry peers; and
- Local laws regarding categorization of race and/or ethnicity and definitions of ethnic and/or racial minorities.

#### 7.6.5. Racial Equity and/or Civil Rights Audit Guidelines

##### **General Recommendation**

DWS's policy is to generally vote for proposals asking a company to conduct an independent racial equity and/or civil rights audit, taking into account:

- The company's established process or framework for addressing racial inequity and discrimination internally;
- Whether the company adequately discloses workforce diversity and inclusion metrics and goals;
- Whether the company has issued a public statement related to its racial justice efforts in recent years; or has committed to internal policy review;
- Whether the company has engaged with impacted communities, stakeholders, and civil rights experts;
- The company's track record in recent years of racial justice measures and outreach externally;
- Whether the company has been the subject of recent controversy, litigation, or regulatory actions related to racial inequity or discrimination.

## **7.7. Environment and Sustainability**

### 7.7.1. Facility and Workplace Safety

#### **General Recommendation**

DWS's policy is to generally vote for requests for workplace safety reports, including reports on accident risk reduction efforts, taking into account:

- The company's current level of disclosure of its workplace health and safety performance data, health and safety management policies, initiatives, and oversight mechanisms;
- The nature of the company's business, specifically regarding company and employee exposure to health and safety risks;
- Recent significant controversies, fines, or violations related to workplace health and safety; and
- The company's workplace health and safety performance relative to industry peers.

DWS's policy is to generally vote case-by-case on resolutions requesting that a company report on or implement safety/security risk procedures associated with their operations and/or facilities, considering:

- The company's compliance with applicable regulations and guidelines;
- The company's current level of disclosure regarding its security and safety policies, procedures, and compliance monitoring; and
- The existence of recent, significant violations, fines, or controversy regarding the safety and security of the company's operations and/or facilities.

#### 7.7.2. General Environmental Proposals and Community Impact Assessments

##### **General Recommendation**

DWS's policy is to generally vote for requests for reports on policies and/or the potential (community) social and/or environmental impact of company operations, considering:

- Current disclosure of applicable policies and risk assessment report(s) and risk management procedures;
- The impact of regulatory non-compliance, litigation, remediation, or reputational loss that may be associated with failure to manage the company's operations in question, including the management of relevant community and stakeholder relations;
- The nature, purpose, and scope of the company's operations in the specific region(s);
- The degree to which company policies and procedures are consistent with industry norms; and
- The scope of the resolution.

#### 7.7.3. Hydraulic Fracturing

##### **General Recommendation**

DWS's policy is to generally vote for proposals requesting greater disclosure of a company's (natural gas) hydraulic fracturing operations, including measures the company has taken to manage and mitigate the potential community and environmental impacts of those operations, considering:

- The company's current level of disclosure of relevant policies and oversight mechanisms;
- The company's current level of such disclosure relative to its industry peers;
- Potential relevant local, state, or national regulatory developments; and
- Controversies, fines, or litigation related to the company's hydraulic fracturing operations.

#### 7.7.4. Operations in Protected Areas

##### **General Recommendation**

DWS's policy is to generally vote for requests for reports on potential environmental damage as a result of company operations in protected regions, considering whether:

- Operations in the specified regions are not permitted by current laws or regulations;
- The company does not currently have operations or plans to develop operations in these protected regions; or
- The company's disclosure of its operations and environmental policies in these regions is comparable to industry peers.

DWS's policy is to generally vote for shareholder proposals asking companies to prepare reports or adopt policies on operations that include mining, drilling or logging in environmentally sensitive areas.

DWS's policy is to generally vote for shareholder proposals seeking to curb or reduce the sale of products manufactured from materials extracted from environmentally sensitive areas such as old growth forests.

#### 7.7.5. Recycling

### **General Recommendation**

DWS's policy is to generally vote for proposals to report on an existing recycling program or adopt a new recycling program, taking into account:

- The nature of the company's business;
- The current level of disclosure of the company's existing related programs;
- The timetable and methods of program implementation prescribed by the proposal;
- The company's ability to address the issues raised in the proposal; and
- How the company's recycling programs compare to similar programs of its industry peers.

