

DWS Alternatives Global Limited

Company number: 5603289

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

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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 is authorised and regulated by the Financial Conduct Authority as an Alternative Investment Fund Manager under the Alternative Investment Fund Manager Directive ("AIFMD").

The position at the end of the year is reflected in the audited Statement of Financial Position set out on page 10.

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2022, after providing for taxation, show a loss of £14,086,000 (2021: loss of £1,246,000).

The Directors recommended the payment of a £20,000,000 dividend during the year (2021: nil).

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 3 to 5. 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 going concern review that considers, under a stress test scenario, 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, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves 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.

DIRECTORS

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

H.M.M. Mackenzie	Appointed 06 October 2016
M. McDonald	Resigned 29 December 2022
J. Hardman	Appointed 16 July 2019
B.R. McConnell	Appointed 23 September 2021
J.G.M Webster	Appointed 07 December 2021
S.J.T. Shaw	Deceased 08 January 2023

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

Computershare Company Secretarial Services Limited was appointed as the Secretary of the Company on 24 November 2022.

As at the date of approval, and during the period, 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 or incurred any 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.

**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 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 25 day of April 2023.

John Graham Mead Webster

John GM Webster

Registered office
Winchester House
1 Great Winchester Street
London EC2N 2DB
Company number: 5603289

STRATEGIC REPORT

For the year ended 31 December 2022

PRINCIPAL OBJECTIVES

The Company creates new products via manufacturing alternative fund strategies and also offers portfolio management across various asset classes including Infrastructure, Private Equity, Real Estate and Liquid Real Asset product lines.

Portfolio management services are provided by the investment professional teams that specialize in the different alternatives product lines and they actively manage the funds and products in order to maximise returns for clients.

Portfolio Management can be offered on a discretionary or non-discretionary basis. Where discretion is awarded to the manager, all investment decisions of the Fund will be taken by the Board appointed Investment Committee, ensuring that all investment decisions (acquisitions and dispositions) are consistent with the mandate awarded to the manager and ensuring compliance at all times with the fiduciary duty of the manager.

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 2021, 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 Alternatives Global Limited have ultimate responsibility for risk management and oversight, including the Internal Capital Adequacy and Risk Assessment ("ICARA"). 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 Alternatives Global 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 based on management fees which are driven by assets under management (AUM) such as committed capital from investors or net asset value (NAV) of the funds, whilst performance fees are driven by funds' performance against an agreed benchmark. The evaluation of the AUM, which impacts both management and performance fees, can be impacted by the underlying performance of the funds and also by external market risk conditions and factors, such as prevailing economic conditions, investor sentiment, foreign exchange rates and funds/products investment illiquidity. Finally, the Company primarily manages Closed-end funds only, limiting the risk of capital outflow during the life of the fund. P&L development against plan is monitored via the DWS Alternatives Global Limited Board of Directors.

To a lesser extent, DWS Alternatives Global Limited is exposed to limited financial risk. Credit, market and liquidity risks are monitored by the UK Finance Team, and reported to the Board.

OTHER MACRO ENVIRONMENTAL RISKS

The world economy has faced high inflation since last year. 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, and US-China export restrictions on high-tech goods.

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 our strategic plans.

KEY PERFORMANCE INDICATORS

The Company's Risk Appetite Statement ("RAS") is articulated taking into account both 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 below metrics are presented and reviewed at the UK Board Risk Committee during the year to assess financial stability per the regulatory requirements.

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

KEY PERFORMANCE INDICATORS (continued)

KPI Measure	Description	Black	Green	Amber	Red	Actual KPI
Regulatory Capital ratio	Aligned with the DWS Group risk appetite tolerances. Set up well above the regulatory minimum of 100% and include impact of orderly wind down.	< 100%	>135%	Between 110% - 135%	100% - 110%	206%
Net Income (2022)	Post-tax income projection for the full year based on internal forecast process.	n/a	> (11.0)m	Between GBP (11.0)m – (13.2)m	< (13.2)m	GBP (14.1)m

The Company's KPIs are green for the Regulatory Capital Ratio but red for Net Income. Given the nature of the Company's business activities this negative impact is due to timing differences and management are confident of this measure transiting to green in the near future.

Risk appetite thresholds for the entity, including 'traffic light' levels for the regulatory capital ratio and net income metrics were set in March 2021. These were updated in 2022 to align with the new Investment Firms Prudential Regime ("IFPR") regulations that apply to the Company.

CURRENT PERIOD PERFORMANCE

GBP'000	2022	2021
Revenue	74,107	76,282
Expenses	(92,542)	(78,268)
Interest income / (expense)	769	(122)
Loss before tax	(17,666)	(2,108)
Surplus Capital*	57.8m	75.6m
Liquidity*	77.0m	52.1m
AUM	16.6bn	17.8bn

*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 expenses were due to higher staff costs in the period. The decrease in revenue is due to lower management fees in the period as certain funds reach maturity, partially offset by higher performance fees.

Surplus Capital is determined by the excess of capital resources over and above the regulatory requirement. The decrease is primarily due to the loss made by the company in 2022.

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

GBP'000	2022	2021
Assets	180,597	231,702
Liabilities	(91,774)	(75,942)
Equity	121,735	155,760

The decrease in assets is due to lower cash balances and the increase in liabilities is mainly due to higher compensation related balances.

FUTURE OUTLOOK

The annual planning exercise run by DWS Group generates a five year business plan at a legal entity level. The business plan for the Company is built on the expectation for new business activities to generate positive value for the Company's shareholders with a pipeline of new products to be launched during the course of 2023.

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 would most likely promote the success of the Company 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;
- the 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

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

Section 172 (1) Statement (continued)

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 includes the 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 DWS Group level and therefore also covers the Company.

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 25 day of April 2023

John GM Webster

John Graham Mead Webster
Registered office
Winchester House
1 Great Winchester Street
London EC2N 2DB
Company number: 5603289

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DWS ALTERNATIVES GLOBAL LIMITED**

Opinion

We have audited the financial statements of DWS Alternatives Global 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.

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, internal audit 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DWS ALTERNATIVES GLOBAL LIMITED (continued)**

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.

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

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 2, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DWS ALTERNATIVES GLOBAL LIMITED (continued)**

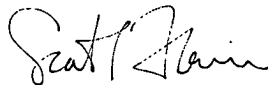
Auditor's responsibilities

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

INCOME STATEMENT

For the year ended 31 December 2022

	Note	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Turnover	2(b), 4	74,107	76,282
Administrative expenses	5	(92,542)	(78,268)
OPERATING (LOSS)		(18,435)	(1,986)
Interest income / (expense) and similar income	6	769	(122)
(LOSS) BEFORE TAXATION		(17,666)	(2,108)
Tax credit	7	3,580	862
(LOSS) FOR THE YEAR		(14,086)	(1,246)

The (loss) for the year has arisen from continuing activities.

The notes on pages 12 to 22 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 £000	2021 £000
NON-CURRENT ASSETS			
Investments		9	5
Amounts owed by group undertaking		30,607	-
Loans and receivables		2,305	-
CURRENT ASSETS			
Debtors	8	53,655	76,892
Cash and cash equivalents	9	126,933	154,805
		<u>180,588</u>	<u>231,697</u>
CURRENT LIABILITIES	10	(91,774)	(75,942)
NET CURRENT ASSETS			
		88,814	155,755
TOTAL ASSETS LESS CURRENT LIABILITIES			
		121,735	155,760
NET ASSETS			
		121,735	155,760
CAPITAL AND RESERVES			
Called up share capital	12	104,007	104,007
Share premium account		6,993	6,993
Share based reserve	13	3,620	3,559
Profit and loss account		7,115	41,201
SHAREHOLDERS' FUNDS			
		121,735	155,760

The notes on pages 12 to 22 form part of these accounts.

