



DWS INVESTOR UPDATE

Frankfurt, December 10, 2019



AGENDA



- 01** DWS Strategy
- 02** Financial Performance
- 03** Investment Group
- 04** Distribution
- 05** Operating Platform
- 06** Closing
- 07** Q&A



01

DWS STRATEGY

Dr Asoka Woehrmann, Chief Executive Officer



RECAP – 2019

It has been a successful year

KEY ACHIEVEMENTS



Products

- Outperformance of Flagships & targeted strategies
- Increase in number of funds rated 4/5 stars by MS
- Product innovation & ESG



Flows

- Flow turnaround
FY 2018: €(22)bn
9M 2019: €13bn
- Positive net flows in all three regions
- Driven by targeted strategies & solutions



Financials

- Cost measures on track
- AuM increased from markets & net flows
- Profitability substantially improved



External recognition

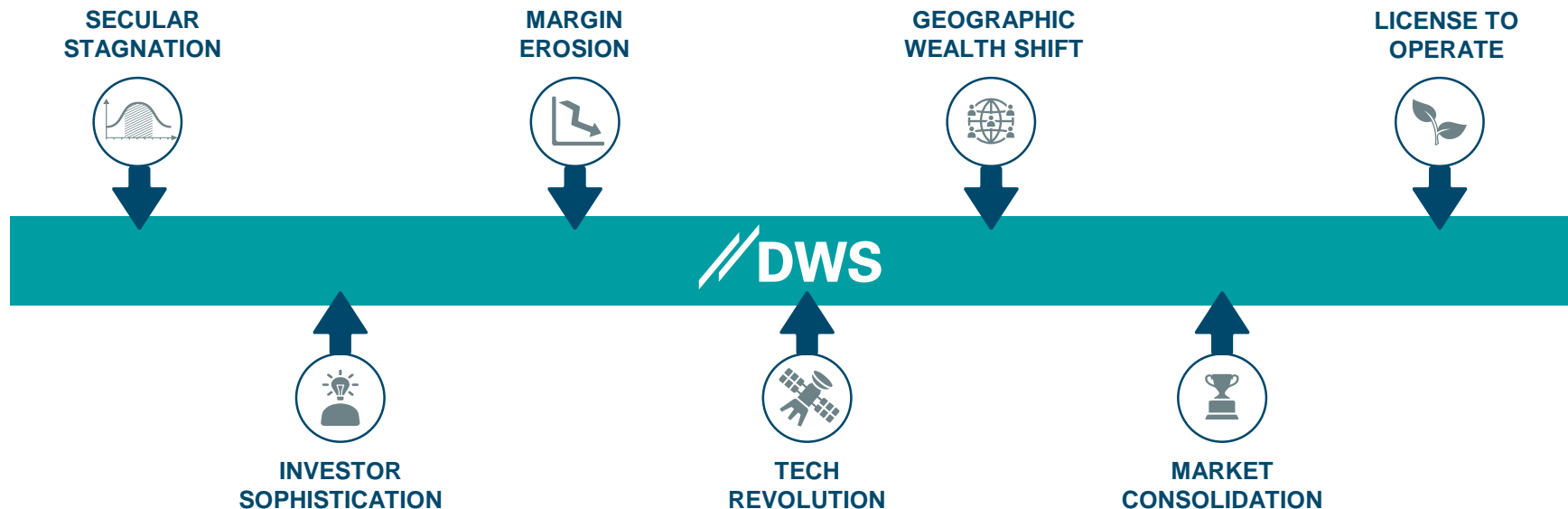
- Top ESG rating from UNPRI
- Increasing awareness of DWS as independent fiduciary
- Continuous progress in delivery against promises

» 2019 targets all on track

INDUSTRY VIEW – PUSH OUT OF THE COMFORT ZONE



The Asset Management environment is becoming more challenging



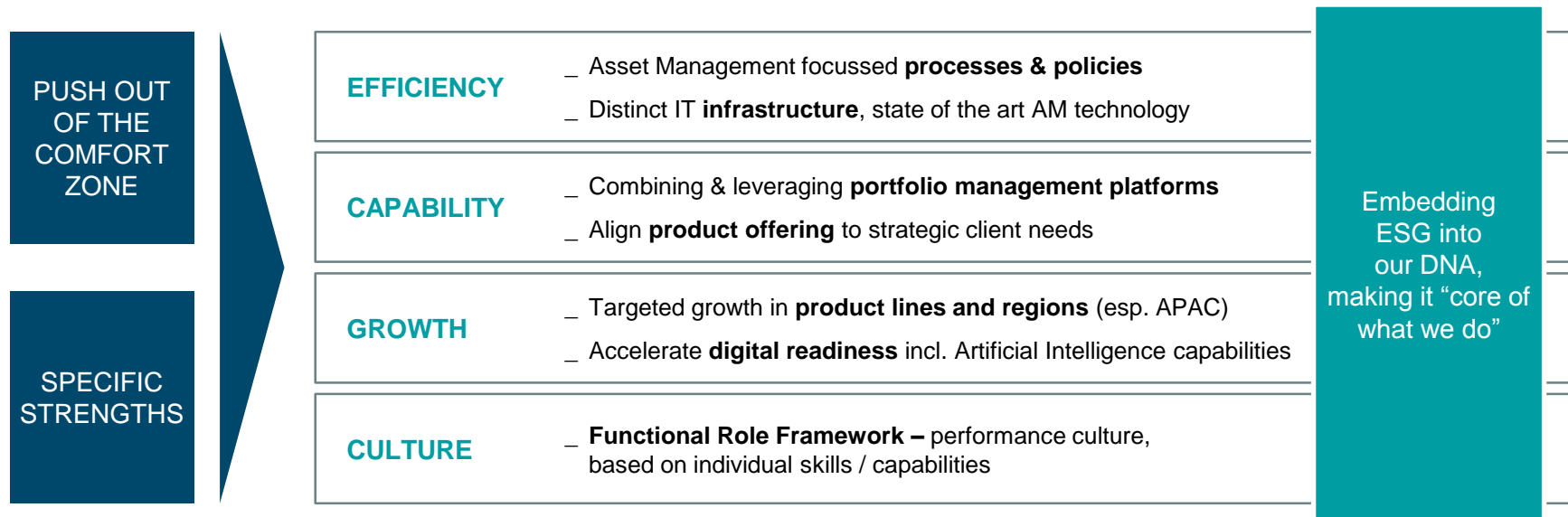
» Change of tides requires reshaping of strategic priorities

INDUSTRY CHALLENGES + DWS STRENGTHS = NEW ERA



Strategic priorities aimed at becoming a modern asset manager

STRATEGIC PRIORITIES

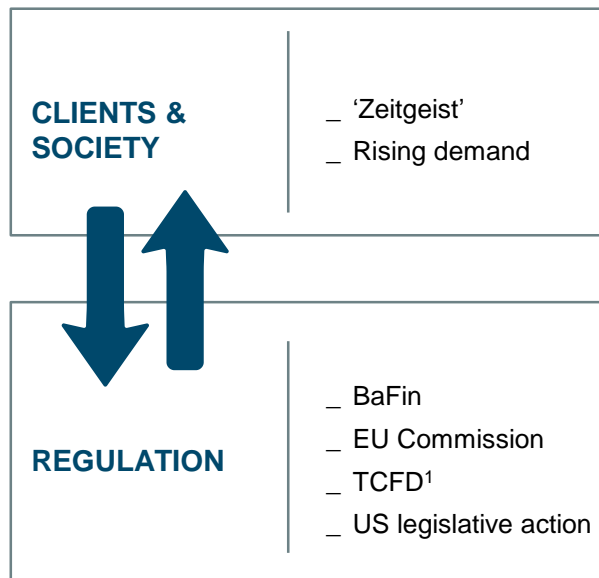


MAKING ESG THE CORE OF WHAT WE DO



Leading the coherent implementation of ESG in both fiduciary & corporate activities

