

## OUR MONTHLY MARKET ANALYSIS AND POSITIONING

July has been another good month for many, though by no means all risky assets. We remain cautious and see scope for short-term disappointments.

### MARKET OVERVIEW

For markets, the second half of 2019 has begun, much like the first half ended. Major U.S. equity indices reached new highs during the course of July. So did the leading indices in some other markets, known for having plenty of stocks offering secular earnings-growth stories. Towards the end of July, France's CAC 40 was trading at levels last seen 12 years ago, just before the onset of the global financial crisis. In local currency terms, the best-performing equity market in the year to date was Greece.

Bond markets, meanwhile, saw an ever growing number of bonds drooping ever deeper into negative yield territory. Among German sovereign bonds, even 20-year Bunds spent the month fluctuating around zero. At the end of the month, 20-year yields stood at -0.1%. This means that investors are effectively paying the German finance minister for the privilege of lending the country money for two decades, top of the erosion in purchasing power due to ongoing inflation. Meanwhile, even Greece, saw 30-year yields on its sovereign bonds fall below 3.5%. This puts yields of Eurozone's erstwhile crisis economy roughly one percent above those of 30-year U.S. Treasuries.

The reasons for all these somewhat quirky market developments are not hard to guess. To be sure, there were idiosyncratic developments, such as the election of a market friendly government in Greece [[Chart of the Week: Greek debt as of 7/19/19](#)]. Aside from that, the main themes in markets were once again all about central banks. Throughout the month, markets kept betting on ever looser monetary policies, and on interest rates staying low for longer. In equity markets, that was taken to be good news for companies offering sustainable earnings growth, such as those in the healthcare, communications and technology sectors. In theory, the larger the weight of earnings such companies might generate in the distant future the more valuable their stocks should be than the stocks of companies more reliant on current earnings and dividends to provide valuation support.

At the very end of the month, the U.S. Federal Reserve

(Fed) duly delivered a cut of 25 basis points (bps). The accompanying commentary left some market commentators disappointed, however. For the United States, the hard economic data has, if anything, tended to surprise positively, making the case for a precautionary rate cut even harder to make than it was a month ago. The slight disappointment with the Fed again highlighted the risks of betting too heavily on the world's central banks riding to the rescue in a speedy fashion. It followed hard on the heels of the European Central Bank (ECB) offering scant details about when and how aggressively it might provide stimulus. This is partly due to self-imposed limits on which assets and how much of them the ECB could buy, if required.

### OUTLOOK AND CHANGES

We remain confident that the United States should be able to avoid a recession in the next 12-months. In Europe and much of the rest of the world, however, growth momentum has indeed appeared to slow. In coming weeks, the ongoing Brexit drama could escalate further, following the arrival of Boris Johnson as the new prime minister in the UK and early signs that the remaining EU member states are in no mood to compromise.

Elsewhere too, geopolitics remain an ever present risk. The recent tensions in Iran and on the Korean Peninsula highlighted as much. Meanwhile, the various trade conflicts continue to drag on, notably the one between the United States and China. Further escalation would no doubt hurt sentiment. Perhaps even more seriously, new trade barriers and the ensuing de-globalization are likely to hurt productivity growth. There is little that monetary stimulus can do to sustainably mitigate the longer-term damage.

Against this backdrop, we remain tactically cautious on equities. From a valuation perspective, major equity markets look somewhat exhausted, notably in the United States technical factors too suggest scope for some disappointments in the short-term. Regionally, we have not changed our preferences. In sector terms, we have upgraded information technology and downgraded industrials.

Strategically, our current equity index targets effectively leave no upside during the coming 12-months for developed markets. However, they are up for review in August and will probably move upwards, based on current circumstances. By how much looks set to trigger heavy debates, not least after the Fed's Chairman, Jerome Powell, downplayed threats to the U.S. economy and the need for additional easing during the end of July's press conference explaining the interest-rate cut. U.S. earnings have been a mixed bag so far, while we saw several high-profile disappointments in Europe.

