



CROCI®

CROCI ISLAMIC GLOBAL STRATEGY

January 2021

Marketing Material.

EMEA: For Professional Clients (MiFID Directive 2014/65/EU Annex II) only. No distribution to private/retail investors.

For Professional Investors only. For institutional investors only. For business customers, not for retail distribution.

For Investors in Switzerland: For Qualified Investors (Art. 10 Para. 3 of the Swiss Federal Collective Investment Schemes Act (CISA)).

For Investors in Russia: For qualified investors only. Strictly private and confidential.

For Investors in Singapore and Hong Kong: This material is provided to addressees only who are professional / accredited investors in Hong Kong / Singapore respectively (or equivalent classification in other jurisdiction). Further distribution of this material is strictly prohibited.

For LATAM: "For Institutional investors only". Further distribution of this material is strictly prohibited.

For investors in APAC: For institutional investors only. Further distribution of this material is strictly prohibited.

For investors in MENA (including Qatar): For professional Clients. Further distribution of this material is strictly prohibited. For business customers only.

Korea: This material has been provided upon your specific request on a reverse solicitation basis.

Australia and New Zealand: For Wholesale Investors only.

This document does not constitute investment advice nor stock recommendation.

9A85Y1BF97812487124
2487124871248712487
9A85Y1BF97812487124
2487124871248712487
9A85Y1BF97812487124

01

CROCI ISLAMIC GLOBAL STRATEGY

Construction & Performance

CROCI ISLAMIC GLOBAL STRATEGY

Selection Methodology



(1) We take the constituents of the Dow Jones Islamic Market World Developed Large Index that are included in the CROCI database

(2) Selection buffer is applied to reduce turnover (10 stocks P/E buffer); region neutrality is relative to DJ Islamic Market World Developed Large Index

(3) Within each of the three regions (US/Europe/Japan), the number of stocks will stay the same over time (30/20/10), but individual stock's weight might go up or down according to fluctuations of the region weights in the DJ Islamic Market World Developed Large Index. Source: DWS

CROCI ISLAMIC GLOBAL STRATEGY

Selection Methodology Details



SELECTION POOL⁽¹⁾

- Dow Jones Islamic Market World Developed Large-Cap Index™
- Using a Shari'a compliant selection pool ensures that all companies in the CROCI Islamic Global Strategy are also Shari'a compliant

STOCK ALLOCATION

- US: 30 eligible stocks with the lowest CROCI Economic PE
- Europe: 20 eligible stocks with the lowest CROCI Economic PE
- Japan: 10 eligible stocks with the lowest CROCI Economic PE

WEIGHTING

- Strategy's weights are targeted regional-neutral to Shari'a compliant Dow Jones Islamic Benchmark Index
 - Within each region, individual stocks are weighted equally
 - Weights are then rescaled to reflect regions weights in the benchmark (region neutrality)

Current Portfolio Weights⁽²⁾

As of 12 November 2020	US	Europe	Japan
Region Weights	75.72%	17.01%	7.28%
Number of Constituents	30	20	10
Individual Constituents Weight	2.52%	0.85%	0.73%

(1) That are included in the CROCI database.

