

DWS Investment S.A.

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# DWS Emerging Markets Bonds (Short)

Annual Report 2019

Investment Fund Organized under Luxembourg Law





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for the period from January 1, 2019, through December 31, 2019

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# General information

The fund described in this report is subject to the laws of Luxembourg.

## Performance

The investment return, or performance, of a mutual fund investment is measured by the change in value of the fund's units. The net asset values per unit (= redemption prices) with the addition of intervening distributions which are, for example, reinvested free of charge within the scope of investment accounts at DWS Investment S.A., are used as the basis for calculating the value. Past performance is not a guide to future results.

The corresponding benchmark – if available – is also presented in the report. All financial data in this publication is as of **December 31, 2019** (unless otherwise stated).

## Sales prospectuses

Fund units are purchased on the basis of the current sales prospectus and management regulations as well as the key investor information document, in combination with the latest audited annual report and any semiannual report that is more recent than the latest annual report.

## Issue and redemption prices

The current issue and redemption prices and all other information for unitholders may be requested at any time at the registered office of the Management Company and from the paying agents. In addition, the issue and redemption prices are published in every country of distribution through appropriate media (such as the Internet, electronic information systems, newspapers, etc.).

## Events after the reporting date / Coronavirus crisis (COVID-19)

The COVID-19 coronavirus has spread since January 2020 and has subsequently led to a serious economic crisis, the specific effects of which on the economy, individual markets and sectors cannot currently be reliably estimated yet due to the high degree of uncertainty. In light of this, the Management Company of the fund, following discussions with the major service providers, is satisfied that the measures taken and the business continuity plans put in place will curb the currently foreseeable or ongoing operational risks and will ensure that the activities of the fund are not disrupted. The outbreak and the evolution of the global spread of the virus (COVID-19) have, however, led to a situation whereby the possible effects in 2020 are fraught with uncertainty and cannot be conclusively assessed at the time of preparing this annual report. The Management Company is taking all measures deemed appropriate to protect investor interests to the greatest possible extent.

# Annual report and annual financial statements

# Annual report

## DWS Emerging Markets Bonds (Short)

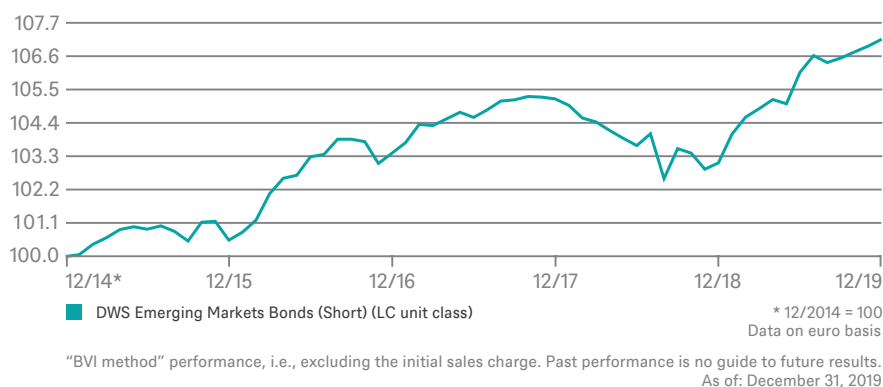
### Investment objective and performance in the reporting period

The fund DWS Emerging Markets Bonds (Short) seeks to achieve sustained capital appreciation. To this end, it invests in interest-bearing securities, money market instruments, derivatives and liquid assets. It invests at least 70% of its assets worldwide in interest-bearing securities from the emerging markets with a term of 5 years or less. Up to 30% of the fund's assets may be invested in other interest-bearing securities and in money market instruments and liquid assets. The duration of the fund's assets shall not exceed 3 years on average. Up to 30% of the net assets may be invested in interest-bearing securities from issuers that do not have an investment-grade rating at the time of acquisition\*. At least 90% of the net assets are denominated in euro or hedged against the euro. The fund may acquire derivatives for investment and hedging purposes.

The investment climate in the reporting period was characterized by continued very low and sometimes negative interest rates in the industrial countries and volatility in the capital markets. Alongside the high level of indebtedness worldwide as well as uncertainty regarding the monetary policy of the central banks, political issues such as the Middle East, Hong Kong and the looming "Brexit" increasingly became the focus of market participants' attention. Global economic growth

### DWS EMERGING MARKETS BONDS (SHORT)

#### Five-year performance



### DWS EMERGING MARKETS BONDS (SHORT)

#### Performance of unit classes (in euro)

Unit class	ISIN	1 year	3 years	5 years
Class LC	LU0599900635	4.0%	3.6%	7.2%
Class FC	LU1572390158	4.1%	3.4% <sup>1</sup>	–
Class RC	LU1623919500	4.4%	3.6% <sup>1</sup>	–
Class RD	LU1623919765	4.4%	3.6% <sup>1</sup>	–
Class TFC	LU1673815459	4.1%	2.1% <sup>1</sup>	–
Class TFD	LU1673815889	4.2%	2.3% <sup>1</sup>	–

<sup>1</sup> Class FC launched on March 10, 2017 / Classes RC and RD launched on July 3, 2017 / Classes TFC and TFD launched on January 2, 2018

"BVI method" performance, i.e., excluding the initial sales charge. Past performance is no guide to future results.

As of: December 31, 2019

proved robust, although its pace did slow considerably during the reporting period. Against this challenging backdrop, DWS Emerging Markets Bonds (Short) achieved an appreciation of 4.0% per unit (LC unit class, in euro; BVI method) in the fiscal year 2019.

