Commentary

Q1 | 3.31.24

Share Class: A I KTCAX C I KTCCX S I KTCSX INST I KTCIX

DWS Science and Technology Fund

Executive summary

_ The fund's class S shares returned 18.70% during the quarter, compared with the 10.56% return of its benchmark, the Standard & Poor's 500® (S&P 500) Index[1] and the 15.31% return of the fund's sector specific benchmark, the S&P® North American Technology Sector Index.[2] The average fund in the Morningstar Technology Funds category returned 8.66% for the quarter.[3]

_ An improving backdrop for the U.S. economy along with continuing strength in science & technology company growth propelled returns for the group above the broader market's while the fund outperformed its sector-specific benchmark.

Market review

_ Market momentum of late 2023 continued into the first quarter of 2024 as the economy remained reasonably strong and investors anticipated several Federal Reserve (Fed) rate cuts beginning as soon as March, essentially the "soft landing" scenario. The outlook for the timing of rate cuts was pushed back as the quarter progressed as the "last mile" of getting inflation to recede to the Fed's 2.0% target is proving challenging. At the same time, the view of the economy has gone from a likely soft landing to perhaps no landing, i.e., a continued resilient economy that avoids recession. Against this backdrop, the science & technology group once again performed better than the market although, characteristically, there was significant performance divergence within the group.

Performance review

_ The fund's class S shares returned 18.70% during the quarter, compared with the 10.56% return of its benchmark, the Standard & Poor's 500® (S&P 500) Index, and the 15.31% return of the S&P® North American Technology Sector Index. The average fund in the Morningstar Technology Funds category returned 8.66% for the quarter.

Attribution analysis

_ The largest contributions to the fund's relative performance in the period came from holdings within the technology hardware and semiconductor groups.[4] SuperMicro (0.8%) makes highly specialized servers, many of which are being used in generative artificial intelligence (AI) training clusters. The company saw continued strong demand given the arms race to develop the highest performing large language models. Our overweight to Nvidia (12.7%) continued to add to performance as the company remains the clear leader in chips and systems for generative AI training and inferencing.[5] Spending on generative AI, particularly by the largest technology companies, continues to be quite strong. The fund's collective positioning within the "Magnificent Seven" added to performance in the quarter, led by an underweight to Apple (4.1%) as iPhone sales remained soft, likely reflecting a significant pulling forward of demand during the pandemic. A lack of exposure to chipmaker Intel (0.0%) also contributed as the PC and server markets are quite mature and the company's prospects for stemming market share losses, particularly in servers, are not clear at this point.

_ Leading detractors from performance came from within the professional services and financial groups, while the fund's cash position was also a minor drag in the period. While payment technology company Visa (1.1%) finished the quarter in positive territory, it failed to keep pace with the strong performance of the group given the more defensive nature of its business. Shares of ADP (0.9%), a provider of payroll and human resource services, also lagged given the potential for some cooling of the very strong labor market. Dynatrace (1.1%), a provider of observability tools for applications and IT infrastructure, also detracted as the company has experienced longer sales cycles for larger deals. While short term demand may not be as strong as expected, we believe the ongoing rapid expansion in the use of applications and IT infrastructure will require an ever increasing ability to monitor and manage what are becoming enormous corporate investments, and we added to the Dynatrace position. Workiva (0.8%), a provider of regulatory, financial and ESG reporting solutions to corporations, saw a slower-than-expected start to the year weigh on its shares. We believe that activity in the new issue market will pick up and that ESG reporting requirements, particularly in Europe, will continue to roll out, helping to accelerate demand for Workiva's platform. We have therefore maintained the position.

Portfolio positioning

_ The market is currently wrestling with the prospect that there may be fewer-than-expected rate cuts in 2024 driven by what appears to be stickier-than-expected inflation. Uncertainties around the upcoming U.S. presidential election are also weighing on recent market activity. It would not be surprising to see the market take a rest at some point given its progress over the last two quarters, and we will be monitoring conditions closely as we make decisions around initiating or adding to positions.

_ Our approach to seeking to identify the most powerful growth themes and companies in science and technology innovation along with the best ways to invest in them remains unchanged. One theme is data & analytics, which encompasses AI. This has been an area of focus for the strategy for at least five years, well before generative AI and large language models entered the mainstream and drove a significant increase in investment in AI infrastructure. It appears that the AI infrastructure build-out is still in its early stages. There are of course unknown variables, and we will evaluate relevant new information as it becomes available. However, at this point the utility of AI-related technology appears significant, the pace of progress remains rapid, and the big technology companies have the resources and incentive to continue this investment.

_ While AI is a very large trend, there remain many other significant growth areas within the science & technology universe to which the portfolio is exposed and which we continue to analyze and pursue. We remain focused on finding what we believe are the fundamentally strongest science & technology companies with growth prospects that are underappreciated by the market.

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	18.70%	18.70%	55.33%	12.53%	20.73%	17.46%	11.85%	12/20/04	0.72%/0.72%
Class INST	18.72%	18.72%	55.38%	12.55%	20.76%	17.52%	12.44%	8/19/02	0.70%/0.70%
Class A (Unadjusted)	18.65%	18.65%	55.06%	12.34%	20.51%	17.27%	12.02%	9/7/48	0.90%/0.90%
Class A (Adjusted)	11.82%	11.82%	46.15%	10.14%	19.10%	16.57%	11.93%	9/7/48	0.90%/0.90%
S&P 500 Index	10.56%	10.56%	29.88%	11.49%	15.05%	12.96%	n/a	n/a	n/a
S&P North American Technology Sector Index	15.31%	15.31%	52.97%	13.65%	21.25%	20.19%	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. Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

* This fund's performance prior to inception reflects that of Class S shares. Returns prior to inception reflect the original share class performance, adjusted for higher operating expenses and/or the maximum sales charge.

[1]S&P 500® Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
[2]S&P North American Technology Sector Index is the technology sub-index of the S&P North American Sector Indices. The S&P North American Technology Sector Index family is designed as equity benchmarks for U.S.-traded technology-related securities.
[3]The Morningstar Technology category consists of portfolios that buy high-tech businesses in the U.S. or outside of the U.S. Most concentrate on computer, semiconductor, software, networking, and Internet stocks. A few also buy medical-device and biotechnology stocks and some concentrate on a single technology industry. The average returns for the category over the one-, five- and 10-year periods ended 3/31/24 were 31.83%, 15.26% and 16.03%, respectively.
[4]Contribution and detraction incorporate both a stock's total return and its weighting in the fund.
[5]Overweight means that a fund holds a higher weighting in a given sector or security than its benchmark index. Underweight means that a fund holds a lower weighting.
Index returns do not reflect fees or expenses. It is not possible to invest directly in an index or category.

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.

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. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Small company stocks tend to be more volatile than medium-sized or large company stocks. This fund is non-diversified and can take larger positions in fewer issues, increasing its potential risk. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. 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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