IFPR Disclosure

DWS Investments UK Limited

For the financial year ended 31 December 2022

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Table of contents

1 / Disclosure overview

Background and basis of disclosure

The Investment Firms Prudential Regime (IFPR) is the FCA's prudential regime for MiFID investment firms which came into force on 1 January 2022. The aim of the IFPR is to streamline and simplify the prudential requirements for MiFID FCA regulated investment firms.

This IFPR disclosure is in relation to DWS Investments UK Limited as at 31 Dec 2022("the Firm"). The Firm is an investment manager and one of the legal entities within the DWS Group ("DWS"). The Firm is authorised and regulated by the Financial Conduct Authority ("FCA") to conduct portfolio management and investment advisory services, but it is not authorised to hold client money or client assets.

The Firm provides manufacturing and portfolio management activities for Systematic Investment products, and research as well as distribution services for the DWS set of products in Systematic Investment,
Active and Alternatives.

Under the IFPR's firm categorisation, the Firm is categorised as a non-small non-interconnected ("non-SNI") MIFIDPRU investment Firm. As a UK investment Firm, the Firm is subject to the prudential requirements of IFPR as set out in MIFIDPRU 8. This includes disclosures covering the below 1)[1]: -
—Governance Arrangements (MIFIDPRU 8.3)
—Risk Management Objectives and Policies (MIFIDPRU 8.2)
—Own Funds (MIFIDPRU 8.4)
—Own Funds Requirements (MIFID PRU 8.5)
—Remuneration Policy and Practices (MIFIDPRU 8.6)

[1] Investment Policy disclosures (MIFIDPRU 8.7) are not included as voting rights are held outside of the UK

2 / IFPR governance arrangements (MIFIDPRU 8.3)

DWS Investments UK Limited – overview of governance arrangements

DWS Investments UK Limited governance structure

The DWS Investment UK Limited Board ("the Board") is responsible for the effective and prudent management of the entity. The Board governance and risk oversight structure is supplemented with regional governance bodies as outlined in Figure 1 below. Table 1 provides an overview of the responsibilities of each committee/forum.