### Investment policy in the reporting period

In 2019, the performance of the emerging market bond markets was at times noticeably hampered by the trade conflict between the United States and China, but also by local political uncertainties, among

other issues. Nevertheless, yields declined in the reporting period overall – albeit unevenly and to varying degrees – amid fluctuations, accompanied by increased bond prices. This was boosted by the progress made in the trade discussions between the United States and China and by the reduction in interest rate pressure from the U.S. This was due to the overall falling U.S. bond yields and the interest rate cuts by the U.S. Federal Reserve, which following a three-year cycle of interest rate hikes, had cut U.S. key interest rates by a total of three-quarters of

a percentage point to a range of 1.50%-1.75% p.a. at the end of July 2019, on September 18, 2019, and on October 30, 2019. In accordance with the investment concept, the portfolio management continued to invest in bonds with short to medium terms to maturity, which meant that it was possible to limit the risk of changes in interest rates and default risks. In terms of issuer structure, it invested in government bonds as well as corporate bonds (including those of near-government issuers) from the emerging markets. The portfolio was broadly diversified in regional terms. In the selection of securities, the management favored issues with investment-grade status (most recently around 74% of the fund's assets), i.e., interest bearing securities with a rating of BBB- or higher by the leading rating agencies. With this orientation, the fund participated in higher interest rates than comparable interest-bearing securities from the industrial countries and in price increases in the bond markets of the emerging countries, which was accompanied by a decline in bond yields.

The bonds in the fund had an average yield of 1.6% p.a.\*\* as of the end of December 2019, compared with 3.4% p.a.\*\* a year earlier. This also reflects the drop in yields and the reduction of risk premiums and the related price increases for emerging market bonds. The average term to maturity stood at 2.6 years as of the reporting date.

The composition of the fund at the end of the reporting period is shown in the following statement of net assets.

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\* Further details are provided in the current sales prospectus.

\*\* Average yield of the fund's investments as of the reporting date. This can differ from the nominal yield of the interest-bearing instruments held in the portfolio. The future performance of the fund cannot be derived from this.

The format used for complete dates in security names in the investment portfolio is "day/month/year".

# Annual financial statements

## DWS Emerging Markets Bonds (Short)

### Statement of net assets as of December 31, 2019

	Amount in EUR	% of net assets
<b>I. Assets</b>		
<b>1. Bonds (issuers):</b>		
Other financing institutions	25 171 571.75	34.64
Institutions	16 533 439.78	22.75
Companies	15 710 203.91	21.62
Central governments	11 993 517.72	16.50
<b>Total bonds:</b>	<b>69 408 733.16</b>	<b>95.51</b>
<b>2. Derivatives</b>	<b>242 085.06</b>	<b>0.33</b>
<b>3. Cash at bank</b>	<b>2 218 825.43</b>	<b>3.05</b>
<b>4. Other assets</b>	<b>787 881.41</b>	<b>1.08</b>
<b>5. Receivables from unit certificate transactions</b>	<b>54 826.12</b>	<b>0.08</b>
<b>II. Liabilities</b>		
<b>1. Other liabilities</b>	<b>-36 868.53</b>	<b>-0.05</b>
<b>2. Liabilities from share certificate transactions</b>	<b>-837.04</b>	<b>0.00</b>
<b>III. Net assets</b>	<b>72 674 645.61</b>	<b>100.00</b>

Negligible rounding errors may have arisen due to the rounding of calculated percentages.