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

John Graham Mead Webster

Signed by
for and on behalf of the Board of Directors

Company number: 5603289

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	<u>Called Up Share Capital</u> £000	<u>Share Premium Account</u> £000	<u>Share Based Reserve</u> £000	<u>Profit and Loss Account</u> £000	<u>Total</u> £000
Balance at 1 January 2022	104,007	6,993	3,559	41,201	155,760
Share-based payment recharge	-	-	61	-	61
Dividends	-	-	-	(20,000)	(20,000)
Loss for the financial year	-	-	-	(14,086)	(14,086)
Balance at 31 December 2022	104,007	6,993	3,620	7,115	121,735

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	<u>Called Up Share Capital</u> £000	<u>Share Premium Account</u> £000	<u>Share Based Reserve</u> £000	<u>Profit and Loss Account</u> £000	<u>Total</u> £000
Balance at 1 January 2021	104,007	6,993	3,865	42,447	157,312
Share-based payment recharge	-	-	(306)	-	(306)
Dividends	-	-	-	-	-
Loss for the financial year	-	-	-	(1,246)	(1,246)
Balance at 31 December 2021	104,007	6,993	3,559	41,201	155,760

The notes on pages 12 to 22 form part of these accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

1 AUTHORIZATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

DWS Alternative (Global) Limited (the "Company") is a private company incorporated and domiciled in the UK. The registered number is 5603289 and the registered address is Winchester House, 1 Great Winchester Street, London EC2N 2DB.

Audited financial statements for the year ended 31 December 2022 were reviewed by the Board of Directors on 25 April 2023 and have subsequently been submitted to the FCA.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and 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>).

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 includes management fees, performance fees and other revenue received or receivable for the provision of 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.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2022

2 ACCOUNTING POLICIES (continued)

b TURNOVER (continued)

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, rebates and discounts.

Performance fees

Performance fees are calculated as a percentage of an applicable portfolio's performance in excess of a defined hurdle benchmark within a specified measurement period. The performance fees are recognised when the quantum of the fee is known, and it is highly probable that a significant revenue reversal will not occur, typically upon the crystallisation date at the end of the specified measurement period. Once crystallised, performance fees typically cannot be clawed-back. Performance fees are stated net of value added tax and any applicable discounts.

c INTEREST INCOME AND EXPENSE

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

d TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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, 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 amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

e PERFORMANCE-BASED INCENTIVE PLAN

Performance-based Incentive Plan (carry plan) expenses are accounted for as deferred compensation. If the company expects to earn performance fees, related expenses must be accrued over the vesting period on a pro-rata basis based on expected payout.

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 and contribution schemes operated by DB Group Services (UK) Limited, details of which are disclosed in the financial statements of that company.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2022

2 ACCOUNTING POLICIES (continued)

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. 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 31st 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 are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

h SHARE-BASED COMPENSATION

DWS Share-Based Plans (cash-settled)

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, 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 Share-Based Plans (equity-settled)

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

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 recognised by the Company (in Profit and Loss or Equity) over the term of the associated vesting period.

i DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDER'S 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 yet been approved for payment are disclosed in the notes to the financial statements.

j 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 5.

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
- The level of existing and projected cash resources available in a stressed scenario;
- Regulatory capital requirements in a stressed scenario;
- Reverse stress tests; and

NOTES TO THE ACCOUNTS
For the year ended 31 December 2022

2 ACCOUNTING POLICIES (continued)

- 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.

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.

k 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.

l 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:

- Determining fair value of share based compensation
- Determining fair value of performance based incentive plans
- Measurement and timing of provisions, and
- Measurement of deferred tax assets

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

3 DIRECTORS' REMUNERATION

	<u>2022</u>	<u>2021</u>
	<u>£000</u>	<u>£000</u>
Directors' emoluments	91	24
Amounts receivable under long term incentive schemes	22	-
	<u>113</u>	<u>24</u>
Company contributions to money purchase pension schemes	-	-

During the year, 3 Directors received shares or payments under long term incentive schemes totalling £21,881.21. (2021: no Directors received shares or payments under long term incentive schemes)

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £36,342.49 and the pension contributions were £179.10. (2021: The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £23,541.66 and the pension contributions were £0.00).

