
DWS INVESTMENTS UK LIMITED

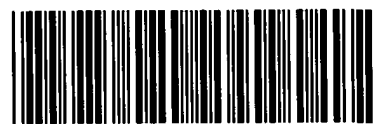
Company Number: 5233891

REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022

For internal use only

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DWS INVESTMENTS UK LIMITED

REPORT OF THE DIRECTORS For the year ended 31 December 2022

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

ACTIVITIES AND REVIEW OF BUSINESS

The Company acts as an investment management and advisory company. The Company is authorised and regulated by the Financial Conduct Authority ("FCA") and holds MiFiD passports to conduct portfolio management and investment advisory services but is not authorized to hold client money.

The Company currently offers Index Investing Asset Management covering manufacturing, research and portfolio management. It also houses the Client Coverage Division in the UK region that provides distribution services on Index Investing and Alternative products.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2022, after providing for taxation, show a net profit of £72,425,000 (2021: profit of £40,354,000).

The Directors recommended the payment of a dividend during the year amounting to £35,000,000 (2021: £20,718,484). There was also a share repurchase transaction executed by a capital payment of £25,000,000 to the Company's parent entity during the year.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 7. This includes the Company's objectives, policies and processes for managing its capital; its risk profile and associated management objectives.

The company has adequate capital and liquidity. The Directors perform an annual financial resiliency exercise (ICARA), which covers an assessment in a stressed scenario of the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully in the current economic outlook and the financial statements of the Company have been prepared on a going concern basis.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that:

- 1) so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) each Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

DWS INVESTMENTS UK LIMITED

REPORT OF THE DIRECTORS (*continued*) For the year ended 31 December 2022

DIRECTORS

The Directors of the Company who held office during the year and subsequent to the year ended 31 December 2022 were as follows:

J G M Webster	Appointed 18 November 2015
F Bassett	Appointed 21 October 2020
S Manchanda	Appointed 30 June 2022
R A Kuipers	Resigned 7 July 2022
S J Shaw	Deceased 09 January 2023

The Directors have confirmed that during the year they spent time appropriate to their responsibilities on the affairs of the Company.

A W Bartlett resigned as Secretary of the Company on 7 December 2022 and was replaced by Computershare Company Secretarial Services Limited on the same date.

As at the date of approval, and during the year, the Company provided an indemnity to its Directors in the form of a qualifying third party indemnity provision.

POLITICAL CONTRIBUTIONS

The Company made no political donations and incurred no political expenditure during the year.

GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

The Company is exempt from providing disclosures under the greenhouse gases and emissions disclosure as per 15(1A) of Part 7 and 20A of Part 7A of the Companies Act 2006 given that the parent company covers required disclosure requirements.

DWS INVESTMENTS UK LIMITED

**REPORT OF THE DIRECTORS (*continued*)
For the year ended 31 December 2022**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT.
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting in the preparation of these financial statements unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board of Directors this 25th day of April 2023

John Graham Mead Webster

John GM Webster

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB
Company number: 05233891

DWS INVESTMENTS UK LIMITED**STRATEGIC REPORT****For the year ended 31 December 2022**

PRINCIPAL OBJECTIVES

The Company currently offers Index Investing and Active Asset Management covering manufacturing, research and portfolio management. It also houses the Client Coverage Division for the UK region that provides distribution services on Index Investing and Alternative products. DWS Investments UK seeks to maximise profitability primarily by providing best in class Investment Management, distribution and manufacturing services for Passively Managed Investment Products.

RISK PROFILE

The Company is wholly owned by the DWS Group GmbH & Co. KGaA (DWS Group) and therefore the risks it is subject to are managed within the risk and control functions of the DWS Group. Additional information can be found regarding the corresponding risk management principles, governance and control activities within the DWS Group Annual Report for 2022, which can be located under the Investor Relations section on the DWS Group website (<https://group.dws.com/ir/reports-and-events/annual-report>). The governance and processes followed by the entity for financial, non-financial and investment risk management, are documented locally in the DWS UK Risk Management Framework.

The CEO and the Board of Directors of DWS Investments UK Limited have ultimate responsibility for risk management and oversight, including the annual ICARA process. The Board delegates certain tasks to the DWS Board Risk Committee, established with the purpose of maintaining effective risk, compliance, customer outcome and regulatory focused frameworks relevant to DWS UK entities.

OPERATIONAL RISK

Due to the nature of the Company's businesses as well as the services and products it provides, the main risks it is exposed to are operational risk (including conduct risk) and reputational risk. These are managed by the respective business control teams and monitored by control functions with ongoing assessments provided to the DWS UK Board Risk Committee and reported to the Company's Board of Directors, as required. In the case of potential reputational risk matters involving DWS Investments UK Limited, they are managed via the DWS Group reputational risk process. The relevant control function or Board sponsor will inform the rest of the Board members of the matter and decision.

BUSINESS RISK

The business revenues are primarily based on management fees, driven by Asset Under Management (AuM). The AuM value drives the level of management fees in the period and can be impacted by the underlying performance of the funds. The product division actively maintains a diversified portfolio of competitively priced Index based products designed to appeal to investors under a substantive number of market condition scenarios.