## DWS Emerging Markets Bonds (Short)

### Investment portfolio – December 31, 2019

Security name	Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets
<b>Securities traded on an exchange</b>						<b>68 736 636.19</b>	<b>94.58</b>
<b>Interest-bearing securities</b>							
3.8750 % Arcelik 14/16.09.21 (XS1109959467)	EUR	1 000	500		% 104.4420	1 044 420.00	1.44
5.6250 % Banque Centrale de Tunisie 17/17.02.24 (XS1567439689)	EUR	400	400		% 99.6085	398 434.00	0.55
3.3750 % Bharti Airtel Int. (Netherlands) 14/20.05.21 Reg S (XS1028954953)	EUR	500			% 103.9085	519 542.50	0.71
4.8750 % Bulgarian Energy Holding EAD 16/02.08.21 Reg S (XS1405778041)	EUR	1 200	200	1 000	% 107.1145	1 285 374.00	1.77
0.2120 % China Construction Bank 18/24.09.21 MTN (XS1877506367)	EUR	1 500	1 500		% 100.0110	1 500 165.00	2.06
1.7500 % CNAC (HK) Finbridge 18/14.06.22 (XS1791704189)	EUR	2 000		1 250	% 102.8930	2 057 860.00	2.83
1.8710 % CNRC Capital 16/07.12.21 (XS1525358054)	EUR	1 250		250	% 102.8585	1 285 731.25	1.77
1.7500 % CSSC Capital Two 18/27.09.23 (XS1882616474)	EUR	1 750		250	% 102.9165	1 801 038.75	2.48
1.7500 % Emirates NBD 15/23.03.22 MTN (XS1207079499)	EUR	2 000	2 000		% 103.6310	2 072 620.00	2.85
1.6590 % EP Infrastructure 18/26.04.24 (XS1811024543)	EUR	1 200	1 200		% 102.4520	1 229 424.00	1.69
3.1250 % Gaz Capital/Gazprom 16/17.11.23 LPN Reg S (XS1521039054)	EUR	2 000			% 109.7815	2 195 630.00	3.02
0.1320 % ICBC (Luxembourg Branch) 17/12.10.22 MTN (XS1691909334)	EUR	1 000		1 000	% 99.9810	999 810.00	1.38
2.6250 % Indonesia 16/14.06.23 MTN Reg S (XS1432493879)	EUR	1 750	250	500	% 107.4515	1 880 401.25	2.59
2.1500 % Indonesia 17/18.07.24 MTN Reg S (XS1647481206)	EUR	1 000	1 000		% 106.8885	1 068 885.00	1.47
1.5500 % Kazakhstan 18/09.11.23 Reg S MTN (XS1907130246)	EUR	1 750	1 350		% 104.8250	1 834 437.50	2.52
1.6250 % Mexico 15/06.03.24 MTN (XS1198102052)	EUR	2 000	2 000		% 105.3410	2 106 820.00	2.90
1.3750 % Mexico 16/15.01.25 MTN (XS1511779305)	EUR	500	500		% 104.4155	522 077.50	0.72
2.6250 % MOL Hungarian Oil & Gas 16/28.04.23 (XS1401114811)	EUR	1 000	1 000		% 107.3870	1 073 870.00	1.48
2.7500 % ONGC Videsh 14/15.07.21 Reg S (XS1084958989)	EUR	2 250			% 103.9510	2 338 897.50	3.22
4.7500 % Petrobras Global Finance 14/14.01.25 (XS0982711714)	EUR	700	700		% 115.7020	809 914.00	1.11
2.5000 % Petróleos Mexicanos (PEMEX) 17/21.08.21 MTN (XS1568875444)	EUR	1 750	250		% 102.9850	1 802 237.50	2.48
1.9920 % Petróleos Mexicanos (PEMEX) 18/24.08.23 MTN (XS1824425265)	EUR	1 500		900	% 100.2860	1 504 290.00	2.07
4.6000 % RZD Capital/Russian Railways 14/06.03.23 LPN (XS1041815116)	EUR	1 000	1 000		% 113.8350	1 138 350.00	1.57
2.6250 % Sigma Alimentos 17/07.02.24 Reg S (XS1562623584)	EUR	700	700		% 107.7150	754 005.00	1.04
1.2500 % Teva Pharma. Finance Neth. II 15/31.03.23 (XS1211040917)	EUR	1 000			% 93.4280	934 280.00	1.29
3.2500 % Teva Pharma. Finance Neth. II 18/15.04.22 (XS1812903828)	EUR	750	750		% 101.3750	760 312.50	1.05
6.0000 % Teva Pharma. Finance Neth. II 19/31.01.25 Reg S (XS2083962691)	EUR	270	270		% 105.8815	285 880.05	0.39
1.7000 % Three Gorges Finance II (Cayman) 15/10.06.22 Reg S (XS1117296035)	EUR	1 500	250	500	% 103.7110	1 555 665.00	2.14
1.3000 % Three Gorges FNCE II 17/21.06.24 (XS1577956789)	EUR	250	250		% 103.6190	259 047.50	0.36
2.3750 % Türkiye Vakıflar Bankası 16/04.05.21 MTN PF (XS1403416222)	EUR	2 750	500	500	% 101.0810	2 779 727.50	3.82
3.7500 % Vale 12/10.01.23 (XS0802953165)	EUR	1 750	1 750		% 108.8230	1 904 402.50	2.62
4.0320 % VEB Finance/VEB Bank 13/21.02.23 LPN (XS0893212398)	EUR	2 000		200	% 110.8135	2 216 270.00	3.05
5.3380 % Gaz Capital/Gazprom 13/25.09.20 LPN (XS0974126186)	GBP	1 000		1 000	% 103.0315	1 206 811.13	1.66
5.0000 % Arcelik 13/03.04.23 Reg S (XS0910932788)	USD	750	750		% 102.0765	683 578.51	0.94
5.5000 % Banque ouest Africaine Developm. 16/06.05.21 Reg S (XS1350670839)	USD	2 500		1 250	% 103.8315	2 317 770.88	3.19
4.8750 % Black Sea Trade & Dev. Bank 16/06.05.21 MTN Reg S (XS1405888576)	USD	2 000		1 000	% 102.3315	1 827 429.80	2.51
4.8750 % Comision Federal de Electricidad 11/26.05.21 Reg S (USP30179AJ79)	USD	1 000		1 000	% 103.3575	922 876.02	1.27

## DWS Emerging Markets Bonds (Short)

Security name		Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets
4.1250	% Dev. Bank of Kazakhstan 12/10.12.22 MTN Reg S (XS0860582435) .....	USD	1 750	1 250	1 000	% 104.0535	1 625 908.52	2.24
4.8750	% East.& South.African Trade&Dev.Bk. 19/23.05.24 MTN (XS1827041721) .....	USD	880	880		% 104.3855	820 208.40	1.13
5.3750	% Eastern & Southern Africa 17/14.03.22 MTN (XS1520309839) .....	USD	2 000			% 104.5040	1 866 226.17	2.57
4.7670	% Eurasian Development Bank 12/20.09.22 MTN Reg S (XS0831571434) .....	USD	900			% 104.7770	841 995.62	1.16
2.8946	% Export-Import Bank of India 17/21.08.22 MTN (XS1656195796) .....	USD	2 000		1 250	% 100.0850	1 787 311.93	2.46
2.7985	% Export-Import Bank Thailand 18/20.11.23 MTN (XS1910821682) .....	USD	2 000	1 530		% 100.6415	1 797 249.88	2.47
5.5000	% Namibia 11/03.11.21 Reg S (XS0686701953) .....	USD	1 500	500		% 104.0610	1 393 736.33	1.92
5.6250	% OCP 14/25.04.24 (XS1061043011) .....	USD	500	500		% 110.8150	494 731.91	0.68
3.8750	% Oman 17/08.03.22 Reg S (XS1575874471) ..	USD	2 000	2 000		% 101.5320	1 813 152.37	2.49
4.1250	% Oman 18/17.01.23 Reg S (XS1750113406) ..	USD	1 500	250	630	% 102.5880	1 374 007.77	1.89
3.5732	% QNB Finance 16/19.01.21 MTN (XS1442084122) .....	USD	3 000		400	% 101.1290	2 708 933.43	3.73
3.2637	% QNB Finance 18/31.05.21 MTN (XS1824431313) .....	USD	500		1 250	% 100.5960	449 109.34	0.62
2.9931	% State Bank of India (London Br.) 17/06.04.20 MTN (XS1589358644) .....	USD	500		1 500	% 100.0875	446 839.14	0.61
5.1250	% TC Ziraat Bankasi 17/29.09.23 MTN Reg S (XS1691349010) .....	USD	500	500		% 98.3180	438 939.24	0.60
<b>Securities admitted to or included in organized markets</b>							<b>672 096.97</b>	<b>0.93</b>
<b>Interest-bearing securities</b>								
2.8943	% Tencent Holdings 19/11.04.24 MTN Reg S (US88032XAP96) .....	USD	750	750		% 100.3620	672 096.97	0.93
<b>Total securities portfolio</b>							<b>69 408 733.16</b>	<b>95.51</b>
<b>Derivatives</b>								
Minus signs denote short positions								
<b>Currency derivatives</b>							<b>242 085.06</b>	<b>0.33</b>
<b>Currency futures (short)</b>								
<b>Open positions</b>								
GBP/EUR 1.05 Mio. ....							17 410.03	0.02
USD/EUR 27.00 Mio. ....							224 675.03	0.31
<b>Cash at bank</b>							<b>2 218 825.43</b>	<b>3.05</b>
<b>Demand deposits at Depositary</b>								
EUR deposits. ....		EUR	2 133 083.63		%	100	2 133 083.63	2.94
Deposits in other EU/EEA currencies .....		EUR	48 579.19		%	100	48 579.19	0.07
Deposits in non-EU/EEA currencies								
Chinese yuan renminbi .....		CNY	135 445.45		%	100	17 309.43	0.02
Mexican peso .....		MXN	22.13		%	100	1.05	0.00
U.S. dollar .....		USD	22 232.49		%	100	19 851.32	0.03
South African rand. ....		ZAR	12.72		%	100	0.81	0.00
<b>Other assets</b>							<b>787 881.41</b>	<b>1.08</b>
Interest receivable .....		EUR	787 881.41		%	100	787 881.41	1.08
<b>Receivables from share certificate transactions</b>		EUR	<b>54 826.12</b>		%	<b>100</b>	<b>54 826.12</b>	<b>0.08</b>
<b>Total assets <sup>1</sup></b>							<b>72 712 351.18</b>	<b>100.05</b>