ESG ACCELERATORS



NEED FOR STRATEGIC RESPONSE



¹ Task Force on Climate-related Financial Disclosure

BECOMING LEADING ESG-INTEGRATED AM



DWS ready to define a new level of ESG – retaining the license to operate

OUR OBJECTIVES

- New **organisational set-up**, making ESG the highest management priority
- **Smart integration** of ESG criteria into the investment process
- Leading ESG **product offering** along client needs
- Integrate ESG standards in **corporate processes**

INCREASE IN ECONOMIC VALUE

Protect asset base

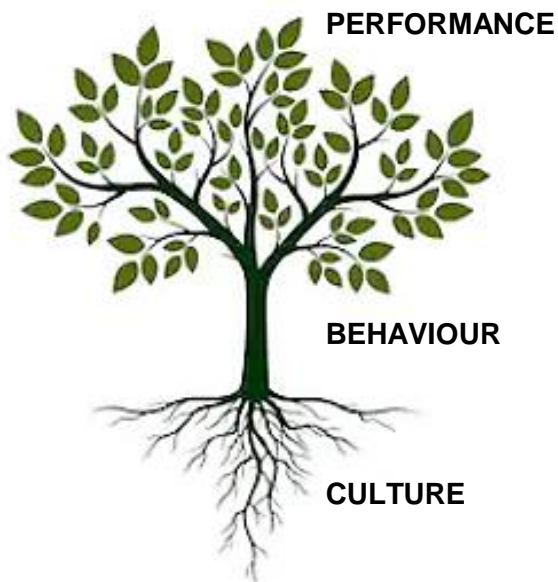
Participate in global demand

EMPLOYEES – OUR KEY ASSET



Unlocking full potential by focusing on functional roles & contribution

CULTURE DRIVES PERFORMANCE



SCOPE

ACTIONS

- _ Remove corporate titles
- _ Reduce hierarchical layers
- _ Increase competitiveness regarding brand image and compensation
- _ Timeline targeted for mid 2020

OUTPUT

- _ Focus on performance culture and entrepreneurship
- _ More innovative, client-centric organisation
- _ Delivery against our targets

02





FINANCIAL PERFORMANCE

Claire Peel, Chief Financial Officer






DWS IS GROWING SUSTAINABLY AND STEADILY IN 2019



		9M 2019	9M 2018	CHANGE vs 9M 2018	
	Strong AuM growth	€752bn	€692bn	↑	€61bn 9%
	Positive Net Flows	€12.9bn	€(15.4)bn	↑	€28bn
	Stable adjusted Revenues	€1,702m	€1,710m	≡	€(8)m (0)%
	Reduced adjusted Costs	€1,194m	€1,244m	↓	€51m (4)%
	Lower adjusted Cost Income Ratio	70.1%	72.8%	↓	(2.6)ppt
	Increased adjusted Profit Before Tax	€508m	€465m	↑	€43m 9%

ON TRACK TO REACH FY 2019 TARGETS AS COMMITTED



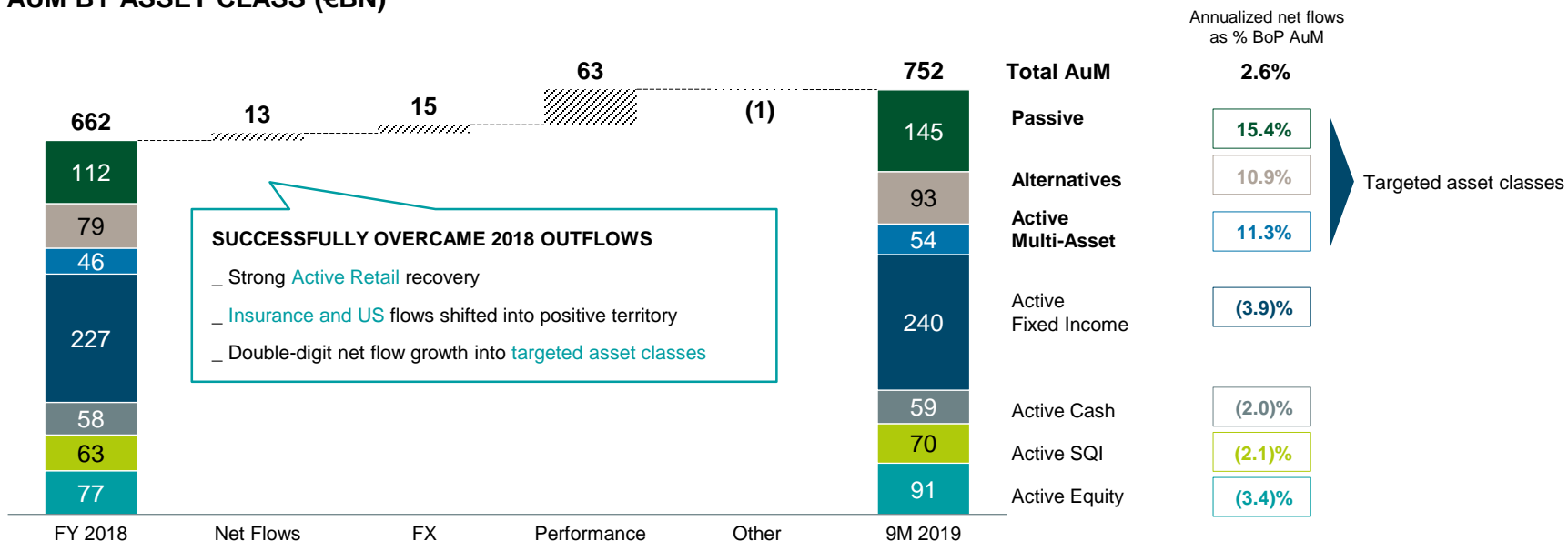
TARGETS	2019	9M 2019	STATUS	2021
 Adjusted CIR	~70% (assuming flat revenues yoy)	70.1%	On track ✓	<65%
 Net flows (% of BoP AuM)	Outperform industry	2.6%	On track ✓	3-5% (on average ¹)
 Dividend payout ratio	65% to 75%		On track ✓	65% to 75%

¹ Annual flows could be volatile depending on market circumstances

STRONG GROWTH INTO TARGETED ASSET CLASSES

Total AuM has risen by ~€90bn year-to-date, driven by market performance, positive FX movements and net inflows into targeted asset classes

AUM BY ASSET CLASS (€BN)



STRATEGIC PRIORITIES REFLECTED IN 9M 2019 INFLOWS

Targeted asset classes are key flow drivers, supported by partnerships and ESG

TARGETED ASSET CLASSES



€13bn into **PASSIVE**, outpacing FY 2018 inflows



€6bn across **ALTERNATIVES**, up more than five-fold from FY 2018



€4bn into **ACTIVE MULTI-ASSET**, reversing 2018 outflows

STRATEGIC THEMES



€4bn from **STRATEGIC PARTNERSHIPS**



€2bn into **ESG** themed products

Ambition to outperform
the AM industry in 2019

Medium-term target:

3-5% net flows
(% of BoP AuM on average¹)

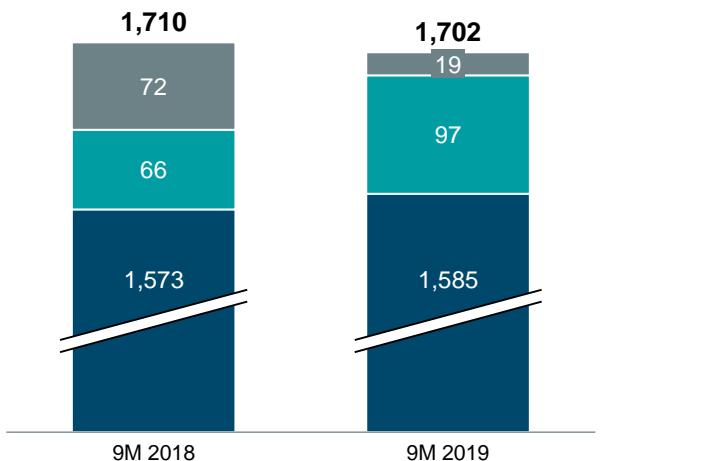
¹ Annual flows could be volatile depending on market circumstances