Inflows and outflows of AuM are mostly driven by clients' macroeconomic outlook, fund performance and relationship management support. Financial performance against budgets, key leading metrics as well as those required for regulatory reporting under the Investment Firm Prudential Regime ("IFPR") are monitored by the DWS Investments UK Limited Board of Directors. To a lesser extent, DWS Investments UK Limited is exposed to limited financial risk. Credit, Market and Liquidity risks are monitored by the DWS UK Finance team and included in metrics reported to the Board.

OTHER MACRO ENVIRONMENTAL RISKS

The world economy has faced higher inflation since the first half of 2022. As a result, major central banks are raising interest rates. Global financial conditions have tightened and the economic outlook has deteriorated materially. Key risks pertain to persistent inflationary pressures weighing on global demand, supply chain disruptions on the back of Russia's invasion of Ukraine, US-China export restrictions on high-tech goods, and China's spike in infections while easing COVID-19 measures. Consequently, the likelihood of a pronounced global recession has increased considerably.

DWS INVESTMENTS UK LIMITED**STRATEGIC REPORT (continued)****For the year ended 31 December 2022**

These key risks could contribute to high or rising market volatility and risk aversion. They could adversely affect assets exposed to macroeconomic risks, conflicts, sanctions or sources of uncertainty; leading to negative performance and potentially outflows. There could be negative effects on the results of operations, our business with or in the countries concerned as well as the Company's strategic plans.

KEY PERFORMANCE INDICATORS

The Company's Risk Appetite Statement ("RAS") is articulated after taking into account the strategy, the risk profile and the top-down integration of business planning and governance processes as well as the bottom-up risk assessment, risk monitoring and escalation processes applied in day-to-day management of business activities.

The overarching objective of the Company's risk appetite framework is to ensure it remains well capitalised and funded, operates in compliance with regulatory and legal requirements, fulfils its obligations (in particular fiduciary obligations) and is able to meet the expectations of key stakeholders including clients, shareholders and employees. This involves balancing risk and return considerations effectively. The degree and types of risk the firm is willing to take in pursuit of its objectives are calibrated on this basis. The below metrics are presented and reviewed at the UK Board Risk Committee during the year to assess financial stability per the regulatory requirements.

KPI Measure	Description	Green	Amber	Red	Black	Actual KPI
Regulatory Capital Ratio	Aligned with Group risk appetite tolerances. Set up well above the regulatory minimum of 100% and includes impact of orderly wind down.	> 130%	Between 110-130%	Between 100-110%	<100%	146%
Net Income (2022)	Post-tax income projection for the full year based on internal forecast process.	>GBP 0m 51.8m	Between GBP 36.0m - GBP 51.8m	<GBP 36.0m	<GBP N/A	GBP 72.4m

The Company's KPIs are green for both measures and are aligned with the regulatory requirements as outlined in the IFPR that now applies to the Company.

CURRENT PERIOD PERFORMANCE

GBP'000	2022	2021
Revenue	222,134	206,379
Expenses	(136,079)	(156,257)
Interest income/(expense)	3,364	(145)
Profit before tax	89,419	49,977
Surplus Capital*	28.4m	54.2m
Liquidity*	68.3m	96.0m
AuM	125.7bn	134.2bn

*The methodology for both these measures were changed in 2022 to align with IFPR reporting which came into effect in 2022. The 2021 comparatives have not been restated.

The increase in revenues was due to a higher average AuM throughout the period. The expenses have decreased primarily due to lower fund related expenses and internal service costs.

DWS INVESTMENTS UK LIMITED**STRATEGIC REPORT (continued)****For the year ended 31 December 2022**

Surplus Capital is determined by the excess of capital resources over and above the regulatory requirement.

The Liquidity measure is determined by the excess cash balance excluding maturity deposits over and above the regulatory requirement.

The reduction in both these measures in the year was due to the share repurchase and dividend payment, both of which were executed in 2022.

AuM - Whilst the Company has no specific target for AuM, its main aim is to grow the AuM year on year. The decrease in AuM was driven by market performance as well as outflows from the Index Investing business.

GBP'000	2022	2021
Assets	303,456	293,244
Liabilities	(140,603)	(142,899)
Equity	162,853	150,345

The increase in assets is due to the increase in receivables which was driven by higher revenues in 2022. Increase in equity is due to higher net income in 2022 amounting to £72,424,655. This was partially reduced by the payment of cash dividends of £35,000,000 and a share repurchase executed by a capital payment of £25,000,000 to the Company's parent entity during the period.

FUTURE OUTLOOK

The primary driver of headline revenue growth in the Company is Assets under Management (AuM). The annual DWS Group planning process generates a five year business plan at a company level. This business plan takes into account the ability of the Client Coverage Division function to gather new Index based assets and the macroeconomic assumptions at the time of the planning period. The overall appetite for products based on Index tracking has increased significantly over the last few years and the Company expects this growth to continue.