## DWS Emerging Markets Bonds (Short)

Security name	Count/ currency (- / '000)	Quantity/ principal amount	Purchases/ additions in the reporting period	Sales/ disposals	Market price	Total market value in EUR	% of net assets
<b>Other liabilities</b>						<b>-36 868.53</b>	<b>-0.05</b>
Liabilities from cost items .....	EUR	-36 868.53			% 100	-36 868.53	-0.05
<b>Liabilities from share certificate transactions</b>	<b>EUR</b>	<b>-837.04</b>			<b>% 100</b>	<b>-837.04</b>	<b>0.00</b>
<b>Net assets</b>						<b>72 674 645.61</b>	<b>100.00</b>

Net asset value per unit and number of units outstanding	Count/ currency	Net asset value per unit in the respective currency
<b>Net asset value per unit</b>		
Class LC .....	EUR	104.63
Class FC .....	EUR	105.08
Class RC .....	EUR	105.77
Class RD .....	EUR	100.41
Class TFC .....	EUR	102.12
Class TFD .....	EUR	98.91
<b>Number of units outstanding</b>		
Class LC .....	Count	429 888.952
Class FC .....	Count	131 438.458
Class RC .....	Count	115 001.000
Class RD .....	Count	98.000
Class TFC .....	Count	14 080.000
Class TFD .....	Count	2 770.000

Negligible rounding errors may have arisen due to the rounding of calculated percentages.

A list of the transactions completed during the reporting period that no longer appear in the investment portfolio is available free of charge from the Management Company upon request.

### Composition of the reference portfolio (according to CSSF circular 11/512)

BofA Merrill Lynch 1-5 Year Global Emerging Market Sovereign Plus Index

### Market risk exposure (value-at-risk) (according to CSSF circular 11/512)

Lowest market risk exposure .....	%	12.368
Highest market risk exposure .....	%	47.739
Average market risk exposure .....	%	30.258

The values-at-risk were calculated for the year from January 1, 2019, through December 31, 2019, using historical simulation with a 99% confidence level, a 10-day holding period and an effective historical observation period of one year. The risk in a reference portfolio that does not contain derivatives is used as the measurement benchmark. Market risk is the risk to the fund's assets arising from an unfavorable change in market prices. The Company determines the potential market risk by means of the **relative value-at-risk approach** as defined in CSSF circular 11/512.

In the fiscal year, the average leverage effect from the use of derivatives was 0.4, whereby the total of the nominal amounts of the derivatives in relation to the fund's assets was used for the calculation (sum-of-notional approach).

The gross exposure generated via derivatives pursuant to point 40 a) of the "Guidelines on ETFs and other UCITS issues" of the European Securities and Markets Authority (ESMA) totaled as of the reporting date EUR 25 338 087.00.

### Counterparties

State Street Bank and Trust Company, London

### Exchange rates (indirect quotes)

As of December 30, 2019

Chinese yuan renminbi .....	CNY	7.824950	= EUR	1
British pound .....	GBP	0.853750	= EUR	1
Mexican peso .....	MXN	21.063050	= EUR	1
U.S. dollar .....	USD	1.119950	= EUR	1
South African rand .....	ZAR	15.713400	= EUR	1

## DWS Emerging Markets Bonds (Short)

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### Notes on valuation

The Management Company determines the net asset values per unit and performs the valuation of the assets of the fund. The basic provision of price data and price validation are performed in accordance with the method introduced by the Management Company on the basis of the legal and regulatory requirements or the principles for valuation methods defined in the fund prospectus.

If no trading prices are available, prices are determined with the aid of valuation models (derived market values) which are agreed between State Street Bank International GmbH, Luxembourg branch, as external price service provider and the Management Company and which are based as far as possible on market parameters. This procedure is subject to an ongoing monitoring process. The plausibility of price information from third parties is checked through other pricing sources, model calculations or other suitable procedure.

Investments reported in this report are not valued at derived market values.

### Footnotes

<sup>1</sup> Does not include positions with a negative balance, if such exist.