The rate cut in the United States may not reduce the strength of the U.S. dollar (USD) as other central banks turned more dovish, we believe that gold may be fairly priced tactically. Strategically, however, EM central banks will likely continue to diversify their reserves into gold. High equity valuations and slower growth makes gold an attractive asset class for consideration.

In fixed income, we believe that the hunt for yield will continue and have tactically upgraded Spanish sovereign debt, as we see solid fundamentals despite the delays in forming a new government in Spain. We remain constructive on emerging-markets (EM) sovereigns and credit both strategically and tactically. Tactically, we continue to like Euro investment-grade credit, which should benefit from Eurozone monetary easing. However, we have downgraded European high-yield and U.S. investment grade, where we await more attractive entry points.

## THE MULTI-ASSET PERSPECTIVE

As already hinted, we expect some repricing potential for both equities and fixed income in the short-term. As a result,

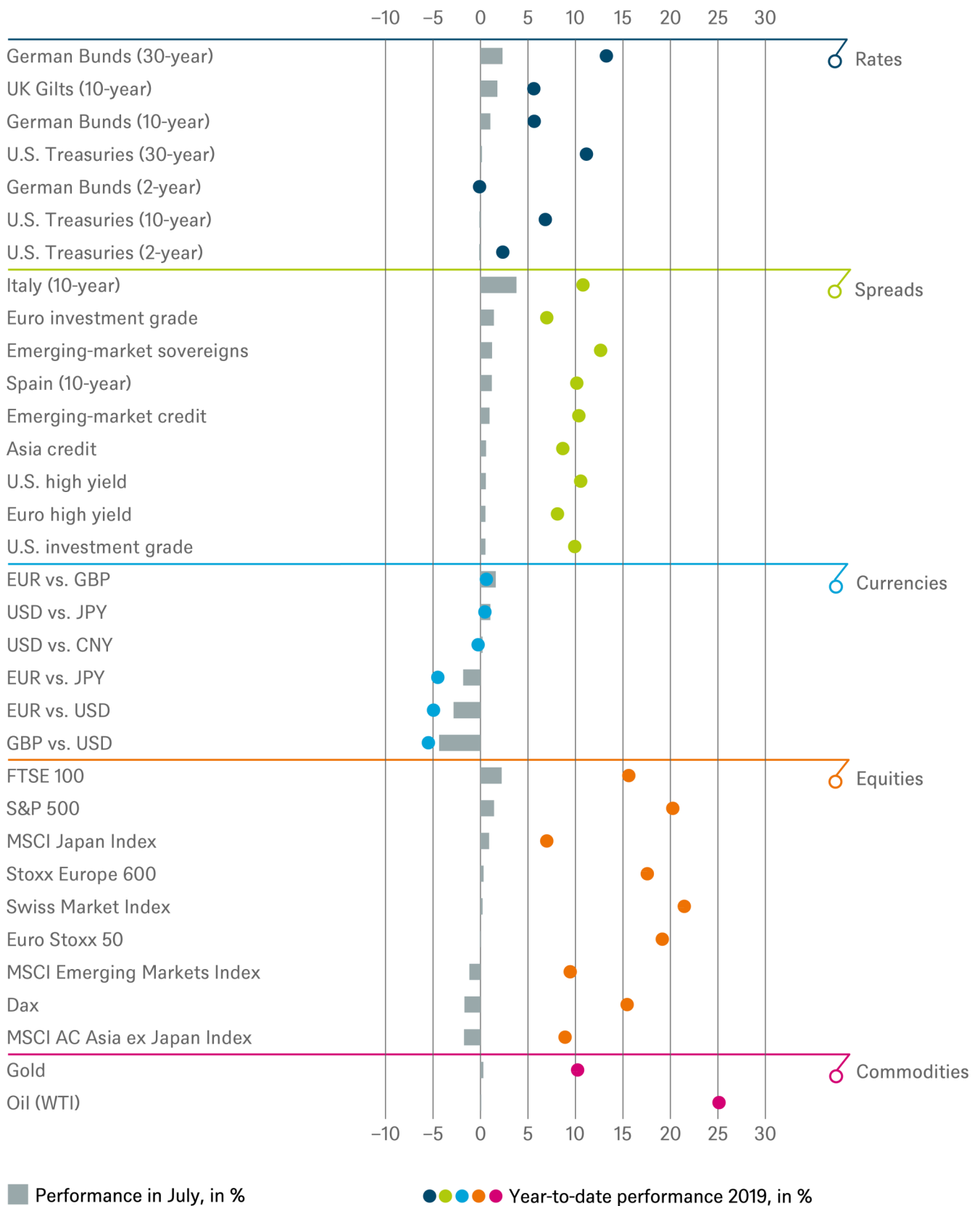
we tactically underweight equity risk and short fixed-income duration for the time being. However, we would use equity-downside volatility when seeking to build up positions in equities. In fixed income, we are keen to increase our exposure to positions with higher interest-rate sensitivity, but intend to await higher yield levels to do so. We continue to think that the investment cycle has some room to go with higher equity prices down the road and yields to stay low for longer as a new central-bank easing cycle has just kicked off.