SECTION 172 (1) STATEMENT

Section 172 (1) of the Companies Act 2006 requires each Director of a Company to act in the way that they consider in good faith that would most likely promote success for the benefit of its members as a whole and in that context should consider:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company

To discharge their section 172 duties for this financial year, the Directors had regard to the factors set out above in making principle decisions taken by the Company whilst maintaining high standards of business conduct to the benefit of all stakeholders. An example of this would be approval of the Company's Modern Slavery Statement.

The responsibility for managing macro financial risk, impact on climate change and corporate responsibility arising from climate and environment-related factors is set out at the DWS Group level.

DWS INVESTMENTS UK LIMITED

STRATEGIC REPORT (*continued*)
For the year ended 31 December 2022

The DWS Group carefully manages its policies on business travel, leased assets, waste generated and purchased services. Unavoidable carbon emissions are offset by the purchase and retirement of high quality emission reduction certificates as part of the carbon neutrality activities undertaken by the Group.

The importance of ESG products are also recognised and a dedicated framework is in place to classify dedicated ESG funds.

By order of the Board of Directors this 25th day of April 2023

John Graham Mead Webster

John GM Webster

Registered office

Winchester House
1 Great Winchester Street
London
EC2N 2DB
Company number: 05233891

DWS INVESTMENTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS INVESTMENTS UK LIMITED

Opinion

We have audited the financial statements of DWS Investments UK Limited ("the Company") for the year ended 31 December 2022 which comprise the Income Statement, Statement of Financial Position, Other Comprehensive Income and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

DWS INVESTMENTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS INVESTMENTS UK LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and other relevant parties as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud. Obtained and inspected related policy documentation including the Company's channel for whistle blowing, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Considering remuneration incentive schemes and performance targets including the share based payment.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

DWS INVESTMENTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS INVESTMENTS UK LIMITED

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the regulated entity's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

DWS INVESTMENTS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DWS INVESTMENTS UK LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

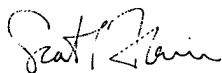
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Flavin (Senior Statutory Auditor)
For and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
26 April 2023

DWS INVESTMENTS UK LIMITED**Income Statement
For the year ended 31 December 2022**

	Note	<u>2022</u> £000	<u>2021</u> £000
Turnover	2(b), 4	222,134	206,379
Administrative expenses	5	(136,079)	(156,257)
OPERATING PROFIT		86,055	50,122
Interest income / (expense) and similar income	6	3,364	(145)
PROFIT BEFORE TAXATION		89,419	49,977
Tax charge on profit	9	(16,994)	(9,623)
PROFIT FOR THE YEAR		72,425	40,354

The profit for the year has arisen from continuing activities.

The notes on pages 15 to 31 form part of these accounts.

DWS INVESTMENTS UK LIMITED**Statement of Financial Position
As at 31 December 2022**

	Note	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
CURRENT ASSETS			
Debtors	7	122,048	89,463
Cash and cash equivalents	8	<u>181,408</u>	<u>203,781</u>
		303,456	293,244
CREDITORS: amounts falling due within one year	11	(140,603)	(142,899)
NET CURRENT ASSETS		162,853	150,345
TOTAL ASSETS LESS CURRENT LIABILITIES		162,853	150,345
NET ASSETS		162,853	150,345
CAPITAL AND RESERVES			
Called up share capital	12	82,000	107,000
Share based reserves	13	3,074	2,991
Profit and loss account		77,779	40,354
SHAREHOLDERS' FUNDS		162,853	150,345

The notes on pages 15 to 31 form part of these accounts.

These financial statements were approved by the Board of Directors on 25th of April 2023

John Graham Mead Webster

Signed by
For and on behalf of the Board of Directors

Company No: 05233891

DWS INVESTMENTS UK LIMITED**Statement of Changes in Equity
For the year ended 31 December 2022**

	<u>Called up share capital £000</u>	<u>Share Based Reserve £000</u>	<u>Profit and Loss Account £000</u>	<u>Total £000</u>
Balance at 1 January 2022	107,000	2,991	40,354	150,345
Share-based payment recharge	–	83	–	83
Dividend	–	–	(35,000)	(35,000)
Capital reduction (Note 12)	(25,000)	–	–	(25,000)
Profit for the year	–	–	72,425	72,425
Balance at 31 December 2022	82,000	3,074	77,779	162,853

**Statement of Changes in Equity
For the year ended 31 December 2021**

	<u>Called up share capital £000</u>	<u>Share Based Reserve £000</u>	<u>Profit and Loss Account £000</u>	<u>Total £000</u>
Balance at 1 January 2021	157,000	3,180	20,719	180,899
Share-based payment recharge	–	(189)	–	(189)
Dividend	–	–	(20,719)	(20,719)
Capital reduction (Note 12)	(50,000)	–	–	(50,000)
Profit for the year	–	–	40,354	40,354
Balance at 31 December 2021	107,000	2,991	40,354	150,345

The notes on pages 15 to 31 form part of these accounts.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101**

DWS Investments UK Limited (the "Company") is a private company incorporated and domiciled in the UK. The registered number is 05233891 and the registered address is Winchester House, 1 Great Winchester Street, London.

Audited financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 25th April 2023 and will be submitted to the FCA and also Companies House.