## DWS Emerging Markets Bonds (Short)

### Statement of income and expenses (incl. income adjustment)

for the year from January 1, 2019, through December 31, 2019

#### I. Income

1. Interest from securities (before withholding tax) . . . . .	EUR	2 302 477.52
2. Interest from investments of liquid assets (before withholding tax). . . . .	EUR	11 271.03

**Total income . . . . . EUR 2 313 748.55**

#### II. Expenses

1. Interest on borrowings and negative interest on deposits. . . . .	EUR	-13 920.97
2. Management fee. . . . .	EUR	-360 684.90
thereof: All-in fee . . . . .	EUR	-360 684.90
3. Other expenses . . . . .	EUR	-31 338.84
thereof: Taxe d'abonnement . . . . .	EUR	-31 338.84

**Total expenses. . . . . EUR -405 944.71**

**III. Net investment income . . . . . EUR 1 907 803.84**

#### IV. Sale transactions

1. Realized gains . . . . .	EUR	1 617 396.00
2. Realized losses . . . . .	EUR	-3 504 972.53

**Capital gains/losses . . . . . EUR -1 887 576.53**

**V. Realized net gain/loss for the fiscal year. . . . . EUR 20 227.31**

1. Net change in unrealized appreciation . . . . .	EUR	1 067 917.64
2. Net change in unrealized depreciation . . . . .	EUR	1 899 637.08

**VI. Net change in unrealized depreciation . . . . . EUR 2 967 554.72**

**VII. Realized net gain/loss for the fiscal year. . . . . EUR 2 987 782.03**

Note: the net change in unrealized appreciation (depreciation) is calculated by subtracting the total of all unrealized appreciation (depreciation) at the end of the fiscal year from the total of all appreciation (depreciation) at the beginning of the fiscal year. Total unrealized appreciation (depreciation) includes positive (negative) differences resulting from the comparison of the values recognized for the individual assets as of the reporting date with their respective acquisition costs.

Unrealized appreciation/depreciation is shown without income adjustment.

### Total expense ratio / Transaction costs

#### BVI total expense ratio (TER)

The total expense ratio(s) for the share class(es) was/were:

Class LC 0.65% p.a.,	Class FC 0.50% p.a.,
Class RC 0.21% p.a.,	Class RD 0.20% p.a.,
Class TFC 0.58% p.a.,	Class TFD 0.54% p.a.

The TER expresses total expenses and fees (excluding transaction costs) as a percentage of the fund's average net assets for a given fiscal year.x

#### Transaction costs

The transaction costs paid in the reporting period amounted to EUR 872.60.

The transaction costs include all costs that were reported or settled separately for the account of the fund in the fiscal year and are directly connected to the purchase or sale of assets. Any financial transaction taxes which may have been paid are included in the calculation.

### Statement of changes in net assets for the fund

#### I. Value of the fund's net assets at the beginning of the fiscal year . . . . .

	EUR	<b>91 845 312.23</b>
1. Distribution for the previous year . . . . .	EUR	-415.06
2. Net inflows . . . . .	EUR	-22 300 323.66
a) Inflows from subscriptions . . . . .	EUR	31 074 700.95
b) Outflows from redemptions. . . . .	EUR	-53 375 024.61
3. Income adjustment . . . . .	EUR	142 290.07
4. Net gain/loss for the fiscal year. . . . .	EUR	2 987 782.03
thereof: Net change in unrealized appreciation . . . . .	EUR	1 067 917.64
Net change in unrealized depreciation . . . . .	EUR	1 899 637.08

#### II. Value of the fund's net assets at the end of the fiscal year. . . . .

**EUR 72 674 645.61**

### Summary of gains/losses

<b>Realized gains (incl. income adjustment) . . . . .</b>	<b>EUR</b>	<b>1 617 396.00</b>
from: Securities transactions . . . . .	EUR	502 512.24
(Forward) currency transactions . . . . .	EUR	1 114 883.76

<b>Realized losses (incl. income adjustment) . . . . .</b>	<b>EUR</b>	<b>-3 504 972.53</b>
from: Securities transactions . . . . .	EUR	-964 025.65
(Forward) currency transactions . . . . .	EUR	-2 540 946.88

<b>Net change in unrealized appreciation/depreciation . . .</b>	<b>EUR</b>	<b>2 967 554.72</b>
from: Securities transactions . . . . .	EUR	3 110 333.04
(Forward) currency transactions . . . . .	EUR	-142 778.32

### Details on the distribution policy\*

Class LC: The income for the fiscal year is reinvested.

Class FC: The income for the fiscal year is reinvested.

Class RC: The income for the fiscal year is reinvested.

Class RD:

Type	As of	Currency	Per unit
Final distribution	March 6, 2020	EUR	2.99

Class TFC: The income for the fiscal year is reinvested.

Class TFD:

Type	As of	Currency	Per unit
Final distribution	March 6, 2020	EUR	2.70

The remaining net income for the fiscal year is reinvested.

\* Additional information is provided in the sales prospectus.

## DWS Emerging Markets Bonds (Short)

### Changes in net assets and in the net asset value per unit over the last three years

Net assets at the end of the fiscal year

2019. ....	EUR	72 674 645.61
2018. ....	EUR	91 845 312.23
2017. ....	EUR	179 688 011.42

Net asset value per unit at the end of the fiscal year

2019	Class LC. ....	EUR	104.63
	Class FC. ....	EUR	105.08
	Class RC. ....	EUR	105.77
	Class RD. ....	EUR	100.41
	Class TFC. ....	EUR	102.12
2018	Class TFD. ....	EUR	98.91
	Class LC. ....	EUR	100.65
	Class FC. ....	EUR	100.93
	Class RC. ....	EUR	101.31
	Class RD. ....	EUR	99.67
2017	Class TFC. ....	EUR	98.10
	Class TFD. ....	EUR	98.17
	Class LC. ....	EUR	102.71
	Class FC. ....	EUR	102.82
	Class RC. ....	EUR	102.92
	Class RD. ....	EUR	102.92
	Class TFC. ....	EUR	-
	Class TFD. ....	EUR	-

### Transactions processed for the account of the fund's assets via closely related companies (based on major holdings of the Deutsche Bank Group)

The share of transactions conducted in the reporting period for the account of the fund's assets via brokers that are closely related companies and persons (share of 5% and above), amounted to 1.84% of all transactions. The total volume was EUR 1 630 589.23.