Within equities, we continue to like emerging markets due to expected earnings-growth advantages compared to other regions. With regard to U.S. earnings for the second quarter, a lot of negative revisions have already been priced in. We expect a stabilization from here while focusing on structural growth and quality in an environment of lower overall growth potential.

Carry assets, i.e. credit and EM are likely to continue to outperform developed-market sovereigns. We have a preference for EM hard currency debt within fixed income and also kept some high-yield exposure from a carry perspective. We prefer Euro over USD credit both investment grade and high yield due to underlying fundamentals and narrowing yield differentials while USD hedging costs remain high for Euro investors. As for currencies, we continue to like the Japanese yen (JPY) as a good diversifier for multi-asset portfolios. The same is true of gold, given low real interest rates.

## PAST PERFORMANCE OF MAJOR FINANCIAL ASSETS

Total return of major financial assets year-to-date and past month



Sources: Bloomberg Finance L.P., DWS Investment GmbH as of 7/31/19

All opinions and claims are based upon data on 8/1/2019 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Source: DWS Investment GmbH

## FIXED INCOME

Government bonds	1 to 3 months	until June 2020
U.S. Treasuries (2-year)	●	●
U.S. Treasuries (10-year)	●	●
U.S. Treasuries (30-year)	●	●
UK Gilts (10-year)	●	●
Italy (10-year) <sup>4</sup>	●	●
Spain (10-year) <sup>4</sup>	●	●
German Bunds (2-year)	●	●
German Bunds (10-year)	●	●
German Bunds (30-year)	●	●
Japan (2-year)	●	●
Japan (10-year)	●	●
Emerging-market sovereigns	●	●
<b>Securitized / specialties</b>		
Covered bonds <sup>4</sup>	●	●
U.S. municipal bonds	●	●
U.S. mortgage-backed securities	●	●

## EQUITIES

Regions	1 to 3 months <sup>1</sup>	until June 2020
United States	●	●
Europe	●	●
Eurozone	●	●
Germany	●	●
Switzerland	●	●
United Kingdom (UK)	●	●
Emerging markets	●	●
Asia ex Japan	●	●
Japan	●	●

Corporates	1 to 3 months	until June 2020
U.S. investment grade	●	●
U.S. high yield	●	●
Euro investment grade <sup>4</sup>	●	●
Euro high yield <sup>4</sup>	●	●
Asia credit	●	●
Emerging-market credit	●	●
<b>Currencies</b>		
EUR vs. USD	●	●
USD vs. JPY	●	●
EUR vs. JPY	●	●
EUR vs. GBP	●	●
GBP vs. USD	●	●
USD vs. CNY	●	●