2 ACCOUNTING POLICIES***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Company is a Qualifying Entity as the parent prepares publicly available consolidated financial statements that are intended to give a true and fair view and the Company is included in that consolidation. These financial statements are presented in English pounds rounded to the nearest thousand.

Summary of disclosure exemptions

These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- i. the requirements in paragraph 10(d) of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- ii. the requirements in paragraph 10(d), 10(f), 111 and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- iii. the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- iv. the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.
- v. the requirements of IFRS 7 Financial Instruments: Disclosures
- vi. the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- vii. the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- viii. disclosures in respect of compensation of Key Management Personnel;

Equivalent disclosures are included in the consolidated financial statements of the DWS Group as required by FRS 101 where exemptions have been applied. These are included with the Annual Report which can be located under the Investor Relations section on the DWS Group website (<https://group.dws.com/ir/reports-and-events/annual-report>).

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS **For the year ended 31 December 2022**

2 ACCOUNTING POLICIES (continued)

These financial statements apply the below accounting policies:

a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention.

b) TURNOVER

Turnover represents the Company's revenue and primarily includes management fees received or receivable for the provision of portfolio investment management services.

The Company recognises revenue in accordance with the principles of IFRS 15 - Revenue from Contracts with Customers. The Company applies the IFRS 15 five-step model for recognising revenue, which consists of identifying the contract with the customer; identifying the relevant performance obligations; determining the amount of consideration to be received under the contract; allocating the consideration to each performance obligation; and earning the revenue as the performance obligations are satisfied.

Revenue is based on terms specified in a contract with a customer and excludes any amounts collected on behalf of third parties. Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a service to a customer.

Management fees

Management fees are calculated as a percentage of Assets Under Management (AuM) and products in which those assets are invested in accordance with the individual investment management agreements. Management fees are calculated and recognised on a monthly basis in accordance with the terms of the relevant management fee agreements. Management fees are stated net of value added tax and any rebates and discounts.

c) INTEREST INCOME AND EXPENSE

Interest income and expense is accounted for on an accrual basis.

d) TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS **For the year ended 31 December 2022**

2 ACCOUNTING POLICIES (continued)

d) TAXATION (continued)

amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

e) SHARE-BASED COMPENSATION

DWS Share-Based Plans (cash-settled)

The Group made grants of share-based compensation under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018, IPO related Awards were granted to selected employees within the Group. Both Awards (DWS Equity Plan and DWS Stock Appreciation Rights (SAR) Plan) are considered as share-based cash-settled awards.

DB Equity Plan (equity-settled)

The Group employees continue to participate in the DB Equity Plan under the rules established for Deutsche Bank Group as applicable.

Share-based payment transactions where Deutsche Bank AG as ultimate parent company grants Deutsche Bank AG shares to the employees of the Group are classified as equity-settled transactions reflected in the equity in the consolidated financial statements of the Group as Deutsche Bank AG has the obligation to settle the shares.

All share-based compensation is accounted for in accordance with IFRS2 where the associated expenses are recognized by the Company (in Profit and Loss or Equity) over the term of the associated vesting period.

f) PENSION SCHEMES

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the income statement account represents the contributions payable to the scheme in respect of the accounting period.

Directors and employees of the Company can also be members of the group defined benefit schemes operated by DB Group Services (UK) Limited, details of which are disclosed in the financial statements of that company.

The expected cost of pensions payable under the group's funded defined benefit schemes, and of other unfunded post-retirement benefits, is charged to the Company by the Principal Employer and is recognised in the Income Statement Account so as to spread this cost over the service lives of employees in schemes.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****2 ACCOUNTING POLICIES (continued)****f) PENSION SCHEMES (continued)**

Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes and are included in the recharge to the Company. The costs are assessed in accordance with the advice of qualified actuaries. The last formal actuarial valuation was carried out for pensions and for other post-retirement benefits as of 31 December 2018 and performed on a roll-forward basis for 31st December 2022.

The Company is unable to identify its share of the underlying assets and liabilities of the schemes and information regarding any surplus/deficit of the scheme is not currently available as of 31 December 2022 and as such adopts the IAS 19 exemption for the accounting of actuarial gains and losses which are borne by the Principal Employer. Further details of the schemes as required by IAS 19 are disclosed in the statutory financial statements of DB Group Services (UK) Limited.

g) FOREIGN EXCHANGE

Transactions in foreign currencies are translated into Pounds Sterling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the corresponding rates at that date. These translation differences are dealt with in the income statement.

h) DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDERS' FUNDS

Dividends are only recognised as a liability at that date they are formally approved for payment by the Company. Declared dividends that have not been approved for payment are disclosed in the notes to the financial statements.

i) GOING CONCERN

The Company's 2022 business activities and outlook, together with the principal business risks and uncertainties that are likely to affect its future development, performance and position and the Director's strategy and processes for managing these risks, including developing and implementing operational and financial resilience, are set out in the Strategic Report and Directors Report on pages 1 to 7.