Figure 1: Governance structure of DWS Investments UK Limited and Parent company

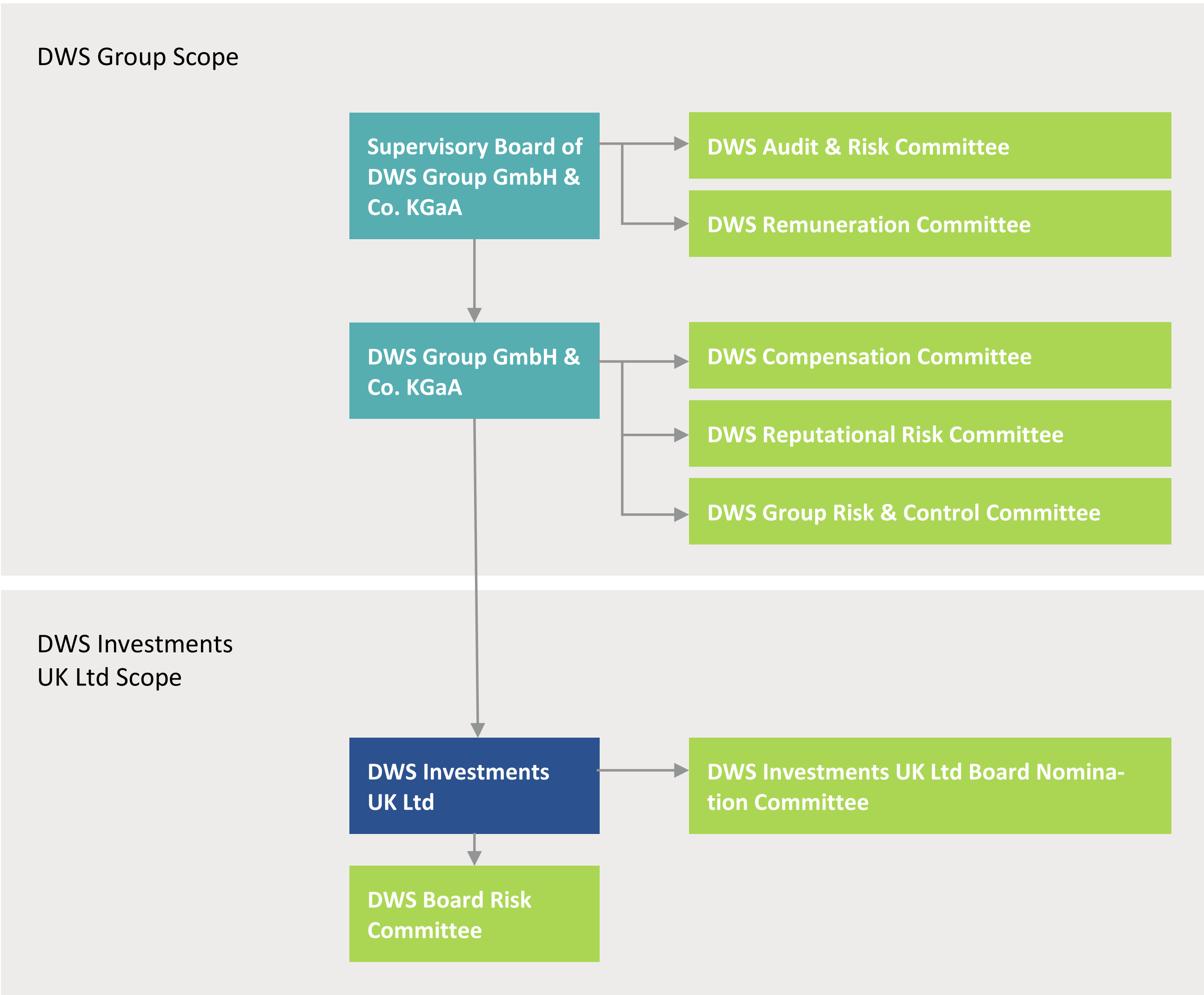

Table 1: DWS committees and responsibilities

Scope	Committee	Responsibilities	Frequency
DWS Group	Audit and Risk Committee (ARC)	— Standing committee of the DWS Supervisory Board — The Executive Board reports on key risks, risk strategy, mitigation strategies, and on matters of importance due to the risks they entail. — Deliberates with the Executive Board on issues of the aggregate risk profile and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.	Quarterly
DWS Group	Compensation Committee	— Oversight for compensation and benefits on behalf of the DWS Group KGaA executive board — Develops and designs sustainable compensation principles & makes recommendations on overall compensation	Monthly
DWS Group	Remuneration Committee	— Standing committee of the DWS Supervisory Board — Monitoring the appropriate structure of remuneration systems for all DWS employees — Supporting the Supervisory Board of DWS Group KGaA	2-3 times per year
DWS Group	Reputational Risk Committee	— Delegated authority from the DWS Group Executive Board — Material reputational risk matters are tabled at the Reputational Risk Committee for discussion and decision making	As required
DWS Group	Risk and Control Committee	— Delegated by the DWS Group Executive Board — Risk management execution and oversight, including review and decisions on material risk topics	Monthly
DWS UK entities	Board Risk Committee	— Delegated authority for Risk Management Governance for the DWS UK entities — Develop risk strategy including risk appetite — Monitor execution of risk strategy — Escalate key issues/risks to Global Non-Financial Risk Council	Monthly
DWS Investments UK Ltd	Nomination Committee	— Delegated authority from the DWS Investments UK Ltd board — Board nomination and composition oversight	As required, at least once a year

Further details of the regional governance bodies, responsibilities and membership are included in the specific committees Terms of Reference.

DWS Investments UK Limited Board of Directors

The Board meets every 2 months where possible, with a minimum of 6 meetings per year. The Board is collectively responsible for the effective and prudent management of the firm. The Board is specifically responsible for:

A. Strategy and business oversight

- establishing a sustainable business model and a clear strategy consistent with that model, ensuring that it does not expose the firm to unacceptable risk;
- overseeing the implementation of the strategy approved by the Board; and
- reviewing and monitoring the performance of the firm against is strategic objectives;

B. Risks and capital

- articulating, and overseeing adherence to, a clear and measurable statement of risk appetite against which major business options are actively assessed;
- overseeing and providing leadership over the arrangements for identifying, managing, and mitigating risks;
- measuring and reviewing material credit, market, operational, regulatory, conduct and reputational risk exposures and the steps taken to monitor and control such risk exposures, for the purposes of assessing whether risks are being managed in line with the approved Risk Appetite Statement;
- receiving reports from the Board Risk Committee and executive management in relation to risk issues, together with actual and potential risk appetite breaches, including the actions taken to mitigate such issues and any recommendations arising;
- reviewing the entity's liquidity, funding and capital position and the steps taken to manage it, and
- reviewing and considering material internal control, risk management, compliance, regulatory or legal issues;

C. Internal control

- ensuring effective processes and internal control mechanisms are in place to identify, manage, monitor, and report risks regarding important functions outsourced either to DWS Group or to other vendors; and
- monitoring internal control systems and periodically assessing their effectiveness.

D. Culture & Governance

- Articulating and overseeing a culture of risk awareness and ethical behaviour that the firm should follow in pursuit of its business goals;
- Ensuring dialogue with DWS Group GMbH KGaA on strategy, remuneration, resources and other matters, and
- Undertake regular evaluations of the board, its committees and its members, identify training needs and succession planning to ensure the effectiveness of the board

E. Conflict management

- Each of the Directors is responsible for considering and declaring conflicts of interest prior to participating in meetings of the board and taking decisions regarding the business of the firm

The Board delegates certain tasks to the DWS Board Risk Committee ("BRC") and Nomination Committee (NomCo), as outlined in the next and previous section.

The Board is Chaired by the Independent Non-Executive Director. The Chair is responsible for the leadership of the board and ensuring its effective performance. The Board currently comprises of two other Directors as described in Table 2 and table 3 who are senior members of the management team representing business activities conducted by the Firm.

Other responsibilities of the Board are detailed in the Matters Reserved for the Board in the Terms of Reference. As well as the appointed Directors, there are other standing attendees (inclusive of registered Senior Managers) who are senior members of management, and are business representatives from central functions (e.g., Audit, AFC, Compliance, Finance, Legal & Risk Management).

