Commentary

Q1 | 3.31.24

Share Class: A I SEKAX C I SEKCX S I SEMGX INST I SEKIX R6 I SEKRX

DWS Emerging Markets Equity Fund

Executive summary

_ The MSCI Emerging Markets Index gained 2.37% in the first quarter.[1]
_ The fund returned 3.05% (Class INST shares) and outperformed the index.
_ Stock selection in information technology was the primary reason for the fund's positive relative performance.

Market review

_ Emerging-market stocks, while not keeping up with their developed-market peers in the first quarter, nonetheless produced a solid total return. The category was boosted by the same factors that propelled markets worldwide; namely, expectations for improving economic growth and falling interest rates. The Asia region was the primary driver of the emerging markets' positive performance. China posted a modest gain, which represented a significant improvement relative to its sizable loss in 2023. Investors responded favorably to signs that the nation's government may be set to increase the extent of economic and monetary stimulus. South Korea and Taiwan—both of which tend to trade in tandem with global technology stocks—also performed well, as did India and most of the region's smaller markets. Returns in Latin America were mixed, with a strong showing for Mexico offsetting weakness in Brazil.

Performance review

_ The fund uses an equal balance between bottom-up and top-down considerations. This process combines DWS's deep research capabilities in analyzing top-down drivers, such as macroeconomic developments, with the insights of its bottom-up research analysts. The fund pursues an all-weather strategy without significant biases to sectors or regions. It focuses primarily on large- and mega-cap stocks, while seeking limited exposure in smaller but more prospective companies.

Attribution analysis

_ Stock selection was the primary driver of the fund's strong showing in the first quarter, with much of the advantage coming from our positioning in the information technology sector. An overweight in Taiwan Semiconductor (12.4%), which reported robust year-over-year sales growth in the first two months of the year, was the leading contributor in both the sector and the fund as a whole.[2 3] The company is also seen as being a key beneficiary of the rising chip demand stemming from the growth of artificial intelligence (AI). Two Brazilian financial stocks—Nu Holdings (1.6%) and Grupo Financiero Galicia (1.2%)—were among the top contributors, as were the Indian companies ICICI Bank (4.9%) and Maruti Suzuki India (1.6%). PetroChina (1.6%) also performed well thanks to the combination of rising oil prices and the recovery in China's stock market.
_ Stock selection in financials had the largest adverse effect on performance, primarily as a result of positions in AIA Group (1.9%), HDFC Bank (2.2%), and Banco Bradesco (0%).* The Chinese consumer stock Meituan (0%)* also lost ground on concerns about mounting competition and a slowdown in its food-delivery business.

Portfolio positioning

_ We hold a positive view on the outlook for emerging-markets equities, but we see a fairly differentiated picture on a market-by-market basis.
_ Generally speaking, we believe 2024 will be shaped by overarching topics such as re-shoring and de-coupling trends, the shift toward a multipolar world, and the large

number of elections across the globe. From a market perspective, the major elections held so far have been either neutral (Taiwan, Russia) or positive (Indonesia, Turkey). Other elections, including South Africa's, might be more contested, while the market seems to have a fairly optimistic view on those in India and Mexico. Outside of the emerging markets, the election in the United States will play a pivotal role since it will help shape the path of trade policy. This should have a direct impact on the future export / import opportunities for China, which is already suffering from a curtailed import regime for high-end semiconductors. With Chinese car exports having quintupled in the last few years, import bans or tariffs imposed by various countries could choke off a nascent industry in China that is searching for lucrative export opportunities. Given that the market for electric vehicles in China is highly competitive and Chinese producers are undercutting the prices of most international producers, the global market is likely to leave little profit for the contenders. Even though domestic champions might secure a certain market share, they are unlikely to be major exporters since they will need to compete with other domestic champions or highly competitive Chinese imports. Accordingly, economies with large captive markets—such as India—should remain at the center of investors attention.

_ The fund is underweight in China, but it has a large allocation to companies that we believe have robust market positions and unique technological capabilities. The Chinese government seeks self-sufficiency with respect to certain high-end technologies, and companies catering to this goal should see a strengthening position. We acknowledge the difficult environment for the Chinese consumer sector, but we see opportunities in companies that offer value products to price-aware consumers. While valuations have generally declined, many individual companies in the consumer sector have reported solid operating results. The fund has a large underweight in financial services, particularly in the banking and insurance sub-sectors. While financials appear to offer attractive valuations, we do not expect a meaningful recovery in the sector given the various macroeconomic headwinds the Chinese economy is facing. Within insurance, we maintain holdings in best-in-class companies where valuations look compelling and whose operational risks are lower than those of their peers.