STABLE REVENUES IN LINE WITH 2019 EXPECTATIONS



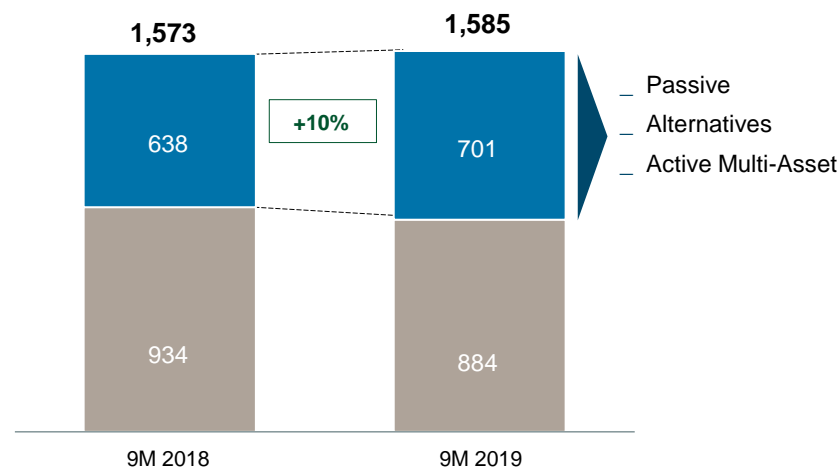
Total adjusted revenues have remained stable in spite of broader AM industry pressures, reflecting the benefits of having a diversified business model

ADJUSTED REVENUES (€M)



■ Other revenues ■ Management fees and other recurring revenues
■ Performance and transaction fees

MANAGEMENT FEES (€M)

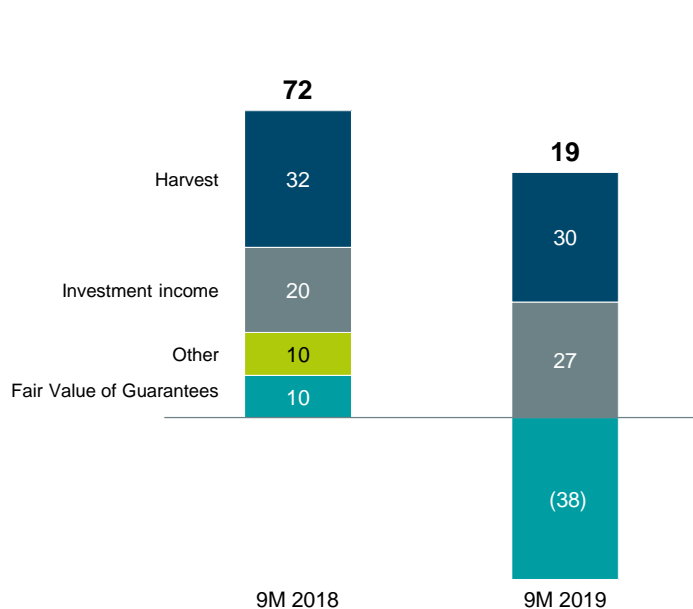


■ Targeted asset classes ■ Other asset classes

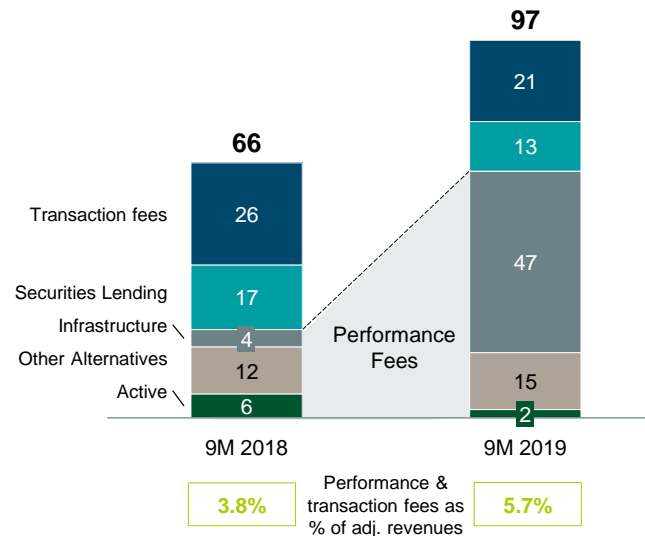
BREAKING DOWN THE REVENUE COMPOSITION

Challenging market environment significantly impacts other revenues, while Alternatives investments are driving higher performance fees

OTHER REVENUES (€M)



PERFORMANCE & TRANSACTION FEES (€M)



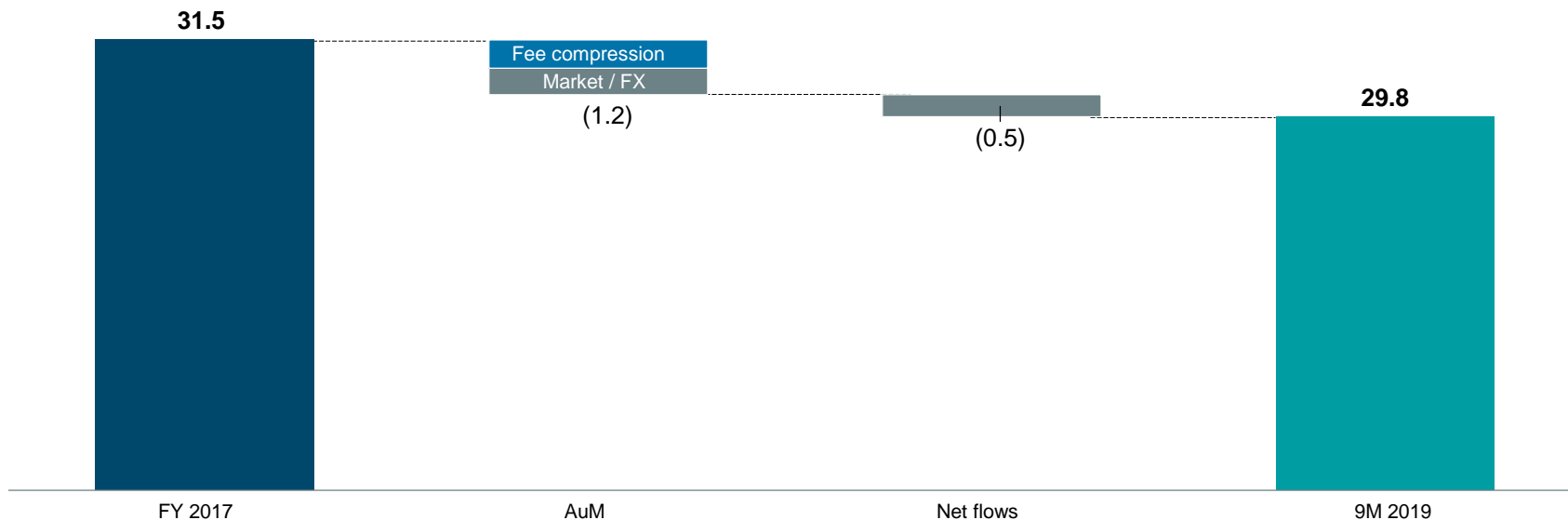
➤ Expect 3-5% of adjusted revenues from performance and transaction fees in the medium term

MANAGEMENT FEE MARGIN DEVELOPMENT



Increasing pressure primarily from non-controllable effects relating to incumbent assets

CHANGE IN MANAGEMENT FEE MARGIN (BPS)