Sectors	1 to 3 months <sup>1</sup>
Consumer staples	●
Healthcare	●
Communication services	●
Utilities	●
Consumer discretionary	●
Energy	●
Financials	●
Industrials	●
Information technology	●
Materials	●
Real estate	●
<b>Style</b>	
U.S. small caps <sup>2</sup>	●
European small caps <sup>3</sup>	●

<sup>1</sup> Relative to the MSCI AC World Index<sup>2</sup> Relative to the S&P 500<sup>3</sup> Relative to the Stoxx Europe 600<sup>4</sup> Spread over German Bunds in basis points

All opinions and claims are based upon data on 8/1/2019 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Alternative investments may be speculative and involve significant risks including illiquidity, heightened potential for loss and lack of transparency. Alternatives are not suitable for all clients. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Source: DWS Investment GmbH

## ALTERNATIVES

Alternatives	1 to 3 months	until June 2020
Infrastructure (listed)	●	●
Commodities <sup>1</sup>	●	●
Real estate (listed)	●	●
Real estate (non-listed) APAC	●	●
Real estate (non-listed) Europe	●	●
Real estate (non-listed) United States	●	●
Oil (WTI)	●	●
Gold	●	●

## LEGEND

## Tactical view (1 to 3 months)

– The focus of our tactical view for fixed income is on trends in bond prices.

- ● Positive view
- ● Neutral view
- ● Negative view

## Strategic view until June 2020

– The focus of our strategic view for sovereign bonds is on bond prices.

– For corporates, securitized/specialties and emerging-market bonds in U.S. dollars, the signals depict the option-adjusted spread over U.S. Treasuries. For bonds denominated in euros, the illustration depicts the spread in comparison with German Bunds. Both spread and sovereign-bond-yield trends influence the bond value. For investors seeking to profit only from spread trends, a hedge against changing interest rates may be a consideration.

– The colors illustrate the return opportunities for long-only investors.

- ● Positive return potential for long-only investors
- ● Limited return opportunity as well as downside risk
- ● Negative return potential for long-only investors

## GLOSSARY

## Basis point

One **basis point** equals 1/100 of a percentage point.

## Bloomberg Commodity Index

The **Bloomberg Commodity Index (BCOM)** traces 23 commodities and reflects commodity futures price movements.

## Brexit

**Brexit** is a combination of the words "Britain" and "Exit" and describes the exit of the United Kingdom of the European Union.

## Bunds

**Bunds** is a commonly used term for bonds issued by the German federal government with a maturity of 10 years.

## CAC 40

The **CAC 40** is a French stock-market index, representing the 40 most significant values among the 100 companies with the highest market cap on the Euronext Paris.

## Carry (of an asset)

The **carry (of an asset)** is the cost or benefit from holding the asset.

## Central bank

A **central bank** manages a state's currency, money supply and interest rates.

## Chinese yuan (CNY)

The **Chinese yuan (CNY)** is legal tender on the Chinese mainland and the unit of account of the currency, Renminbi (RMB).

## Credit market

The **credit market** is the market for corporate bonds

## Developed Markets (DM)

A **developed market (DM)** is a country fully developed in terms of its economy and capital markets.

## Dividend

A **dividend** is a distribution of a portion of a company's earnings to its shareholders.

<sup>1</sup> Relative to the Bloomberg Commodity Index

All opinions and claims are based upon data on 8/1/2019 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Alternative investments may be speculative and involve significant risks including illiquidity, heightened potential for loss and lack of transparency. Alternatives are not suitable for all clients. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Investments come with risk. The value of an investment can fall as well as rise and your capital may be at risk. You might not get back the amount originally invested at any point in time. Source: DWS Investment GmbH

## GLOSSARY

### Duration

**Duration** is a measure expressed in years that adds and weights the time periods in which a bond returns cash to its holder. It is used to calculate a bond's sensitivity towards interest-rate changes.