# Supplementary information

# Remuneration Disclosure

DWS Investment S.A. (the "Company") is a subsidiary in DWS Group GmbH & Co. KGaA ("DWS KGaA"), Frankfurt/ Main, one of the world's leading asset managers providing a broad range of investment products and services across all major asset classes as well as solutions aligned to growth trends to its clients globally.

DWS KGaA is a publicly traded company listed on the Frankfurt Stock Exchange, which is majority owned by Deutsche Bank AG.

As a result of the sector specific legislation under UCITS V (Undertakings for Collective Investment in Transferable Securities Directive V) and in accordance with Sec. 1 and Sec. 27 of the German "Institutsvergütungsverordnung" ("InstVV"), the Company is carved-out from Deutsche Bank Group's ("DB Group") compensation policy and strategy. DWS KGaA and its subsidiaries ("DWS Group" or only "Group") have established their own compensation governance, policies and structures, including a DWS group-wide guideline of identifying "Material Risk Takers" ("MRTs") at Company level as well as DWS Group level in line with the criteria stated in UCITS V and in the guidelines on sound remuneration policies under the UCITS Directive published by the European Securities and Markets Authority ("ESMA Guidelines").

## Governance Structure

DWS Group is managed through its General Partner, the DWS Management GmbH. The General Partner has eight Managing Directors who serve as the Executive Board ("EB") of the Group. The EB – supported by the DWS Compensation Committee ("DCC") – is responsible for establishing and operating the compensation system for employees. It is overseen by the DWS KGaA Supervisory Board which has established a Remuneration Committee ("RC"). The RC reviews the compensation system of the Group's employees and its appropriateness.

The DCC is mandated to develop and design sustainable compensation frameworks and operating principles, to prepare recommendations on total compensation levels, and to ensure appropriate compensation and benefits governance and oversight for the Group. The DCC establishes quantitative and qualitative factors to assess performance as a basis for compensation related decisions and makes appropriate recommendations to the EB regarding the annual Variable Compensation pool and its allocation across the business areas and infrastructure functions. Voting members of the DCC comprise the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Control Officer ("CCO"), Chief Operating Officer ("COO"), the Global Head of HR as well as since 2019 a Co-Head of the Investment Group. The Head of Performance & Reward is a nonvoting member. The membership of the CCO ensures that Control Functions such as Compliance, Anti-Financial Crime, and Risk Management are appropriately involved in the design and application of the Group's remuneration systems in the context of the tasks and functions assigned to them, to ensure that the remuneration systems do not create conflicts of interests, and to review the effects on the risk profile of the Group. The DCC reviews the remuneration framework of DWS Group regularly, at least annually, which includes the principles applying to the Company, and assesses if substantial changes or amendments due to irregularities have to be made.

In 2019, the Group has strengthened its compensation oversight by implementing the DWS Compensation Operating Committee ("COC") as a DCC sub-delegated committee, to assist the DCC in reviewing the technical validity, operationalizing and approving new or existing compensation plans. The responsibility for the design as well as the annual review and update of the investment framework for fund-linked instruments under the Employee Investment Plan ("EIP") was as well assumed by the DCC. Furthermore, the DCC continues to cooperate with committees at DB Group level, in particular the Deutsche Bank Senior Executive Compensation Committee ("SECC"), and leverages certain Deutsche Bank Group control committees.

The internal annual review at DWS Group level concluded the design of the remuneration system to be appropriate, no significant irregularities were recognized.

## Compensation Structure

The employees of the Company are subject to the compensation standards and principles as outlined in the DWS Compensation Policy. The policy is reviewed on an annual basis. As part of the Compensation Policy, the Group, including the Company, employs a Total Compensation ("TC") philosophy which comprises Fixed Pay ("FP") and Variable Compensation ("VC").

The Group ensures an appropriate relationship between FP and VC across all categories and groups of employees. TC structures and levels reflect the Sub-Divisional and regional compensation structures, internal relativities, and market data, and assist in seeking consistency across the Group. One of the main objectives of the Group's strategy is to align reward for sustainable performance at all levels whilst enhancing the transparency of compensation decisions and their impact on shareholders and employees with regard to DWS Group and DB Group performance. Achieving a sustainable balance between employee, shareholder and client interests is a key aspect of DWS' Group compensation strategy.

FP is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. The appropriate level of FP is determined with reference to the prevailing market rates for each role, internal comparisons and applicable regulatory requirements.

VC is a discretionary compensation element that enables the Group to provide additional reward to employees for their performance and behaviours without encouraging excessive risk-taking. VC determination considers sound risk measures by taking into account the Group's Risk Appetite as well as the Group affordability and financial situation and providing for a fully flexible policy on granting or "not-granting" VC. VC generally consists of two elements – the "Group Component" and the "Individual Component". There continues to be no guarantee of VC in an existing employment relationship.

For the 2019 financial year, the Group Component is determined based upon the performance of four equally weighted Key Performance Indicators (KPIs) at DB Group level: Common Equity Tier 1 ("CET1") capital ratio, leverage ratio, adjusted non-interest related costs and post-tax return on tangible equity ("RoTE"). These four KPIs represent important metrics for the capital, risk, cost and the revenue profile of DB Group and provide a good indication of its sustainable performance.

With the "Group Component", the Group and the Company aim to recognise that every employee contributes to the Group's and thereby to DB Group's success.

Depending on eligibility, the "Individual Component" is delivered either in the form of Individual VC ("IVC") or a Recognition Award. IVC takes into consideration a number of financial and non-financial factors, relativities within the employee's peer group and retention considerations. The Recognition Award provides the opportunity to acknowledge and reward outstanding contributions made by employees outside the scope of IVC eligibility (these are generally employees at lower hierarchical levels). Generally, there are two nomination cycles per year.

Both Group and Individual Component may be awarded in cash, share-based or fund-based instruments under the Group deferral arrangements. The Group retains the right to reduce the total amount of VC, including the Group Component, to zero in cases of significant misconduct, performance-related measures, disciplinary outcomes or unsatisfactory conduct or behaviour by the employee subject to applicable local law.



## Determination of VC and appropriate risk-adjustment

The Group's VC pools are subject to appropriate risk-adjustment measures which include ex-ante and ex-post risk adjustments. The robust methodology in place aims at ensuring that the determination of VC reflects the risk-adjusted performance as well as the capital and liquidity position of the Group. The total amount of VC is primarily driven by (i) the Group affordability (i.e. what "can" DWS Group sustainably afford award in alignment with regulatory requirements) and (ii) performance (what "should" the Group award in order to provide an appropriate compensation for performance and future incentive while protecting the long-term health of the franchise).

At the level of the individual employee, the Group has established "Variable Compensation Guiding Principles" which detail the factors and metrics that must be taken into account when making IVC 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 VC have to be considered as well.

As part of a discretionary decision-making process, the DWS DCC uses (financial and non-financial) key figures to identify differentiated and performance linked VC pools for business and infrastructure areas.

## Compensation for 2019

Market conditions were more favourable compared to the challenging environment of 2018, helping to contribute significant Assets under Management ("AuM") growth at the Group in 2019. Overall, constructive equity markets allowed the Group to execute its strategic priorities effectively and achieve all of its financial targets in 2019. The intensified focus on investment performance and increased investor demand for targeted asset classes were key drivers of the success, as the Group reported the highest annual net inflows since 2014, including significant contributions from strategic partnerships.

Against this backdrop, the DCC has monitored the affordability of VC for 2019. The committee has concluded that the capital and liquidity base of the Group remain above regulatory minimum requirements, and internal risk appetite threshold.

As part of the overall 2019 VC awards to be granted in March 2020, the Group Component was awarded to eligible employees in line with the assessment of the defined four KPIs. The Deutsche Bank AG Management Board recognizing the considerable contribution of employees and at its sole discretion determined a target achievement rate of 60% for 2019.

## Identification of Material Risk Takers

In accordance with the Law as of 17 December 2010 on Undertakings for Collective Investments (as subsequently amended) in conjunction with the ESMA Guidelines with accordance to UCITS Directive, the Company has identified individuals who have a material impact of the Company's risk profile ("Material Risk Takers"). The identification process has been based on an assessment of the impact of the following categories of staff on the risk profile of the Company or on a fund it manages: (a) Board Members/Senior Management, (b) Portfolio/Investment managers, (c) Control Functions, (d) Staff heading Administration, Marketing and Human Resources, (e) other individuals (Risk Takers) in a significant position of influence, (f) other employees in the same remuneration bracket as other Risk Takers, whose roles have an impact on the risk profile of the Company or the Group. At least 40% of the VC for Material Risk Takers is deferred. Additionally, at least 50% of both, the upfront and the deferred proportion, are granted in the Group share-based instruments or fund-linked instruments for Key Investment Professionals. All deferred components are subject to a number of performance conditions and forfeiture provisions which ensure an appropriate ex-post risk adjustment. In case the VC is lower than EUR 50,000, the Material Risk Takers receive their entire VC in cash without any deferral.

## Aggregate Compensation Information for the Company for 2019 <sup>1</sup>

Number of employees on an annual average	144
Total Compensation <sup>2</sup>	EUR 16,938,295
Fixed Pay	EUR 14,701,591
Variable Compensation	EUR 2,236,704
Thereof: Carried Interest	EUR 0
Total Compensation for Senior Management <sup>3</sup>	EUR 1,715,107
Total Compensation for other Material Risk Takers	EUR 369,498
Total Compensation for Control Function employees	EUR 559,261

<sup>1</sup> In cases where portfolio or risk management activities have been delegated by the Company, the compensation data for delegates are not included in the table.

<sup>2</sup> Considering various elements of remuneration as defined in the ESMA Guidelines which may include monetary payments or benefits (such as cash, shares, options, pension contributions) or none (directly) monetary benefits (such as fringe benefits or special allowances for car, mobile phone, etc.).

<sup>3</sup> Senior Management refers to the members of the Management Board of the Company, only. Members of the Management Board meet the definition of managers. Apart from the members of Senior Management, no further managers have been identified.

## **DWS Emerging Markets Bonds (Short)**

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### **Information pursuant to Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No. 648/2012 – Statement in accordance with Section A**

There were no securities financing transactions according to the above Regulation in the reporting period.

KPMG issued an unqualified audit opinion for the full annual report. The translation of the report of the Réviseur d'Entreprises agréé (the independent auditor's opinion) is as follows:

KPMG Luxembourg, Société coopérative  
39, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

Tel: +352 22 51 51 1  
Fax: +352 22 51 71  
Email: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the unitholders of  
DWS Emerging Markets Bonds (Short)  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### *Report on the audit of the annual financial statements*

#### *Opinion*

We have audited the accompanying financial statements of DWS Emerging Markets Bonds (Short) ("the fund"), which comprise the statement of net assets, the statement of investments in the securities portfolio and other net assets as of December 31, 2019, the statement of income and expenses and the statement of changes in net assets for the fiscal year then ended, as well as a summary of significant accounting policies.

In our opinion, the attached financial statements give a true and fair view of the financial position of DWS Emerging Markets Bonds (Short) as of December 31, 2019, and of the results of its operations and changes in its net assets for the fiscal year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of financial statements.

#### *Basis for the audit opinion*

We conducted our audit in compliance with the Law concerning the audit profession ("Law of July 23, 2016") and in accordance with International Standards on Auditing ("ISA") as adopted by the Commission de Surveillance du Secteur Financier ("CSSF") for Luxembourg. Our responsibility according to this law and these standards is described in more detail in the section entitled "Responsibility of the Réviseur d'Entreprises agréé for the audit of the annual financial statements". We are independent of the fund in compliance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") adopted by the CSSF for Luxembourg together with the ethical requirements that we must comply with when performing audits and have met all other professional obligations in compliance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other information*

The Management Board of the Management Company is responsible for the other information. The other information comprises the information that is contained in the annual report but excluding the annual financial statements and our Report of the "Réviseur d'Entreprises agréé" on these annual financial statements.