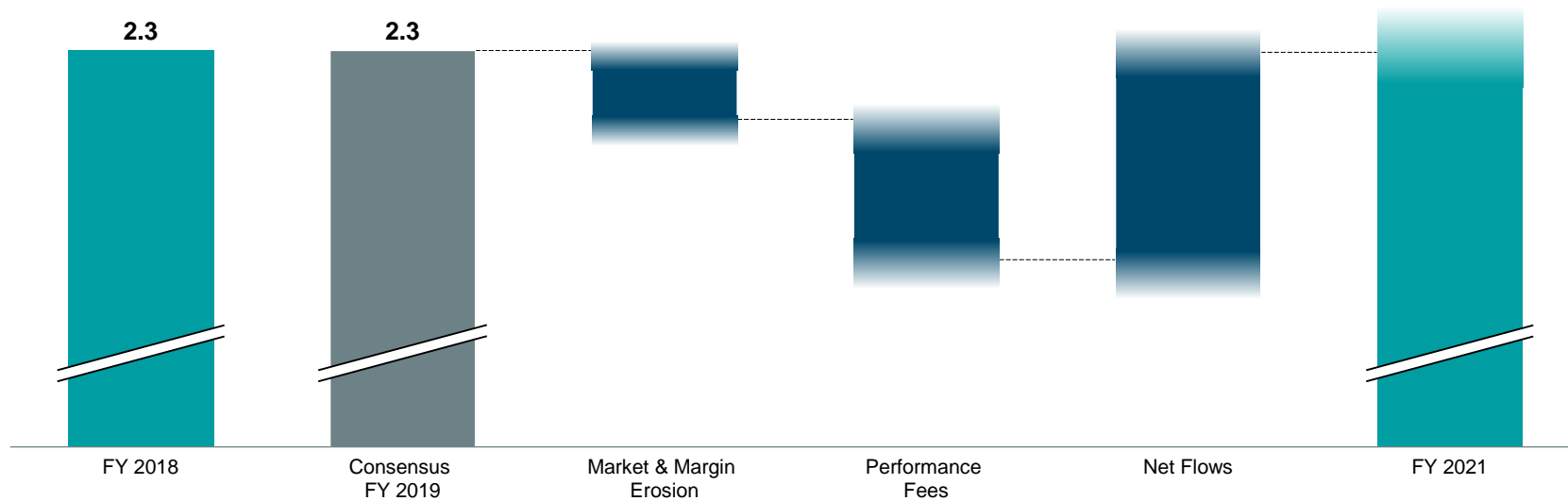


DWS REVENUE PROJECTION



Net flows will be fundamental to support revenue development

TOTAL ADJUSTED REVENUES (€BN)

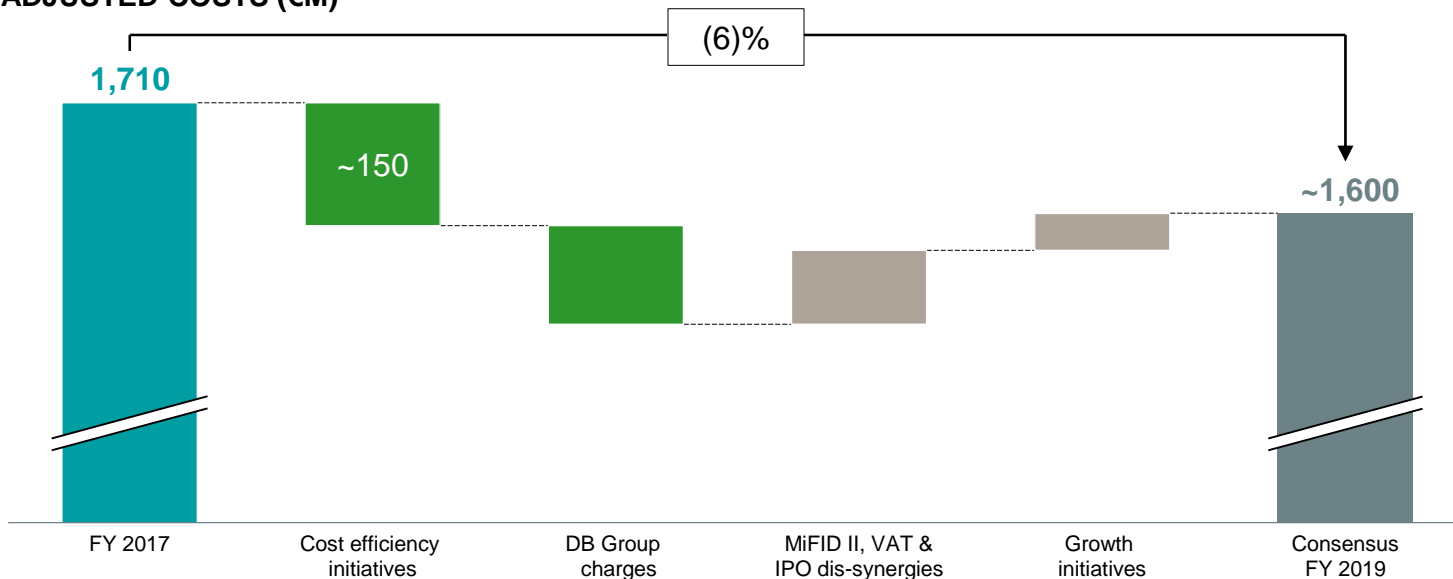


EFFICIENCY EFFORTS UNDERPIN COST REDUCTIONS



Total adjusted costs have fallen significantly since 2017

TOTAL ADJUSTED COSTS (€M)

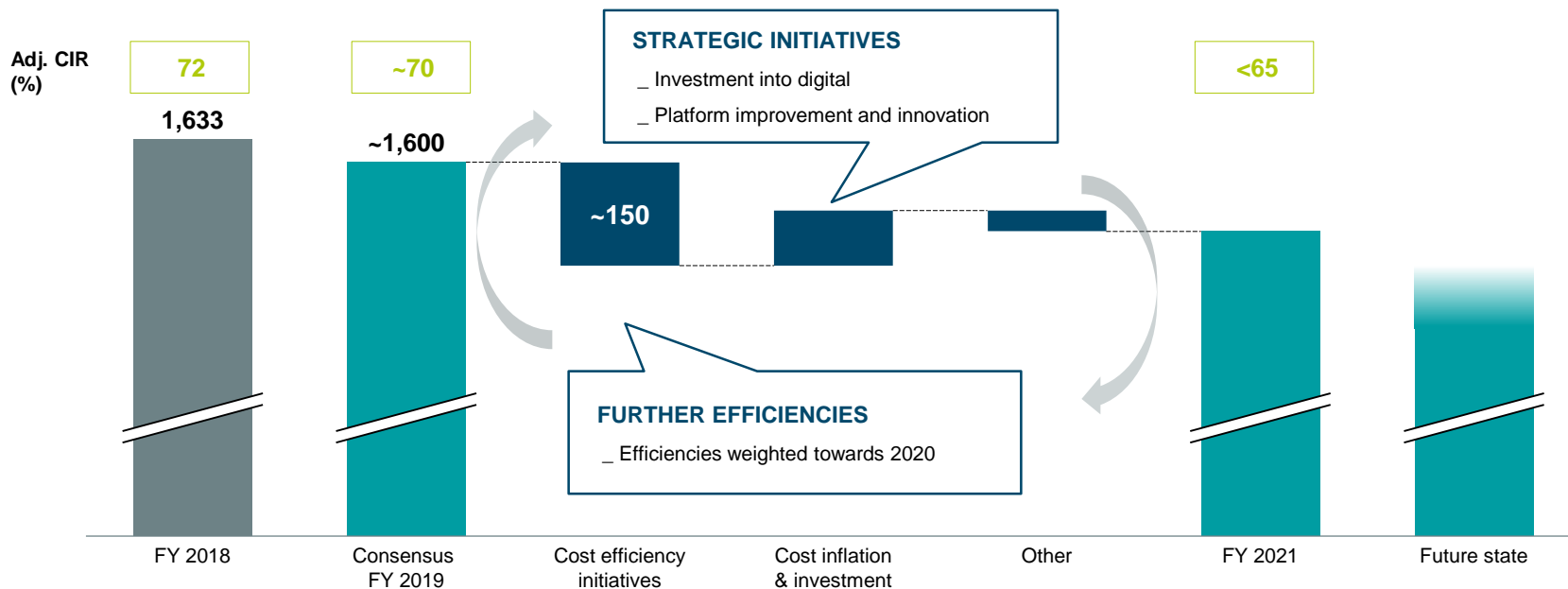


DWS COST DEVELOPMENT OUTLOOK






Identified further cost measures to reach adjusted CIR target of <65% by 2021

ADJUSTED COSTS (€M)