### Emerging markets (EM)

**Emerging markets (EM)** are economies not yet fully developed in terms of, amongst others, market efficiency and liquidity.

### Equity market

A **market** in which **equities** (stocks) are traded. The term can be used to refer to an actual market (e.g. the New York Stock Exchange) or to general trends in equity trading. Equities are securities which certify rights of ownership of (parts of ) a company.

### Euro (EUR)

The **euro (EUR)** is the common currency of states participating in the Economic and Monetary Union and is the second most held reserve currency in the world after the dollar.

### European Central Bank (ECB)

The **European Central Bank (ECB)** is the central bank for the Eurozone.

### Eurozone

The **Eurozone** is formed of 19 European Union member states that have adopted the euro as their common currency and sole legal tender.

### Financial crisis

The **financial crisis** refers to the period of market turmoil that started in 2007 and worsened sharply in 2008 with the collapse of Lehman Brothers.

**Gilts** are bonds that are issued by the British Government.

### Hard currency

A **hard currency** is any globally traded currency that is considered as historically stable and can be exchanged easily.

### Hedging Costs

**Hedging costs** are similar to an insurance premium paid for not being exposed to price movements of certain financial assets. The premium paid for an option is a typical cost of hedging.

### High Yield (HY)

**High-yield** bonds are issued by below-investment-grade-rated issuers and usually offer a relatively high yield.

### Idiosyncratic risk

**Idiosyncratic risk** is a risk which is related solely to the individual company and has no correlation with the general market risk.

### Inflation

**Inflation** is the rate at which the general level of prices for goods and services is rising and, subsequently, purchasing power is falling.

### Investment grade (IG)

**Investment grade (IG)** refers to a credit rating from a rating agency that indicates that a bond has a relatively low risk of default.

### Japanese yen (JPY)

The **Japanese yen (JPY)** is the official currency of Japan.

### JGB

**Japanese Government Bond (JGB)** is issued by the government of Japan.

### Monetary easing

**Monetary easing** includes measures such as lowering interest rates, implemented by Central Banks with the aim of facilitating GDP growth or inflation.

### Monetary policy

**Monetary policy** focuses on controlling the supply of money with the ulterior motive of price stability, reducing unemployment, boosting growth, etc. (depending on the central bank's mandate).

### Pound sterling (GBP)

The **pound sterling (GBP)**, or simply the pound, is the official currency of the United Kingdom and its territories.

### Recession

A **recession** is, technically, when an economy contracts for two successive quarters but is often used in a looser way to indicate declining output.

### Sovereign bonds

**Sovereign bonds** are bonds issued by governments.

### Treasuries

**Treasuries** are fixed-interest U.S. government debt securities with different maturities: Treasury bills (1 year maximum), Treasury notes (2 to 10 years), Treasury bonds (20 to 30 years) and Treasury Inflation Protected Securities (TIPS) (5, 10 and 30 years).

### U.S. dollar (USD)

The **U.S. dollar (USD)** is the official currency of the United States and its overseas territories.

### U.S. Federal Reserve (Fed)

The **U.S. Federal Reserve**, often referred to as "**the Fed**", is the central bank of the United States.

### Valuation

**Valuation** attempts to quantify the attractiveness of an asset, for example through looking at a firm's stock price in relation to its earnings.

### Volatility

**Volatility** is the degree of variation of a trading-price series over time. It can be used as a measure of an asset's risk.