DWS Investments UK Limited Board Membership

On 31st December 2022, the Board comprised four Directors, one of whom is a Non-Executive Director (NED) as detailed in table 2 below. Table 3 below details changes in the Board membership during 2022,

Table 2: DWS Investments UK Limited Board Membership

Board member	Overview
John Webster	Mr. Webster is a NED, the Chair of the DWS Alternatives Global Limited Board (SMF 9). He is also the Chair of board of DWS Investments UK Limited and Deutsche Alternative Asset Management (UK) Limited. Additionally, Mr. Webster is the Chair of the Board Risk Committee (SMF10) and Chair of the DWS Investments UK Nominations Committee (SMF 13). Mr. Webster has worked in institutional financial services for almost 40 years. He has held senior positions in both the UK and the USA, first for James Capel and then for Greenwich Associates. Prior to joining DWS as a NED, he was CEO and then Chair of Altima Partners, an alternative asset manager. He also served on the advisory board to the global institutional business of T. Rowe Price. In addition to his roles at DWS, Mr. Webster holds a number of other non-executive directorships in investment and professional services companies as well as some charities.
Fiona Bassett	Ms. Bassett is the Global Head of Systematic Investment Solutions & Implementation and the CEO (SMF 1) and Executive Director (SMF 3) for DWS Investments UK Limited. Ms. Bassett joined the company in 2004. During this time, Ms. Bassett has been recognised for her expertise as an Institutional Finance Future Leader in 2014, Mutual Fund Leader of the year in the US in 2016 and American Banker recognised Ms. Bassett in the Top 25 Women in Finance for 3 years running 2016-2018. Prior to her current role, Ms. Bassett was the Head of Strategic Transformation, and before that Americas head of product, and before that Head of Passive for the US. Previously Ms Bassett worked in Deutsche Bank building a structured funds business covering fixed income ETF's, liquid alternatives and multi-asset. Ms Bassett started her career in Brand Management at Procter & Gamble.
Roelfien Kuijpers	Ms. Kuijpers was an Executive Director of the Firm (SMF 3). She is also the co-chair of DWS' external ESG Advisory Board, and a member of the DWS Group Sustainability Committee, the DWS Global Leadership Team, and the DWS Reputational Risk Committee. Ms. Kuijpers previously held a variety of senior positions within Deutsche Bank Group, which has included being a member of the Global Operating Committee and the Group Executive Committee. In addition to her roles at DWS Ms. Kuijpers was a board member of the Institutional Investors Group on Climate change and is a strong supporter of diversity and sponsors LGBTQQ and the Black Leadership Alliance
Sam Manchanda	Mr. Manchanda is the UK Head of Client Coverage Division and Passive Sales Head of Northern Europe. Mr. Manchanda was appointed as an Executive Director (SMF 3) in June 2022. Mr. Manchanda has 18 years of industry experience, prior to this role Mr. Manchanda was Head of South East Asia, Head of Insurance Clients APAC for DWS and was a member of the DWS APAC Management team.
Stephen Shaw	Mr. Shaw was the Global Chief Risk Officer at DWS and Executive Director (SMF 3) for DWS Alternatives Global Limited. He was also an Executive Director (SMF 3) for DWS Investment UK Limited and Deutsche Alternative Asset Management (UK) Limited. Mr. Shaw's directorship was terminated with effect from his death on 8 January 2023.

Table 3: Recent Changes to DWS Investment UK Limited Board Membership

Board member	Change in board membership
Roelfien Kuijpers	Ms. Kuijpers resigned as Executive Director on 7 July 2022
Sam Manchanda	Mr. Manchanda was appointed as an Executive Director on 30 June 2022
Stephen Shaw	Mr. Shaw's directorship was terminated with effect from his death on 8 January 2023.

DWS Investments UK Limited Board Directorships

Table 4 sets out the number of Directorships held by each member of the Board as at 31st December 2022.

Table 4: DWS Investments UK Limited Board Directorships

Name	Number of directorships
John Webster	3 DWS entities and 6 external
Fiona Bassett	1 DWS entity and 1 external
Sam Manchanda	1 DWS entity
Roelfien Kuijpers	1 DWS entity and 1 external
Stephen Shaw	4 DWS entities and 4 external
John Webster	3 DWS entities and 6 external

DWS UK Nomination Committee – Appointment of DWS Investments UK Limited Board Members

The Board has delegated responsibility for nominating Directors to the DWS Investments UK Limited Board Nomination Committee ("NomCo"). The NomCo has been established with the purpose of maintaining effective Board Structure, succession, appointments, membership, experience, skills and effectiveness.

The NomCo is responsible for:

— at least annually, reviewing the structure, size and composition (assessing the skills, knowledge, experience and diversity) of the Board, including Senior Managers, and making recommendations to the Board with regard to any changes;
— at least annually, considering succession planning for directors and other senior executives, considering the challenges and opportunities facing the Firm, and the skills and expertise needed on the Board and within the Firm
— identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
— before any appointment is made by the Board, evaluating the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, determining the role and capabilities required for a particular appointment;
— ensuring prior to the appointment of a director, that the proposed appointee has disclosed any other business interests that may result in a conflict of interest and that arrangements for relevant induction and training have been made;
— ensuring that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, service, and involvement within outside Board meetings; and
— at least annually, reviewing the results of the Board performance evaluation of the effectiveness of the Board and its risk committee, that the conclusions and recommendations arising from the review are reported to the Board, and agreeing an action plan, if required, addressing the results of the annual review, and periodically reviewing progress against the plan.

Annually, the Board Directors complete an Ongoing Suitability Self-Assessment, where they indicate their level of experience or expertise across several categories, including experience in Financial Markets and Asset Management and core skills in Governance, Strategy, Finance & Treasury, Capital & Risk, Human Resources and Regulatory Compliance. The NomCo will consider any gaps or deficiencies raised in this process against any identified potential candidates.

DWS UK Board Risk Committee

In compliance with MIFIDPRU rules the firm has an established risk committee. The Committee meets monthly, with a minimum of 11 meetings per calendar year. The Board Risk Committee is established with the purpose of maintaining effective risk, compliance, customer outcome and regulatory focused framework relevant to DWS UK entities.