Our audit opinion on the annual financial statements does not cover the other information and we do not provide assurances of any kind in relation to this information.

In connection with the audit of the annual financial statements, it is our responsibility to read the other information and to assess whether there is a material discrepancy between this information and the annual financial statements or the findings obtained during the audit or also whether the other information appears to be materially misrepresented in some other way. If, based on the work that we carry out, we draw the conclusion that the other information contains material misstatements, we are obliged to report this matter. We have nothing to report in this regard.

***Responsibility of the Management Board of the Management Company and of those in charge of monitoring for the annual financial statements***

The Management Board of the Management Company is responsible for the preparation and proper overall presentation of the annual financial statements in compliance with Luxembourg legal and regulatory requirements relating to the preparation of annual financial statements and for the internal controls that the Management Board considers necessary to enable the annual financial statements to be prepared such that they are free from material – intentional or unintentional – misstatement.

When preparing the annual financial statements, the Management Board of the Management Company is responsible for assessing the fund's capability of continuing the business activity and – where relevant – for furnishing particulars in relation to the continuation of the business activity and for using the assumption of the company operating as a going concern as an accounting principle, unless the Management Board of the Management Company intends to liquidate the fund, to cease business activities or no longer has any other realistic alternative than to take such action.

Those in charge of monitoring are responsible for monitoring the process of preparing the annual financial statements.

***Responsibility of the Réviseur d'Entreprises agréé for the audit of the annual financial statements***

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material – intentional or unintentional – misstatement, and to issue a corresponding report of the "Réviseur d'Entreprises agréé" that contains our audit opinion. Reasonable assurance corresponds to a high degree of certainty but is not a guarantee that an audit in compliance with the Law of July 23, 2016, and in accordance with the ISAs adopted by the CSSF for Luxembourg always finds a material misstatement, if present. Misstatements can result either from inaccuracies or infringements and are considered to be material if it can be reasonably assumed that these, either individually or as a whole, influence the business decisions of addressees taken on the basis of these annual financial statements.

When performing an audit in compliance with the Law of July 23, 2016, and in accordance with the ISAs adopted by the CSSF for Luxembourg, we exercise our professional judgment and adopt a critical approach.

Furthermore:

- We identify and assess the risk of material misstatement in the annual financial statements as a result of inaccuracies or infringements, we plan and conduct audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to serve as a basis for the audit opinion. The risk of material misstatements not being discovered is higher for infringements than for inaccuracies, as infringements may entail fraudulent collaboration, forgery, intentional incompleteness, misleading information or the by-passing of internal controls.
- We gain an understanding of the internal control system of relevance to the audit in order to plan audit procedures that are appropriate in the given circumstances, but not, however, with the objective of issuing an audit opinion on the effectiveness of the fund's internal control system.
- We assess the appropriateness of the accounting methods applied by the Management Board of the Management Company, of the accounting-related estimates and of the corresponding explanatory information.
- We draw conclusions based on the adequacy of the application of the accounting principle of the continuation of the business activity by the Management Board of the Management Company as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could cast significant doubt on the ability of the fund to continue the business activity. If we come to the conclusion that a material uncertainty exists, we are obliged to point out the associated explanatory information provided in the annual financial statements in the report of the "Réviseur d'Entreprises agréé" or, if the information is inadequate, to modify the audit opinion. These conclusions are based on the audit evidence obtained up to the date of the report of the "Réviseur d'Entreprises agréé". Future events or circumstances may, however, lead to the fund no longer being able to continue its business activity.
- We assess the overall presentation, the structure and the content of the annual financial statements, including the explanatory information, and assess whether these appropriately present the underlying business transactions and events.

We communicate the planned scope of the audit and time frame as well as the most significant audit findings, including material weaknesses in the internal control system that we identify in performing the audit, to those in charge of monitoring.

Luxembourg, April 16, 2020

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

Harald Thönes



**Management Company, Central  
Administration Agent, Transfer Agent,  
Registrar and Main Distributor**

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg  
Equity capital as of December 31, 2019:  
EUR 331.1 million before profit appropriation

Deutsche Asset Management S.A. was  
renamed DWS Investment S.A. effective  
January 1, 2019.

**Supervisory Board**

Nikolaus von Tippelskirch  
Chairman  
DWS Management GmbH,  
Frankfurt/Main

Stefan Kreuzkamp  
DWS Investment GmbH,  
Frankfurt/Main

Frank Krings  
Deutsche Bank Luxembourg S.A.,  
Luxembourg

Dr. Matthias Liermann  
DWS Investment GmbH,  
Frankfurt/Main

Holger Naumann  
DWS Investment GmbH,  
Frankfurt/Main

Claire Peel  
DWS Management GmbH,  
Frankfurt/Main

**Management Board**

Manfred Bauer  
Chairman  
DWS Investment S.A.,  
Luxembourg

Nathalie Bausch  
DWS Investment S.A.,  
Luxembourg

Dr. Stefan Junglen (since January 6, 2020)  
DWS Investment S.A.,  
Luxembourg

Barbara Schots  
DWS Investment S.A.,  
Luxembourg

**Auditor**

KPMG Luxembourg  
Société coopérative  
39, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

**Depository**

**Since November 4, 2019:**  
State Street Bank International GmbH  
Luxembourg Branch  
49, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

**Until November 3, 2019:**  
State Street Bank Luxembourg S.C.A.  
49, Avenue John F. Kennedy  
1855 Luxembourg, Luxembourg

**Fund Manager**

DWS Investment GmbH  
Mainzer Landstraße 11-17  
60329 Frankfurt/Main, Germany

**Sales, Information and Paying Agent \***

LUXEMBOURG  
Deutsche Bank Luxembourg S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

\* For additional Sales and Paying Agents,  
please refer to the sales prospectus



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