### West Texas Intermediate (WTI)

**West Texas Intermediate (WTI)** is a grade of crude oil used as a benchmark in oil pricing.

### Yield

**Yield** is the income return on an investment referring to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

## APPENDIX: PERFORMANCE OVER THE PAST 5 YEARS (12-MONTH PERIODS)

	07/14 - 07/15	07/15 - 07/16	07/16 - 07/17	07/17 - 07/18	07/18 - 07/19
S&P 500	11.2%	5.6%	16.0%	16.2%	9.2%
Stoxx Europe 600	20.0%	-10.6%	14.3%	6.8%	2.2%
Euro Stoxx 50	17.0%	-13.1%	19.8%	4.8%	2.3%
Dax	20.2%	-8.6%	17.2%	5.7%	-5.1%
Swiss Market Index	15.6%	-10.7%	15.1%	4.8%	11.4%
FTSE 100	2.0%	0.4%	9.6%	5.1%	-1.3%
MSCI Emerging Market Index	-13.4%	-0.8%	24.8%	4.4%	-1.6%
MSCI AC Asia ex Japan Index	-6.3%	-1.5%	27.3%	5.2%	-2.3%
MSCI Japan Index	8.2%	-3.5%	14.2%	8.8%	-3.9%
MSCI ACWI World Consumer Staples	5.5%	6.0%	2.9%	-1.3%	6.6%
MSCI ACWI World Health Care Index	18.4%	-4.9%	3.3%	9.0%	2.2%
MSCI ACWI Communication Services	-4.8%	0.7%	-2.7%	-8.3%	9.9%
MSCI ACWI Utilities Index	-6.4%	7.2%	1.7%	-0.4%	8.6%
MSCI ACWI Consumer Discretionary Index	9.0%	-3.4%	14.3%	12.7%	3.1%
MSCI World Energy Index	-30.2%	-5.6%	2.5%	18.6%	-14.7%
MSCI ACWI Financials Index	-1.1%	-12.6%	28.2%	3.3%	-3.9%
MSCI ACWI Industrials Index	-2.6%	2.7%	16.0%	7.0%	0.6%
MSCI ACWI Information Technology Index	5.0%	6.5%	30.2%	21.0%	11.2%
MSCI ACWI Materials Index	-20.2%	1.5%	19.5%	8.4%	-6.8%
MSCI ACWI Real Estate Index	-2.0%	8.9%	-0.8%	-0.4%	7.5%
Russell 2000	12.0%	0.0%	18.5%	18.7%	-3.8%
STOXX Europe Small 200	22.4%	-8.2%	18.8%	10.2%	-1.1%
U.S. Treasuries (2-year)	1.0%	1.2%	0.1%	-0.2%	4.0%
U.S. Treasuries (10-year)	5.3%	8.0%	-3.8%	-2.7%	10.4%
U.S. Treasuries (30-year)	9.8%	17.0%	-9.5%	-1.0%	13.1%
UK Gilts (10-year)	7.5%	11.8%	-1.4%	-0.1%	7.7%
Italy (10-year)	7.8%	7.4%	-3.4%	-2.4%	13.0%
Spain (10-year)	6.7%	9.5%	-0.5%	3.3%	10.1%
German Bunds (2-year)	0.3%	0.3%	-0.6%	-0.6%	-0.2%
German Bunds (10-year)	5.3%	7.3%	-3.8%	1.9%	7.2%
German Bunds (30-year)	13.5%	17.4%	-11.8%	4.7%	16.3%
Japanese government bonds (2-year)	0.3%	0.4%	-0.5%	-0.1%	0.0%
Japanese government bonds (10-year)	2.0%	5.2%	-2.1%	0.5%	2.1%
U.S. investment grade	1.6%	8.3%	1.3%	-0.7%	9.8%
U.S. high yield	0.4%	5.0%	10.9%	2.6%	6.8%
Euro investment grade	2.4%	5.6%	0.3%	0.6%	5.9%
Euro high yield	3.8%	3.7%	8.1%	1.6%	4.1%
Asia credit	4.0%	8.6%	2.2%	-0.5%	9.8%
EM Credit	1.6%	7.6%	6.1%	0.3%	10.4%
EM Sovereigns	0.6%	11.2%	5.0%	0.1%	10.9%
Covered bonds	3.2%	3.6%	-1.4%	0.7%	4.0%
U.S. mortgage-backed securities	3.5%	3.9%	0.2%	-0.4%	6.7%
German Bunds (20-year)	13.0%	17.3%	-15.3%	2.1%	13.1%
Greece government bonds (30-year)	-30.5%	22.4%	23.6%	26.2%	33.7%
CAC 40	23.5%	-9.3%	18.5%	11.7%	3.5%

Past performance is not indicative of future returns.