(2) Source: DWS, 14 Jan. 2021

CROCI ISLAMIC GLOBAL STRATEGY (USD) TR



Historical Performance in USD, 11 May 2005 – 31 Dec. 2020⁽¹⁾

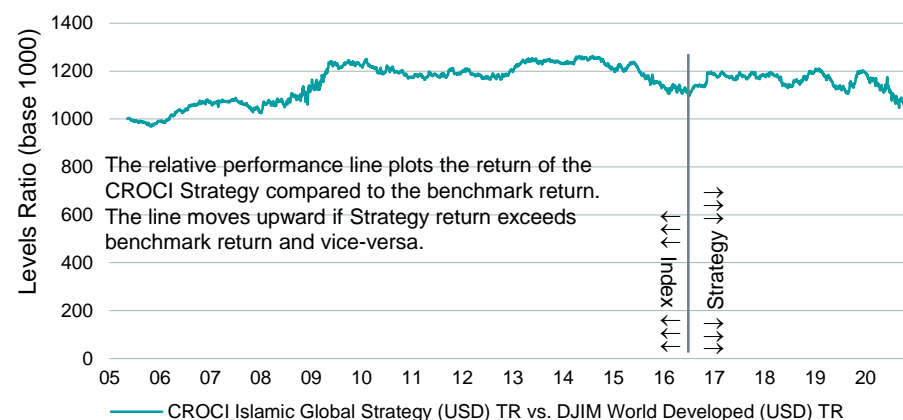
STRATEGY PERFORMANCE



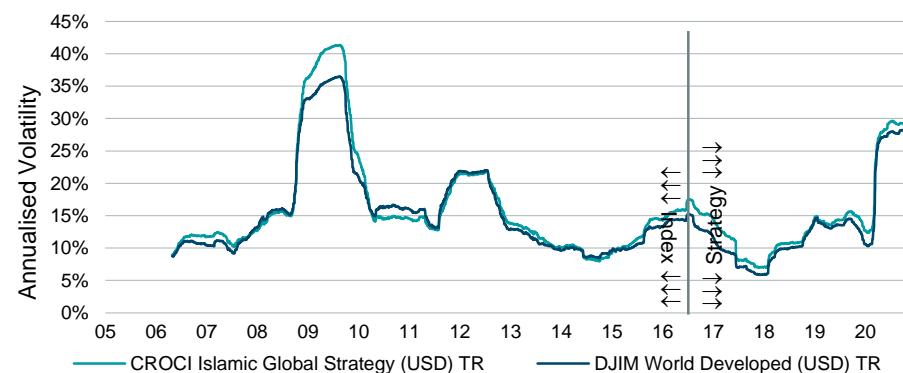
PERFORMANCE ANALYSIS

11 May 2005 - 31 Dec. 2020	CROCI Islamic Global Strategy (USD) TR	DJIM World Developed (USD) TR
Compounded Annual Growth	10.2%	9.9%
Annualised Daily Volatility	17.8%	16.8%
Sharpe Ratio (1.38%)	0.39	0.36
Worst drawdown	-47.7%	-50.5%
Median monthly return	1.0%	1.3%
Best monthly return	12.8%	12.5%
Worst monthly return	-15.4%	-17.5%
% of months with gains	63.1%	64.7%
Correlation		0.95

RELATIVE PERF. VS. DJIM WORLD DEV. USD TR



12M- ROLLING VOLATILITY



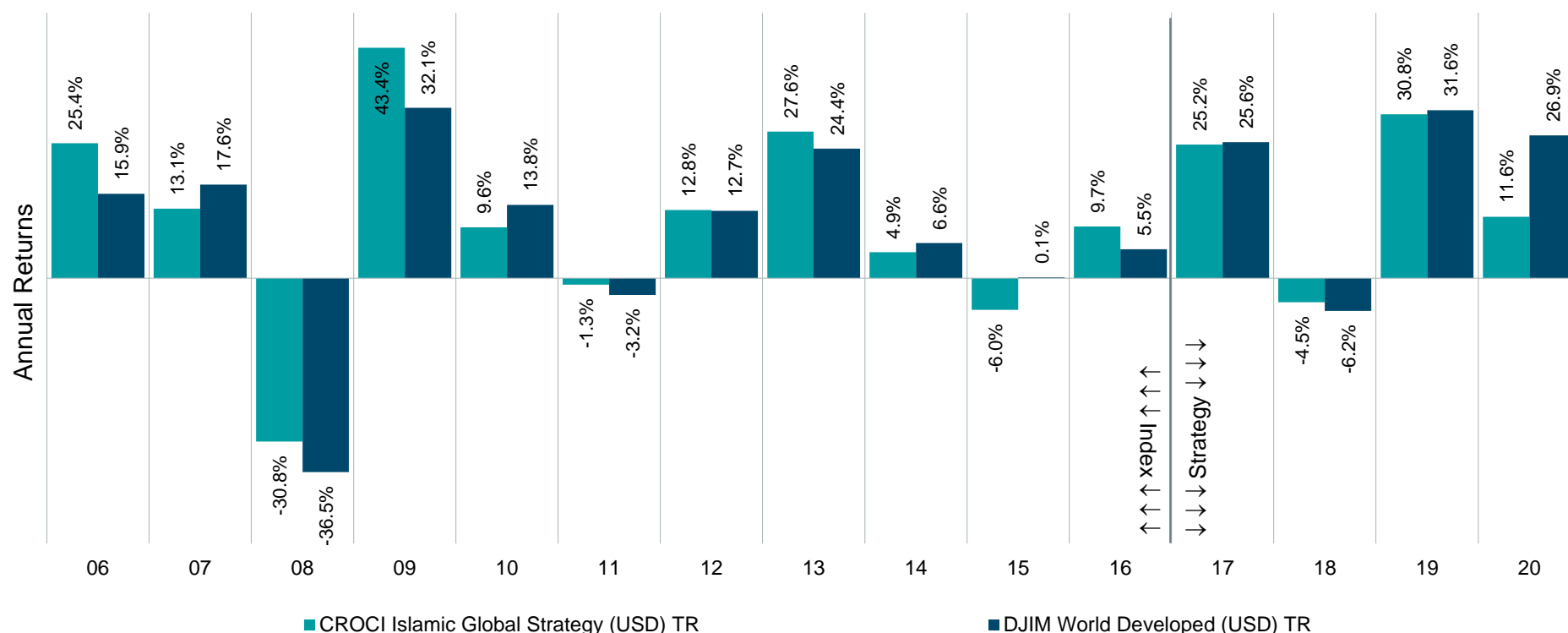
(1) The CROCI Islamic Global Strategy has been run on live basis since 11th May 2005 and has been run in form of CROCI Islamic Global Index before 12th May 2016. The Strategy underwent the following implementation changes on 12th May 2016: 1) Change of reconstitution frequency from monthly to quarterly; 2) Introduction of selection buffers to reduce constituent turnover (see Appendix for explanation of selection buffers); 3) Stocks weights are rescaled to reflect region weights in the Dow Jones Islamic Market World Developed Large Index (i.e., region neutrality). Past performance, whether live or simulated, is not a reliable indicator of future results. All returns include reinvested dividends without any withholding tax, and do not include fees that might be charged on an investment product. It is not possible to invest directly in a strategy or index. The performance shown here is for model portfolios. The performance of any actual investment products may differ significantly. Source: DWS, Bloomberg, 14 Jan. 2021