It is responsible for:

— Developing the risk, capital, liquidity, and conduct strategies, including risk appetite and relevant policies;
— Maintaining, developing, and endorsing the Internal Capital Adequacy and Risk Assessment process framework and documentation;
— Monitoring the execution of risk, capital, liquidity, and conduct strategies;
— Reviewing and challenging the day-to-day risk management, including conflicts of interest, and supervision arrangements of the businesses' senior management;
— Reviewing and challenging due diligence of risk issues relating to material transactions and strategic proposals that are subject to approval by the Board;
— Reviewing reports and other updates from the appointed Alternative Investment Fund ("AIF") Risk Managers with respect to those AIFs that continue to be managed by the Firm and reviewing, for information purposes, reports received from the AIFM risk managers for those AIF's in respect of which the Firm is the delegated portfolio manager;
— Monitoring the adherence to applicable Laws, Rules and Regulations, and mandating required remediation programme to ensure adherence to LRR; and
— Escalating key issues/risks to the Board of Directors of the DWS UK entities.

The Committee is chaired by an independent Non-Executive Director and is formed of three members inclusive of the DWS UK Chief Risk Officer and the DWS UK Country Head. In addition, functions are represented by standing guests/advisors, including: Compliance, Legal, Finance, AFC, Risk, Non-Financial Risk Management, UK COO Office, Liquid COO, Alternatives Governance, Alternative Investment Risk management, Human Resources and Internal Audit. Other guests may be invited to attend on an ad-hoc basis by the Chair.

Further details on decision making procedures are included in the Committee Terms of Reference.

DWS Investments UK Limited Approach to Board diversity

The Firm is committed to building an inclusive culture that respects and embraces the diversity of its employees at every level of the business including Executive and Non-Executive Board members. The NomCo is responsible for overseeing the promotion of diversity on the Board. The Firms values in relation to diversity and inclusion are also described in the Deutsche Bank Code of Conduct.

The Firm aspires to offer a workplace where creativity, confidence and ideas can bloom. Where its employees strengths, different backgrounds and broad perspectives are valued and where employees can come to work as their true authentic selves as the Firm aspires to create a workforce as diverse as its global footprint and its regional demographic.

The Firm is proud of the progress being made to foster a more diverse and inclusive workplace, it is acknowledged that the process of building a more just and equitable society is not easy or quick. This includes constantly examining the Firms culture and talent practices, tackling unconscious bias and building a network of allies. It means speaking up as the Firm works with peers to advocate for broad change, both within the investment management industry and the society it serves. It also means putting building blocks in place across the Firm that enable diverse and multi-cultural talent to thrive. As part of this, DWS's commitment is for greater female and ethnically diverse representation on its UK boards, as such DWS has introduced two aspirational targets to achieve by 2028. These are:

—Gender diversity of UK Board Directors - 2 female Directors
—Ethnic diversity of UK Board Directors - 1 Director

In nurturing an inclusive work environment, the Firm has developed several key external partnerships in the UK. These partnerships not only help the Firm to drive its internal agenda, but they also enable the Firm to share good practice and to positively impact the societies it is operating in.

In the UK, Deutsche Bank is the legal employer of all DWS staff and publishes its Gender and Ethnicity Pay Gap Report in the UK.

3 / IFPR risk management objectives and policies (MIFIDPRU 8.2)

Introduction
The following section covers the risks and associated harms that the Firms activities can cause to the firm, its clients, or its markets in line with the disclosure requirements of IFPR MIFIDPRU 8.2.

This section also provides a summary of the strategies and processes used directly by the Firm or by other entities within DWS Group ("DWS") to reduce the potential for harm.

The Firm manages risk in alignment with the DWS Group Risk Management Framework. This document articulates how the Group framework is implemented in the Firm with processes and thresholds proportionate to the scale and the nature of the businesses performed in them, and in alignment with the FCA prudential requirements that apply to MIFIDPRU investment firms, and any UCITS and AIFMD requirements, as applicable.

Overview
The Firm is exposed to a variety of risks because of its business activities, which could materialise in the form of harm to itself, its clients or the market where it operates. These risks include non-financial risk more prominently, and financial risk to a lower extend. . In addition, Sustainability risk is also taken into consideration, however, not considered to be one individual risk type, but rather sustainability factors are drivers of other existing risk types.

The corporate risk profile is driven by various external and internal factors, including fiduciary risk. DWS Group fiduciary obligation is paramount for its assets under management and requires the firm and its employees to put the interests of its clients first. This is achieved by managing risk within the investment portfolios on behalf of its clients and by complying with regulatory requirements and contractual obligations.

There are two core principles that DWS and all of its legal entities, including the Firm, embrace in their risk management framework: (1) every employee needs to manage risk and is obligated to ensure that DWS and its firms operate in the best interest of its clients, and (2) having strict segregation of duties enabling DWS to operate a control environment that is designed to protect the franchise, its clients, and its shareholders.

DWS Investments UK Limited risks profile and potential of harm
The main risk driver in the Firms activities is non-financial risk, and in particular operational risk. Within operational risk, important subcategories are fiduciary obligations, information security and service providers. Reputational risk and potential spill-over effects from DWS's fiduciary risks are also part of non-financial risks linked to the Firm's activities.

Financial risks such as market, credit or liquidity risk are less prominent for the Firm. Exposure to market risk is limited to non-trading foreign exchange risk. Exposure to credit risk is linked to the Firms' cash placed in other financial institutions, a minimum of 2 in order to reduce concentration risk, and from receivables for management fees. Exposure to liquidity risk is limited given the significant level of cash held by the entity to allow it to meet its short-term cash demands.

In order to minimise potential harm, DWS manage the identification, assessment, and mitigation of key risks through internal management processes and the use of risk management tools at group level as well as at firm level. These processes and tools, as well as governance and risk appetite setting are detailed in following sections.