Sources: Bloomberg Finance L.P., DWS Investment GmbH as of 8/1/19

## IMPORTANT INFORMATION: EMEA

The following document is intended as marketing communication.

DWS is the brand name under which DWS Group GmbH & Co. KGaA and its subsidiaries operate their business activities. Clients will be provided DWS products or services by one or more legal entities that will be identified to clients pursuant to the contracts, agreements, offering materials or other documentation relevant to such products or services.

The information contained in this document does not constitute investment advice.

All statements of opinion reflect the current assessment of DWS Investment GmbH and are subject to change without notice.

Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions and hypothetical performance analysis, therefore actual results may vary, perhaps materially, from the results contained here.

Past performance, [actual or simulated], is not a reliable indication of future performance.

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 and the information contained herein may only be distributed and published in jurisdictions in which such distribution and publication is permissible in accordance with applicable law in those jurisdictions. Direct or indirect distribution of this document is prohibited in the USA as well as to or for the account of US persons and persons residing in the USA.

DWS Investment GmbH 2019

## IMPORTANT INFORMATION: UK

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

DWS is the brand name of DWS Group GmbH & Co. KGaA. 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 is a financial promotion and is for general information purposes only and consequently may not be complete or accurate for your specific purposes. It is not intended to be an offer or solicitation, advice or recommendation, or the basis for any contract to purchase or sell any security, or other instrument, or for DWS to enter into or arrange any type of transaction as a consequence of any information contained herein. It has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor.

This document does not identify all the risks (direct and indirect) or other considerations which might be material to you when entering into a transaction. 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 suitability and appropriate, in light of their particular investment needs, objectives and financial circumstances. We assume no responsibility to advise the recipients of this document with regard to changes in our views.

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 and it should not be relied on as such. 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.

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 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 NO GUARANTEE OF FUTURE RESULTS.

© DWS 2019

Publisher: DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany



## IMPORTANT INFORMATION – APAC

DWS is the brand name of DWS Group GmbH & Co. KGaA. 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 Group GmbH & Co. KGaA, its affiliated companies and its officers and employees (collectively “DWS Group”) 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 Group, 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.

DWS Group does not give tax or legal advice. Investors should seek advice from their own tax experts and lawyers, in considering investments and strategies suggested by DWS Group. Investments with DWS Group are not guaranteed, unless specified.

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 the 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 the transaction and not the summary contained herein. Past performance is no guarantee of current or future performance. Nothing contained herein shall constitute any representation or warranty as to future performance.

Although the information herein has been obtained from sources believed to be reliable, DWS Group does not guarantee its accuracy, completeness or fairness. No liability for any error or omission is accepted by DWS Group. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid. All third party data (such as MSCI, S&P, Dow Jones, FTSE, Bank of America Merrill Lynch, Factset & Bloomberg) are copyrighted by and proprietary to the provider. DWS Group 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.

The document was not produced, reviewed or edited by any research department within DWS Group 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 DWS Group departments including research departments. This document may contain 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 material. 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 Group as to the reasonableness or completeness of such forward looking statements or to any other financial information contained herein.

This document may not be reproduced or circulated without DWS Group’s 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 Group 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.

Unless notified to the contrary in a particular case, investment instruments are not insured by the Federal Deposit Insurance Corporation (“FDIC”) or any other governmental entity, and are not guaranteed by or obligations of DWS Group.

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.

© 2019 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.

© 2019 DWS Investments Singapore Limited

Publisher: DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany