



Investors for a new now

# New Realities in Asia: Opportunities And Uncertainties

September 2023

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# DWS Invest Asian Bonds

## Risk Disclosures



- The Fund primarily invests in interest bearing securities in the Asia regions, which are subject to higher concentration risks.
- The Fund will invest in debt securities which are subject to counterparty, interest rate, liquidity, foreign currency and downgrading risks. The Fund may also invest in emerging markets which may involve higher political and economic uncertainties and increased liquidity, currency and legal risks as compared to developed markets.
- The Fund will invest in non-investment grade or unrated debt securities, which are generally subject to lower liquidity and higher volatility.
- The Fund may invest in financial derivative instruments for hedging purpose only and may involve additional counterparty and liquidity risks.
- For the dividend distribution of certain shares classes, the board of directors of the Fund may at its discretion pay dividends out of capital of the Sub-Fund or pay dividends out of gross income while paying all or part of the Sub-Fund's fees and expense out of the capital of the Sub-Fund, which results in effectively paying dividend out of capital. Any payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and may result in immediate reduction of the net asset value per share.
- Investment involves risks. The Fund may not be suitable for all investors. Prospective investors should carefully read the Hong Kong offering documents for further details on product features and risks, and should consider seeking independent professional advice in making their assessment.

# Agenda



**01** New Realities in Asia: Opportunities And Uncertainties

**02** Fund Overview, Positioning, and Performance

Appendix

The background features a series of thin, parallel, light grey diagonal lines sloping downwards from left to right. In the bottom right corner, there is a solid dark grey shape that resembles a stylized arrowhead or a corner cut-off.

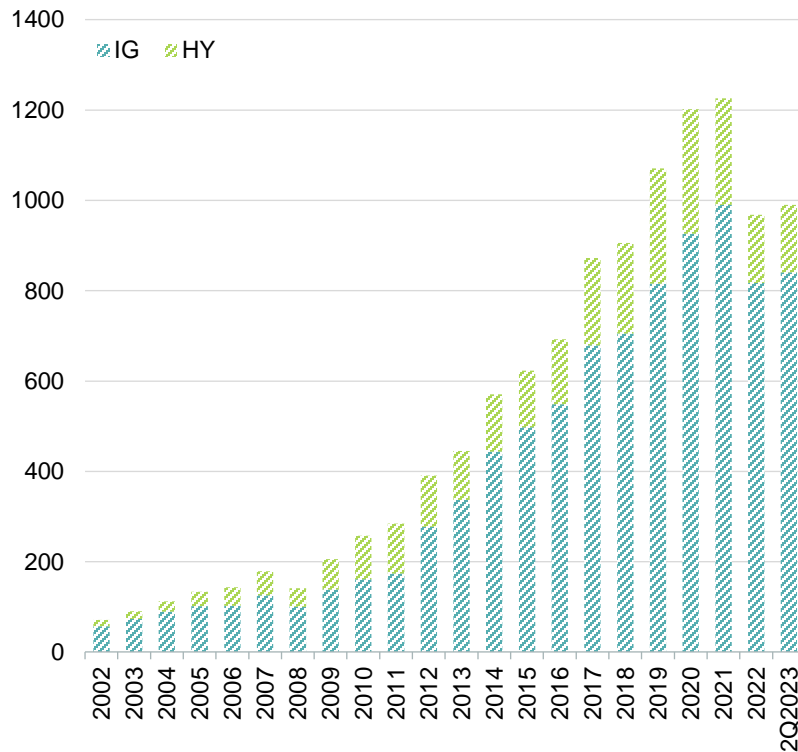
# 1. New Realities in Asia: Opportunities Amid Uncertainty

# Asian Dollar Bonds Universe

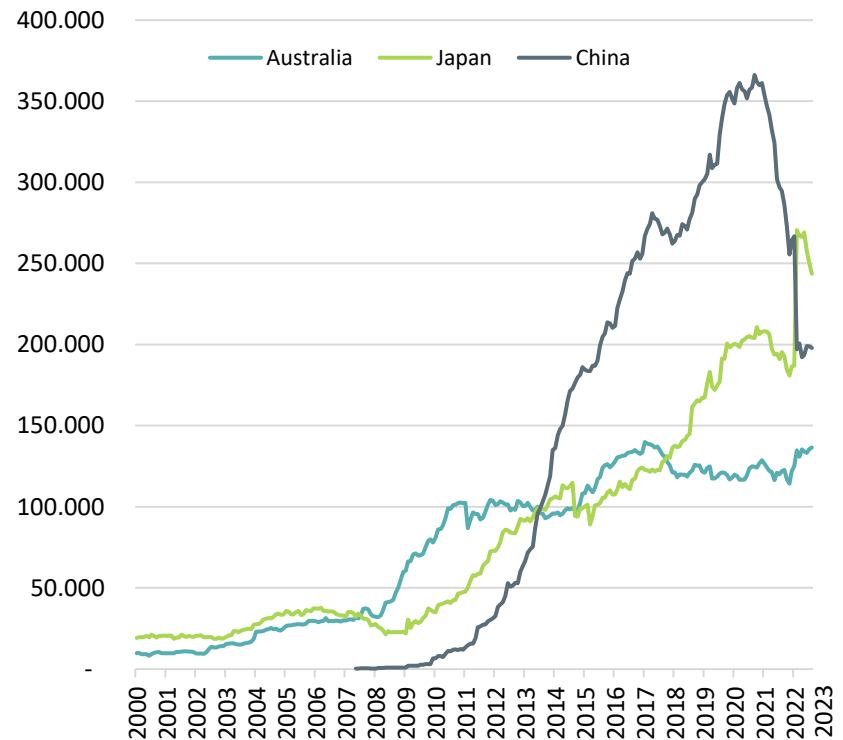


Asset Class of Approximately US\$1 trillion (ex Japan and Australia)

The Asian credit market had grown at a CAGR of 13%\* since 2008



Market Capitalisation (USD 'mn): Japan, Australia, China USD Corporates



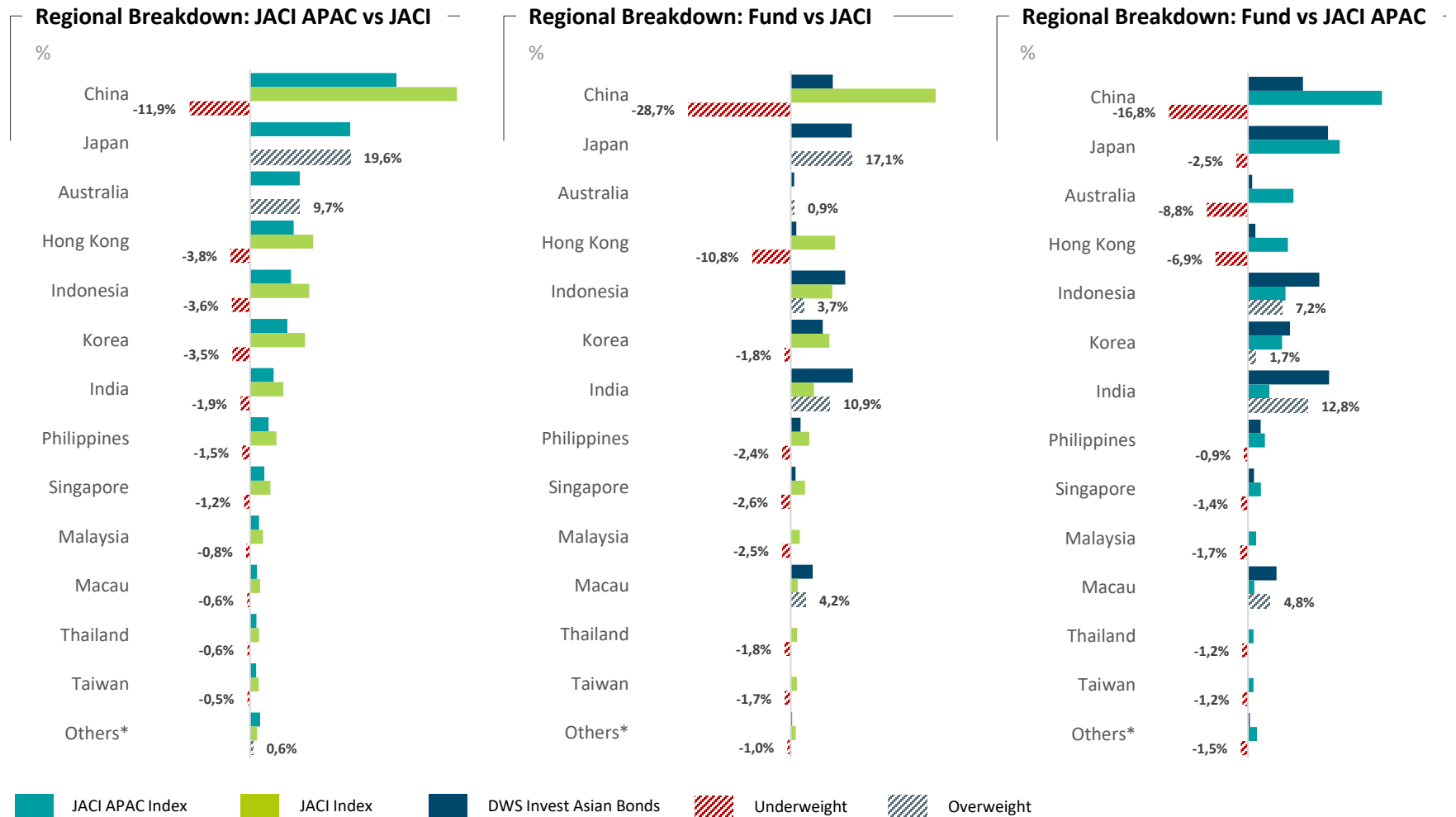
JPM Asia Credit Index Total Market Cap (US\$ billion) from 2002 – 2Q2023.  
 \*CAGR as measured from 2008 – 2022.  
 As of June 30, 2023. Source: J.P. Morgan.

Based on constituents of ICE BofAML Global Corporate Index  
 As of July 31, 2023. Source: Bloomberg, ICE BofAML index

# Diversification and Added Credit Selection Opportunities



Addition of \$472bn of USD Bonds from 93 Issuers across Japan, Australia, NZ and PNG



Allocations are subject to change without notice. Newly added regions to form the new JACI Asia Pacific Index: Japan, Australia, New Zealand and Papua New Guinea.

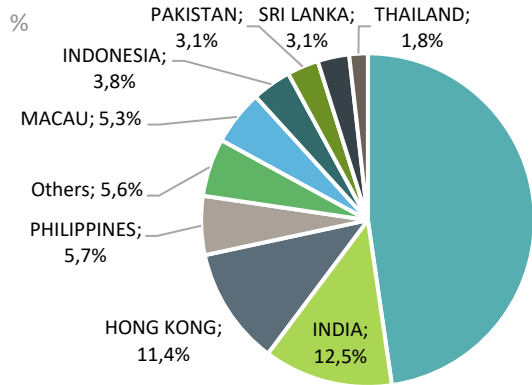
Source: J.P. Morgan, DWS Investments GmbH, as of 28 February 2023. \*Others include New Zealand, Sri Lanka, Pakistan, Mongolia, Vietnam, Papua New Guinea, Cambodia, Maldives

# China HY Property Market Continued to Shrink

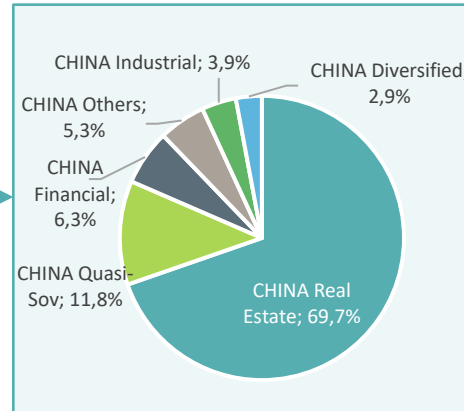
Once A Mainstay Of The Asia HY Market, The Sector Has Tumbled By 84% Since August 2021

UPDATE

**Breakdown Of JACI HY By Market Cap (31 Aug 2021)**



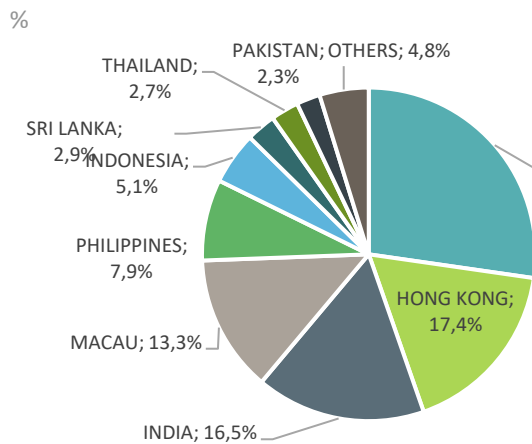
CHINA; 47,7%



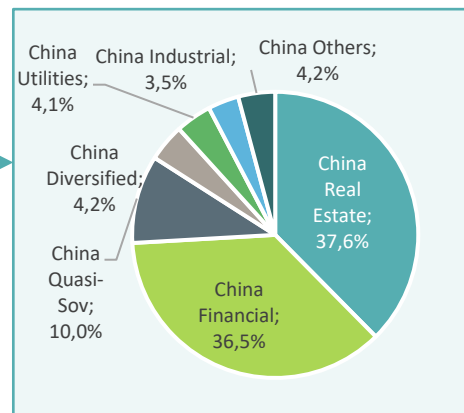
**JACI China Real Estate Bonds**

	31 Aug 21	31 May 23
No. of Securities	234	71
Market Cap (USD)	94.6 bn	15.3 bn

**Breakdown Of JACI HY By Market Cap (31 May 2023)**



CHINA; 27,3%



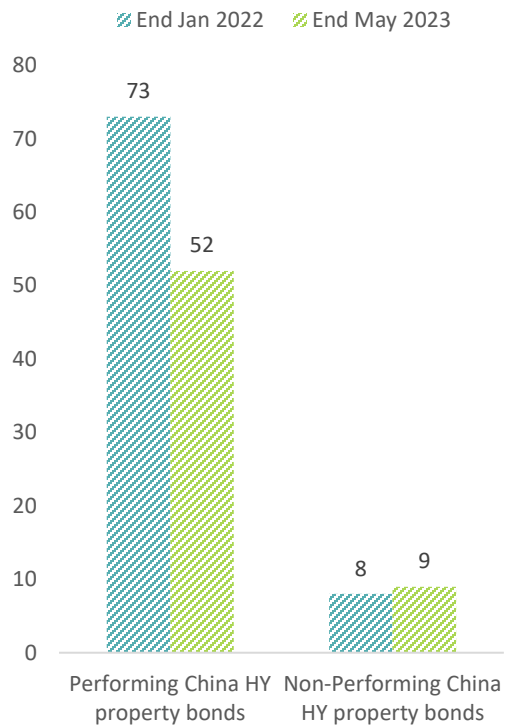
Source: JPMorgan, as of 31 May 2023.

# China HY Property: Default Risks Remain Elevated

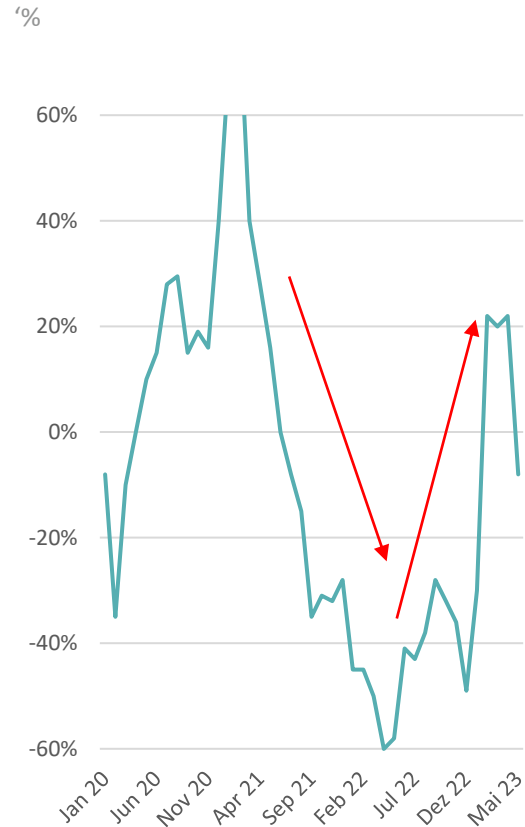
Confidence Remains Weak; Bearish Sentiment Has Spilled Over To Higher Quality Property Developers

**Average Bond Prices: China HY Property**

'points, par=100

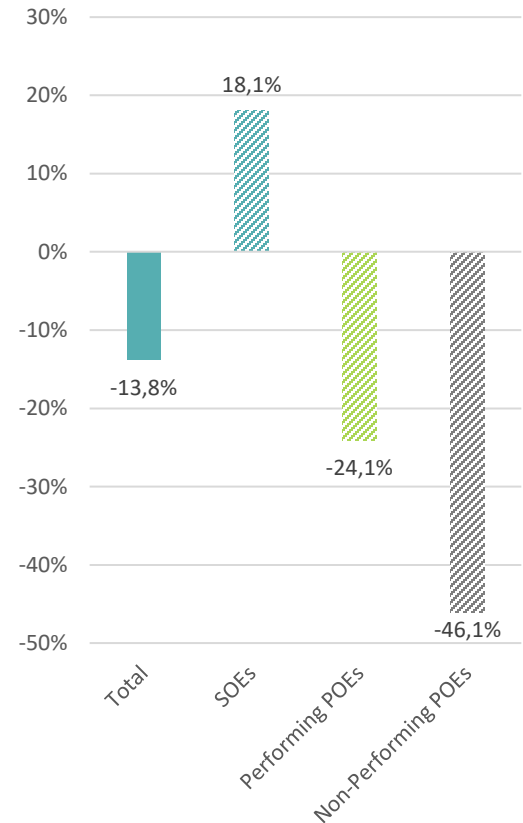


**Sales Growth yoy – Double Dip Downturn**



**Divergence between SOEs & POEs**

2M23 Contracted Sales Growth (y/y) – 29 Developers with offshore USD bonds



Source: Bloomberg, National Bureau of Statistics of China, Barclays Research, DWS Investments GmbH. As of May 2023.

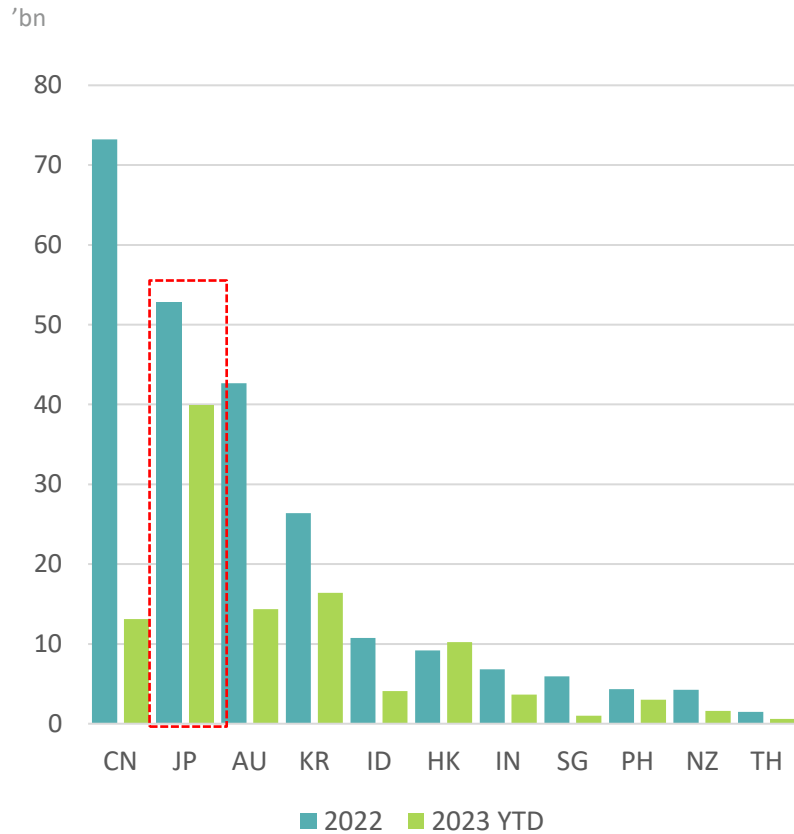


# Key Opportunities: Japan



\$338bn Market, Aided by New Index Inclusion, Stands to Benefit from Investors' Regional Diversification Drive

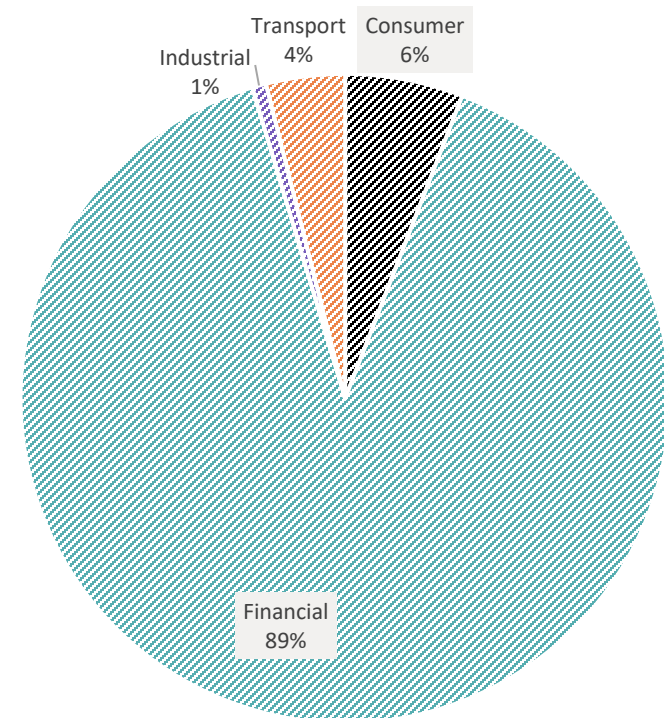
Issuance by Region – 2022 & 2023 YTD



Source: ANZ, as of 31 March 2023

100% of our Japan Exposure Is In Investment Grade

Portfolio Japan Exposure – 17.8%



Asset allocation may change without prior written notification. Expressed in % of fund AuM, USD Share class used. As of: July 31, 2023; Source: DWS Group GmbH & Co. KGaA.

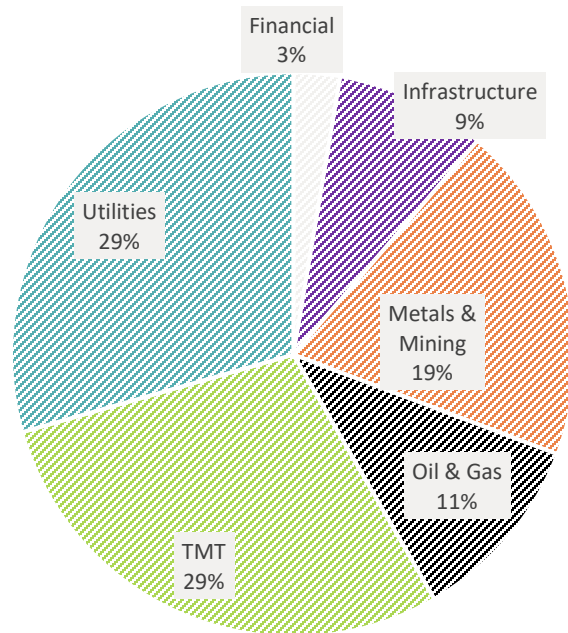
# Key Credit Risk Exposures: India and Indonesia



Majority Held in Short Dated, High Yield Names

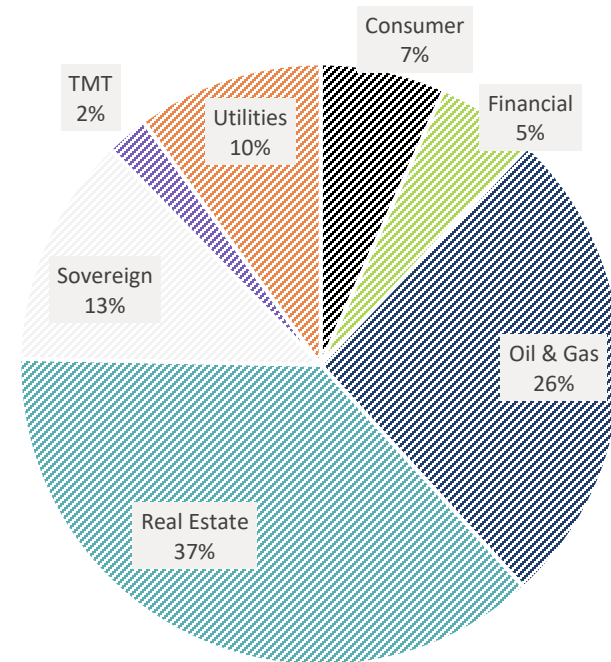
## Strategy India Exposure (16.4%)

Breakdown by Sector



## Strategy Indonesia Exposure (14.9%)

Breakdown by Sector



### Portfolio India Exposure

% in HY	73.8%	WAL* to Worst	2.04
Modified Duration to Worst	1.85	Yield to Worst	11.73%