CROCI ISLAMIC GLOBAL STRATEGY (USD) TR



ANNUAL RETURNS, 11 MAY 2005 – 31 DEC. 2020⁽¹⁾

In USD



(1) The CROCI Islamic Global Strategy has been run on live basis since 11th May 2005 and has been run in form of CROCI Islamic Global Index before 12th May 2016. The Strategy underwent the following implementation changes on 12th May 2016: 1) Change of reconstitution frequency from monthly to quarterly; 2) Introduction of selection buffers to reduce constituent turnover (see Appendix for explanation of selection buffers); 3) Stocks weights are rescaled to reflect region weights in the Dow Jones Islamic Market World Developed Large Index (i.e., region neutrality). Past performance, whether live or simulated, is not a reliable indicator of future results. All returns include reinvested dividends without any withholding tax, and do not include fees that might be charged on an investment product. It is not possible to invest directly in a strategy or index. The performance shown here is for model portfolios. The performance of any actual investment products may differ significantly. Source: DWS, Bloomberg, 14 Jan. 2021

CROCI ISLAMIC GLOBAL STRATEGY (USD) TR



RETURN COMPARISONS IN USD AS OF 31 DEC. 2020⁽¹⁾

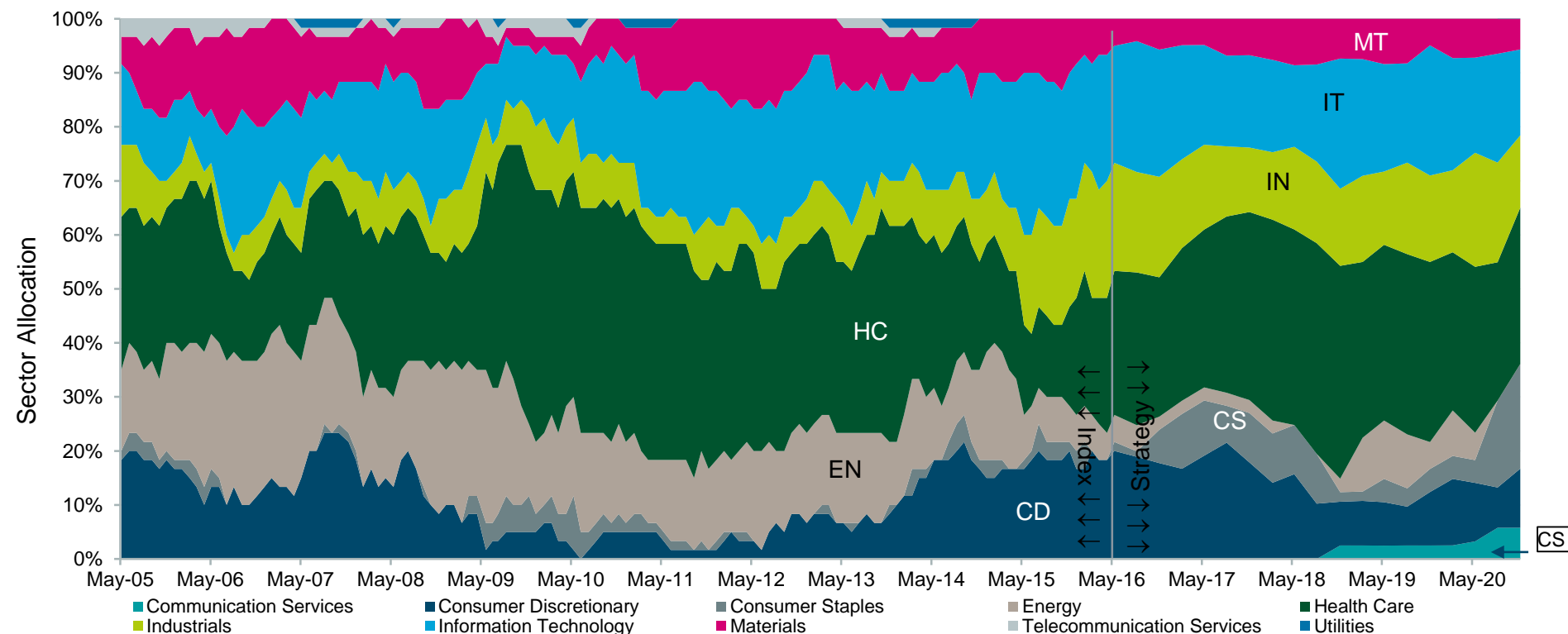
	1M	3M	6M	YTD	1Y	Annualised			
						3Y	5Y	7Y	10Y
CROCI Islamic Global Strategy (USD) TR	2.5%	9.7%	15.7%	11.6%	11.6%	11.7%	13.9%	9.5%	10.4%
DJIM World Developed (USD) TR	4.3%	12.0%	23.2%	26.9%	26.9%	16.2%	15.7%	12.0%	11.6%
Excess Return Strategy vs. DJIM World Developed TR	-1.8%	-2.3%	-7.5%	-15.3%	-15.3%	-4.5%	-1.9%	-2.5%	-1.3%

(1) The CROCI Islamic Global Strategy has been run on live basis since 11th May 2005 and has been run in form of CROCI Islamic Global Index before 12th May 2016. The Strategy underwent the following implementation changes on 12th May 2016: 1) Change of reconstitution frequency from monthly to quarterly; 2) Introduction of selection buffers to reduce constituent turnover (see Appendix for explanation of selection buffers); 3) Stocks weights are rescaled to reflect region weights in the Dow Jones Islamic Market World Developed Large Index (i.e., region neutrality). Past performance, whether live or simulated, is not a reliable indicator of future results. All returns include reinvested dividends without any withholding tax, and do not include fees that might be charged on an investment product. It is not possible to invest directly in a strategy or index. The performance shown here is for model portfolios. The performance of any actual investment products may differ significantly. Source: DWS, Bloomberg, 14 Jan. 2021

CROCI ISLAMIC GLOBAL STRATEGY (USD) TR



HISTORICAL SECTOR WEIGHTS, 11 MAY 2005 – 31 DEC. 2020⁽¹⁾



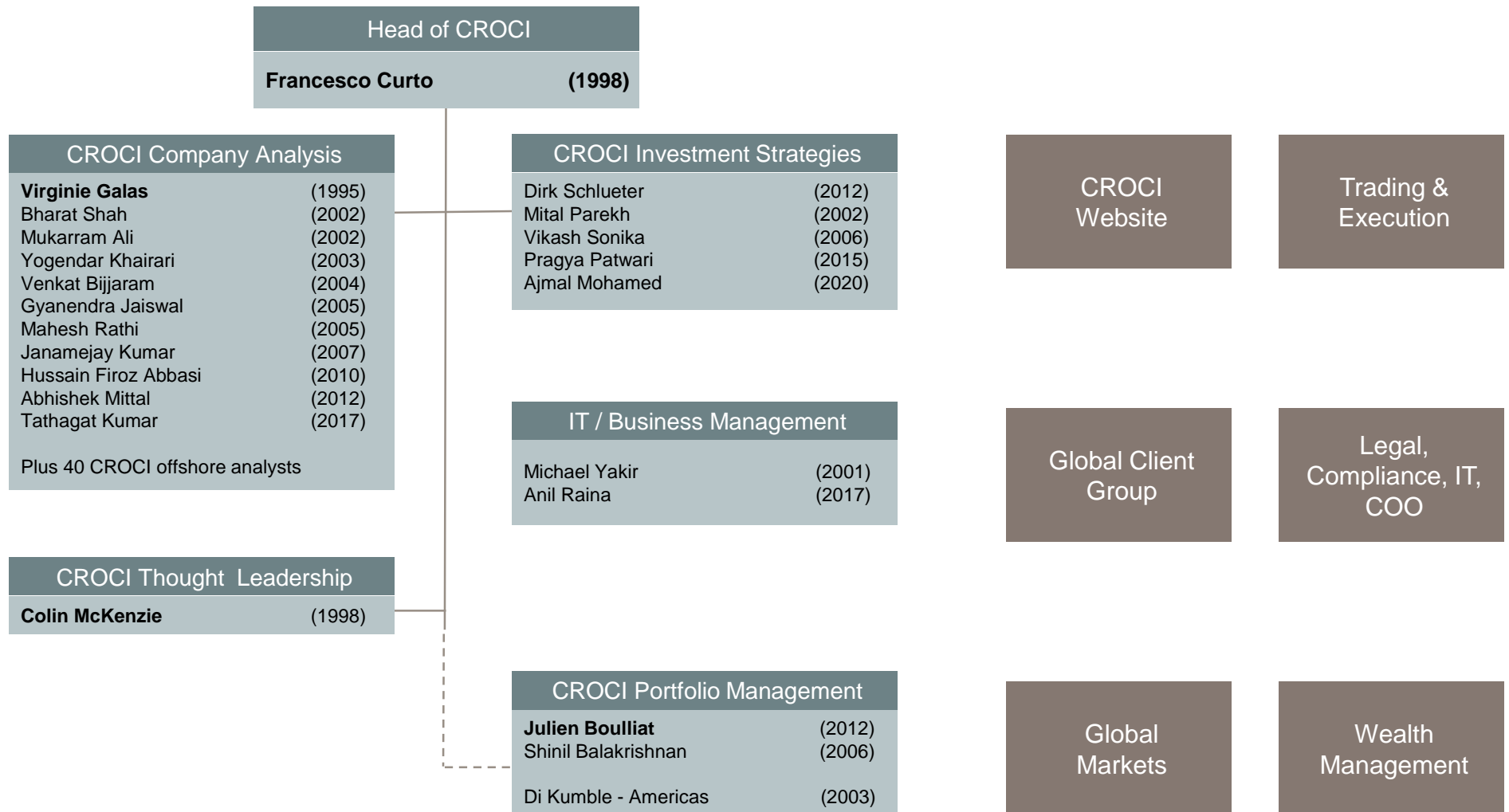
(1) The CROCI Islamic Global Strategy has been run on live basis since 11th May 2005 and has been run in form of CROCI Islamic Global Index before 12th May 2016. The Strategy underwent the following implementation changes on 12th May 2016: 1) Change of reconstitution frequency from monthly to quarterly; 2) Introduction of selection buffers to reduce constituent turnover (see Appendix for explanation of selection buffers); 3) Stocks weights are rescaled to reflect region weights in the Dow Jones Islamic Market World Developed Large Index (i.e., region neutrality). Past performance, whether live or simulated, is not a reliable indicator of future results. All returns include reinvested dividends without any withholding tax, and do not include fees that might be charged on an investment product. It is not possible to invest directly in a strategy or index. The performance shown here is for model portfolios. The performance of any actual investment products may differ significantly. Source: DWS, Bloomberg, 14 Jan. 2021

02

THE PEOPLE BEHIND THE CROCI WAY

The Team

CROCI – FROM CONCEPT TO INVESTMENT SOLUTION



CROCI SENIOR TEAM MEMBERS



Francesco Curto, PhD, Head of CROCI

- Managing Director, is Head of the CROCI® Investment Strategy and Valuation Group at DB. He joined Deutsche Bank in September 1998. In his time at DB, he has been Senior European Strategist, Senior Global Strategist and has been involved in all the major developments of CROCI® (database, bottom-up research, indices)
- He joined from Warwick Business School, where he was a Research Fellow. He holds a degree in Business Economics (Economia Aziendale) from "Universita' di Venezia" and a PhD in Strategic Management from Warwick University
- His interests are fundamental valuation, value strategies and the dynamics of industrial and corporate change



Virginie Galas, Head of CROCI Company Analysis

- Managing Director, is in charge of the management of the CROCI® database and team, i.e., over 850 stocks worldwide covered by a team of around 40 people. Turning accounting data into economic data to calculate a meaningful and comparable return and P/E for each stock individually is at the heart of the 'CROCI® process'
- Virginie has a 19 years experience in financial analysis. She joined Deutsche Bank in 1995 after two years at SG Warburg. From 1997 to 2002, she was head analyst on European luxury and cosmetic stocks for which she was ranked second in Institutional Investor Surveys for several years in a row. She has a Master Degree of Economics - option Finance - from University of Paris Dauphine where she now teaches a post graduate Finance course; she has a post graduate of "Banque et Finance" from University Paris I Sorbonne where she also had License courses in Philosophy



Colin McKenzie, Head of CROCI Intelligence

- Responsible for all intellectual content (including Market Analysis and Thought Leadership) that the CROCI Team publishes; responsible for client development in Europe, Middle East and Japan
- Joined the CROCI Team in 2000; over his time with CROCI, he has been a European and Global Strategist, as well as playing a key role in the development of the CROCI model and company analysis. Before joining the CROCI Team, he worked in Emerging Markets Equity Sales
- Specialising in company & sector valuation, he publishes regular reports on market and sector trends.
- MA in Mathematics & Philosophy from Oxford University

CROCI Economic P/E

Calculated as $(EV/NCI) / CROCI$, Economic P/E is a measure of valuation, calculated according to the CROCI methodology, that seeks to allow a fair comparison of the market valuation of companies regardless of industry or sector

CROCI EV/ NCI

Used as the economic version of an asset multiple, e.g. Price-to-Book Value. Over time, this ratio should converge to 1x, according to economic theory (Tobin)

- **CROCI Enterprise Value (EV)**
A measure of the market value of the firm, which includes not only financial liabilities (eg debt) but also operational liabilities (e.g. warranties, pension funding, specific provisions, etc.)
- **CROCI Net Capital Invested (NCI)**
An approximation of the replacement value (at current costs) of net assets

CROCI

Cash Return On Capital Invested, the economic version of Return on Equity. A measure of cash earnings yield, standardised for all companies, regardless of their business or location. Also described as the Cash IRR

Real Investor

Definition: An investor whose investments are driven principally by the careful analysis of company fundamentals, including their economic cash returns and their economic valuation. Specifically, a Real Investor has two characteristics:

1. **Fundamental:** any investment is informed or driven by the interplay between the cash flow generation, the capital intensity and the valuation of that company

2. **Skeptical of reported financial statements as a guide to investing:**

Real Investors believe that the income statement and balance sheet in a company's accounts are not necessarily designed to be helpful to equity investors, and that a synthesis of all the notes to the accounts and diligent restatement of the accounts must happen in order to render valuations comparable and meaningful; and

Real Investors look to economic value to inform investment, and believe that the reported financial statement data may not be representative of the economic reality of a company

Since CROCI makes adjustments to financial statements in order to include all relevant information in the notes to the accounts, and to restate the accounts in order to render economic valuations, which are meaningful and comparable, CROCI may be one valuable approach

Real Value

Definition: Economic value as calculated by the CROCI process via the adjustments to and normalisations of reported financial statements, conducted by CROCI's team of company analysts

Notes: The CROCI process seeks to make company financial data more consistent, comparable and economically meaningful through a series of reviews and adjustments. This contrasts with more conventional definitions of "Value" that tend to be based on accounting measures such as equity or profits

The principal indicator of Real Value is CROCI's **Economic P/E**. An attractive Economic P/E ratio suggests that the market is undervaluing the cash flow being produced by the operating assets, all other things being equal

The term Real Value can therefore be used attributively to refer to companies with the lowest CROCI Economic P/E

CROCI STRATEGIES & INDICES



Key Risks

- Any products linked to a CROCI Strategy or Index may not be capital protected and investor capital may be at risk up to a total loss. Prospective investors should be aware investments linked to the Strategies or Indices may go up or down in value.
- Past performance, whether live or simulated, is not an indicator of future performance and any forecast or projection may not be realised.
- The CROCI Strategies have been built on the premise that stocks with lower CROCI Economic P/E ratios may outperform stocks with higher CROCI Economic P/E ratios over time.
- CROCI's coverage universe does not aim to provide waterfront coverage of entire benchmarks. Some sectors may have a larger proportion of CROCI coverage than others.
- CROCI represents one of many possible ways to analyse and value stocks. Potential investors must form their own view of the CROCI methodology and evaluate whether CROCI and investments associated with CROCI are appropriate for them. The CROCI Team does not provide investment advice.