MEDIUM-TERM TARGETS



TARGETS	2019	2021
 <p>Adjusted CIR</p>	~70% (assuming yoy flat revenues)	<65%
 <p>Net flows (% of BoP AuM)</p>	Outperform industry	3% to 5% (on average ¹)
 <p>Dividend payout ratio</p>	65% to 75%	65% to 75%

¹ Annual flows could be volatile depending on market circumstances



03

INVESTMENT GROUP

Stefan Kreuzkamp, Chief Investment Officer



INVESTMENT PLATFORM SUPPORTS TARGETED GROWTH AREAS

PLATFORM



Alignment of
investment
capabilities

PERFORMANCE



Superior
product
quality

PRODUCT



Focus on
innovations &
efficiencies

PROCESS



Smart
integration of
ESG aspects

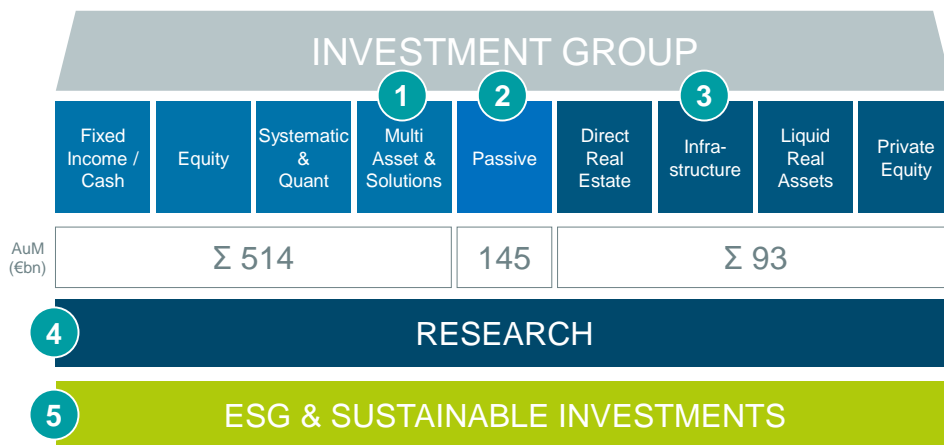
INVESTMENT PLATFORM



Investment capabilities aligned to capture growth in targeted asset classes

ONE GLOBAL PORTFOLIO MANAGEMENT PLATFORM

€752bn AuM ~900 Investment & Research Professionals



FURTHER PROGRESS:

- MULTI-ASSET & SOLUTIONS**
 Combining & strengthening Multi-Asset & Solutions (Advisory) capabilities
- PASSIVE INVESTING**
 Full integration of Indexing capabilities into the investment platform
- ALTERNATIVES**
 Strong investment into Real Estate, Infrastructure & Private Equity capabilities
- RESEARCH HOUSE**
 Investments into 'internal research' to strengthen performance & reduce external costs
- ESG & SUSTAINABLE INVESTMENTS**
 Smart integration of Environmental, Social & Governance aspects into the investment process

Note: All figures as of Sep 30, 2019

PERFORMANCE

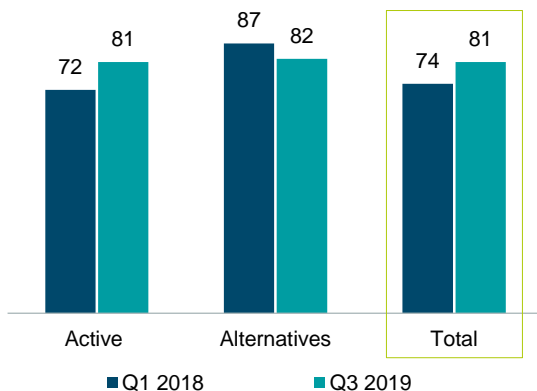


Strong investment performance across all asset classes drives growth

OUTPERFORMANCE RATIO

↑ 81%

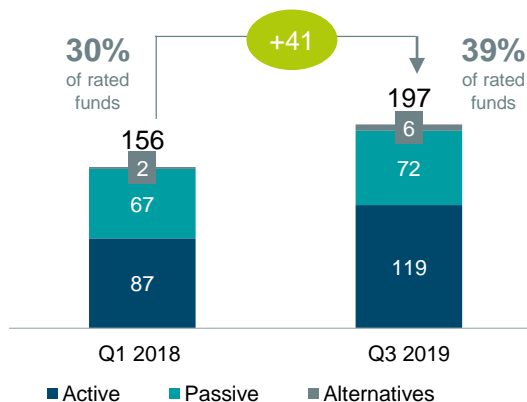
of AuM outperforming 3y-benchmarks¹



OF 4 & 5 MS STAR FUNDS

↑ 197

Funds with 4&5 MS stars²



TOP RATED STRATEGIES

Fixed Income	DWS INVEST ASIAN BONDS MS-Rating™ ★★★★★
Equity	DWS SMART INDUSTRIAL TECHNOLOGY MS-Rating™ ★★★★★
Multi-Asset	DWS DYNAMIC OPPORTUNITIES MS-Rating™ ★★★★★
Passive	24 XTRACKERS ETFS MS-Rating™ ★★★★★
Real Estate	RREEF AMERICA II Top quartile ODCE ³ performance (10-year)
Infra-structure	PAN-EUROPEAN INFRASTRUCTURE Top quartile performance of its vintage (2006) ⁴

Note: All figures as of Sep 30, 2019 ¹ Aggregate asset-weighted gross outperformance of Active & Alternative (ex Passive) products that have benchmark spreads available over respective periods as of Sep 30, 2019 ² Morningstar (as of Sep 30, 2019) ³ Sources: DWS and NCREIF. Based on NCREIF Q3 2019 fund manager rankings which includes 13 funds over the 10-year period. Past performance is not indicative of future results ⁴ Preqin, external Alternative Investment portal as of 30 June 2019. The data is produced by Preqin based on historic performance of PEIF, compared to all regions Infrastructure funds of a 2006 vintage

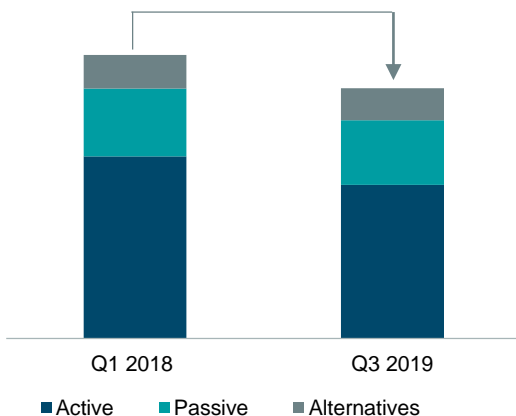
PRODUCT

Streamlining product range & increased focus on innovation



PRODUCT RATIONALIZATION

(12)% ↓
of mutual funds Q3 2019 vs Q1 2018



PRODUCT INNOVATION

AuM¹ Σ **6.6** €bn ↑

Passive	<ul style="list-style-type: none"> Xtrackers MSCI USA ESG Leaders Equity Xtrackers Artificial Intelligence and Big Data
Active	<ul style="list-style-type: none"> DWS Invest SDG Global Equities DWS Invest CROCI Intellectual Capital
Alternatives	<ul style="list-style-type: none"> DWS European Direct Lending Fund Rated Infrastructure Notes II

WHAT'S NEXT?