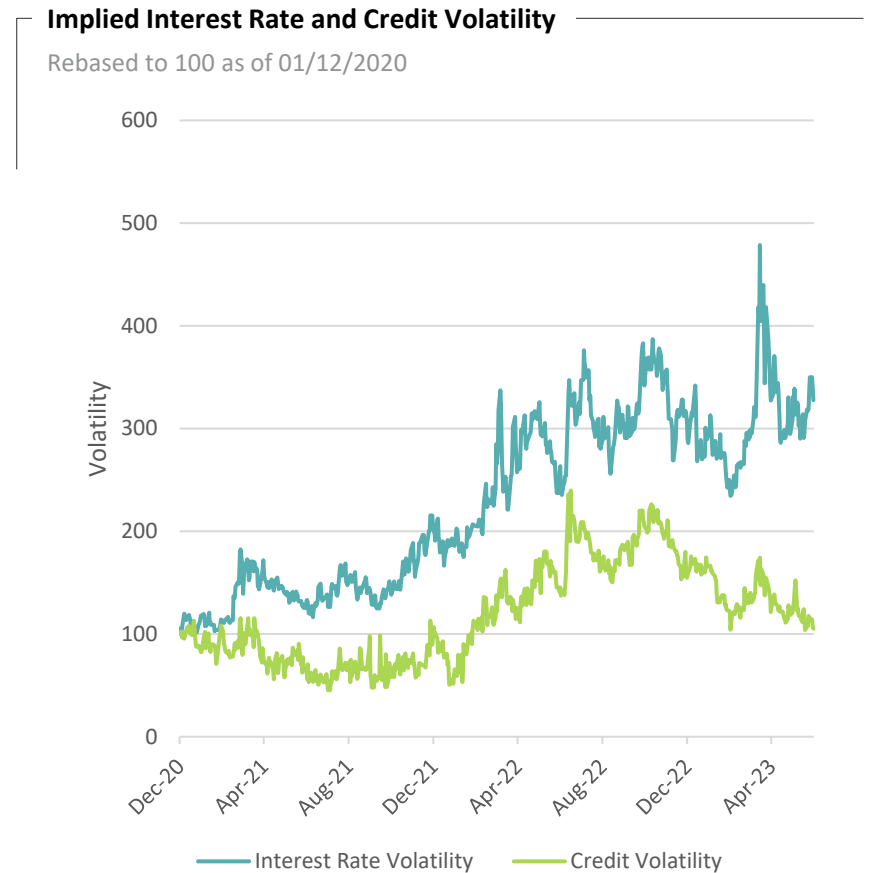
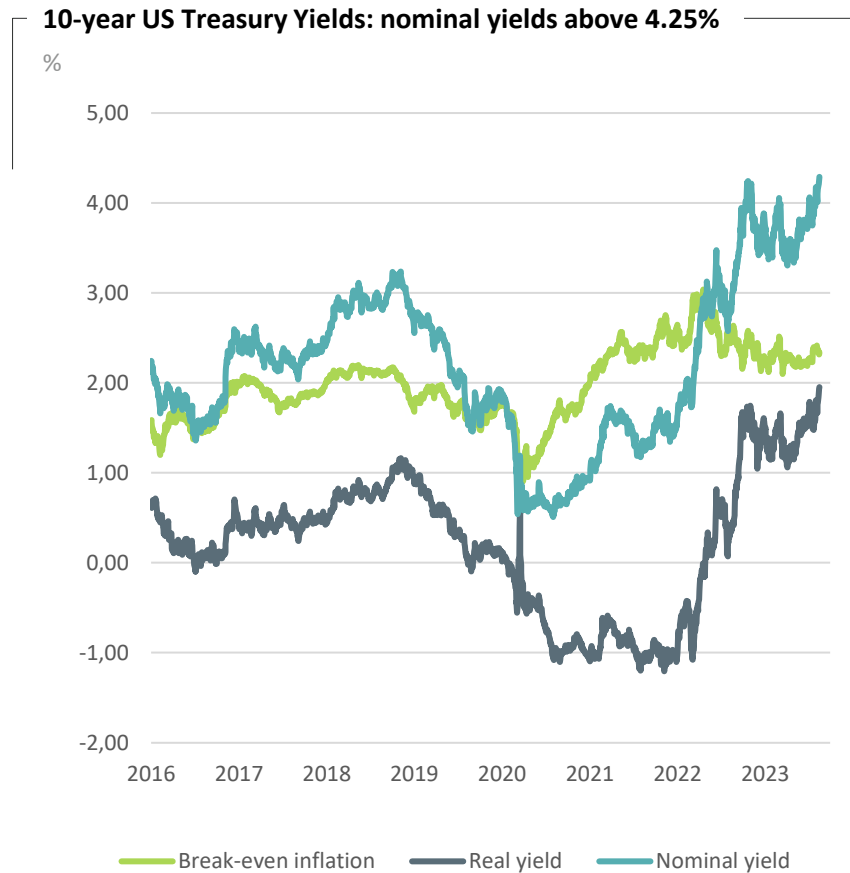
### Portfolio Indonesia Exposure

% in HY	69.9%	WAL* to Worst	5.02
Modified Duration to Worst	3.60	Yield to Worst	12.2%

Asset allocation may change without prior written notification. Expressed in % of fund AuM, As of: July 31, 2023;  
Source: DWS Group GmbH & Co. KGaA. \*WAL = Weighted Average Life to Worst

# Flexibility on Rates, Selectivity on Credit (I)

## Widespread Volatility Warrants a Pragmatic Approach



Left-hand Chart: Source: Bloomberg. As of August 2023.

Right-hand Chart: Interest Rate Volatility = MOVE index. Credit Volatility = Implied 3-month volatility of iShares iBoxx High Yield Corporate ETF. Source: Bloomberg. As of 31 May 2023.

Past performance is no guarantee of future results.

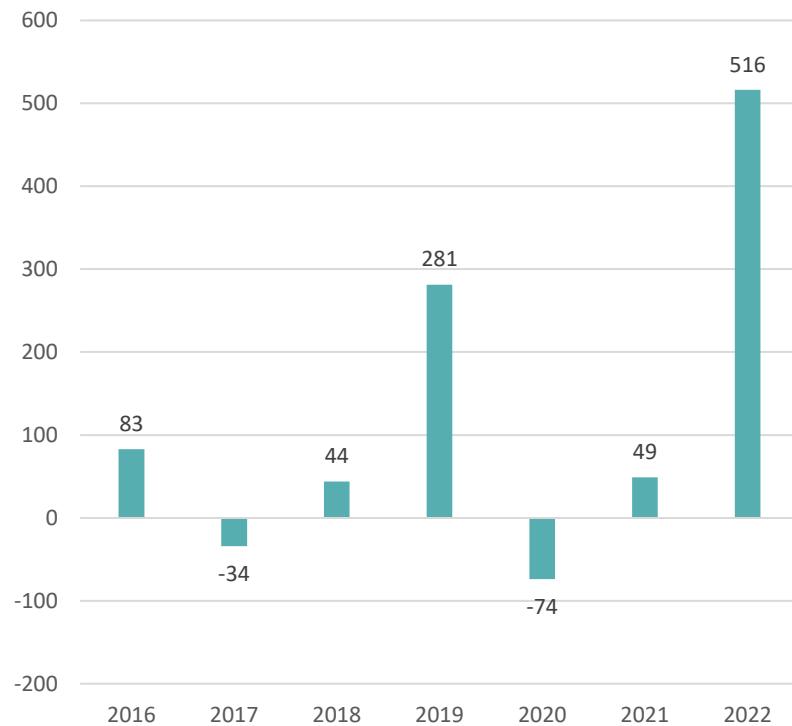
# Flexibility on Rates, Selectivity on Credit (II)



## Active Credit and Interest Rate Risk Management

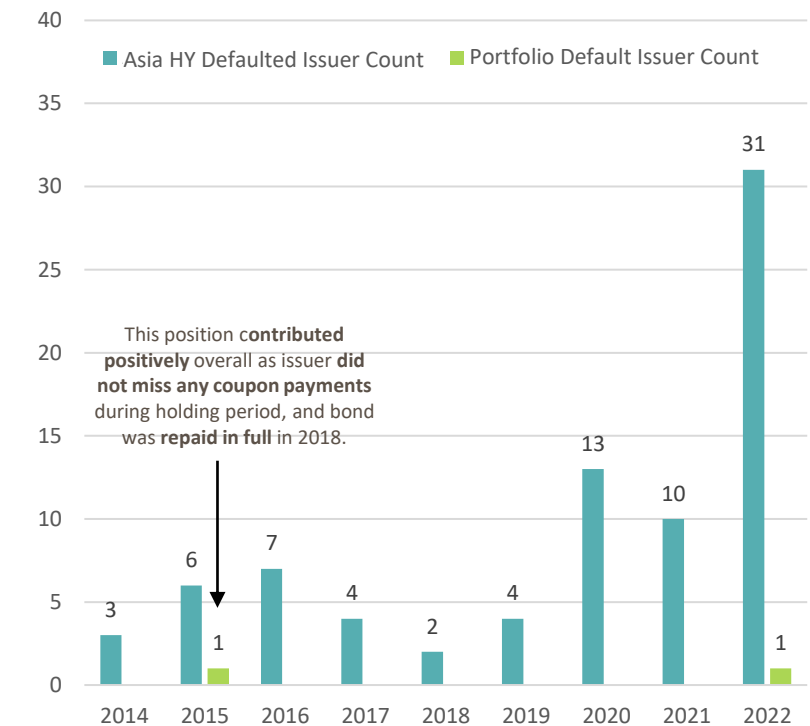
### Interest Rate Risk: Active Duration Positioning

Historical Portfolio Attribution from Duration (in bps)



### Credit Risk: Proven Credit Selection Credentials

Fund Historical Default Track Record (By Issuer Count)



Past performance is not a reliable indicator of future returns. Presented gross of fees.  
Source: DWS Investments GmbH. As of 30 December 2022.

Past performance is not a reliable indicator of future returns.  
DWS Invest Asian Bonds was inception in June 2014.  
Source: BAML Research, HSBC Research and DWS Investments GmbH, as of March 2023.

# Summary

## Key Messages

### Market Outlook & Trends

#### Recession Trade

- Fed fund rate may increase further given stubbornly high inflation numbers, mainly coming from rents and wages.
- Yield curve shape is fluctuating between flattening vs inversion, resilient economic growth vs declining corporate earnings

#### Credit Risk

- Function of QT+ contraction of commercial banks' balance sheets + Corporate Deleveraging + Fiscal Tightening
- New market equilibrium at the final stage of formation but in general IG remains in favor

#### Greater China

- Aggregate demand from household and corporate remains weak. Can Government's stimulus package work this time?
- China HY Property sector will continue to struggle for survival.
- Recovering in Macau gaming sector is encouraging; Gross Gaming Revenue almost back to pre-Covid 2019 level and decent 1H23 earnings.

### Investment Strategies

Adding names, both IG and HY, at the short-end of the curve for yield carry

**Portfolio's modified duration: 3.0y**

High-quality IG absolute yields attractive; selectivity remains key in HY

**Portfolio's IG/HY split: ~65/35**

Exited Chinese property sector but remain comfortable on Macau gaming exposure. Diversify to Asia ex China regions.

**Portfolio's China Exposure: 0% (JACI: ~38%)**

**Portfolio Greater China Exposure\*: ~10%**

The background features a series of thin, parallel diagonal lines sloping from the top-left towards the bottom-right. A large, solid dark grey triangle is positioned in the bottom-right corner, pointing towards the top-left.

## **2. Fund Overview, Positioning, and Performance**

## Why DWS Invest Asian Bonds Now?

Average Portfolio Rating<sup>3</sup> of  
**BBB**

Attractive  
Absolute Yield

Investment  
Grade Average  
Portfolio



Experienced, Award-Winning PM Team<sup>4</sup>

Portfolio Yield at **8.1%**<sup>1</sup> with

Duration of **3.0** yrs<sup>1</sup>

**6%** distribution rate for monthly  
distribution share classes<sup>2</sup>

<sup>1</sup> as of 31 August 2023, Yield to Worst, Modified Duration to Worst

<sup>2</sup> Distribution rate of 6.0% for monthly distributing share classes effective May 2023.

<sup>3</sup> 31 August 2023, inclusive of cash and partly based on internal ratings. Allocations are subject to change without notice.

<sup>4</sup> Details on awards and ratings: Asia asset management Best of the Best Awards – Asian Bonds (3 Years) category details (<https://www.asiaasset.com/p/37056>); Asian Private Banker Asset Management Awards for Excellence (<https://asianprivatebanker.com/awards/asset-management-awards-for-excellence-2023/>)

## Key Highlights

### SOLID TRACK RECORD

**Careful credit selection and downside risk management** drove excellent risk-adjusted returns compared to benchmark and peers over a full credit cycle

- Morningstar Rating<sup>1</sup>: ★★★★★  
share classes available, *USD FC share class as of 31 May 2023*
- 1st decile within Morningstar peer group over 3-year, 5-year and since inception periods,  
*as of 30 June 2023*
- Total Return: +52.3% (5.1% p.a.)
- Alpha: +30.9% (2.8% p.a.)  
*31 Dec 2014 – 30 Jun 2023, USD FC share class*

### EXPERIENCED PM TEAM

**Core team of 4 led by Henry Wong**, a seasoned manager with more than 27 years of Asian Fixed Income experience and multiple awards to his name<sup>2</sup>

- Asia Asset Management Best Asian Bond Fund (3 years) – 2018; 2019
- Citywire Best HK & SG Fund Group – Asia Pacific Hard Currency Bonds 2019
- Asian Private Banker Best Fund Provider – Emerging Market Bond 2020
- Asian Private Banker Asset Management Awards For Excellence – Best Fund Provider Asia Pacific Bond 2022; 2023 – Portfolio Manager of the Year 2023

### FLEXIBLE APPROACH

**Nimble, unconstrained** approach has helped to mitigate index biases and support focus on capital preservation and growth

- Full discretion to invest across credit rating and duration, and allocate across countries and sectors
- Does not size investments relative to benchmark
- Upside capture<sup>3</sup>: 1.14
- Downside capture<sup>3</sup>: 0.67  
*31 Dec 2014 – 30 Jun 2023*

Past performance is no guarantee of future results. Calculation of performance is based on the time-weighted return, net of management fees and excludes front-end fees. Individual costs such as fees, commissions and other charges have not been included in this presentation and would have an adverse impact on returns if they were included. Source: DWS Investment S.A., Bloomberg, as of 30 June 2023 unless otherwise stated. Morningstar peer category = Asia bond, Citywire peer category = Asia Pacific Hard Currency Bonds (1) © 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. As of 30 June 2023. (2) Details on awards and ratings: Citywire manager ratings details (<https://citywireselector.com/news/citywire-fund-manager-ratings-frequently-asked-questions/a703353>); Asia asset management Best of the Best Awards – Asian Bonds (3 Years) category details (<https://www.asiaasset.com/p/37056>); Citywire Best Group Asia Awards 2019, Singapore and Hong Kong – Asia Pacific Hard currency bonds category details ([https://citywireasia.com/news/methodology-citywire-asia-awards/a1199021?ref=international\\_Asia\\_latest\\_news\\_list](https://citywireasia.com/news/methodology-citywire-asia-awards/a1199021?ref=international_Asia_latest_news_list)) (3) The upside capture ratio (UCR) is a measure of the manager's performance in up markets relative to the market itself. A value of 110 suggests the manager performs ten percent better than the market when the market is up during the selected time period. The return for the market for each month is considered an up market if it is greater than or equal to zero. The UCR is calculated by dividing the return of the manager during the up market periods by the return of the market for the same period. Generally, the higher the UCR is the better. If the manager's UCR is negative, it means that during that specific time period, the manager's return for that period was actually negative. The opposite applies for downside capture ratio.