_ We maintain an overweight in India on the belief that the country's economy is at the beginning of a multi-year expansion likely to be characterized by 6-7% GDP growth. After a decade of overinvestment and retrenchment, together with the effects of COVID-19, infrastructure investments have picked up and the corporate sector is again investing for future growth. With a still largely underpenetrated market on many ends, India leaves room for several winners. Accordingly, we seek opportunities in infrastructure-related companies and financials, particularly banks. While the broader Indian market has become more expensive, banks offer more compelling valuations and the potential to benefit from the longer-term growth of the country's economy. The fund has a smaller, but meaningful, weighting in consumer-oriented market segments, such as automobiles and healthcare, where valuations look stretched but companies are either on the verge of offering new products or are expanding their market share in sectors with large moats. Nevertheless, we need to be cognizant that India has experienced several self-inflicted crises throughout history. Investors should therefore be prepared for volatility despite the underlying strength of the Indian economy.

_ We hold sizable overweight positions in semiconductor stocks in Taiwan and South Korea on the belief their earnings are poised to accelerate in 2024. Even though these stocks already experienced sizable appreciation in the first quarter, we believe that the trend to more AI-enabled devices necessitates a wide range of upgrades that should benefit the leading chipset makers. On the other hand, we are underweight in stocks with greater sensitivity to the two countries' domestic economies. With this said, we are encouraged by South Korea's "Value Up" program. This plan, which is modelled after the Japanese corporate governance reform agenda, is designed to unlock corporate value by pushing companies to improve governance.

_ Among the smaller markets, the fund is overweight in Indonesia, Mexico, and Poland, with exposure to companies poised to capitalize on near-shoring trends and stronger domestic consumer sectors. We believe these countries are likely to benefit from supportive macroeconomic dynamics. We also hold an overweight in Argentina based on the strong reform agenda of the new president.

AVERAGE ANNUAL TOTAL RETURNS (as of 3/31/24 returns of less than one year are cumulative)

Share class	3-month	YTD	1-year	3-year	5-year	10-year	Since inception	Inception date	Gross/Net expenses
Class S	3.04%	3.04%	4.87%	-9.32%	-0.60%	2.26%	4.16%	5/8/96	1.24%/1.00%
Class INST	3.05%	3.05%	4.90%	-9.27%	-0.52%	2.31%	-0.30%	3/3/08	1.12%/0.92%
Class A (Unadjusted)	3.02%	3.02%	4.68%	-9.47%	-0.77%	2.06%	3.92%	5/29/01	1.49%/1.17%
Class A (Adjusted)	-2.90%	-2.90%	-1.34%	-11.24%	-1.94%	1.46%	3.70%	5/29/01	1.49%/1.17%
MSCI Emerging Markets Index	2.37%	2.37%	8.15%	-5.05%	2.22%	2.95%	n/a	n/a	n/a

Performance is historical and does not guarantee future results. Investment returns and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may be lower or higher than the performance data quoted. Please visit www.dws.com for the fund's most recent month-end performance. Adjusted returns include the maximum sales charge of 5.75%. Unadjusted returns do not reflect sales charges and would have been lower if they did. Performance includes reinvestment of all distributions. Index returns do not reflect fees or expenses. It is not possible to invest directly in an index or category. Not all share classes are available to all investors. A minimum investment of $1 million is required to open an account for Institutional shares. Class A, S, and INST shares have a contractual waiver that runs through 02/28/2025. Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

[1]MSCI Emerging Markets Index is an unmanaged equity index which captures large and mid-capitalization representation across 24 emerging markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
[2]Contribution and detraction incorporate both a stock's total return and its weighting in the fund.
[3]Overweight means that a fund holds a higher weighting in a given sector or security than the benchmark. Underweight means that a fund holds a lower weighting.
*Held and sold prior to February 29, 2024

Percentages in parentheses represent percentages of the fund's market value as of 2/29/24. Securities referenced do not represent all of the securities purchased or sold by the fund, may or may not be profitable, and should not be construed as a recommendation of any specific security. Current and future portfolio holdings are subject to risk. The opinions and forecasts expressed herein by the fund managers do not necessarily reflect those of DWS, are as of 3/31/24 and may not come to pass.

Important risk information
War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.
Stocks may decline in value. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The fund may lend securities to approved institutions. Please read the prospectus for details.

Obtain a prospectus
Consider the investment objective, risks, charges and expenses carefully before investing. For a summary prospectus, or prospectus that contains this and other information, download one from www.dws.com or talk to your financial representative. Read the prospectus carefully before investing.

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