#### **7.7.6. Sustainability Reporting**

##### **General Recommendation**

DWS's policy is to generally vote for proposals requesting that a company report on its policies, initiatives, and oversight mechanisms related to social, economic, and environmental sustainability, considering whether:

- The company already discloses similar information through existing reports or policies such as an environment, health, and safety (EHS) report; a comprehensive code of corporate conduct; and/or a diversity report; or
- The company has formally committed to the implementation of a reporting program based on Global Reporting Initiative (GRI) guidelines or a similar standard within a specified time frame.

#### **7.7.7. Water Issues**

##### **General Recommendation**

DWS's policy is to generally vote for proposals requesting a company report on, or adopt a new policy on, water-related risks and concerns, taking into account:

- The company's current disclosure of relevant policies, initiatives, oversight mechanisms, and water usage metrics;
- Whether or not the company's existing water-related policies and practices are consistent with relevant internationally recognized standards and national/local regulations;
- The potential financial impact or risk to the company associated with water-related concerns or issues; and
- Recent, significant company controversies, fines, or litigation regarding water use by the company and its suppliers.

### **7.8. General Corporate Issues**

#### **7.8.1. Charitable Contributions**

##### **General Recommendation**

DWS's policy is to generally vote against proposals restricting a company from making charitable contributions.

Charitable contributions are generally useful for assisting worthwhile causes and for creating goodwill in the community. In the absence of bad faith, self-dealing, or gross negligence, management should determine which, and if, contributions are in the best interests of the company.

### 7.8.2. Data Security, Privacy, and Internet Issues

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals requesting the disclosure or implementation of data security, privacy, or information access and management policies and procedures, considering:

- The level of disclosure of company policies and procedures relating to data security, privacy, freedom of speech, information access and management, and Internet censorship;
- Engagement in dialogue with governments or relevant groups with respect to data security, privacy, or the free flow of information on the Internet;
- The scope of business involvement and of investment in countries whose governments censor or monitor the Internet and other telecommunications;
- Applicable market-specific laws or regulations that may be imposed on the company; and
- Controversies, fines, or litigation related to data security, privacy, freedom of speech, or Internet censorship.

### 7.8.3. Environmental, Social, and Governance (ESG) Compensation-Related Proposals

#### General Recommendation

DWS's policy is to generally vote for proposals seeking a report or additional disclosure on the company's approach, policies, and practices on incorporating environmental and social criteria into its executive compensation strategy, considering:

- The scope and prescriptive nature of the proposal;
- The company's current level of disclosure regarding its environmental and social performance and governance;
- The degree to which the board or compensation committee already discloses information on whether it has considered related environmental or social criteria; and
- Whether the company has significant controversies or regulatory violations regarding social and/or environmental issues.

## 7.9. Human Rights, Human Capital Management and International Operations

### 7.9.1. Human Rights Proposals

#### General Recommendation

DWS's policy is to generally vote for proposals requesting a report on company or company supplier labor and/or human rights standards and policies unless such information is already publicly disclosed.

DWS's policy is to generally vote for proposals to implement company or company supplier labor and/or human rights standards and policies, considering:

- The degree to which existing relevant policies and practices are disclosed;
- Whether or not existing relevant policies are consistent with internationally recognized standards;
- Whether company facilities and those of its suppliers are monitored and how;
- Company participation in fair labor organizations or other internationally recognized human rights initiatives;
- Scope and nature of business conducted in markets known to have higher risk of workplace labor/human rights abuse;
- Recent, significant company controversies, fines, or litigation regarding human rights at the company or its suppliers;
- The scope of the request; and
- Deviation from industry sector peer company standards and practices.

DWS's policy is to generally vote for proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process, considering:

- The degree to which existing relevant policies and practices are disclosed, including information on the implementation of these policies and any related oversight mechanisms;
- The company's industry and whether the company or its suppliers operate in countries or areas where there is a history of human rights concerns;
- Recent significant controversies, fines, or litigation regarding human rights involving the company or its suppliers, and whether the company has taken remedial steps; and
- Whether the proposal is unduly burdensome or overly prescriptive.