INTELLIGENT BETA

- Research enhanced indices
- Hybrid mandates (synthetic & physical)

EFFICIENT ALPHA

- Quant-driven Active

SUPER ACTIVE

- Thematics, Total Return MA

360° ALTERNATIVES

- Diversified Alternative Credit
- Real Estate & Infrastructure Debt



ESG aspects across all asset classes embedded into product innovation

Note: All figures as of Sep 30, 2019 ¹ Asset under Management of mutual funds launched since IPO (Q1 2018)

PROCESS

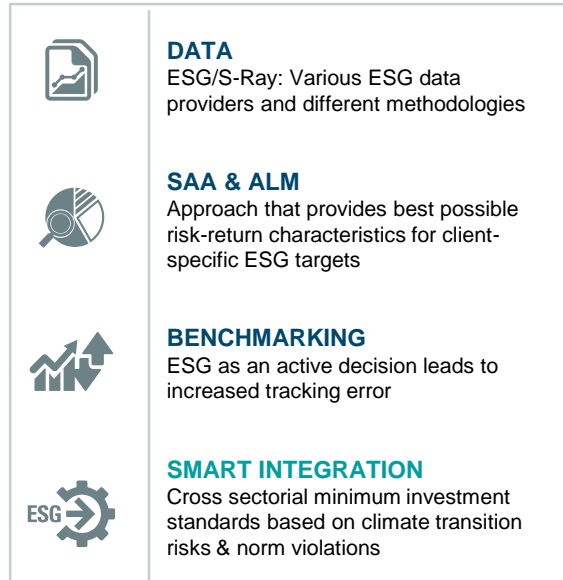
Smart integration of ESG criteria into the investment process



REGULATORY PERSPECTIVE



PROCESS PERSPECTIVE



PRODUCT PERSPECTIVE



¹ Task Force on Climate-related Financial Disclosures. ² Example: ESG Disclosure Simplification Act of 2019

04

DISTRIBUTION










Dirk Goergen, Head of EMEA Coverage

'TRUE NORTH' TRANSFORMATION PROGRAM



Three building blocks to unlock the full potential of Coverage EMEA

EXTERNAL FACTORS

-  Search for yield
-  'Fridays for future'
-  Customized solutions
-  Margin pressure
-  Late cycle environment
-  Negative interest rates
-  Digital first
-  Switch to Passive
-  Regulatory burden

FOCUS

Strategic Partners
'Thematic Landscape'



INNOVATION

Thought Leadership
Digital Distribution



DELIVERY

Organisation
Culture

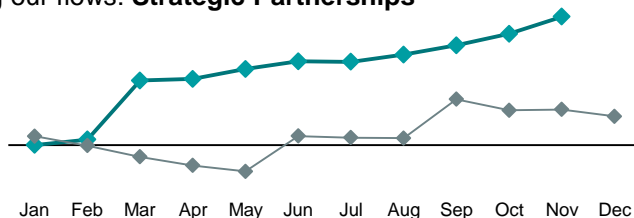


I FOCUS

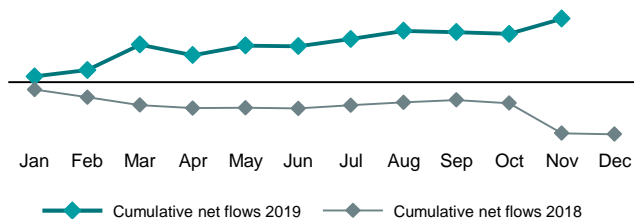
Dialogue with clear focus on Strategic Partnerships and 'Thematic Landscape'

STRATEGIC DIALOGUE / CLIENT COVERAGE

Driving our flows: **Strategic Partnerships**

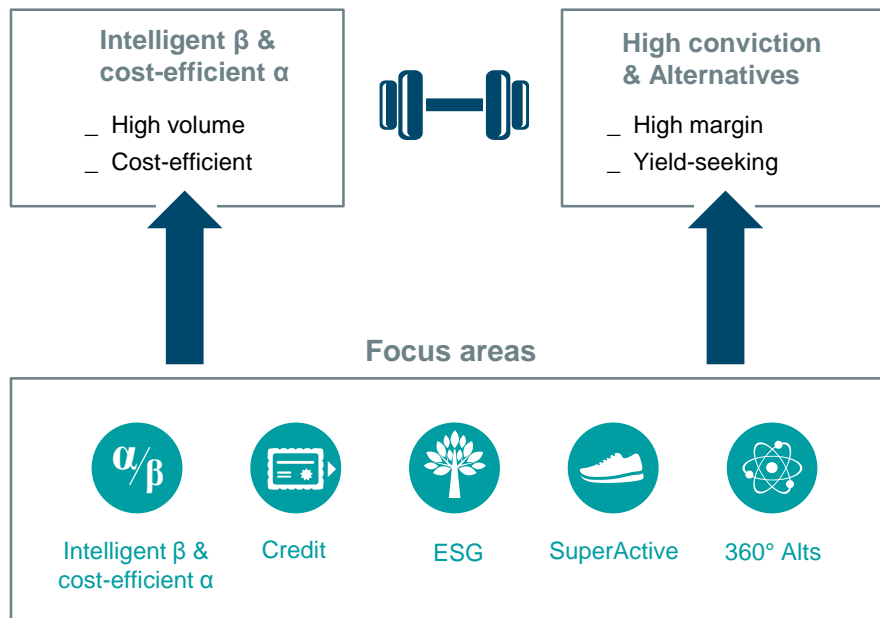


Turn-around story: **Insurance coverage**



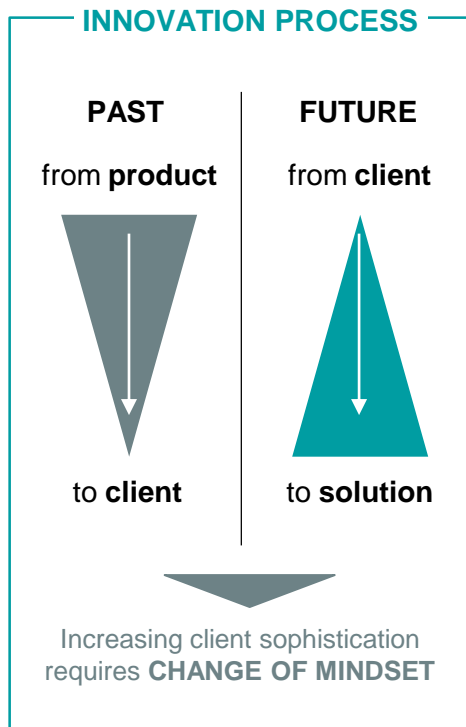
Note: Net flows as of Q3 2019, including Q4 as of November 2019, Insurance data incl. Passive reallocations

'THEMATIC LANDSCAPE' / CLIENT NEEDS



II INNOVATION

Shift of mindset - Bringing together client demand and DWS' capabilities



CASE STUDIES: BLUEPRINT FOR WAY FORWARD

DIRECT LENDING

MATCHING CLIENT DEMAND FOR COMBINING HIGHER YIELD AND INCOME IN FIXED INCOME

MATCHING CLIENT DEMAND

- _ Bank origination & underwriting
- _ 30+ years experience in corp. credit
- _ Structural protection & less sensitive
- _ Attractive return profile

INNOVATIVE PRODUCT SOLUTION

- _ Fees above target margin
- _ Building track record in high-growth market
- _ Utilizing the barbell
- _ Structure as blueprint

DIGITAL

RESOLVE HIGH COMPLEXITY FOR CLIENTS OPERATING IN THE UNIT-LINKED BUSINESS

MATCHING CLIENT DEMAND

- _ Unit linked (UL) underlined by manual processes
- _ Reduce liability demand
- _ Cost-efficient setup for regulatory burden
- _ Digital post-sales monitoring, reporting

INNOVATIVE DIGITAL DISTRIBUTION

- _ New digital customized UL offering
- _ Software-as-a-service, service fees
- _ Insourcing assets with trailer-fees
- _ Blueprint for growing demand worldwide

Deep-dive on next page

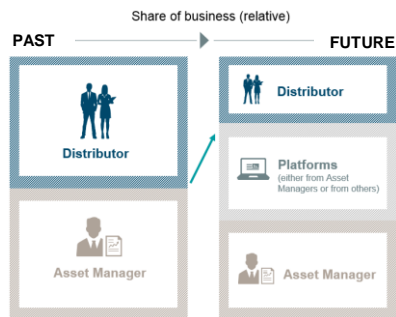
II INNOVATION

Platforms are key to the future of distribution

AM WORLD IS CHANGING

Rising importance of Digitalization

- _ Distribution in the future is significantly tech-based
- _ Distributors will outsource part of their value chain
- _ Forward integration into client's value chain is key to establish sticky relation