In addition to the above, external factors outside of DWS control can have a significant effect on the Firm's financial profile and strategic plans. The potential impacts of these risks are analysed by stress testing and incorporated into the capital and liquidity adequacy assessment for the entity.

Summary of DWS Investments UK Limited risk management strategies and processes

Principles

The way risk is managed by the Firm adheres to the DWS Group Risk Management Principles. These principles ensure that risk is managed in a comprehensive and consistent manner and in line with the defined risk appetite globally and locally.

These principles applied at UK level mean that:

- Core risk management responsibilities rest with the Firm's Board, who delegate risk monitoring and challenging to the DWS UK Board Risk Committee ("BRC").
- The Firm operates a three lines of defence ("LoD") risk management model:
  - First LoD: As risk owners, businesses are fully accountable for the identification, assessment, and management of risks that originate in their organisation or that their organisation is exposed to, and for managing them against a defined risk appetite. Risk owners are those roles that generate risks, whether financial or non-financial. The heads of the business areas determine the appropriate organisational structure to identify their organisation's risk profile, implement a risk management and control approach within their organisation, take business decisions on the mitigation, transfer or acceptance of risks within the risk appetite and establish and maintain risk owner controls. For the first LoD there is a dedicated Control Office, which focuses on a consolidated risk profile and acts as primary contact for risk management matters.
  - Second LoD: Control functions (e.g. Risk, Legal, AFC, Finance, Compliance, etc.) define risk appetite for the specific risk type they control and monitor and report on the risk type's profile against risk appetite. As experts for their risk type, they (as independent functions) advise the first LoD on how to identify, assess and manage these risk types and how to implement the risk management framework. The second LoD control functions have a veto authority for risk decisions to prevent risk appetite breaches.
  - Third LoD: Internal Audit is accountable for providing independent and objective assurance on the effectiveness of how the business divisions and the second LoD control functions interact with respect to risk management.
- All material risks, including operational risk, reputational risk, strategic risk, financial risk, and sustainability risk, are managed via dedicated risk management processes.
- Monitoring, stress testing tools and escalation processes are in place for key capital and liquidity thresholds and metrics, in line with FCA regulation, and the regulatory requirement to conduct an Internal Capital Adequacy and Risk Assessment process (ICARA).
- Systems, processes, and policies are critical components of DWS's risk management capability to facilitate a comprehensive view and articulate the underlying roles and responsibilities.

ICARA is an integral element of the wider Risk Management Framework ("RMF") for the Firm. It is facilitated by the Risk and Finance functions in DWS UK, with key contributions from senior management, COO teams in the business ("First LoD"), and relevant Control functions ("Second LoD").

The BRC review and endorse the ICARA methodology, and the Board, discuss, and approve the methodology, assumptions, and outcome as well as risk appetite and recovery planning proposals.

Risk Management by category of risk

Non-Financial Risk: The management of non-financial risks follows the three lines of defence (LoD) approach with the aim of protecting DWS, and its firms, its clients, and shareholders against risk of material financial, regulatory, or reputational damages. It seeks to ensure that the key non-financial risks are identified and addressed. Accountabilities regarding the management of non-financial risks are clearly assigned and risks are consciously taken and managed in the most appropriate and long-term interest of DWS franchise, its clients and its stakeholders.

Operational Risk: The DWS Operational Risk Management Framework provides a comprehensive approach across all three lines of defence for managing the key non-financial risks across the risk management lifecycle. The approach enables the Firm to determine its non-financial risk profile, to identify non-financial risk themes and concentrations, and to define risk mitigating measures and priorities. Key concepts and processes for managing non-financial risks at the Firm are loss data collection, lessons learned, scenario analysis, risk remediation tracking, and risk and control assessments. It also contains emerging risks and themes that have the potential to evolve into top risks in the future.

For the above, the Firm leverages DWS processes and systems, combined with the expertise of UK dedicated Control Functions. The most material risks for the Firm are rated in terms of both the likelihood of their occurrence and the potential impact (severity).

Reputational Risk: DWS has a dedicated Reputational Risk Management Framework, which sets out the management and process, to assist employees in identifying, assessing, managing, and monitoring reputational risk. The DWS Group Reputational Risk Committee is responsible for decision taking and the oversight, management, and coordination of reputational risk.

As part of DWS, the Firm follows the DWS Risk Management Framework. When reputational risk matters with a UK nexus are assessed as having a certain level of reputational risk materiality, these are tabled at a DWS Reputational Risk Committee (DWS RRC) for discussion and decision making. Details on the process to identify and assess materiality of potential reputational risk matters, as well as its governance at a UK regional level, are covered under the DWS UK Risk Management Framework in detail which the Firm updates annually.

Financial Risk: The Firm is exposed to limited financial risk, including credit, market, and liquidity risk.
Credit risk: since the Firm is not a credit institution and does not provide lending activities, its exposure to credit risk is arising from cash placed in other financial institutions and from receivables for management fees. This cash is deposited in two institutions to minimise concentration risk. The level of cash that the Firm has placed in other financial institutions is monitored monthly and reported to the BRC.

Market Risk: The local functional currency of the Firm is GBP, however there are regular revenues and costs denominated in non-GBP currencies which give rise to on-going FX exposure risk which is managed on a monthly basis via FX hedging transactions.

Liquidity Risk: The Firm is exposed to limited liquidity risk given the significant level of cash held to allow it to meet its short-term cash demands. Cash processes for the entity are limited to the receipt and payment of fees, payment of vendor costs, payment of dividends and payment of inter-company cost re-charges.

In addition, the Firm is exposed to Strategic Risk.