#### 7.9.2. Mandatory Arbitration

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on requests for a report on a company's use of mandatory arbitration on employment-related claims, taking into account:

- The company's current policies and practices related to the use of mandatory arbitration agreements on workplace claims;
- Whether the company has been the subject of recent controversy, litigation, or regulatory actions related to the use of mandatory arbitration agreements on workplace claims; and
- The company's disclosure of its policies and practices related to the use of mandatory arbitration agreements compared to its peers.

#### 7.9.3. Operations in High Risk Markets

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on requests for a report on a company's potential financial and reputational risks associated with operations in "high-risk" markets, such as a terrorism-sponsoring state or politically/socially unstable region, taking into account:

- The nature, purpose, and scope of the operations and business involved that could be affected by social or political disruption;
- Current disclosure of applicable risk assessment(s) and risk management procedures;
- Compliance with U.S. sanctions and laws;
- Consideration of other international policies, standards, and laws; and
- Whether the company has been recently involved in recent, significant controversies, fines, or litigation related to its operations in "high-risk" markets.

#### 7.9.4. Outsourcing/Offshoring

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals calling for companies to report on the risks associated with outsourcing/plant closures, considering:

- Controversies surrounding operations in the relevant market(s);
- The value of the requested report to shareholders;
- The company's current level of disclosure of relevant information on outsourcing and plant closure procedures; and
- The company's existing human rights standards relative to industry peers.

### 7.9.5. Sexual Harassment

#### General Recommendation

DWS's policy is to generally vote case-by-case on requests for a report on company actions taken to strengthen policies and oversight to prevent workplace sexual harassment, or a report on risks posed by a company's failure to prevent workplace sexual harassment, taking into account:

- The company's current policies, practices, oversight mechanisms related to preventing workplace sexual harassment;
- Whether the company has been the subject of recent controversy, litigation, or regulatory actions related to workplace sexual harassment issues; and
- The company's disclosure regarding workplace sexual harassment policies or initiatives compared to its industry peers.

### 7.9.6. Weapons and Military Sales

#### General Recommendation

DWS's policy is to generally vote against reports on foreign military sales or offsets, taking into account when such disclosures may involve sensitive and confidential information. Moreover, companies must comply with government controls and reporting on foreign military sales.

DWS's policy is to generally vote case-by-case on shareholder proposals seeking a report on the renouncement of future landmine production.

DWS's policy is to generally vote against shareholder proposals requesting a report on the involvement, policies, and procedures related to depleted uranium and nuclear weapons.

DWS's policy is to generally vote case-by-case on proposals that call for outright restrictions on foreign military sales.

DWS's policy is to generally vote for shareholder proposals asking companies to review and amend, if necessary, the company's code of conduct and statements of ethical criteria for military production related contract bids, awards and execution.

## 7.10. Political Activities

### 7.10.1. Lobbying

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals requesting information on a company's lobbying (including direct, indirect, and grassroots lobbying) activities, policies, or procedures, considering:

- The company's current disclosure of relevant lobbying policies, and management and board oversight;
- The company's disclosure regarding trade associations or other groups that it supports, or is a member of, that engage in lobbying activities; and
- Recent significant controversies, fines, or litigation regarding the company's lobbying-related activities.



### 7.10.2. Political Contributions

#### General Recommendation

DWS's policy is to generally vote for proposals requesting greater disclosure of a company's political contributions and trade association spending policies and activities, considering:

- The company's policies, and management and board oversight related to its direct political contributions and payments to trade associations or other groups that may be used for political purposes;
- The company's disclosure regarding its support of, and participation in, trade associations or other groups that may make political contributions; and
- Recent significant controversies, fines, or litigation related to the company's political contributions or political activities.

DWS's policy is to generally vote against proposals barring a company from making political contributions. Businesses are affected by legislation at the federal, state, and local level; barring political contributions can put the company at a competitive disadvantage.

DWS's policy is to generally vote against proposals to publish in newspapers and other media a company's political contributions. Such publications could present significant cost to the company without providing commensurate value to shareholders.

### 7.10.3. Political Expenditures and Lobbying Congruency

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals requesting greater disclosure of a company's alignment of political contributions, lobbying and electioneering spending with a company's publicly stated values and policies, unless the terms of the proposal are unduly restrictive. Additionally, DWS will consider whether:

- The company's policies, management, board oversight, governance processes and level of disclosure related to direct political contributions, lobbying activities, and payments to trade associations, political action committees, or other groups that may be used for political purposes;
- The company's disclosure regarding: the reasons for its support of candidates for public offices; the reasons for support of and participation in trade associations or other groups that may make political contributions; and other political activities;
- Any incongruencies identified between a company's direct and indirect political expenditures and its publicly stated values and priorities; and
- Recent significant controversies related to the company's direct and indirect lobbying, political contributions or political activities.

DWS's policy is to generally vote case-by-case on proposals requesting comparison of a company's political spending to objectives that can mitigate material risk for the company, such as limiting global warming.

### 7.10.4. Political Ties

#### General Recommendation

DWS's policy is to generally vote against proposals asking a company to affirm political nonpartisanship in the workplace, considering whether:

- There are no recent, significant controversies, fines, or litigation regarding the company's political contributions or trade association spending; and
- The company has procedures in place to ensure that employee contributions to company-sponsored political action committees (PACs) are strictly voluntary and prohibit coercion.

DWS's policy is to generally vote against shareholder proposals calling for the disclosure of prior government service of the company's key executives and whether such service had a bearing on the business of the company.

## 8 / Registered Investment Company Proxies

### 8.1. Election of Directors

#### General Recommendation

DWS's policy is to generally vote case-by-case on the election of directors and trustees.

### 8.2. Closed End Fund - Unilateral Opt-In to Control Share Acquisition Statutes

#### General Recommendation

For closed-end management investment companies (CEFs), DWS's policy is to generally vote on a case-by-case basis for nominating/governance committee members (or other directors on a case-by-case basis) at CEFs that have not provided a compelling rationale for opting-in to a Control Share Acquisition Statute, nor submitted a by-law amendment to a shareholder vote.

### 8.3. Converting Closed-end Fund to Open-end Fund

#### General Recommendation

DWS's policy is to generally vote case-by-case on conversion proposals, considering the following factors:

- Past performance as a closed-end fund;
- Market in which the fund invests;
- Measures taken by the board to address the discount; and
- Past shareholder activism, board activity, and votes on related proposals.

### 8.4. Proxy Contests

#### General Recommendation:

DWS's policy is to generally vote case-by-case on proxy contests, considering the following factors:

- Past performance relative to its peers;
- Market in which the fund invests;
- Measures taken by the board to address the issues;
- Past shareholder activism, board activity, and votes on related proposals;
- Strategy of the incumbents versus the dissidents;
- Independence of directors;
- Experience and skills of director candidates;
- Governance profile of the company; and
- Evidence of management entrenchment.

## **8.5. Investment Advisory Agreements**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on investment advisory agreements, considering the following factors:

- Proposed and current fee schedules;
- Fund category/investment objective;
- Performance benchmarks;
- Share price performance as compared with peers;
- Resulting fees relative to peers; and
- Assignments (where the advisor undergoes a change of control).

## **8.6. Approving New Classes or Series of Shares**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on the establishment of new classes or series of shares.

## **8.7. Preferred Stock Proposals**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on the authorization for or increase in preferred shares, considering the following factors:

- Stated specific financing purpose;
- Possible dilution for common shares; and
- Whether the shares can be used for antitakeover purposes.

## **8.8. 1940 Act Policies**

### **General Recommendation:**

DWS's policy is to generally vote case-by-case on policies under the Investment Advisor Act of 1940, considering the following factors:

- Potential competitiveness;
- Regulatory developments;
- Current and potential returns; and
- Current and potential risk.

DWS's policy is to generally vote for these amendments as long as the proposed changes do not fundamentally alter the investment focus of the fund and do comply with the current SEC interpretation.

## **8.9. Changing a Fundamental Restriction to a Nonfundamental Restriction**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to change a fundamental restriction to a non-fundamental restriction, considering the following factors:

- The fund's target investments;
- The reasons given by the fund for the change; and
- The projected impact of the change on the portfolio.

## **8.10. Change Fundamental Investment Objective to Nonfundamental**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to change a fund's fundamental investment objective to non-fundamental.

## **8.11. Name Change Proposals**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on name change proposals, considering the following factors:

- Political/economic changes in the target market;
- Consolidation in the target market; and
- Current asset composition.

## **8.12. Change in Fund's Subclassification**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on changes in a fund's sub-classification, considering the following factors:

- Potential competitiveness;
- Current and potential returns;
- Risk of concentration; and
- Consolidation in target industry.

## **8.13. Business Development Companies—Authorization to Sell Shares of Common Stock at a Price below Net Asset Value**

### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals authorizing the board to issue shares below Net Asset Value (NAV) if:

- The proposal to allow share issuances below NAV has an expiration date no more than one year from the date shareholders approve the underlying proposal, as required under the Investment Company Act of 1940;
- The sale is deemed to be in the best interests of shareholders by (1) a majority of the company's independent directors and (2) a majority of the company's directors who have no financial interest in the issuance; and
- The company has demonstrated responsible past use of share issuances by either:
  - Outperforming peers in its 8-digit GICS group as measured by one- and three-year median TSRs; or

- Providing disclosure that its past share issuances were priced at levels that resulted in only small or moderate discounts to NAV and economic dilution to existing non-participating shareholders.

#### **8.14. Disposition of Assets/Termination/Liquidation**

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals to dispose of assets, to terminate or liquidate, considering the following factors:

- Strategies employed to salvage the company;
- The fund's past performance;
- The terms of the liquidation.

#### **8.15. Changes to the Charter Document**

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on changes to the charter document, considering the following factors:

- The degree of change implied by the proposal;
- The efficiencies that could result;
- The state of incorporation; and
- Regulatory standards and implications.

#### **8.16. Changing the Domicile of a Fund**

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on re-incorporations, considering the following factors:

- Regulations of both states;
- Required fundamental policies of both states; and
- The increased flexibility available.

#### **8.17. Authorizing the Board to Hire and Terminate Subadvisers Without Shareholder Approval**

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on proposals authorizing the board to hire or terminate subadvisers without shareholder approval if the investment adviser currently employs only one subadviser.

#### **8.18. Distribution Agreements**

##### **General Recommendation**

DWS's policy is to generally vote case-by-case on distribution agreement proposals, considering the following factors:

- Fees charged to comparably sized funds with similar objectives;
- The proposed distributor's reputation and past performance;
- The competitiveness of the fund in the industry; and
- The terms of the agreement.

## 8.19. Master-Feeder Structure

### General Recommendation

DWS's policy is to generally vote case-by-case on the establishment of a master-feeder structure.

## 8.20. Mergers

### General Recommendation

DWS's policy is to generally vote case-by-case on merger proposals, considering the following factors:

- Resulting fee structure;
- Performance of both funds;
- Continuity of management personnel; and
- Changes in corporate governance and their impact on shareholder rights.

## 8.21. Shareholder Proposals for Mutual Funds

### 8.21.1. [Establish Director Ownership Requirement](#)

#### General Recommendation

DWS's policy is to generally vote case-by-case on shareholder proposals that mandate a specific minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.

### 8.21.2. [Reimburse Shareholder for Expenses Incurred](#)

#### General Recommendation

DWS's policy is to generally vote case-by-case on shareholder proposals to reimburse proxy solicitation expenses. When supporting the dissidents, vote for the reimbursement of the proxy solicitation expenses.

### 8.21.3. [Terminate the Investment Advisor](#)

#### General Recommendation

DWS's policy is to generally vote case-by-case on proposals to terminate the investment advisor, considering the following factors:

- Performance of the fund's Net Asset Value (NAV);
- The fund's history of shareholder relations; and
- The performance of other funds under the advisor's management.

## 9 / International Proxy Voting

The above guidelines pertain to issuers organized in the United States. Proxies solicited by other issuers are voted in accordance with international guidelines or the recommendation of ISS and in accordance with applicable law and regulation.