DWS FUND PLATFORM IN PROMISING POSITION

Fund Platform capabilities creates a favorable position

- _ Multi-channel compatibility enables to serve both B2B & B2B2C
- _ Client richness with ~1.4m clients and in terms of AuA ranked #5 in Europe
- _ Already digitalized front-end reduces future costs & time
- _ In-house development capabilities in-place to drive transformation

Next steps for fully digitalized platform

- _ Develop general Application Programming Interface (API) readiness and automated interfaces
- _ Ensure 3rd party readiness through platform opening
- _ Full reflection of client needs through partner co-development
- _ Digital value added services

TARGET SEGMENTS

Unit-linked insurance

**Retail segment:
IFA Pools & Banks**

**Institutional segment:
Corporate & Pensions**

III DELIVERY



Changes implemented to 'Win as One Team'

ORGANIZATION / 'WHAT'

CLIENT CENTRIC

- _ Empowerment of regional heads
- _ Integrate investment specialists and RfP team
- _ Ambassador of the client

ACCOUNTABLE

- _ Reduce layers & duplications
- _ Switch resources to focus areas
- _ Clear KPI set

CULTURE / 'HOW'

TEAM SPIRIT

- _ Performance culture
- _ Celebrate success
- _ Enable and upskill
- _ Coaching & learning organisation

Win As One Team

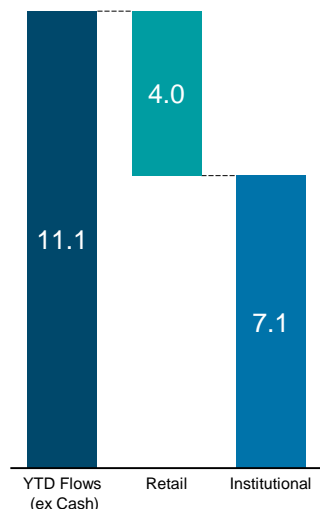
2019 RESULTS - SUSTAINABILITY OF FLOWS



Targeted asset classes with consistently positive flows YTD

9M 2019 EMEA FLOWS

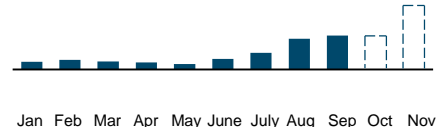
In €bn



SMART RETENTION

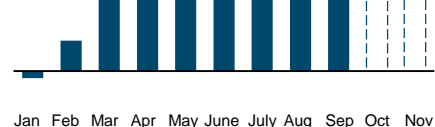
CUMULATIVE DEVELOPMENT OF NET FLOWS IN 2019 (EMEA)

ACTIVE MULTI-ASSET



SuperActive

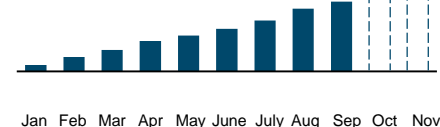
PASSIVE



Intelligent Beta & Efficient Alpha

ESG

ALTERNATIVES



360° Alternatives

Note: Net flows as of Q3 2019, including Q4 as of November 2019

05

OPERATING PLATFORM

Mark Cullen, Chief Operating Officer



COST TARGETS DELIVERED & ADJUSTED CIR ON TRACK

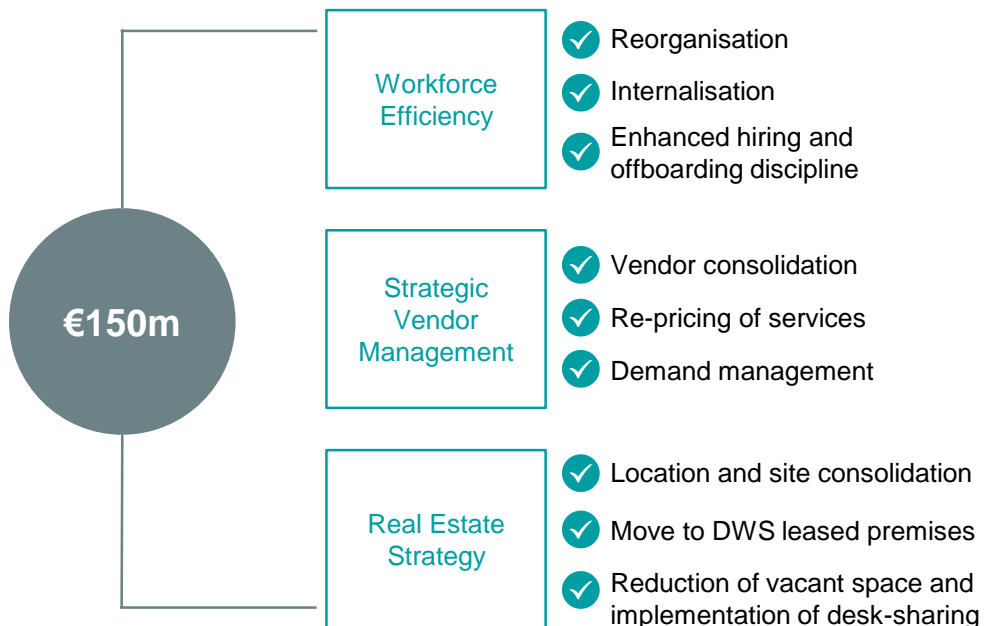


Action across cost drivers

KEY ACHIEVEMENTS

- ✓ Active workforce management
- ✓ Vendor spend reduction
- ✓ Real estate rationalisation

BREAKDOWN

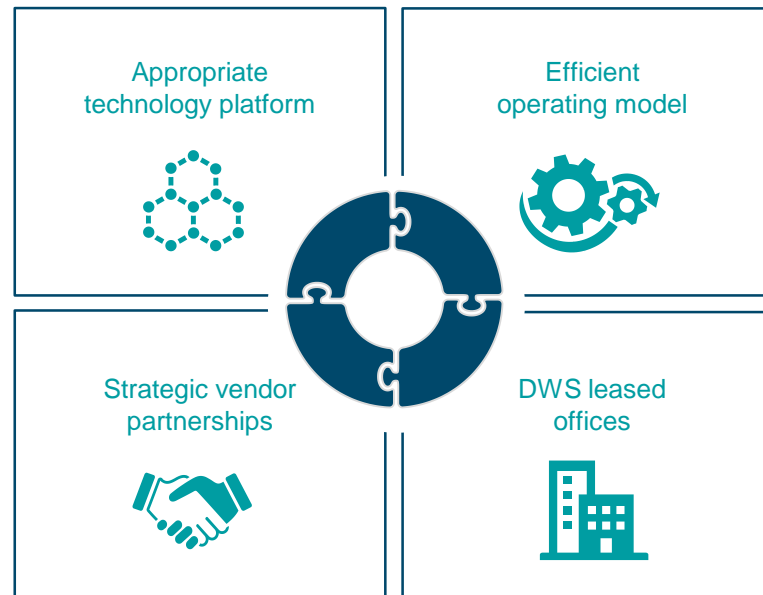


BUILDING BLOCKS ON THE WAY TO A STANDALONE ASSET MANAGER



TARGET – ‘STATE OF THE ART’

- _ Asset Managers owned by financial institutions with strong investment banking arms typically operate with a higher CIR compared to separately listed AMs
- _ Cost disadvantage more pronounced in infrastructure and support services
- _ Continued focus from 2020 onwards to build an autonomous DWS
- _ Undertake four core capability enhancements to build a standalone technology and infrastructure model that delivers sustainable CIR, supports commercial success and drives agility