Strategic Risk (Business risk): The Firm assess this risk through stress testing of the parameters that drive its revenue generation. This is performed on an annual basis and is considered in the annual ICARA process, to ensure sufficient funds are held against adverse circumstances that are outside the entities' direct control.
Fiduciary investment Risk: While non-financial and financial risk management are focusing on risk management for DWS and its firms, the scope of fiduciary investment risk is the management of investment portfolios in accordance with DWS fiduciary and regulatory obligations. The investment funds risk framework, which covers regulatory, client specific and internal requirements is embedded in DWS control framework.

The Firm performs portfolio management activities delegated by other firms within DWS, who retain investment risk responsibilities. However, from a firm's perspective and as outlined above, its non-financial risks include potential spill-over effects from DWS's fiduciary risks.

Sustainability Risk: As seen in above sections, DWS overall risk management and control framework covers three main areas: non-financial risks (operational and reputational risks), financial risks (including strategic risk), and fiduciary investment risks. Sustainability factors can impact all three of these risk areas.

Sustainability risk is defined as the potential negative impact to the value of an investment from sustainability factors. Sustainability factors are environmental, social and governance events or conditions. They can either be "outside-in" factors, such as physical climate or climate transition factors, or "inside-out" factors caused by us or any investment, such as environmental impacts from our Firm activities.

There is also an increased focus on assessing and monitoring adverse impacts, which are negative, material or potentially material effects on sustainability factors that result from or are directly related to our actions, our employees, investee companies within our portfolios or other related stakeholders.

The firm leverages the DWS processes developed globally to manage Sustainability Risk. The Sustainability Risk Management Policy describes how sustainability risks are integrated into DWS Risk Management Framework.

Risk governance

The Firms governance including Risk Management responsibilities are covered in section 2 "IFPR Governance Arrangements (MIFIDPRU 8.3)"

Risk appetite setting

The Risk Appetite Statement of the Firm provides guidance as to the level of risk that the Firm is able and willing to assume to meet its strategic objectives. The risk appetite is translated into a set of metrics that are monitored against black- red-amber-green 'traffic lights', to identify and assess potential threats in a timely manner.

The risk appetite metrics and thresholds are defined and approved by the Board of Directors of the Firm, and include thresholds for capital and liquidity, in line with MIFIDPRU requirements, as well as qualitative statements for operational risk.

Assessment of risk management processes

The reliability and effectiveness of the internal control and risk management system at DWS are continually audited throughout the Group by DWS internal audit department.

4 / Own Funds (MIFIDPRU 8.4)

Composition of regulatory Own Funds

The Own Funds of the Firm comprise exclusively of Common Equity Tier 1 (“CET 1”). This consists of fully issued ordinary shares, satisfying all criteria for a CET 1 instrument in accordance with the IFPR and qualifying reserves within Shareholder Equity. As at the end of 31 December 2022, the Firm has complied with the relevant regulatory capital obligations as outlined in the IFPR.

The Financial Statements for the year ended 31 December 2022 have been published with Companies House.

Composition of regulatory Own Funds

No.	Item	Amount (GBP thousands)	Sourced based on reference num-bers/letters of the balance sheet in the audited financials statements
1	**Own Funds**	**162,821**	
2	**Tier 1 capital**	**162,821**	
3	**Common equity Tier 1 capital**	**162,821**	
4	Fully paid up capital instruments	82,000	
5	Share premium	N/A	Note 12
6	Retained earnings	77,779	Statement of changes in equity
7	Accumulated other comprehensive income	N/A	
8	Other reserves	3,074	
9	Adjustments to CET1 due to prudential filters	32	Note 13
10	Other funds	N/A	Note 10
11	(-) Total deductions from common equity Tier 1	N/A	
12	CET1: Other capital elements, deduction and adjustments	N/A	
13	**Additional Tier 1 capital**	**N/A**	
14	Fully paid up, directly issued capital instruments	N/A	
15	Share premium	N/A	
16	(-) Total deductions from additional Tier 1	N/A	
17	Additional Tier 1: other capital elements, deductions and adjustments	N/A	
18	Tier 2 Capital	N/A	
19	Fully paid up, directly issued capital instruments	N/A	
20	**Share premium**	**N/A**	
21	(-) Total deductions from Tier 2	N/A	
22	**Tier 2: Other capital elements, deductions and adjustments**	N/A	

Reconciliation of regulatory Own Funds to balance sheet in the audited financial statements

The table below provides a reconciliation between Own Funds and the Balance Sheet as at 31 December 2022, where assets and liabilities have been identified by their respective classes. The information in the table below reflects the Balance Sheet in the audited financial statements.

Amount in GBP (thousands)		**Balance sheet as in published/audited financial**	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
As at period end		31 December 2022 (GBP thousands)		
Assets – **Breakdown by asset classes according to the balance sheet in the audited financial statements**				
1	Debtors	122,048		
2	Cash at bank	181,408		
	Total assets	**303,456**		
Liabilities – **Breakdown by liability classes according to the balance sheet in the audited financial statements**				
1	Creditors: amounts falling due within one year	104,603		
	Total liabilities	**104,603**		
Shareholders' equity				
1	Called up share capital	82,000		Item 4
2	Share based reserves	3,074		Item 8
3	Profit and loss account	77,779		Item 6
	Total Shareholders' equity	**161,853**		**Item 1, 9**

Main features of own instruments

The table below provides information on the CET1 Instruments issued by the Firm.