# Appendix I

## Classification of Directors – U.S.

### 1. Executive Director

- 1.1. Current employee or current officer<sup>1</sup> of the company or one of its affiliates<sup>2</sup>.

### 2. Non-Independent Non-Executive Director

#### Board Identification

- 2.1. Director identified as not independent by the board.

#### Controlling/Significant Shareholder

- 2.2. Beneficial owner of more than 50 percent of the company's voting power (this may be aggregated if voting power is distributed among more than one member of a group).

#### Current Employment at Company or Related Company

- 2.3. Non-officer employee of the firm (including employee representatives).
- 2.4. Officer<sup>1</sup>, former officer, or general or limited partner of a joint venture or partnership with the company.

#### Former Employment

- 2.5. Former CEO of the company.<sup>3, 4</sup>
- 2.6. Former non-CEO officer<sup>1</sup> of the company or an affiliate<sup>2</sup> within the past five years.
- 2.7. Former officer<sup>1</sup> of an acquired company within the past five years.<sup>4</sup>
- 2.8. Officer<sup>1</sup> of a former parent or predecessor firm at the time the company was sold or split off within the past five years.
- 2.9. Former interim officer if the service was longer than 18 months. If the service was between 12 and 18 months, an assessment of the interim officer's employment agreement will be made.<sup>5</sup>

#### Family Members

- 2.10. Immediate family member<sup>6</sup> of a current or former officer<sup>1</sup> of the company or its affiliates<sup>2</sup> within the last five years.
- 2.11. Immediate family member<sup>6</sup> of a current employee of company or its affiliates<sup>2</sup> where additional factors raise concern (which may include, but are not limited to, the following: a director related to numerous employees; the company or its affiliates employ relatives of numerous board members; or a non- Section 16 officer in a key strategic role).

#### Professional, Transactional, and Charitable Relationships

Director who (or whose immediate family member<sup>6</sup>) currently provides professional services<sup>7</sup> **in excess of the \$10,000** per year to the company, an affiliate<sup>2</sup> or an individual officer of the company or

- 2.12. (an affiliate; or who is (or whose immediate family member<sup>6</sup> is) a partner, employee or controlling shareholder of, an organization which provides services.

Director who (or whose immediate family member<sup>6</sup>) **currently** has any material transactional relationship<sup>8</sup> with the company or its affiliates<sup>2</sup>.

- 2.13. ; or who is (or whose immediate family member<sup>6</sup> is) a partner in, or a controlling shareholder or an executive officer of, an organization which has the material transactional relationship<sup>8</sup> (excluding investments in the company through a private placement).

- 2.14. Director who (or whose immediate family member<sup>6</sup>) is) a trustee, director, or employee of a charitable or non-profit organization that receives material grants or endowments<sup>8</sup> from the company or its affiliates<sup>2</sup>.



### Other Relationships

- 2.15. Party to a voting agreement<sup>9</sup> to vote in line with management on proposals being brought to shareholder vote.
- 2.16. Has (or an immediate family member<sup>6</sup> has) an interlocking relationship as defined by the SEC involving members of the board of directors or its Compensation Committee.<sup>10</sup>
- 2.17. Founder<sup>11</sup> of the company but not currently an employee.
- 2.18. Director with pay comparable to Named Executive Officers.
- 2.19. Any material<sup>12</sup> relationship with the company.

## 3. Independent Director

- 3.1. No material<sup>12</sup> connection to the company other than a board seat.

<sup>1</sup> The definition of officer will generally follow that of a "Section 16 officer" (officers subject to Section 16 of the Securities and Exchange Act of 1934) and includes the chief executive, operating, financial, legal, technology, and accounting officers of a company (including the president, treasurer, secretary, controller, or any vice president in charge of a principal business unit, division, or policy function). Current interim officers are included in this category. For private companies, the equivalent positions are applicable. A non-employee director serving as an officer due to statutory requirements (e.g. corporate secretary) will generally be classified as a Non-Independent Non-Executive Director under 2.19: "Any material relationship with the company." However, if the company provides explicit disclosure that the director is not receiving additional compensation exceeding \$10,000 per year for serving in that capacity, then the director will be classified as an Independent Director.