# DWS Invest Asian Bonds

## Portfolio Parameters



### Internal Investment Guidelines\*

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<b>Performance Target</b>	Outperforming J.P. Morgan Asian Credit Index. (Bloomberg code: JACICOTR).	<b>Rating</b>	IG, HY, and NR (internal ratings may be assigned); max. 20% below B- (excl. NR)
<b>Bond Universe</b>	Focus on Asian sovereign, quasi-sovereign and corporate bonds (focus on USD) plus Treasuries	<b>Issuer</b>	max. 5% per issuer
<b>Derivatives</b>	Only for hedging purposes, not used historically	<b>Currency</b>	US dollar; max. 10% open FX risk
<b>Duration</b>	Actively managed	<b>Fund AUM</b>	USD 1.43bn

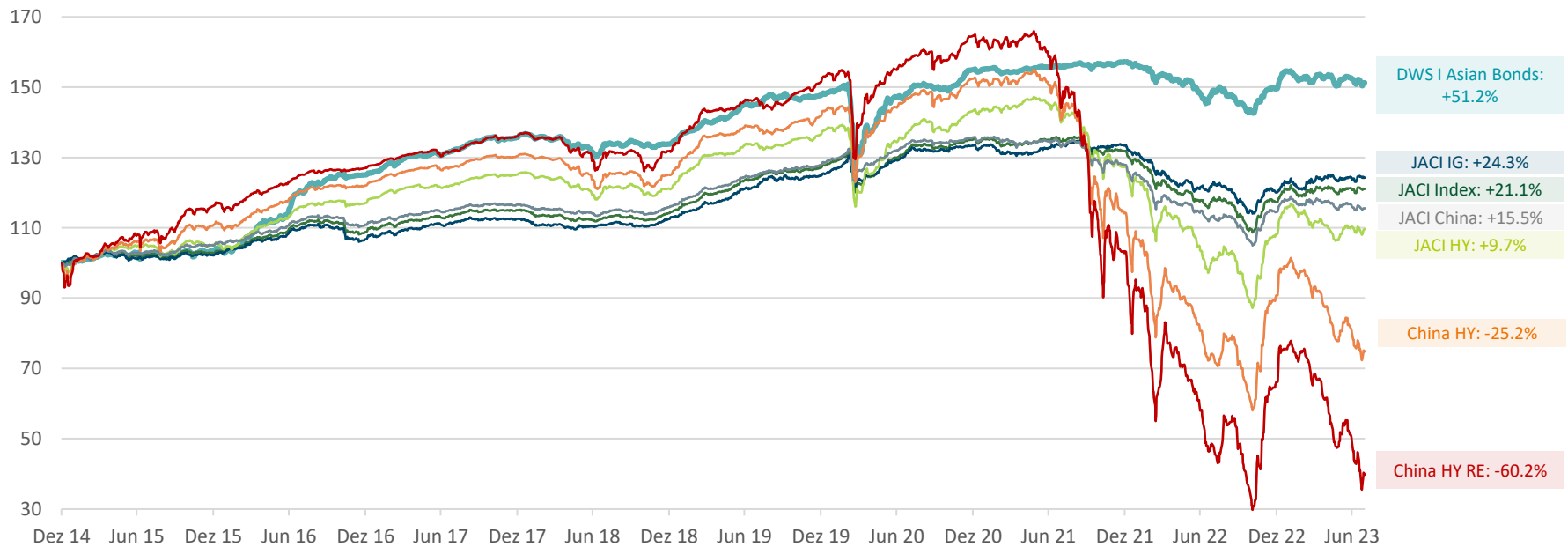
\*Internal investment guidelines are DWS' internal principles, which exclusively serve to demonstrate the current portfolio management approach. These guidelines are not a component of the sales prospectus and thus not legally binding. DWS is able, at any time, to change or adjust the internal investment guidelines in accordance with the sales prospectus guidelines without prior announcement. The strategy is oriented to the benchmark. It does not track it exactly but attempts to exceed its performance and can therefore deviate substantially both positively and negatively – from the benchmark. Returns may increase or decrease as a result of currency fluctuations. No assurance can be given that investment objectives will be achieved. Past performance is no guarantee of future results. No assurance can be given that investment objectives will be achieved. As of: 31 July 2023. Source: DWS Investment S.A.

# Market Impact



## Performance of Asian Bonds Fund vs Key Market Indices

### Performance Development Since 31.12.2014



	1Y	3Y (p.a.)	5Y (p.a.)	Since 2014 (p.a.)
Fund	1.6%	0.5%	+2.5%	+4.7%
Benchmark	2.6%	-3.0%	+1.4%	+2.4%
<b>Alpha</b>	<b>-1.0%</b>	<b>+3.5%</b>	<b>+1.1%</b>	<b>+2.3%</b>

The background features a series of thin, parallel, light grey diagonal lines sloping from the top-left towards the bottom-right. A large, solid dark grey shape is positioned in the bottom-right corner, partially overlapping the diagonal lines.

**Appendix**

The background features a series of thin, parallel diagonal lines sloping from the top-left towards the bottom-right. A large, dark grey, angular shape is positioned in the lower-right quadrant, partially overlapping the lines.

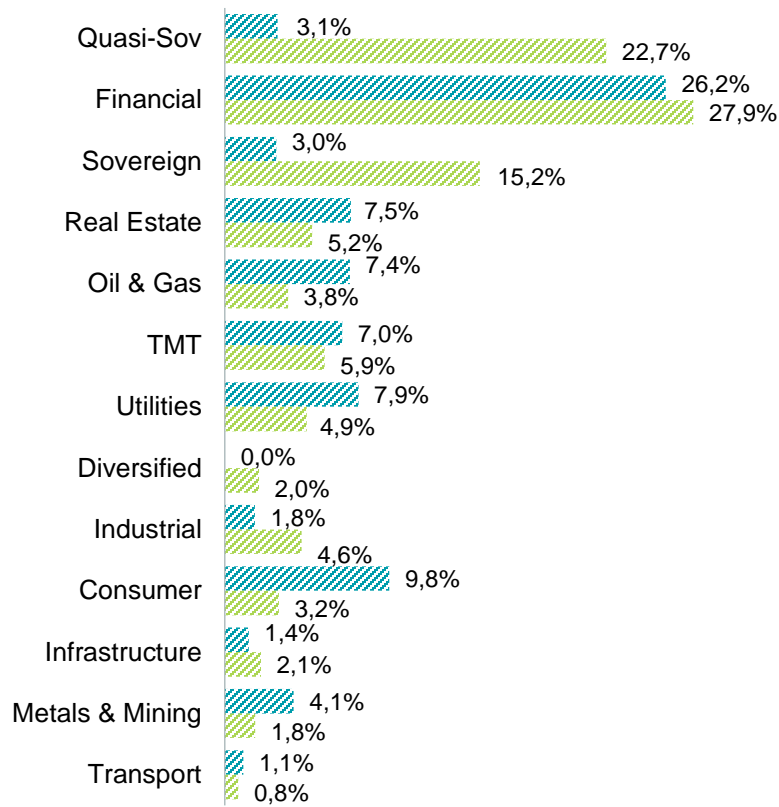
# Fund Positioning

# Dws Invest Asian Bonds

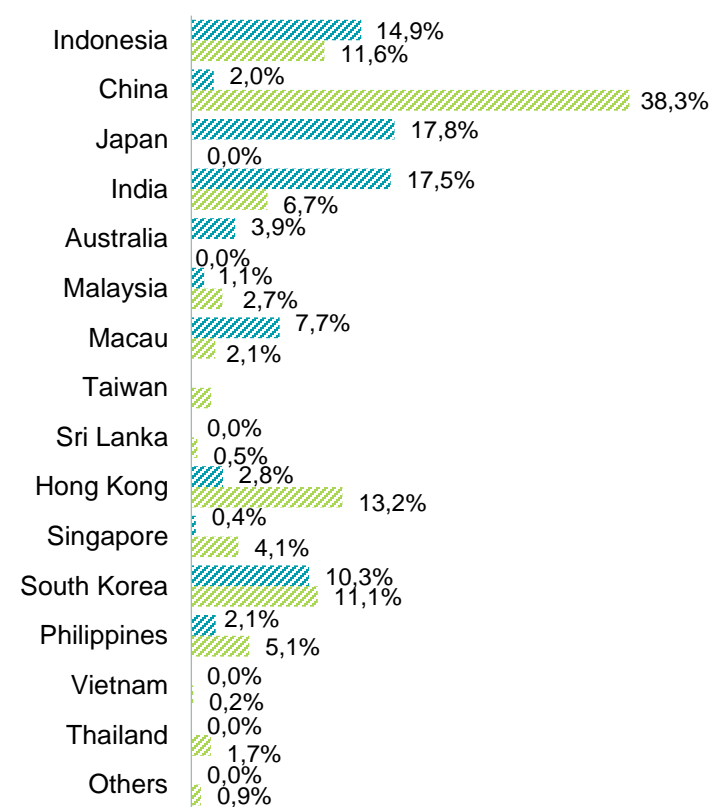
## Portfolio Overview I



Asset Allocation – by Sector



Asset Allocation – by Region



Fund JACI Benchmark

Asset allocation may change without prior written notification. Expressed in % of fund AuM, UST and Cash not included.

As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

# Dws Invest Asian Bonds

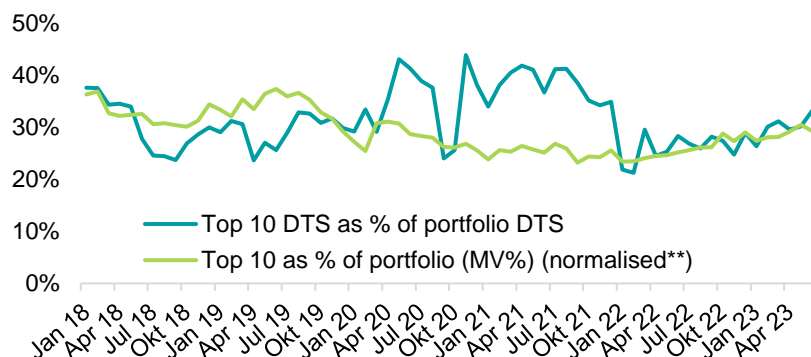
## Portfolio Overview II



### Top 5 Bond-holdings (in % of Market Value)\*

1	ASAHI MUTUAL LIFE INSURANCE CO (ASAMLI 6.5 31-Dec-2079)	2.92%
2	COUNTRY GARDEN HOLDINGS CO LTD (COGARD 8 27-Jan-2024)	2.65%
3	THETA CAPITAL PTE LTD (LPKRIJ 8.125 22-Jan-2025)	2.44%
4	MEDCO OAK TREE PTE LTD (MEDCIJ 7.375 14-May-2026)	2.43%
5	SOFTBANK GROUP CORP (SOFTBK 6 31-Dec-2079)	2.34%

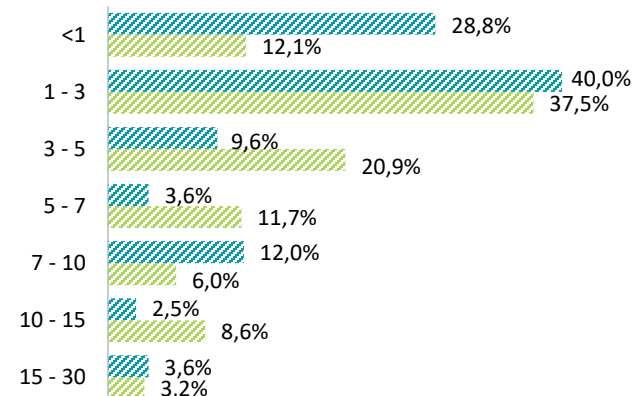
### Top 10 bond holdings\*\*



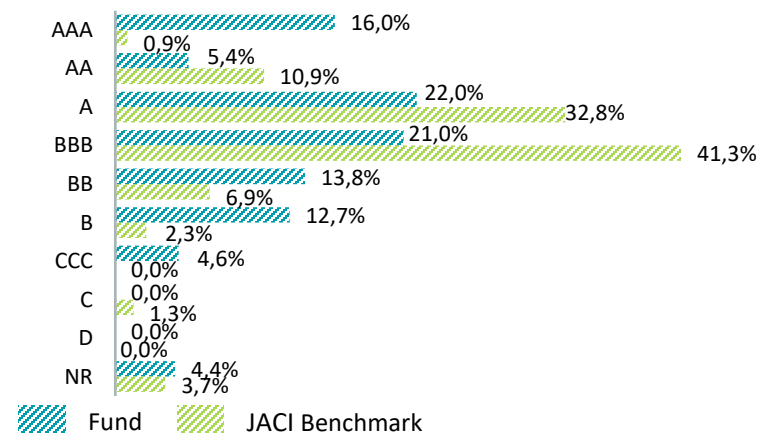
\*Holdings displayed with a 1-month delay. \*\*Excludes cash and UST. This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation. Duration Times Spread (DTS) represents the credit risk of the portfolio and measures the sensitivity to a relative change in spread.

As of: June 30, 2023. Source: DWS Group GmbH & Co. KGaA.

### Duration Profile



### Rating Profile



Allocations are subject to change without notice. Internal ratings not applied.