Issuer	**DWS Investments Limited**
Public or private placement	Private
Instrument type	Ordinary share capital
Amount recognized in Audited Financial	
Statements (GPS thousands)	82,000
Issue price	£1
Accounting classification	Called up share capital

5 / Own Funds requirements (MIFIDPRU 8.5)

K- Factor requirement and fixed overheads requirement

The Firm is required to disclose the K-factor requirement (“KFR”) and the fixed overheads requirement (“FOR”) amounts in relation to its compliance with the Own Funds requirements (“OFR”) set out in MIFIDPRU 4.3. The amounts are presented in the table below.

Item	**Amount** (GBP thousands)
∑ K-AUM	19,802
∑ K-CMH	0
∑ K-ASA	0
∑ K-COH	0
∑ K-DTF	0
∑ K-NPR	0
∑ K-CMG	0
∑ K-TCD	0
∑ K-CON	0
FOR	32,761

Approach to assessing the adequacy of Own Funds

As a regulated entity the Firm must ensure it holds appropriate amount of Own Funds and liquid assets to meet its obligations. The Firm carries out an Internal Capital and Risk Assessment process (“ICARA”) to determine the adequate level of capital and liquidity resources, in accordance with the overall financial adequacy rule (OFAR), to ensure that:

— It is able to remain financially viable throughout the assessed timeframe, with the ability to address any material potential harm that may result from its ongoing activities
— can be wound down in an orderly manner, minimising harm to consumers or to other market participants, in case such a scenario materialised.

In order to identify the funds required to fund its ongoing business operations, the firm assesses all material risks it is exposed to by assessing those in base case and stressed scenarios. On the latter, the Firm develops stress scenarios for operational risk as well as for business risk.

In addition, a wind down analysis is performed, including scenario generation, identification of early warning indicators, governance to support timely decision making, estimation of wind-down cost and revenues, liquidity requirements and a high-level execution plan.

The methodology, assumptions and outcome of the ICARA process is documented internally and discussed with and approved by the Board.

The Firm undertakes the ICARA exercise at least annually, or more frequently when there are material changes to its business activities, its operating model or its strategy. It is important to highlight that the ICARA process is an integral part of the Firms overall risk management framework, where risk, financial, capital and liquidity positions are regularly assessed, monitored, and reported via the DWS UK Board Risk Committee, which has delegated authority from the Board.

6 / Remuneration policy and practices (MIFIDPRU 8.6)

DWS Investments UK remuneration policy and governance

The Firm is governed by the DWS-wide Compensation Policy that DWS KGaA has adopted for itself and all of its subsidiaries~~.~~

In line with the Group structure, committees have been set up to ensure the appropriateness of the compensation system and compliance with regulatory requirements on compensation and are responsible for reviewing it.

As such the DWS Compensation Committee was tasked by the DWS KGaA Executive Board with developing and designing sustainable compensation principles, making recommendations on overall compensation and ensuring appropriate governance and oversight with regard to compensation and benefits for DWS. In 2022, the DWS Compensation Committee membership comprised of the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, and Global Head of HR. The Head of Reward is a non-voting member. In February 2023, the Chief Operating Officer was replaced by the Chief Administration Officer and the Head of Product division was additionally appointed voting member.

Furthermore, the Remuneration Committee was established to support the Supervisory Board of DWS KGaA in monitoring the appropriate structure of the remuneration systems for all DWS employees. This is done by testing the consistency of the remuneration strategy with the business and risk strategy and taking into account the effects of the remuneration system on the DWS-wide risk, capital and liquidity management.

No external consultants have been used in the development of the remuneration policies and practices.

Compensation structure

Employee compensation consists of fixed and variable compensation.

Fixed compensation remunerates employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. Fixed Pay consists of the base salary, regional allowances, or other allowances where applicable (e.g. car allowance, etc.).

Variable Compensation has been used by DWS for many years to incentivise, reward and retain strongly performing employees and to thereby differentiate Total Compensation outcomes.

The compensation structures are designed not to provide incentives for excessive risk-taking but rather provide a mechanism to promote and support long-term performance of employees and DWS.

Variable compensation takes into account performance at DWS, divisional and individual level. Variable compensation generally consists of two elements – the “Franchise Component” and the “Individual Component”.

The Franchise Component is determined based upon the performance of three Key Performance Indicators at DWS level. For the performance year 2022 these were: Adjusted Cost Income Ratio, Net Flows and ESG metrics.

The individual component of variable compensation takes into account a number of financial and non-financial factors, relativities within the peer group, and retention considerations. Variable compensation can be reduced accordingly or cancelled completely in the event of negative performance contributions or misconduct. In principle, it is only granted and paid out if affordable for DWS.

Guaranteed variable compensation is not normally granted to employees. On an exceptional basis, guaranteed variable compensation can be granted to new hires but only during their first year of employment.

Severance payments

Severance payments are payments relating to the involuntary termination of an employment relationship. DWS's applies the DB Group severance framework which ensures full alignment with the respective regulatory requirements, local labour law, including predetermined criteria for the determination of payments and maximum amounts, which can be amended from time to time in DWS's absolute discretion. Severance Payments are determined in line with applicable policies and practice and subject to appropriate governance.

Identification of material risk takers

In accordance with the regulatory requirements, the Firm has identified Material Risk Takers ("MRTs"). The identification process was carried out in accordance with DWS's policies and is based on an assessment of the impact of the following categories of staff on the risk profile of the Group, the Firm and/or on assets it manages: DWS Board Members/Senior Management, Control Functions, voting members of DWS Risk Committee, individuals heading Portfolio Management, Coverage, Product Development, Outsourcing, Trading, Marketing and Human Resources.

Considering the DWS corporate structure, not all of these functions sit within the Firm but services are often provided by DWS employees employed outside of the Firm.