APPENDIX

Selection buffers

- *What is a "selection buffer"?*
- By way of example, consider a portfolio consisting of the 40 stocks with lowest Economic P/E, and a 5-stock selection buffer
- Without the buffer, a stock moving from rank 40 to rank 41 would be replaced in the portfolio
- With the buffer, an existing constituent is only replaced if it no longer ranks among the 45 cheapest stocks (by Economic P/E) on the selection date
- A new constituent will only enter the portfolio if it is within the 40 cheapest stocks (by Economic P/E) on the selection date

DISCLAIMERS



Important Information:

DWS is the brand name of DWS Group GmbH & Co. KGaA and its subsidiaries under which they operate their business activities. The respective legal entities offering products or services under the DWS brand are specified in the respective contracts, sales materials and other product information documents. DWS, through DWS Group GmbH & Co. KGaA, its affiliated companies and its officers and employees (collectively "DWS") are communicating this document in good faith and on the following basis.

This document has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by DWS, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Furthermore, this document is for information/discussion purposes only and does not constitute an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

The document was not produced, reviewed or edited by any research department within DWS and is not investment research. Therefore, laws and regulations relating to investment research do not apply to it. Any opinions expressed herein may differ from the opinions expressed by other legal entities of DWS or their departments including research departments.

The information contained in this document does not constitute a financial analysis but qualifies as marketing communication. This marketing communication is neither subject to all legal provisions ensuring the impartiality of financial analysis nor to any prohibition on trading prior to the publication of financial analyses.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward looking statements expressed constitute the author's judgment as of the date of this document. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/ or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements or to any other financial information contained in this document. Past performance is not guarantee of future results.

We have gathered the information contained in this document from sources we believe to be reliable; but we do not guarantee the accuracy, completeness or fairness of such information. All third party data are copyrighted by and proprietary to the provider. DWS has no obligation to update, modify or amend this document or to otherwise notify the recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Investments are subject to various risks, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you might not get back the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of any investment are possible even over short periods of time. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the offering documents. When making an investment decision, you should rely on the final documentation relating to any transaction.

No liability for any error or omission is accepted by DWS. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid. DWS or persons associated with it may (i) maintain a long or short position in securities referred to herein, or in related futures or options, and (ii) purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation.

DWS does not give taxation or legal advice. Prospective investors should seek advice from their own taxation agents and lawyers regarding the tax consequences on the purchase, ownership, disposal, redemption or transfer of the investments and strategies suggested by DWS. The relevant tax laws or regulations of the tax authorities may change at any time. DWS is not responsible for and has no obligation with respect to any tax implications on the investment suggested.

This document may not be reproduced or circulated without DWS written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States.

This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States, where such distribution, publication, availability or use would be contrary to law or regulation or which would subject DWS to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions

© 2021 DWS International GmbH

DISCLAIMERS



Issued in the UK by DWS Investments UK Limited which is authorised and regulated by the Financial Conduct Authority (Reference number 429806).
© 2021 DWS Investments UK Limited

In Hong Kong, this document is issued by DWS Investments Hong Kong Limited and the content of this document has not been reviewed by the Securities and Futures Commission.
© 2021 DWS Investments Hong Kong Limited

In Singapore, this document is issued by DWS Investments Singapore Limited and the content of this document has not been reviewed by the Monetary Authority of Singapore.
© 2021 DWS Investments Singapore Limited

In Australia, this document is issued by DWS Investments Australia Limited (ABN: 52 074 599 401) (AFSL 499640) and the content of this document has not been reviewed by the Australian Securities Investment Commission.
© 2021 DWS Investments Australia Limited

It is not possible to invest directly in a strategy. The performance of any actual investment products may differ significantly.

CRC: 080730 (Jan 2021)