<sup>2</sup> "Affiliate" includes a subsidiary, sibling company, or parent company. 50 percent control ownership is used by the parent company as the standard for applying its affiliate designation. The manager/advisor of an externally managed issuer (EMI) is considered an affiliate.

<sup>3</sup> Includes any former CEO of the company prior to the company's initial public offering (IPO).

<sup>4</sup> When there is a former CEO of a special purpose acquisition company (SPAC) serving on the board of an acquired company, DWS will generally classify such directors as independent unless determined otherwise taking into account the following factors: the applicable listing standards determination of such director's independence; any operating ties to the firm; and the existence of any other conflicting relationships or related party transactions.

<sup>5</sup> ISS will look at the terms of the interim officer's employment contract to determine if it contains severance pay, long-term health and pension benefits, or other such standard provisions typically contained in contracts of permanent, non-temporary CEOs. DWS will also consider if a formal search process was under way for a full-time officer at the time.

<sup>6</sup> "Immediate family member" follows the SEC's definition of such and covers spouses, parents, children, stepparents, step-children, siblings, in-laws, and any person (other than a tenant or employee) sharing the household of any director, nominee for director, executive officer, or significant shareholder of the company.

<sup>7</sup> Professional services can be characterized as advisory in nature, generally involve access to sensitive company information or to strategic decision-making, and typically have a commission- or fee-based payment structure. Professional services generally include but are not limited to the following: investment banking/financial advisory services, commercial banking (beyond deposit services), investment services, insurance services, accounting/audit services, consulting services, marketing services, legal services, property management services, realtor services, lobbying services, executive search services, and IT consulting services. The following would generally be considered transactional relationships and not professional services: deposit services, IT tech support services, educational services, and construction services. The case of participation in a banking syndicate by a non-lead bank should be considered a transactional (and hence subject to the associated materiality test) rather than a professional relationship. "Of Counsel" relationships are only considered immaterial if the individual does not receive any form of compensation (in excess of \$10,000 per year) from, or is a retired partner of, the firm providing the professional service. The case of a company providing a professional service to one of its directors or to an entity with which one of its directors is affiliated, will be considered a transactional rather than a professional relationship. Insurance services and marketing services are assumed to be professional services unless the company explains why such services are not advisory.

<sup>8</sup> A material transactional relationship, including grants to non-profit organizations, exists if the company makes annual payments to, or receives annual payments from, another entity, exceeding the greater of: \$200,000 or 5 percent of the recipient's gross revenues, for a company that follows NASDAQ listing standards; or the greater of \$1,000,000 or 2 percent of the recipient's gross revenues, for a company that follows NYSE listing standards. For a company that follows neither of the preceding standards, DWS will apply the NASDAQ-based materiality test. (The recipient is the party receiving the financial proceeds from the transaction).

<sup>9</sup> Dissident directors who are parties to a voting agreement pursuant to a settlement or similar arrangement may be classified as Independent Directors if an analysis of the following factors indicates that the voting agreement does not compromise their alignment with all shareholders' interests: the terms of the agreement; the duration of the standstill provision in the agreement; the limitations and requirements of actions that are agreed upon; if the dissident director nominee(s) is subject to the standstill; and if there are any conflicting relationships or related party transactions.

<sup>10</sup> Interlocks include: executive officers serving as directors on each other's compensation or similar committees (or, in the absence of such a committee, on the board); or executive officers sitting on each other's boards and at least one serves on the other's compensation or similar committees (or, in the absence of such a committee, on the board).

<sup>11</sup> The operating involvement of the founder with the company will be considered; if the founder was never employed by the company, DWS may deem him or her an Independent Director.

<sup>12</sup> For purposes of DWS's director independence classification, "material" will be defined as a standard of relationship (financial, personal or otherwise) that a reasonable person might conclude could potentially influence one's objectivity in the boardroom in a manner that would have a meaningful impact on an individual's ability to satisfy requisite fiduciary standards on behalf of shareholders.