The Directors perform an annual going concern review that considers the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. As outlined in the entity's Going Concern assessment document, the Directors have considered

- Stress tests on reasonably plausible downside scenarios for the next 12 months from the date of approval of financial statements as a result of reduced assets under management which generate fee income;
- The level of existing and projected cash resources available in a stressed scenario;
- Regulatory capital requirements in a stressed scenario;
- Reverse stress tests; and
- The interdependency of the Company's operations and finances on other entities within the DWS group, and the overall operational and financial stability of the Group as a whole.

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS **For the year ended 31 December 2022**

2 ACCOUNTING POLICIES (continued)

i) GOING CONCERN (continued)

Based on the above, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

j) TRANSFER PRICING

The Company makes use of the international network within DWS Group to provide its services as an asset management company. The remuneration of corresponding intra-Group services on the basis of transfer pricing models is a key area. Risks from the non-recognition of transfer pricing is limited by the comprehensive determination of activity and corresponding models and methods in the form of a global transfer pricing policy and supplementary documentation (e.g. benchmark analyses), taking into account the applicable transfer pricing guidelines and relevant local regulations.

Overall, it cannot be ruled out that the identification, methods and guidelines used may not be accepted by the respective local tax authorities and subsequent adjustments required. For this reason, despite transfer pricing policies and documentation that comply with the rules, it is possible that tax risks may arise, including subsequent taxation of income from previous fiscal years. In the event of non-recognition of underlying transfer prices, there is also the possibility of processing corrections in subsequent accounting periods.

k) USE OF ESTIMATES AND JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets/liabilities. Actual results in future periods could differ for such estimates. Estimates and assumptions are mainly used in the following areas of the financial statements and are disclosed in the corresponding notes:

- Determination of fair value for share based compensation (note 2(e))
- Measurement and timing of provisions (note 17), and
- Measurement of deferred tax assets (note 2 (d))

Please refer to the relevant notes for further explanation on how the estimates and judgements relating to the above are formed.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****3 DIRECTORS' REMUNERATION**

	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Directors' emoluments	139	125
Amounts receivable under long term incentive schemes	7	40
Total	<u>146</u>	<u>165</u>
Company contributions to defined benefit pension schemes	–	–
Company contributions to money purchase pension schemes	–	1
Compensation for loss of office	–	–

During the year, 3 Directors received shares or payments under long term incentive share schemes totalling £7,210.57 (2021: 3 Directors received shares or payments under long term incentive share schemes totalling £40,117.53).

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £82,065.20 and the pension contributions were £0 (2021: The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £104,280.45 and the pension contributions were £1,291.50).

	<u>Number of</u> <u>Directors</u> <u>2022</u>	<u>Number of</u> <u>Directors</u> <u>2021</u>
Retirement benefits are accruing to the following number of Directors under:		
Defined Benefit Pension Schemes	–	1
Amounts receivable under long term incentive schemes	–	–

No Directors exercised any shares options under long term incentive schemes.

4 TURNOVER

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Business breakdown:		
Liquid ex Index Investing	11,459	10,622
Index Investing	210,675	195,757
Total	<u>222,134</u>	<u>206,379</u>

The increase in turnover for the period was primarily a result of higher average AuM versus the prior year .

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****5 ADMINISTRATIVE EXPENSES**

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Auditor remuneration:		
Audit of these financial statements	95	48

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Profit before taxation is stated after charging:		
Staff costs		
Wages and salaries	15,778	18,211
Social security costs	2,307	2,747
Pension Costs	1,624	1,399
Share based payment expense	393	2,018
Other staff related costs	279	975
Other administrative expenses	115,603	130,859
Total	<u>136,079</u>	<u>156,257</u>

All staff are employed by a fellow subsidiary undertaking, DB Group Services (UK) Limited, and their costs of £20,381,000 (2021: £25,350,000) are recharged to the Company.

Other administrative expenses includes £1,006,894 (2021: £3,357,155) mainly for the cost of services provided to the Company by Deutsch Bank AG London Branch in relation to support services across infrastructure and control teams.

The average number of employees employed by the Group Company and recharged to the Company during the year are as follows:

	<u>2022</u>	<u>2021</u>
Average number of employees	90	96

6 OTHER INCOME / (EXPENSE)

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Other interest income and similar income		
Interest income / (expense)	536	(23)
Net foreign exchange gain / (loss)	2,841	(122)
Other	(13)	-
	<u>3,364</u>	<u>(145)</u>

Interest income was generated from interest earning deposits. The interest expense in the prior period is due to the euro cash balance held by the Company attracting negative interest rates.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****7 DEBTORS**

	Note	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Amounts owed by group undertakings		93,494	62,367
Trade debtors		22,000	23,326
Other debtors		5,545	3,155
Other financial assets		977	-
Deferred tax asset	10	32	614
		<u>122,048</u>	<u>89,463</u>

The increase in debtors during the period is driven by higher revenues during the year.

8 CASH AND CASH EQUIVALENTS

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Cash at bank	112,408	134,781
Maturity time deposits	69,000	69,000
	<u>181,408</u>	<u>203,781</u>

The reduction in the period was driven by a reduction in share capital and the associated cash payment of £25,000,000 made to the Company's parent, DWS Group GmbH & Co. KGaA and a cash dividend payment of £35,000,000 (see Note 12).