Determination of variable compensation and appropriate risk-adjustment

The total amount of variable compensation is subject to appropriate risk-adjustment measures which include ex-ante and ex-post risk adjustments. The robust methodology is designed to ensure that the determination of variable compensation reflects Group's risk-adjusted performance as well as the capital and liquidity position.

A number of considerations are used in assessing the performance of the business units. Performance is assessed in the context of financial and non-financial targets based on balanced scorecards. The allocation of variable compensation to the infrastructure areas and in particular to the control functions depends on the overall results of DWS, but not on the results of the business areas they oversee.

Principles for determining variable compensation apply at individual employee level which detail the factors and metrics that must be taken into account when making individual variable compensation decisions. These include, for instance, investment performance, client retention, culture considerations, and objective setting and performance assessment based on the "Total Performance' approach. Furthermore, any control function inputs and disciplinary sanctions and their impact on the variable compensation have to be considered as well.

The financial targets are subject to appropriate risk adjustment, in particular by referencing the degree of future potential risks to which DWS may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the DWS Infrastructure functions, in particular the Control Functions, the performance assessment is based on the achievement of cost and control targets.

Ex post risk adjustment of Variable Compensation: Performance conditions and forfeiture provisions are key elements of DWS deferred compensation structures and support the alignment of awards with future conduct and performance whilst also allowing

for an appropriate back-testing of the initial performance assessment. Performance conditions critically contribute to effectively enforcing a sound risk culture, a primary objective of DWS 's compensation strategy.
Consistent with past practice, all employees who receive deferred awards are subject to possible forfeiture of all or a portion of unvested/undelivered awards. In conjunction with the scope of the risk adjustment measures, the duration for which the performance conditions and forfeiture provisions are applicable is equally important and is reflected in the application of such conditions up to the vesting and/or delivery of awards.

Performance conditions and forfeiture provisions are reviewed on an annual basis and with reference to any change in regulatory requirements. These conditions & provisions include:
- DWS Performance Conditions: DWS Profit before Tax, DWS Economic Capital Surplus, DWS Common Equity Tier 1 Capital
- Forfeiture (Malus) Conditions in particular: Inaccurate Performance Measures; Breach of Policy, Laws, or Regulations; Control Failures; Regulatory Requirements; Significant Adverse Event
- Claw back (for Material Risk Takers only): in case of significant loss or material regulatory sanction or failure to comply with appropriate standards of conduct

DWS' core elements of Variable Compensation

Both Franchise and Individual Variable Compensation may be awarded in cash, share-based or fund-based instruments under the DWS deferral arrangements.

DWS has determined that for all MRTs awarded variable compensation at least 40% to 60% of their variable compensation must be granted under deferral arrangements subject to a deferral period of at least 3 years. At least 50% of all deferred and all non-deferred variable compensation for MRTs shall consist of share-linked or fund-linked instruments. The instruments shall be subject to an appropriate retention period which DWS has determined to be 6 months for IFPR MRTs, following the vesting of each tranche.

No MRT deferral exceptions were applied by the Firm for the 2022 performance year.

Quantitative disclosures

Aggregate remuneration for 2022 performance year – all staff

in GBP thousands (unless stated otherwise)	**Senior management**	**Other risk takers**	**Other staff**	**All staff**
Number of MRTs (headcount)	5	2	0	7
Fixed pay	1,788	697	8,319	10,804
Variable pay	1,830	835	2,600	5,265
Total compensation	**3,618**	**1,532**	**10,919**	**16,069**

Components of 2022 Variable Compensation

in GBP in thousands (unless stated otherwise)	**Senior management**	**Other risk takers**	**Total material risk takers**
Number of MRTs	**5**	**2**	**7**
of which: cash-based	915	417	1,332
of which: deferred	510	235	745
of which: shares or equivalent ownership interests	0	0	0
of which: deferred	0	0	0
of which: share-linked instruments or equivalent non-cash instruments	493	417	910
of which: deferred	257	235	492
of which: other instruments	422	0	422
of which: deferred	253	0	253
of which: other forms	0	0	0
of which: deferred	0	0	0
Total Variable Pay	**1,830**	**835**	**2,664**

Guaranteed variable remuneration and severance payments 2022

in GBP in thousands (unless stated otherwise)	**Senior management**	**Other risk takers**	**Total**
Guaranteed variable remuneration awards			
Number of MRTs (Headcount)	0	0	0
Total amount Of which: paid during financial year	0	0	0
Severance payments awarded in previous periods, paid out during financial year			
Number of MRTs (Headcount)	0	0	0
Total amount	0	0	0
Severance payments awarded during financial year	0	0	0

Deferred remuneration

in GBP in thousands (unless stated otherwise)	**Due to vest in the financial year**	**Vesting in subsequent financial years**	**Total**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year**	**Amount of deferred remuneration due to vest in the financial year that was paid out during the financial year**
Senior management					
Cash-based	830	1,153	1,983	0	830
Shares or equivalent ownership interests	293	0	293	0	92
Share-linked instruments or equivalent non-cash instruments	577	1,579	2,156	0	529
Other instruments	107	119	226	0	107
Other forms	0	0	0	0	0
Total senior management	**1,806**	**2,852**	**4,658**	**0**	**1,558**
Other Risk Takers					
Cash-based	309	431	740	0	309
Shares or equivalent ownership interests	28	0	28	0	28
Share-linked instruments or equivalent non-cash instruments	200	555	756	0	0
Other instruments	75	58	134	0	75
Other forms	0	0	0	0	0
Total other risk takers:	**612**	**1,045**	**1,657**	**0**	**412**
Total:	**2,419**	**3,897**	**6,315**	**0**	**1,970**

DWS Investments UK Limited