EFFICIENT OPERATING MODEL

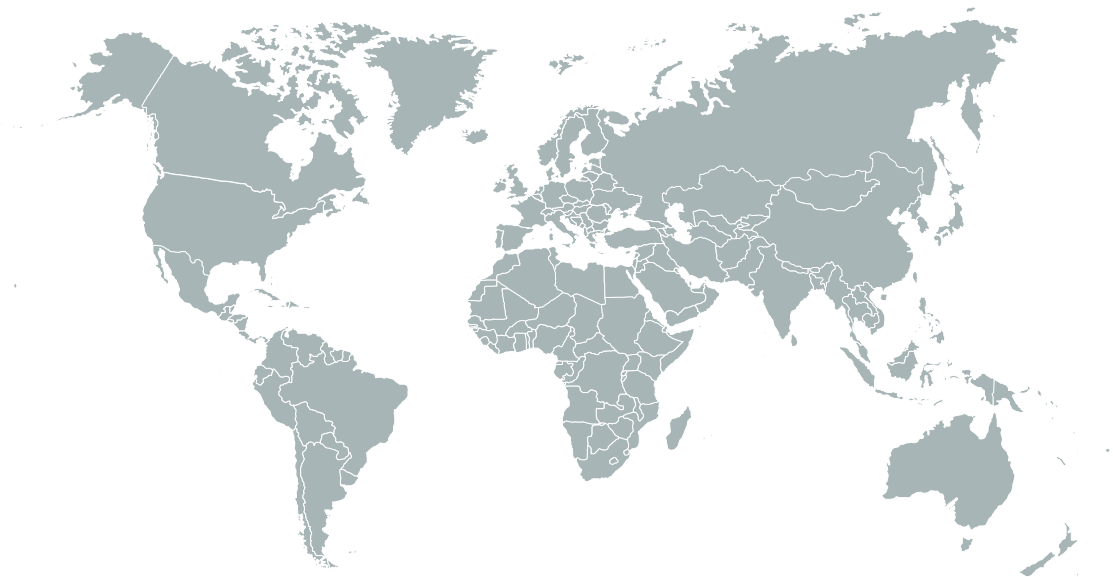
Continued focus on organisational efficiency



TARGET STATE

Organisational efficiency achieved through:

- _ Adoption of functional role framework
- _ Improvement in internal to external staff ratios through internalization and workforce management
- _ Automation of manual processes through implementation of bots



DWS - LEASED OFFICES



Continue to build our own identity and drive costs down through an effective DWS real estate strategy

TARGET STATE

Cost reduction across the real estate platform through:

- _ Move to DWS premises
- _ Optimising solutions for smaller locations including promoting flexible working to foster more productivity and reduce space
- _ Application of DWS Real Estate Principles including sustainable choices



STRATEGIC VENDOR PARTNERSHIPS

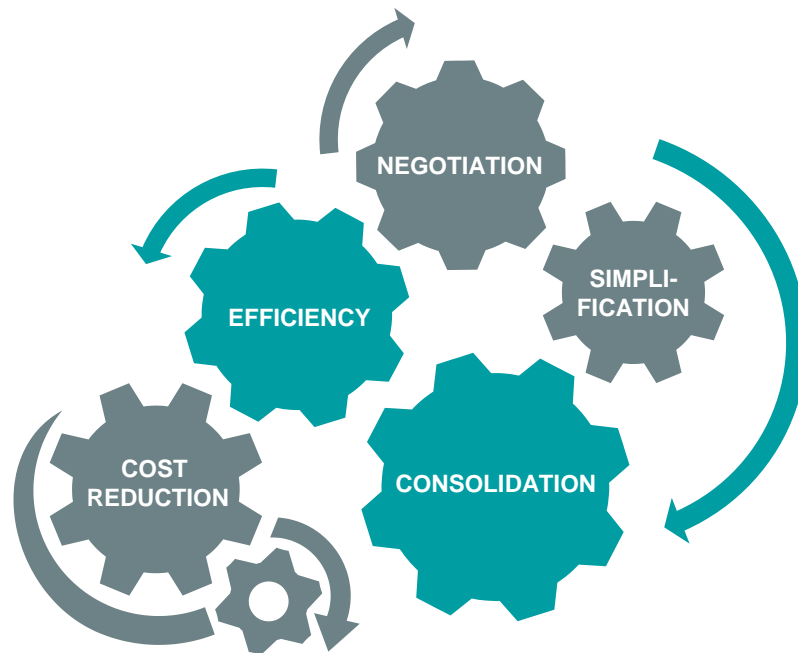
Cost transparency as a basis for better decisions



TARGET STATE

Evergreen programme to build strategic vendor partnerships and internal capability through:

- _ Simplification of the vendor landscape to achieve a more efficient model at a lower cost
- _ Transparency of service consumption and unit price allowing for effective contract negotiation
- _ Consolidation of vendors across the asset management lifecycle
- _ Insourcing of vendor services where commercially beneficial



RELIANCE ON DB SERVICES - JOURNEY TO STANDALONE



PRE IPO



- _ Integration within DB Group's technology, operations and control environment



IPO Q1 2018



- _ Legal entity separation formulated in Relationship Agreement
- _ Service relationship detailed in Master Services Agreement

//DWS



2019



- _ Continued insourcing of services from DB group
- _ Accelerated cost reduction through strategic vendor management

//DWS



FUTURE STATE



Infrastructure platform transformation

//DWS



Relative scale of DWS operating autonomy

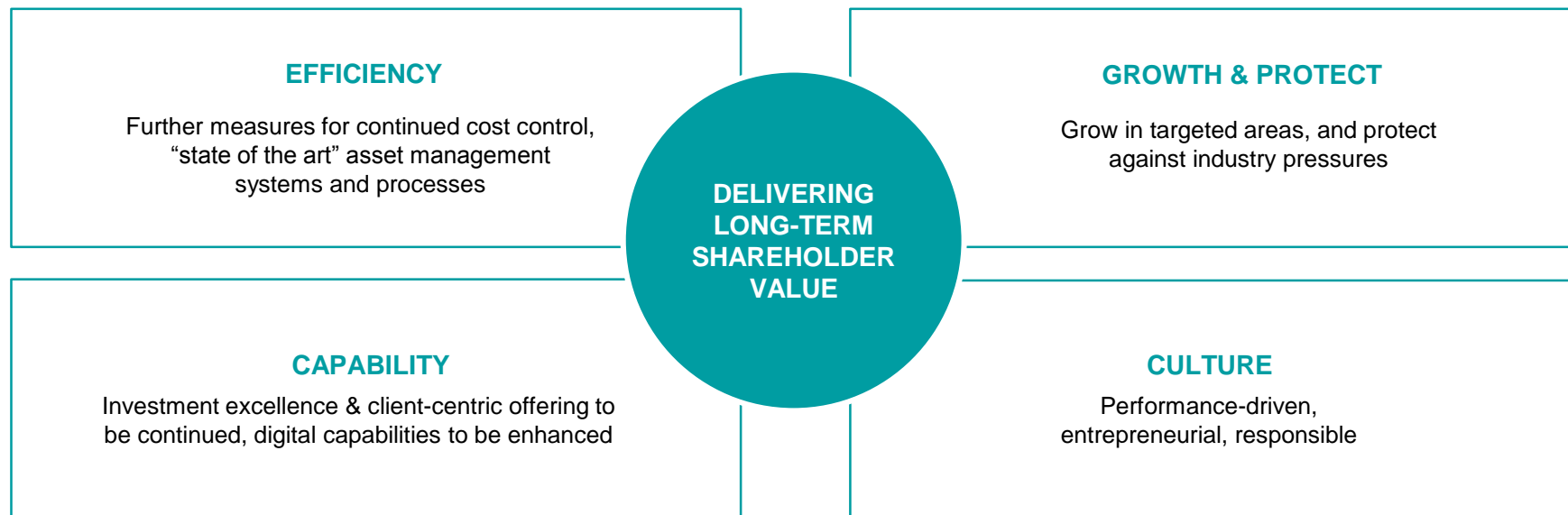
06

CLOSING

Dr Asoka Woehrmann, Chief Executive Officer



DWS IS STRONGLY POSITIONED FOR SUCCESS IN 2020 AND BEYOND



Next phase to standalone asset manager



**WE ARE
INVESTORS**

**ENTRUSTED TO BUILD
THE BEST FOUNDATION
FOR OUR CLIENTS' FUTURE**

07

Q&A



SOFTWARE CODE

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ACCESS GRANTED

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CAUTIONARY STATEMENTS



This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States, in APAC and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.

This presentation is available at <https://group.dws.com/ir/reports-and-events/events>.