9 TAXATION

(a) Analysis of tax on profit/(loss)

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
<i>Current tax</i>		
Group Relief (charge) for the year	(16,334)	(9,457)
Adjustment in respect of prior periods	-	(134)
	<u>(16,334)</u>	<u>(9,591)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(679)	(53)
Adjustment in respect of prior periods	14	-
Effect of tax rate change	5	21
Total tax (charge)/credit on profit/(loss) on ordinary activities	<u>(16,994)</u>	<u>(9,623)</u>

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****9 TAXATION (continued)****(b) Total tax reconciliation**

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2021 - 19.00%). The actual tax (charge) / credit for the year differs from the standard rate for the reasons set out in the following reconciliation.

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Profit/(loss) on ordinary activities	89,419	49,977
Tax (charge)/credit on profit/(loss) on ordinary activities at standard rate	(16,990)	(9,496)
Disallowable expenses	(23)	(14)
Adjustment in respect of prior period	14	(134)
Effect of tax rate change	5	21
Total tax (charge) / credit	<u>(16,994)</u>	<u>(9,623)</u>

The main corporation tax rate is 19%.

In the Budget on 3 March 2021, the Government announced an increase in the main corporation tax rate to 25% from 1 April 2023. Substantive enactment occurred on 24 May 2021. This will increase the company's future current tax charge and deferred tax asset accordingly.

The net deferred tax asset at 31 December 2022 has been calculated based on the expected rate in the period in which assets are expected to be realised or liabilities are expected to be settled, based on rates substantively enacted at the balance sheet date.

10 DEFERRED TAXATION

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Balance at 1 January	614	658
Profit and Loss Account	(660)	(33)
Statement of Total Recognised Gains & Losses	78	(11)
Balance at 31 December	<u>32</u>	<u>614</u>

The current year deferred tax asset arises out of temporary differences in respect of deferred compensation amounts and pensions provided to employees.

Deferred tax assets are recognised and carried forward only to the extent that the realisation of the related tax benefit is probable.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****11 CREDITORS: Amounts falling due within one year**

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Trade Creditors	46,698	44,690
Amounts owed to group undertakings	69,130	78,360
Other creditors	7,960	10,051
Group relief payable	–	134
Corporation tax payable	16,457	9,664
Bank overdraft	358	–
	<u>140,603</u>	<u>142,899</u>

The reduction in creditors during the period is driven primarily by the settlement of both inter-company and trade payables. The amounts owed to group undertaking includes a payable to DB Group Services (UK) Limited for £4,455,003 (2021: £1,241,111) in respect of staff related costs as well as a net payable to Deutsche Bank AG London Branch for £40,130,542 (2021: £23,924,980) which arises in its capacity as paying agent for the Company's vendor costs. These balances are typically paid quarterly in arrears.

12 SHARE CAPITAL

	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	107,000	157,000
Capital reduction	(25,000)	(50,000)
	<u>82,000</u>	<u>107,000</u>

	<u>2022</u> <u>No. of shares</u>	<u>2021</u> <u>No. of shares</u>
Allotted, called up and fully paid:		
38,000,001 Ordinary shares of £1 each	38,000,001	38,000,001
Additional issuance of shares of £1 each	44,000,000	69,000,000
Ordinary shares of £1 each	<u>82,000,001</u>	<u>107,000,001</u>

13 SHARE-BASED RESERVE

The equity compensation reserve comprises the fair value of the actual or estimated number of unexercised shares and share options granted to the Company's employees recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(e).

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS For the year ended 31 December 2022

14 SHARE-BASED COMPENSATION

There are two categories of share-based compensation plans, which are described below: DWS Share-Based Plans (cash-settled) and the DB Equity Plan (equity settled).

DWS Share-Based Plans (cash-settled)

The DWS Group made grants of share-based compensation under the DWS Equity Plan. This plan represents a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified time period.

In September 2018 one-off IPO related awards under the DWS Stock Appreciation Rights (SAR) Plan were granted to all DWS employees. A limited number of DWS senior managers were granted a one-off IPO related Performance Share Unit (PSU) under the DWS Equity Plan instead.

The DWS SAR Plan represents a contingent right to receive a cash payment equal to any appreciation (or gain) in the value of a set number of notional DWS shares over a fixed period of time. This award does not provide any entitlement to receive DWS shares, voting rights or associated dividends.

The DWS Equity Plan is a phantom share plan representing a contingent right to receive a cash payment by referencing to the value of DWS shares during a specified period of time.

The award recipient for any share-based compensation plan is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of any share-based compensation plan are forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period (or the end of the retention period for Upfront Awards). Vesting usually continues after termination of employment in cases such as redundancy or retirement.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****14 SHARE-BASED COMPENSATION (continued)**

The following table sets forth the basic terms of the DWS share-based plans:

Grant year(s)	Award Type	Vesting schedule	Eligibility
2021 DWS Equity Plan	Annual Awards	1/4: 12 months ¹ 1/4: 24 months ¹ 1/4: 36 months ¹ 1/4: 48 months ¹	Select employees as annual performance-based compensation (InstVV MRTs)
	Annual Awards	1/3: 12 months ¹ 1/3: 24 months ¹ 1/3: 36 months ¹	Select employees as annual performance-based compensation (non-InstVV MRTs)
	Annual Award - Upfront	Vesting immediately at grant ¹	Regulated employees
	Retention/New hire	Individual specification	Select employees to attract and retain the best talent
2019 - 2020 DWS Equity Plan	Annual Awards	1/3: 12 months ¹ 1/3: 24 months ¹ 1/3: 36 months ¹	Select employees as annual performance-based compensation
	Annual Award - Upfront	Vesting immediately at grant	Regulated employees
	Retention/New hire	Individual Specification	Select employees to attract and retain the best talent
2018 DWS Equity Plan	Retention/New Hire	Individual Specification	Select employees to attract and retain the best talent
	Performance Share Unit (PSU) Award (one-off IPO related award) ¹	1/3: March 2022 ¹ 1/3: March 2023 ¹ 1/3: March 2024 ¹	Select Senior Managers
2018 DWS SAR Plan	SAR Award (one-off IPO related award)	For non-MRTs: 1 June 2021 ³ For MRTs: 1 March 2023 ^{1, 3}	all DWS employees ²

MRT - Material Risk Taker

¹ Depending on their individual regulatory status, a six months retention period (AIFMD/UCITS MRTs) or a 12-months retention period (InstVV MRTs) applies after vesting.

² Unless the employee received PSU Award

³ In 2020, two Early Exercise windows were offered to non-MRTs leading to accelerated vesting and exercise upon acceptance. For outstanding awards, a 4-year exercise period applies following vesting/retention period.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****14 SHARE-BASED COMPENSATION (continued)**

The following table sets out the movements in share award units:

Share units (in thousands)	DWS Equity Plan	
	2022	2021
	Number of Awards	Number of Awards
Outstanding at beginning of year	138	114
Granted	24	42
Released or exercised	(44)	(27)
Forfeited	–	(6)
Expired	–	–
Other Movement	(10)	15
Outstanding at end of year	108	138
Of which, exercisable	–	–

Share units (in thousands)	DWS SAR Plan			
	2022		2021	
	Number of Awards	Weighted-average exercise price	Number of Awards	Weighted-average exercise price
Outstanding at beginning of year	44	€ 24.65	59	€ 24.65
Granted	–	€ 0.00	–	€ 0.00
Released or exercised	(2)	€ 24.65	(11)	€ 24.65
Forfeited	–	€ 0.00	(3)	€ 24.65
Expired	–	€ 0.00	(1)	€ 0.00
Other Movement	(2)	€ 24.65	–	€ 24.65
Outstanding at end of year	40	€ 24.65	44	€ 24.65
Of which, exercisable	18	€ 0.00	21	€ 0.00

The following table sets out key information regarding awards granted, released and remaining in the year:

	2022			2021		
	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average remaining contractual life in years
DWS Equity Plan	€ 28.10	€ 31.30	1	€ 30.37	€ 35.60	2
DWS SAR Plan	–	€ 38.76	4	–	€ 38.57	5

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****14 SHARE-BASED COMPENSATION (continued)**

The fair value of outstanding share-based awards recognised in the income statement up to the period ending 2022 and 2021 was £ 2.8 million and £4.0 million respectively, of which £ 1.6 million (2021: £ 1.9 million) relate to fully vested awards.

The fair value of the DWS SAR Plan awards have been measured using the Black-Scholes model, incorporating a tree-based pricer for the pricing of American option. The liabilities incurred are re-measured at the end of each reporting period until settlement. The principal inputs being the market value on reporting date, discounted for any dividends foregone over the holding periods of the award, and adjustment for expected and actual levels of vesting which includes estimating the number of eligible employees leaving Deutsche Bank Group and number of employees eligible for early retirement.

The inputs used in the measurement of the fair values at grant date and measurement date of the DWS SAR Plan awards were as follows:

	<u>Measurement</u> <u>date:</u> <u>31 December</u> <u>2022</u> SAR	<u>Measurement</u> <u>date:</u> <u>31 December</u> <u>2021</u> SAR
Units (in thousands)	40	44
Fair value (weighted average)	€ 7.73	€ 10.32
Share price	€ 30.36	€ 35.48
Exercise price	€ 24.65	€ 24.65
Expected volatility (weighted-average) in %	32	32
Expected life (weighted-average) in years	4	5
Expected dividends (% of income)	65	65

Given the limited trading in the market of implied DWS share price volatility, the expected volatility of the DWS share price has been based on an evaluation of the historical volatility for a comparable peer group over the preceding 5-year period.

DB Equity Plan (equity-settled)

Some DWS Group employees continue to hold deferred awards granted under the DB Equity Plan, under the rules established for Deutsche Bank Group.

Share-based payment transactions where Deutsche Bank Group AG have granted Deutsche Bank AG shares to the employees of DWS Group are classified as equity-settled transactions reflected in the equity in the consolidated financial statements of DWS Group as Deutsche Bank AG has the obligation to settle the shares. The award recipient is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of the DB Equity Plan may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period. Vesting usually continues after termination of employment in cases such as redundancy or retirement.