As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

### Portfolio Summary

	July 2023	Previous month	JACI
Yield-to-worst	8.69%	9.13%	6.70%
Average Coupon	5.09%	5.11%	3.94%
Mod. Duration (to worst)	3.32	3.09	4.41
Average Bond Rating	BBB-	BB+	A- / Baa1
Average Portfolio Rating (incl. Cash)*	BBB	BBB	-
Volatility (3Y)	4.1%	4.2%	5.9%

### Portfolio Management Comments

#### On Watch



- **Rates outlook:** 10y UST yield rose 12bps, likely due to technical trading over less inversion in UST yield curve as rate hike cycle is expected to end soon after latest 25bps hike by the Fed and ECB. 10y UST yield ended the month at 3.96%.
- **Currency:** USD Index was down -1% despite UST yield rising as both EUR and GBP strengthened;
- **Geopolitical Risk:** Ongoing Sino-US trade/political confrontation and Ukraine war;

#### Portfolio Shifts



- **Duration:** Looking to extend portfolio duration again once there is confirmed sign that peaked rate is achieved;

#### Opportunities



- **Sector view:** Selective names in short-dated IG names > 6% yield and UST;
- **Country view:** No preference;
- **Credit turnaround:** Remains our core investment theme;
- **New Issuance:** Decent primary market activity this month with IG in focus. Korean issuers continued to drive the market by printing almost 40% of new IG issuance YTD. Total new issuance reached US\$21.70bn in July, mainly from IG names in the industrial and financial sector.

Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. The information herein reflects our current views only, are subject to change, and are not intended to be promissory or relied upon by the reader. There can be no certainty that events will turn out as we have opined herein. Past performance is not indicative of future returns. \*Cash: Short-term rating State Street Bank applied. Internal ratings applied.

As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

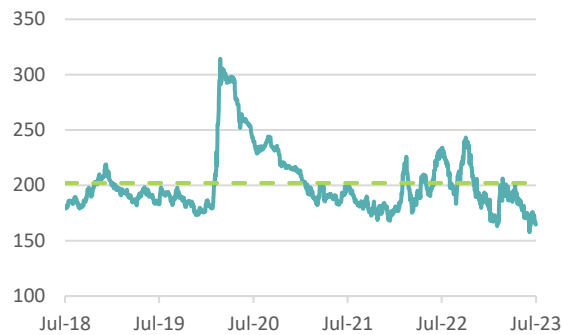
# Asian Dollar Bonds

## Market Overview



### JACI Spreads (5yrs): Comparison to Historical Average

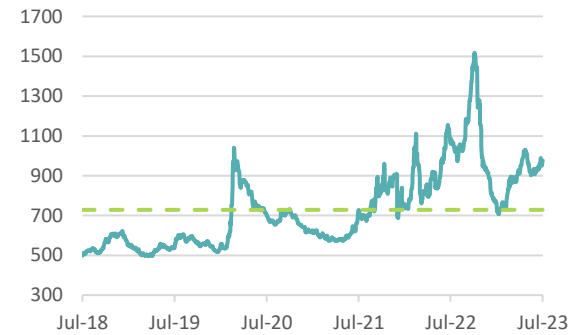
JACI Composite IG Spread (in bps)



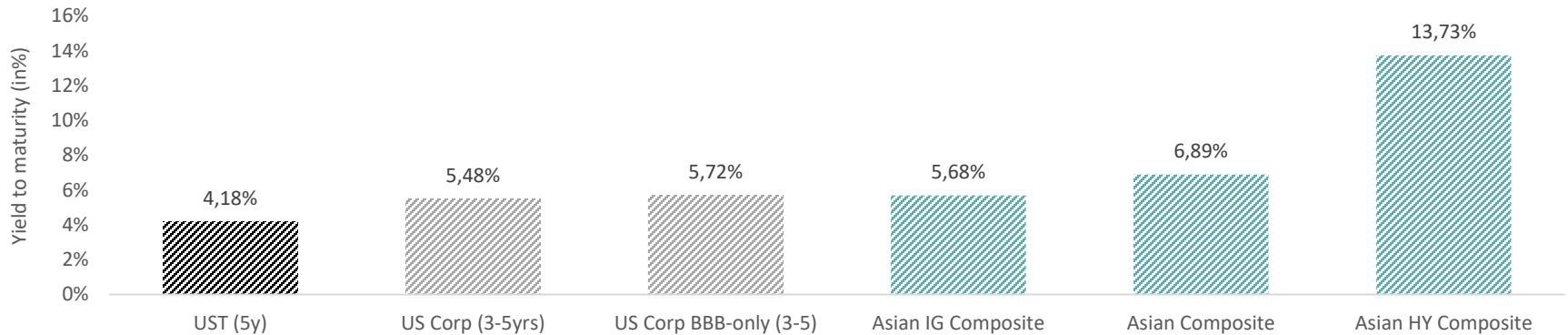
JACI Composite Spread (in bps)



JACI Composite HY Spread (in bps)



### JACI Yield-levels: Global Perspective\*



Past performance is no reliable indicator of future performance. The information herein reflect our current views only, are subject to change, and are not intended to be promissory or relied upon by the reader. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation. As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA, Bloomberg LP and J.P. Morgan Securities LLC. \*Indices used: USGG5YR, C2A0, C2A4, JACIIGYM, JACICOYM, JACINGYM.

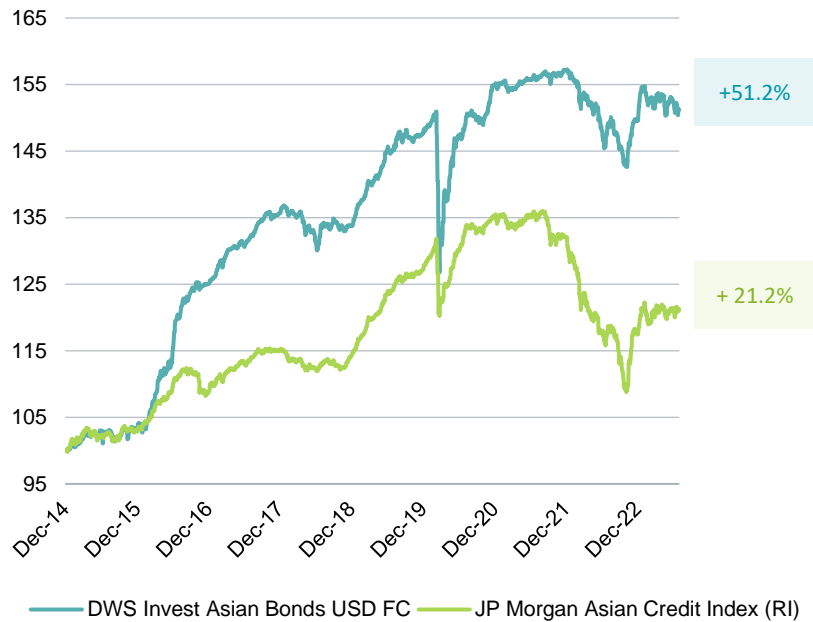


# DWS Invest Asian Bonds USD FC

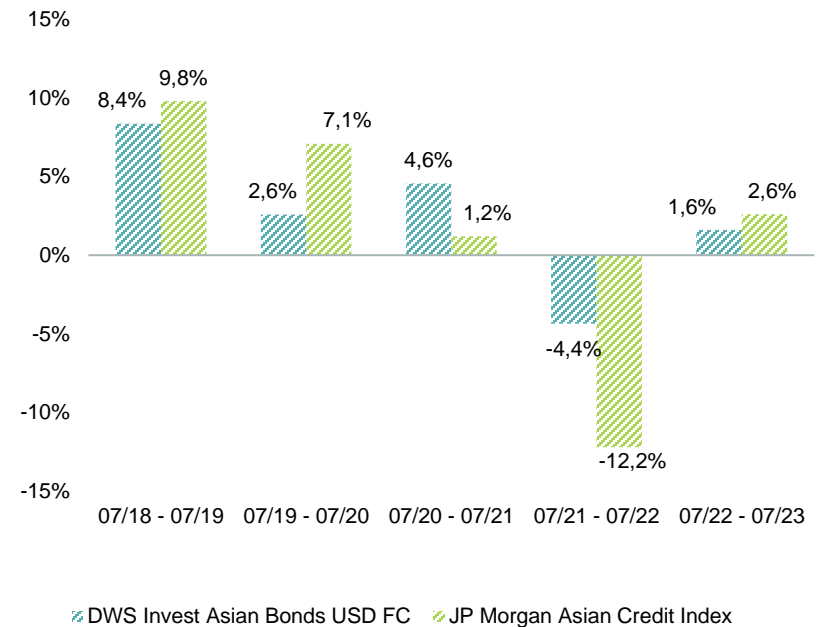
## Performance Overview (net of management fees)



Performance since 30.12.2014



Rolling 5-year periods



	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	YTD 2023
Fund	-0.5%	-1.8%	-1.5%	2.9%	1.5%	3.2%	-1.3%	0.0%	0.5%	-0.8%	0.4%	-0.7%	1.1%
Benchmark	-0.3%	-3.5%	-3.7%	5.5%	1.7%	3.0%	-1.3%	0.9%	0.9%	-0.8%	0.3%	+0.3%	3.2%

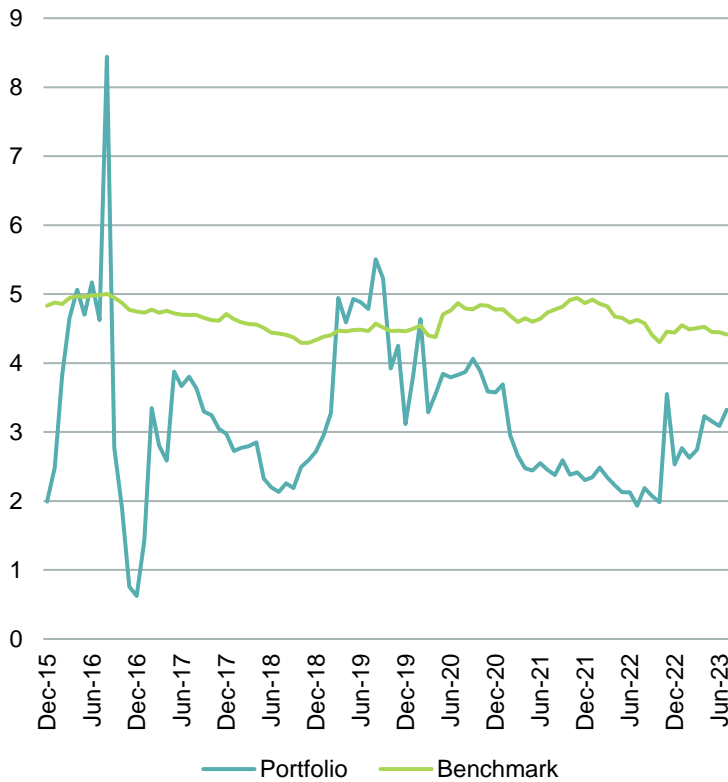
Performance presented net of fees. Past performance is not a reliable indicator of future returns. Returns may increase or decrease as a result of currency fluctuations. As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA, daily data.

# Historical Portfolio Risk Exposure

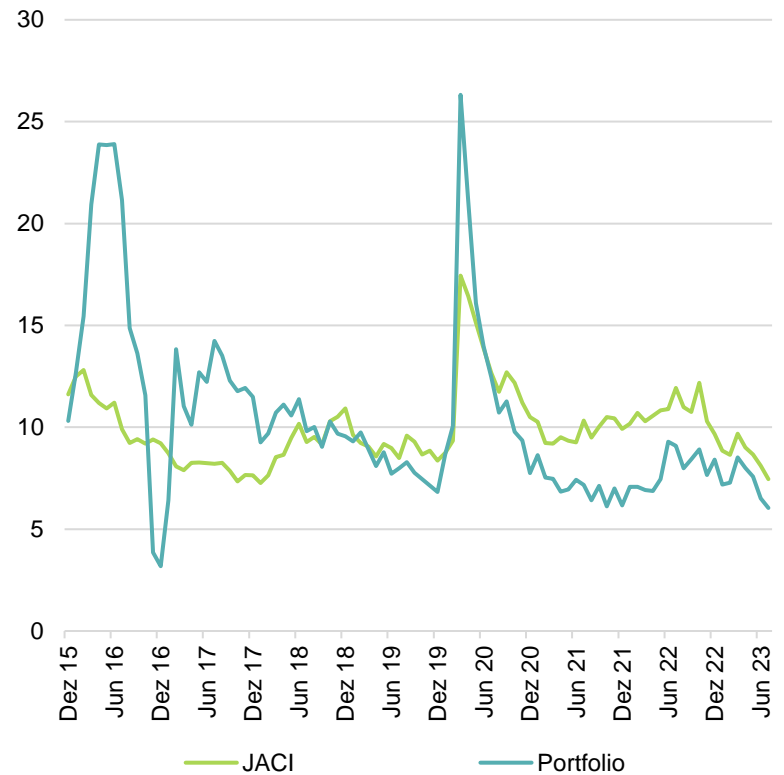
## The Importance of Active Management



Modified Duration To Worst



DTS Contribution\* vs JACI



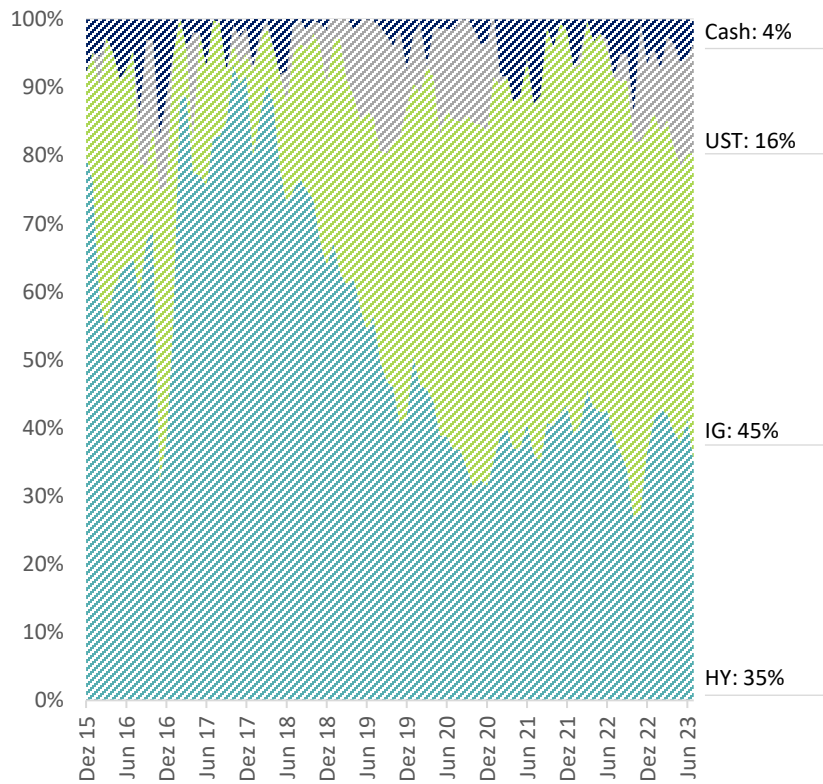
\*Duration Times Spread (DTS) represents the credit risk of the portfolio and measures the sensitivity to a relative change in spread. OAS against Government is used. As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