DWS INVESTMENTS UK LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 December 2022****14 SHARE-BASED COMPENSATION (continued)**

The following table sets forth the basic terms of these share plans of DB Group.

Grant year(s)	Deutsch Bank Equity Plan	Vesting Schedule	Eligibility
2019 - 2021	Annual Award	1/4 : 12 months	Select employees as annual performance-based compensation (CB/IB/CRU and InstVV MRTs in ² an MBU)
		1/4 : 24 months	
		1/4 : 36 months	
		1/4 : 48 months	
	Annual Award	1/3 : 12 months	Select employees as annual performance-based compensation (CB/IB/CRU/MBU) ²
		1/3 : 24 months	
		1/3 : 36 months	
2017 - 2018	Annual Award	1/5 : 12 months	Select employees as annual performance-based compensation (Senior Management)
		1/5 : 24 months	
		1/5 : 36 months	
		1/5 : 48 months	
	Retention / New Hire	Individual Specification	Select employees to attract and retain the best talent
	Annual Award – Upfront	Vesting immediately at grant	Regulated employees
	Annual Award	1/4 : 12 months	Select employees as annual performance-based compensation
		1/4 : 24 months	
		1/4 : 36 months	
		1/4 : 48 months	
	Retention / New Hire	Individual Specification	Members of Senior Leadership Cadre
	Retention / New Hire	Individual Specification	Select employees to attract and retain the best talent

The following table sets out the movements in share award units, including grants under the cash plan variant of the DB Equity Plan:

Share units (in thousands)	2022	2021
Outstanding at beginning of year	31	57
Granted	–	–
Released or exercised	(20)	(32)
Forfeited	–	(1)
Expired	–	–
Other Movements	(2)	7
Outstanding at end of year	9	31
Of which, exercisable	–	–

The following table sets out key information regarding awards granted, released and remaining in the year:

	2022			2021		
	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in year	Weighted average share price at exercise / release in year	Weighted average remaining contractual life in years
DB Equity Plan	–	€ 11.99	0.2	–	€ 10.51	1

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

14 SHARE-BASED COMPENSATION (continued)

As of 31 December 2022, the grant value of outstanding share awards was approximately £ 0.01 million (31 December 2021: £ 0.3 million).

In addition, approximately 20 thousand shares were issued to plan participants in 2022 following the vesting of DB Equity Plan awards granted in prior years.

15 RETIREMENT BENEFITS (IAS 19)

Directors and employees of the Company are members of group defined contribution and benefit schemes operated by DB Group Services (UK) Limited, details of which are disclosed in the financial statements of that Company.

The Company is unable to identify its share of the underlying assets and liabilities of the defined benefit schemes due to the complexity of the scheme and as such, in line with IAS 19, has presented its defined benefit schemes as a defined contribution scheme.

The surplus of the Deutsche Bank Group defined benefit schemes recognised by DB Group Services (UK) Limited, the Principal Employer as at 31 December 2022, was £790,557,000 (2021: £915,211,000).

As detailed in the accounting policy note, the pension costs are recharged by the Principal Employer, DB Group Services (UK) Limited, in accordance with actuarial advice. The financial statements of DB Group Services (UK) Limited show full details of the assumptions and valuation techniques applied by the actuaries in assessing the gains and losses at year end.

16 ULTIMATE PARENT COMPANY AND OTHER PARENT UNDERTAKINGS

On 14 Dec 2017, the Company was sold to DWS Group GmbH & Co. KGaA (formerly Deutsche Asset Management Holding SE) in preparation for the partial IPO of Deutsche Asset Management which took place in March 2018. Prior to this, Deutsche Asset Management Group Limited (now DWS Group Services UK Limited), a company registered in England and Wales, was the Company's immediate controlling entity.

Deutsche Bank AG, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, is the Company's ultimate controlling entity, also being the ultimate parent company and the parent undertaking of the largest and smallest group for which group financial statements are drawn up.

Copies of the group financial statements prepared in respect of Deutsche Bank AG may be obtained from the Company Secretariat, Deutsche Bank AG, London branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

17 PROVISIONS AND CONTINGENT LIABILITIES

The Company is subject to regulation in all of the territories in which it operates its investment businesses. In the UK, where the Group primarily operates, the FCA has broad powers, including powers to investigate marketing and sales practices.

DWS INVESTMENTS UK LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

17 PROVISIONS AND CONTINGENT LIABILITIES (continued)

The Company, like other financial organisations, is subject to legal proceedings, complaints and regulatory proceedings, complaints and regulatory discussions, reviews and challenges in the normal course of its business. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Company incurring a liability. Where it is concluded that it is more likely than not that a material outflow will be made a provision is established based on management's best estimate of the amount that will be payable. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed to properly investigate, and no provisions are held for such matters. It is not possible to predict with certainty the extent and timing of the financial impact of legal proceedings, complaints and related regulatory matters.

18 SUBSEQUENT EVENTS

The Company performed an evaluation of subsequent events through 25 April 2023 which is the date the financial statements were made available to be issued. The Company determined that based on this evaluation there were no items that would affect the reported amounts in the financial statements as of 31 December 2022.