# Historical Portfolio Risk Exposure

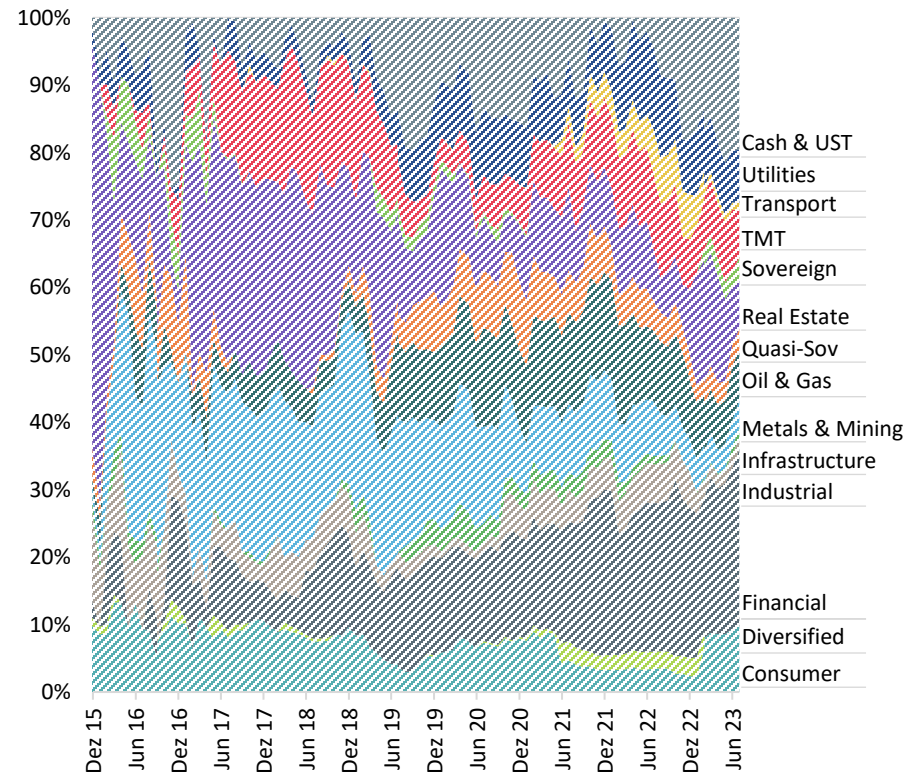
## The Importance of Active Management



Rating Profile\*



Sector Profile



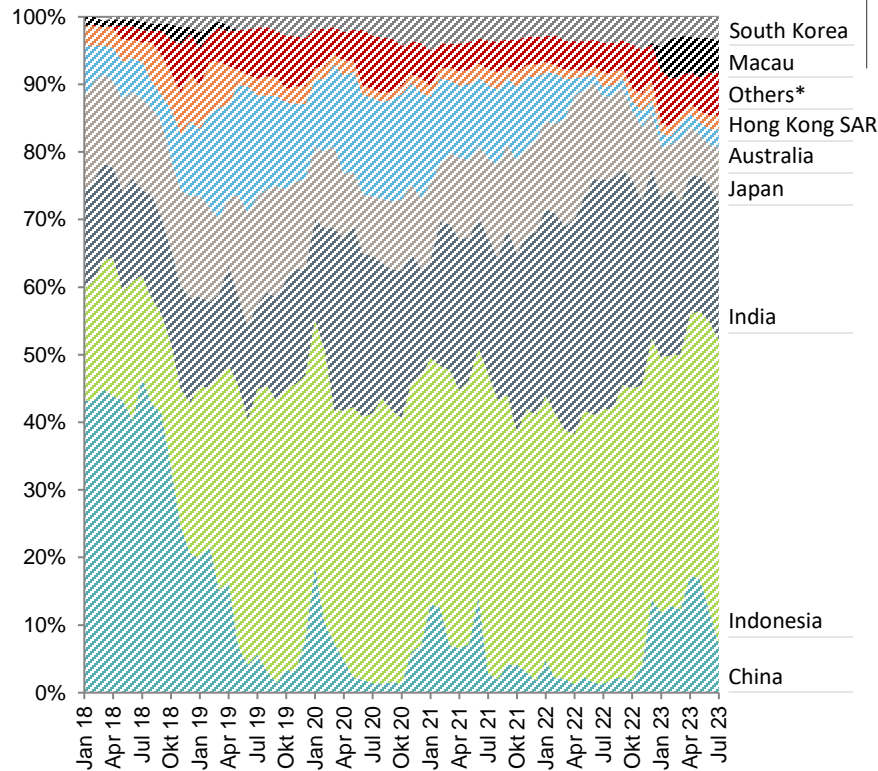
Before 2018, rating profile data is obtained from Aladdin Prism. From Jan 2018 onwards, JACI rating methodology is applied. Includes internal ratings. \*The weightings are round up to the nearest whole number, there may slight discrepancy to the total weight. Asset allocation may change without prior written notification. As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

# Historical Portfolio Risk Exposure

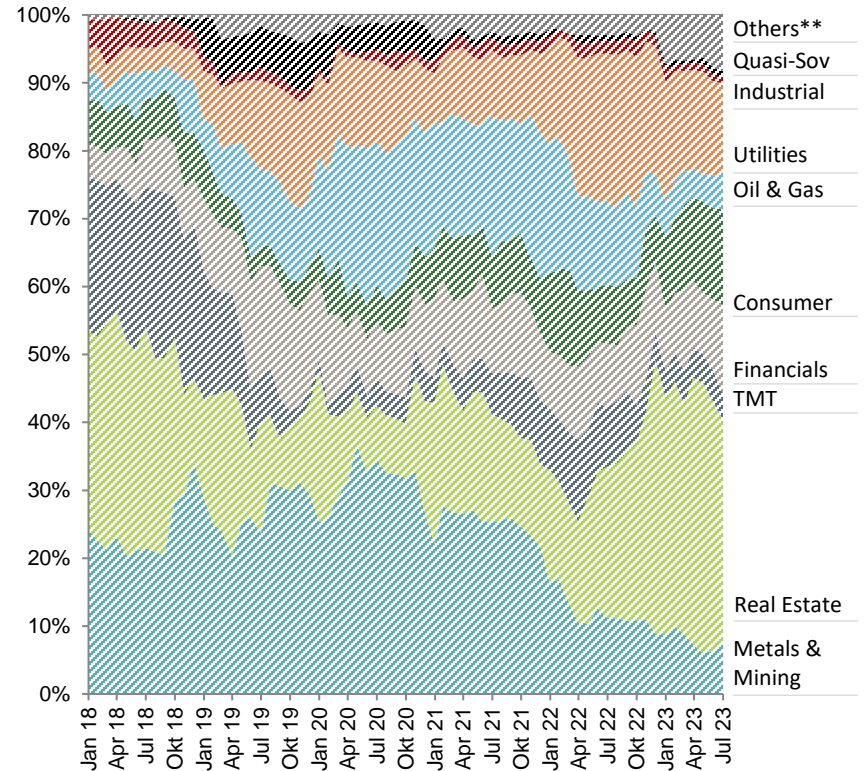
## The Importance of Active Management




DTS Contribution By Region



DTS Contribution By Sector



Duration Times Spread (DTS) represents the credit risk of the portfolio and measures the sensitivity to a relative change in spread. OAS against Government is used. Rebased to exclude Cash and UST.  
 \*Include Malaysia, Philippines, Singapore and United Kingdom. \*\*Includes Sovereign, Transport and Infrastructure. Asset allocation may change without prior written notification.  
 As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.

The background features a series of thin, parallel diagonal lines sloping from the top-left towards the bottom-right. A large, dark grey triangle is positioned in the bottom-right corner, pointing towards the top-left.

**Team & Portfolio  
Construction**

# DWS Asian Credit Team



## Deep In-Region Issuer Coverage By Industry Experts

**Core Portfolio Construction Team**



**Henry Wong**  
Head of Asia Fixed Income\*

**Asia Asset Management:** Best of the Best Awards 2018 & 2019 – Asian Bonds (3 Years)  
**Citywire:** Best Hong Kong & Singapore Fund Group – Asia Pacific Hard Currency Bonds 2019  
**Asian Private Banker:** Best Provider Asia Pacific Bond Fund 2022, 2023; Best Portfolio Manager 2023

27	<b>Portfolio Construction Team Avg.</b>	
9	17	7

**Oswaldo Kwan – Hong Kong**  
Portfolio Manager  
South-East Asia and Macau gaming sector

15
8

**Vivien Keung – Hong Kong**  
Portfolio Manager  
Greater China

12
4

**Jacky Leung – Hong Kong**  
Fixed Income Analyst  
Hong Kong, Singapore, Malaysia  
Investment Grade, ESG

12
5

<p><b>Elke Schoepl-Jost – Hong Kong</b> Head of Portfolio Management APAC</p> <table border="1"> <tr><td>24</td></tr> <tr><td>9</td></tr> </table>	24	9	<p><b>Judy Zhu – Hong Kong</b> Fixed Income Trader</p> <table border="1"> <tr><td>12</td></tr> <tr><td>1</td></tr> </table>	12	1	<p><b>JiHyun Kim – Seoul</b> Credit Analyst</p> <table border="1"> <tr><td>7</td></tr> <tr><td>3</td></tr> </table>	7	3	<p><b>Maggie Pan – Taipei</b> Portfolio Manager Fixed Income DWS Far Eastern Investments Ltd</p> <table border="1"> <tr><td>24</td></tr> <tr><td>6</td></tr> </table>	24	6
24											
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24											
6											

<p><b>Hyun-Soo Byun – Seoul</b> Head of Korean Fixed Income &amp; Investments</p> <table border="1"> <tr><td>26</td></tr> <tr><td>18</td></tr> </table>	26	18	<p><b>Jeong-Kil Kim – Seoul</b> Portfolio Manager Fixed Income</p> <table border="1"> <tr><td>24</td></tr> <tr><td>5</td></tr> </table>	24	5	<p><b>Je-Seok Ryu – Seoul</b> Portfolio Manager Fixed Income</p> <table border="1"> <tr><td>19</td></tr> <tr><td>7</td></tr> </table>	19	7
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<p><b>Kyle Ju – Seoul</b> Credit Analyst</p> <table border="1"> <tr><td>20</td></tr> <tr><td>18</td></tr> </table>	20	18	<p><b>Kumar Vikalp – Frankfurt</b> Credit Analyst</p> <table border="1"> <tr><td>15</td></tr> <tr><td>10</td></tr> </table>	15	10	<p><b>Sanjay Uttamani – Mumbai</b> Credit Analyst</p> <table border="1"> <tr><td>16</td></tr> <tr><td>15</td></tr> </table>	16	15	<p><b>Takuya Matsumoto – Tokyo</b> Portfolio Manager Fixed Income</p> <table border="1"> <tr><td>9</td></tr> <tr><td>9</td></tr> </table>	9	9
20											
18											
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10											
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9											

= Additional Dollar Credit Research Coverage	= years of industry experience	= years with organization	<b>Platform Average</b>
			17 8

Source: DWS Group GmbH & Co. KGaA. As of: July 2023. \* Award history based on Henry Wong's portfolio management success in DWS. Past performance is no guarantee of future results. Details on awards and ratings: Citywire manager ratings details (<https://citywireselector.com/news/citywire-fund-manager-ratings-frequently-asked-questions/a703353>); Asia asset management Best of the Best Awards – Asian Bonds (3 Years) category details (<https://www.asiaasset.com/p/37056>); Citywire Best Group Asia Awards 2019, Singapore and Hong Kong – Asia Pacific Hard currency bonds category details ([https://citywireasia.com/news/methodology-citywire-asia-awards/a1199021?ref=international\\_Asia\\_latest\\_news\\_list](https://citywireasia.com/news/methodology-citywire-asia-awards/a1199021?ref=international_Asia_latest_news_list)); Asian Private Banker Asset Management Awards for Excellence (<https://asianprivatebanker.com/awards/asset-management-awards-for-excellence-2023/>)

### ASIAN FIXED INCOME



- Global macro influences the investment outlook, strategies, decisions, and performance
- Country macros/ regional risks affect our country selection or avoidance
- Sector selection is in light of top down view and market themes
- Dynamic portfolio construction combining long-term positions, tactical views and selective overlay decisions. This aims to strike a balance between macro and micro factors

- Single issuer and security research: main basis for alpha generation
- Local knowledge key: PMs and Credit analysts entrusted with detailed analyses on the ground (balance sheet, cash flow statement, business model) which are shared globally
- Frequent company management access
- Sell side and rating agencies used to confirm/challenge internal views, to get the latest update on the issuer and respective sectors
- Active participation in IPO market (exploit mispricing)
- Identification of rising stars or turnaround stories
- High conviction investment style
- Management via Portfolio Construction Team (see investment process; PCT) as well as portfolio review for the best portfolio composition

# Setting the Priorities

## Dashboard Preferences Provides a Framework for Research Focus



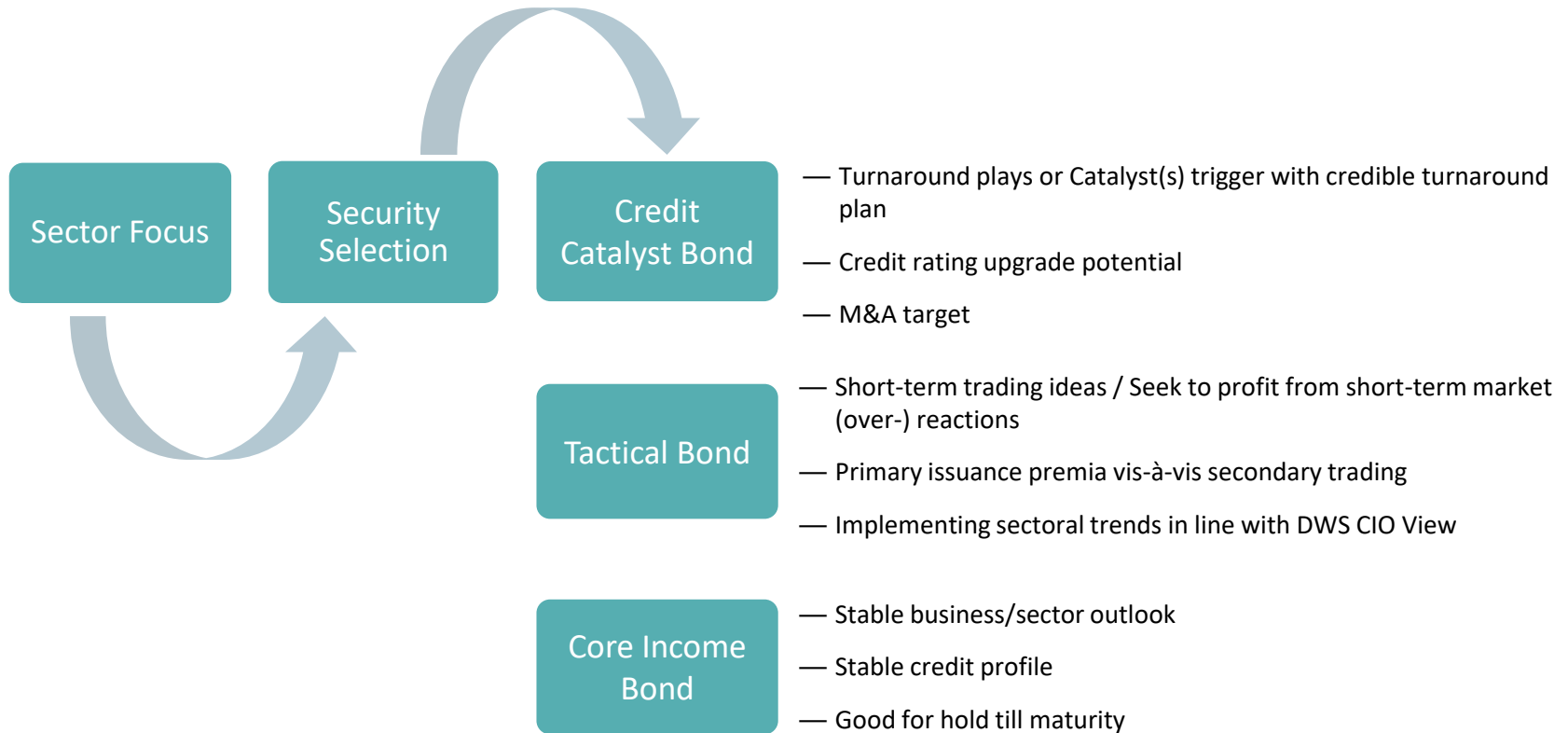
		Consumer	Financials	Oil and Gas	Metals and Mining	Quasi Sovereign	TMT	Utilities	Transport	Real Estate	Industrial	Diversified	Infra	Sovereign
Sector Specific	Market Trend	+	-	o	o	o	o	o	o	-	-	N/A	o	o
	Profit Margin	o	o	o	-	N/A	o	o	-	-	-	N/A	-	N/A
	Government Support	+	+	o	o	o	o	+	o	+	+	N/A	+	N/A
	Rating Agency Outlook	+	o	o	o	o	o	o	o	-	o	N/A	o	o
External	Interest Rate sensitivity	o	o	o	o	o	o	o	o	o	o	o	o	o
	Regulatory Changes	o	o	-	-	o	o	o	o	o	o	N/A	+	N/A
	Geo-Politics	o	o	o	o	o	-	o	o	o	-	N/A	o	o

Internal investment guidelines and targets may be changed without prior notice. For illustrative purposes only. Legend: + Positive, - Negative, o Neutral  
As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA.



# Portfolio Construction

From Sector Focus to Individual Security Selection and Portfolio Allocation



Internal investment guidelines and targets may be changed without prior notice.

Source: DWS Group GmbH & Co. KGaA.

# Portfolio Construction

## DWS Invest Asian Bonds Security Allocation



### Credit Catalyst Bonds

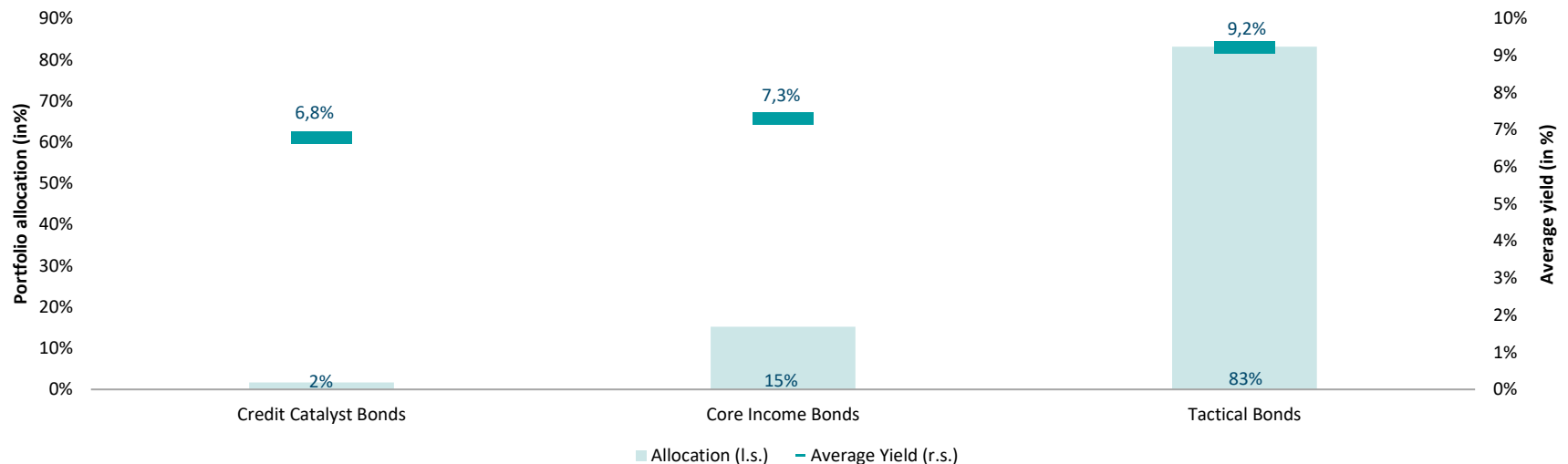
- Turnaround plays or Catalyst(s) trigger with credible turnaround plan
- Credit rating upgrade potential
- M&A target
- Top up more if the issuer continues to deliver
- Sell out if any one of the above no longer valid

### Core Income Bonds

- Stable business/sector outlook
- Stable credit profile
- Good for hold till maturity

### Tactical Bonds

- Short-term trading ideas
- Primary issuance premia vis-à-vis secondary trading
- Implementing sectoral trends in-line with DWS CIO Views
- Seek to profit from short-term market (over-)reactions (volatility seekers)



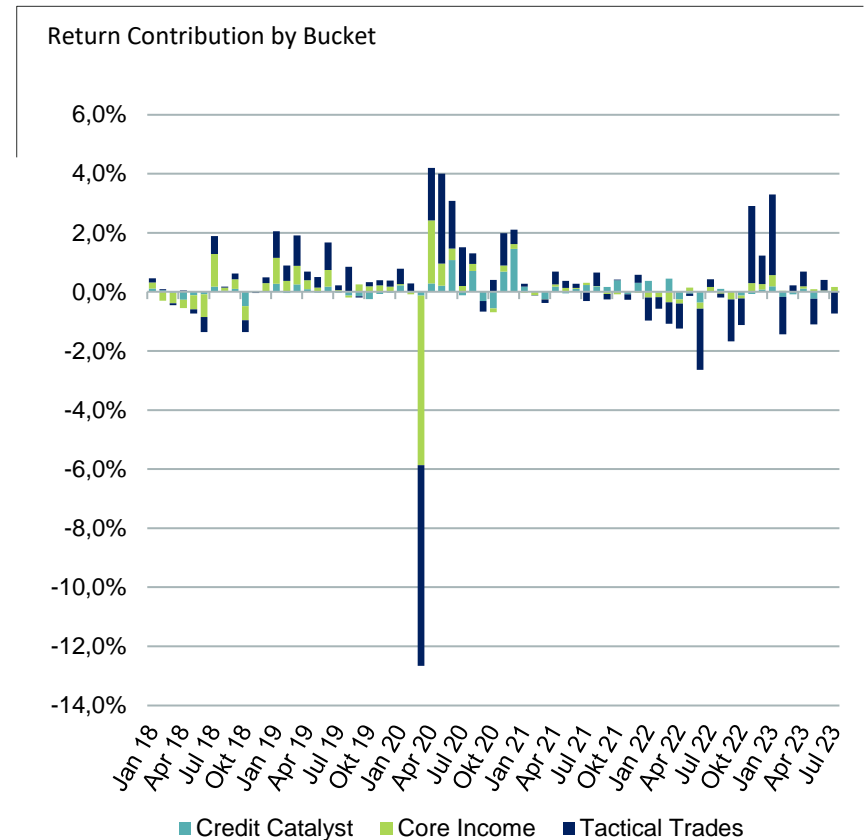
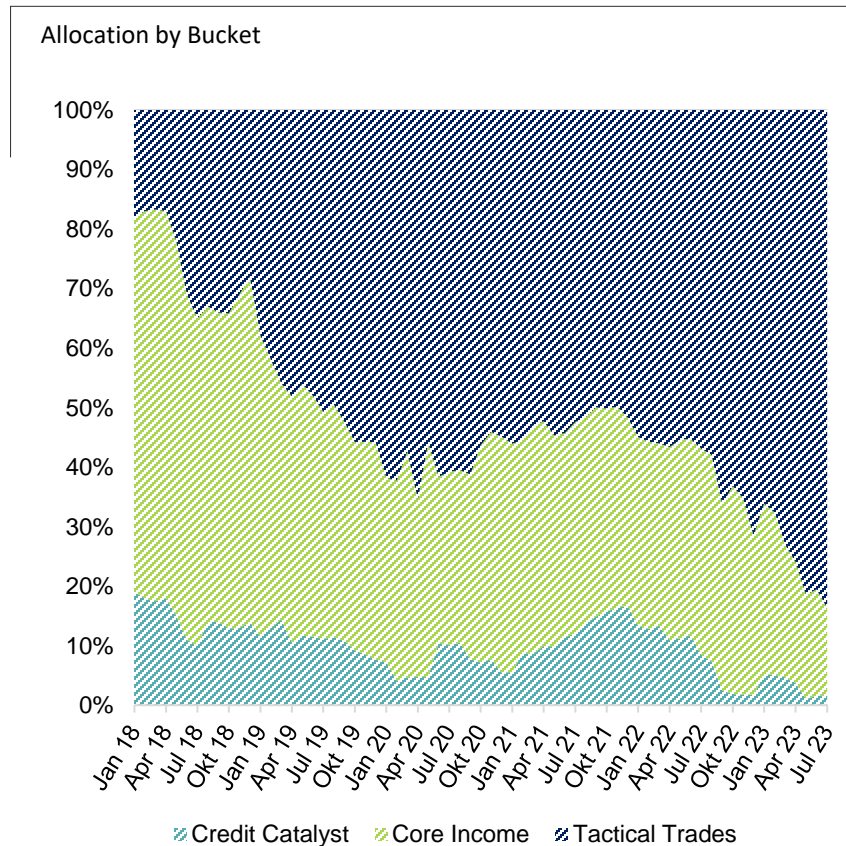
Internal investment guidelines and targets may be changed without prior notice.  
UST included, but cash excluded. Allocations are subject to change without notice.  
Source: DWS Group GmbH & Co. KGaA. As of: July 31, 2023.

# Portfolio Construction

## Credit Bucket Development and Return Contribution



Balance between Core, Catalyst and Tactical credits has evolved over time, reflecting the changing market opportunity sets and risk appetites



Internal investment guidelines and targets may be changed without prior notice. Past performance is not a guide to future returns. Return contribution gross of fees. Allocations are subject to change without notice. Starting from January 2023, UST has been included for bucket allocation. Cash Excluded. As of: July 31, 2023. Source: DWS Group GmbH & Co. KGaA. Allocations are subject to change without notice.

# Opportunities and Risks

## DWS Invest Asian Bonds



### + Opportunities

- Decline in yields or price increases on the bond markets and/or a decrease in spreads on higher-interest securities

### — Risks

- Increase in yields or price decreases on the bond markets and/or an increase in spreads on higher-interest securities
- Country and regional risk, issuer, counterparty creditworthiness and default risk
- Use of derivative financial instruments, if applicable
- Currency-exchange risks, if applicable
- The unit price may at times fall below the purchase price at which the customer acquired the unit
- The fund invests its assets in selected regions or sectors. This increases the risk that the fund may be negatively influenced by the economic and political conditions in the respective regions or sectors.
- Changes in accounting and tax laws and rating methodologies

# Important Information

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# DWS INVEST ASIAN BONDS



Legal Status                      Luxemburg SICAV Umbrella

Fund Volume                      USD 1.43bn

Fiscal Year                        1/1 – 31/12

SFDR                                Transparency pursuant to article 6 of the Disclosure Regulation (EU) 2019/2088

Link: <https://funds.dws.com/en-lu/bond-funds/lu0813325502-dws-invest-asian-bonds-usd-fc/>

Share Class	Currency	ISIN	German Sec. Code	Front-end fee, Up to	Management fee	Running costs/ TER	Earnings	Min. Investm. Amount
AUD LDMH	AUD	LU1880859548	DWS2YL	3.0	1.1	1.20 <sup>1</sup>	Distribution	—
CHF LCH	CHF	LU2004370479	DWS22K	3.0	1.1	1.20 <sup>1</sup>	Accumulation	—
CHF TFCH	CHF	LU2004370636	DWS22L	0.0	0.6	0.71 <sup>1</sup>	Accumulation	—
FCH	EUR	LU0813324794	DWS1GH	0.0	0.6	0.69 <sup>1</sup>	Accumulation	2,000,000
GBP TFDMH	GBP	LU2079148602	DWS24M	0.0	0.6	0.70 <sup>1</sup>	Distribution	—
HKD LDM	HKD	LU1769795342	DWS2VW	3.0	1.1	1.17 <sup>1</sup>	Distribution	—
HKD LDMH	HKD	LU1805360861	DWS2WD	3.0	1.1	1.20 <sup>1</sup>	Distribution	—
HKD TFDMH	HKD	LU1880859621	DWS2YM	0.0	0.6	0.71 <sup>1</sup>	Distribution	—
IDH	EUR	LU1796233663	DWS2WE	0.0	0.4	0.46 <sup>1</sup>	Distribution	10,000,000
LCH	EUR	LU0813324364	DWS1GF	3.0	1.1	1.20 <sup>1</sup>	Accumulation	—
LDH	EUR	LU0813324521	DWS1GG	3.0	1.1	1.20 <sup>1</sup>	Distribution	—

Please refer to the latest full or simplified sales prospectus for information on other possible share classes. (1) The Total Expense Ratio (TER) generally includes all expense items charged to the Fund apart from transaction costs and performance fees. If the Fund invests a substantial part of its assets in target funds, the costs of the respective funds and payments received by them will also be taken into account. The Fund incurred the total expenses listed here in its last financial year which ended on 31/12/2022. They are subject to change from year to year.

As of: July 31, 2023 (Fund Volume); Source: DWS Group GmbH & Co. KGaA

# DWS INVEST ASIAN BONDS



Legal Status                    Luxemburg SICAV Umbrella

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Share Class	Currency	ISIN	German Sec. Code	Front-end fee, Up to	Management fee	Running costs/ TER	Earnings	Min. Investm. Amount
LDMH	EUR	LU1880859894	DWS2YN	3.0	1.1	1.20 <sup>1</sup>	Distribution	—
NCH	EUR	LU1914384000	DWS2Z2	1.5	1.4	1.50 <sup>1</sup>	Accumulation	—
NDH	EUR	LU2251360413	DWS3AE	1.5	1.4	1.51 <sup>1</sup>	Distribution	—
PFDH	EUR	LU2244931775	DWS3AC	0.0	0.8	2.29 <sup>1</sup>	Distribution	—
SGD LDM	SGD	LU1769795698	DWS2VX	3.0	1.1	1.17 <sup>1</sup>	Distribution	—
SGD LDMH	SGD	LU1805361083	DWS2WP	3.0	1.1	1.20 <sup>1</sup>	Distribution	—
SGD TFDMH	SGD	LU1880859977	DWS2YP	0.0	0.6	0.70 <sup>1</sup>	Distribution	—
TFCH	EUR	LU1663839196	DWS2PB	0.0	0.6	0.70 <sup>1</sup>	Accumulation	—
TFDH	EUR	LU1663839279	DWS2PC	0.0	0.6	0.70 <sup>1</sup>	Distribution	—
TFDMH	EUR	LU1880860041	DWS2YQ	0.0	0.6	0.71 <sup>1</sup>	Distribution	—

Please refer to the latest full or simplified sales prospectus for information on other possible share classes. (1) The Total Expense Ratio (TER) generally includes all expense items charged to the Fund apart from transaction costs and performance fees. If the Fund invests a substantial part of its assets in target funds, the costs of the respective funds and payments received by them will also be taken into account. The Fund incurred the total expenses listed here in its last financial year which ended on 31/12/2022. They are subject to change from year to year.

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# DWS INVEST ASIAN BONDS



Legal Status                      Luxemburg SICAV Umbrella

Fund Volume                      USD 1.43bn

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Link: <https://funds.dws.com/en-lu/bond-funds/lu0813325502-dws-invest-asian-bonds-usd-fc/>

Share Class	Currency	ISIN	German Sec. Code	Front-end fee, Up to	Management fee	Running costs/ TER	Earnings	Min. Investm. Amount
USD FC	USD	LU0813325502	DWS1GN	0.0	0.6	0.67 <sup>1</sup>	Accumulation	2,000,000
USD IC	USD	LU1589659504	DWS2NA	0.0	0.4	0.44 <sup>1</sup>	Accumulation	10,000,000
USD LC	USD	LU0813325411	DWS1GM	3.0	1.1	1.17 <sup>1</sup>	Accumulation	—
USD LDM	USD	LU1525638091	DWS2MB	3.0	1.1	1.17 <sup>1</sup>	Distribution	—
USD TFC	USD	LU1663839352	DWS2PD	0.0	0.6	0.67 <sup>1</sup>	Accumulation	—
USD TFDM	USD	LU1951361812	DWS2OR	0.0	0.6	0.67 <sup>1</sup>	Distribution	—

Please refer to the latest full or simplified sales prospectus for information on other possible share classes. (1) The Total Expense Ratio (TER) generally includes all expense items charged to the Fund apart from transaction costs and performance fees. If the Fund invests a substantial part of its assets in target funds, the costs of the respective funds and payments received by them will also be taken into account. The Fund incurred the total expenses listed here in its last financial year which ended on 31/12/2022. They are subject to change from year to year.

As of: July 31, 2023 (Fund Volume); Source: DWS Group GmbH & Co. KGaA



# GLOSSARY



## Credit market

Asian Credit (JACI)

Asian Credit

European EM Credit

LATAM Credit

Middle East Credit

Global Credit

## Index provider

J.P. Morgan Securities LLC

J.P. Morgan Securities LLC

J.P. Morgan Securities LLC

J.P. Morgan Securities LLC

J.P. Morgan Securities LLC

Bank of America Merrill Lynch

## Index name (total return index)

JPM Asia Credit Index

JPM CEMBI Broad Asia Index

JPM CEMBI Broad Europe Index

JPM CEMBI Broad Latin America Index

JPM CEMBI Broad Mideast Index

BAML Global Credit Index

## Bloomberg Code

JACICOTR Index

JCBBASIA Index

JCBBEURO Index

JCBBLA Index

JCBBMEST Index

GBQC Index

## Abbreviations

UST

IG

HY

US-Treasury Bonds

Investment Grade Corporates

High Yield Corporates

# ROLLING PERIOD PERFORMANCE SINCE INCEPTION



Name	06/14 - 07/15	07/15 - 07/16	07/16 - 07/17	07/17 - 07/18	07/18 - 07/19	07/19 - 07/20	07/20 - 07/21	07/21 - 07/22	07/22 - 07/23
DWS Invest Asian Bonds USD FC	3.28%	16.87%	9.83%	1.42%	8.36%	2.58%	4.56%	-4.37%	1.60%
J.P. Morgan JACI Composite Total Return	5.05%	8.56%	2.19%	-0.47%	9.80%	7.09%	1.19%	-12.22%	2.60%
J.P. Morgan JACI Investment Grade Total Return	4.97%	8.11%	1.38%	-0.48%	9.77%	8.50%	1.06%	-8.28%	1.55%
J.P. Morgan JACI High Yield Total Return	5.49%	10.54%	5.36%	-0.38%	10.11%	2.71%	1.62%	-27.78%	8.57%
S&P 500 Index	8.57%	3.32%	13.65%	14.01%	5.83%	9.76%	34.37%	-6.03%	11.11%
ICE BofAML US Diversified Crossover Corporate Index	1.67%	7.49%	5.49%	0.18%	9.86%	9.25%	5.87%	-9.58%	1.38%
ICE BofAML US Corporate Index	2.22%	8.34%	1.63%	-0.70%	10.46%	12.01%	1.67%	-12.36%	-1.05%
ICE BofAML US Cash Pay High Yield Index	-0.86%	4.88%	11.25%	2.46%	6.95%	3.14%	10.61%	-7.65%	4.16%
ICE BofAML Current 10-Year US Treasury Index	6.01%	8.52%	-5.72%	-3.66%	11.16%	15.55%	-5.12%	-10.01%	-7.55%
ICE BofAML Current 5-Year US Treasury Index	3.20%	4.18%	-2.12%	-2.23%	7.46%	9.16%	-1.19%	-7.47%	-3.87%
ICE BofAML Asian Dollar High Yield Corporate Index	4.70%	11.28%	6.19%	-0.22%	10.92%	5.45%	-1.12%	-37.35%	8.13%
ICE BofAML Asian Dollar Investment Grade Corporate Index	5.08%	7.23%	1.67%	-0.53%	9.95%	8.69%	1.37%	-8.87%	1.58%
Bloomberg Barclays US Agg Credit Avg OAS	0.51	-0.08	-0.40	0.05	0.00	0.23	-0.45	0.53	-0.30
Bloomberg Barclays EM Asia USD Credit High Grade Average OAS	0.18	-0.14	-0.32	0.18	-0.13	0.55	-0.43	0.27	-0.52
Bloomberg Barclays US Corporate High Yield Average OAS	1.83	0.27	-1.88	-0.16	0.35	1.17	-1.94	1.75	-1.02
Bloomberg Barclays EM Asia USD Credit High Yield Average OAS	0.33	-1.09	-0.54	1.14	0.17	2.27	1.21	4.28	-3.53
J.P. Morgan CEMBI Broad Latin America Index Level	-1.52%	5.03%	11.12%	2.81%	11.26%	4.54%	8.73%	-11.10%	5.32%
J.P. Morgan CEMBI Broad Mideast Index Level	5.09%	5.55%	3.82%	0.38%	8.14%	8.15%	5.38%	-6.50%	2.11%
J.P. Morgan CEMBI Broad Asia Index Level	5.20%	7.91%	2.62%	-0.49%	9.71%	6.77%	1.73%	-12.75%	2.98%
J.P. Morgan CEMBI Broad Europe Index Level	1.79%	12.37%	7.78%	-2.18%	11.67%	6.34%	8.23%	-64.64%	18.83%
J.P. Morgan CEMBI Broad Africa Index Level	-1.93%	10.18%	10.53%	4.54%	9.92%	2.39%	11.50%	-8.56%	7.74%
J.P. Morgan CEMBI Broad Composite Index Level	2.02%	7.40%	6.19%	0.58%	10.15%	6.12%	4.75%	-15.43%	4.00%
J.P. Morgan JACI Composite Blended Spread	25.86	-14.61	-17.00	17.47	9.47	68.10	-27.13	58.76	-73.81
J.P. Morgan JACI Investment Grade Blended Spread	32.00	-3.87	-28.55	10.20	3.68	56.55	-40.13	33.83	-68.94
J.P. Morgan JACI Non-Investment Grade Blended Spread	51.60	-22.85	-33.68	34.28	38.40	159.09	30.98	341.26	-92.41
US Generic Govt 5 Year Yield	-0.17	-0.51	0.81	1.01	-1.02	-1.62	0.49	1.99	1.50
ICE BofAML US Corp 3-5yr	2.4%	4.8%	1.8%	-0.7%	7.8%	7.9%	2.5%	-7.2%	0.5%
ICE BofAML US Corp BBB 3-5yr	1.9%	4.8%	2.8%	-0.4%	8.2%	7.2%	3.8%	-7.7%	1.3%
J.P. Morgan JACI Investment Grade Yield-to-Maturity	0.09	-0.74	0.44	0.88	-0.93	-0.94	0.25	1.96	0.63
J.P. Morgan JACI composite Yield-to-Maturity	0.01	-0.85	0.57	0.95	-0.88	-0.83	0.38	2.22	0.57
J.P. Morgan JACI Non-Investment Grade Yield-to-Maturity	0.20	-0.95	0.45	1.12	-0.60	0.05	0.96	5.08	0.34

# Important Information



This material has not been reviewed by the Securities & Futures Commission ("SFC") of Hong Kong and authorization by SFC does not imply official recommendation. The value of an investment in the Fund may go down as well as up and can result in losses, including a total loss of the amount initially invested. Past performance information presented is not indication of future results. The investment returns are denominated in share class dealing currency, which may be a foreign currency. The US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar / foreign currency exchange rates. Investors should read the offering documents for further details, including the risk factors before investing.

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# Important Information



## For investors in EMEA

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CRS 097518 5 September 2023

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