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

3 DIRECTORS' REMUNERATION (continued)	<u>Number of Directors</u> <u>2022</u>	<u>Number of Directors</u> <u>2021</u>
Retirement benefits are accruing to the following number of Directors under:		
Money purchase incentive schemes	2	-
No Directors exercised any shares option under long term incentives scheme.		
4 TURNOVER	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Investment Management Fees	62,649	62,299
Performance Fees	8,672	4,766
Transaction Fees	2,786	9,217
	<u>74,107</u>	<u>76,282</u>
5 ADMINISTRATIVE EXPENSES	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Auditor's remuneration:		
Audit of these financial statements	102	60
	<u>2022</u> <u>£000</u>	<u>2021</u> <u>£000</u>
Staff costs		
- Wages and salaries	39,788	30,869
- Social security costs	7,241	4,020
- Pension costs	1,919	1,475
- Share based payment expenses	1,355	3,616
- Other staff-related costs	575	774
Other administrative expenses	41,562	37,454
	<u>92,542</u>	<u>78,268</u>
All staff are employed by a fellow subsidiary undertaking, DB Group Services (UK) Limited, and their costs of £50,876,618 (2021: £40,753,814) are recharged to the Company.		
Other administrative expenses includes £78,291 (2021: £2,740,186) mainly for the cost of services provided to the Company by Deutsche 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	124	116
All staff are involved in the main activities of the business.		

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

6 OTHER INTEREST INCOME

	<u>2022</u>	<u>2021</u>
	<u>£000</u>	<u>£000</u>
Profit before taxation is arrived at after taking into account:		
Other interest income and similar charges		
Interest income (expense)	533	(84)
Net foreign exchange gain (loss)	236	(38)
	<u>769</u>	<u>(122)</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.

7 TAXATION

	<u>2022</u>	<u>2021</u>
	<u>£000</u>	<u>£000</u>
<i>Current Taxation</i>		
Group Relief credit for the year	4,094	456
Adjustment in respect of prior periods	(70)	103
	<u>4,024</u>	<u>559</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(800)	(15)
Adjustment in respect of prior periods	81	49
Effect of tax rate change	275	269
	<u>(444)</u>	<u>303</u>
Total tax credit on loss	<u>3,580</u>	<u>862</u>

The standard rate of tax for the year, based on the pro-rated UK standard rate of corporation tax, is 19% (2021: 19.00%).
The actual tax charge for the year differs than the standard rate for the reasons set out in the following reconciliation.

	<u>2022</u>	<u>2021</u>
	<u>£000</u>	<u>£000</u>
Loss on ordinary activities	<u>(17,627)</u>	<u>(2,108)</u>
Tax credit on loss on ordinary activities at standard rate	3,349	400
Effects of:		
Non-deductible expenses	(55)	(26)
Adjustment in respect of previous periods	11	152
Adjustment in respect of share based compensation	-	67
Effect of tax change rate	275	269
Total tax credit	<u>3,580</u>	<u>862</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.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

8 DEBTORS	Note	<u>2022</u> £000	<u>2021</u> £000
Trade Debtors		7,131	10,579
Amounts owed by group undertaking		35,371	57,124
Group relief receivable		4,820	470
Deferred tax asset	11	2,083	2,364
Other		4,250	6,355
		<u>53,655</u>	<u>76,892</u>

The decrease in debtors during the period is mainly driven by a reclassification of a loan owed by group undertaking to non-

9 CASH AT BANK		<u>2022</u> £000	<u>2021</u> £000
Cash at bank		96,933	124,805
Maturity time deposits		30,000	30,000
		<u>126,933</u>	<u>154,805</u>

The decrease in cash was mainly due to the £20,000,000 dividend payment made during the year.

10 CREDITORS: Amounts falling due within one year		<u>2022</u> £000	<u>2021</u> £000
Amounts owed to group undertaking		37,222	34,742
Corporation tax liability		1,043	1,043
Other		53,509	40,157
		<u>91,774</u>	<u>75,942</u>

The increase in creditors during the period is driven by higher compensation related balances and inter-company payables. The amounts owed to group undertaking includes a payable to DB Group Services (UK) Limited for £8,742,188 (2021: £7,494,055) in respect of staff related costs as well as a payable to Deutsche Bank AG London Branch for £10,946,705 (2021: £6,324,336) which arises in its capacity as paying agent for the Company's vendor costs. These balances are typically paid quarterly in arrears.

11 DEFERRED TAXATION		<u>2022</u> £000	<u>2021</u> £000
Balance at 1 January		2,364	2,130
Profit and Loss Account		(444)	303
Statement of Total Recognised Gains & Losses		163	(69)
Balance at 31 December		<u>2,083</u>	<u>2,364</u>

12 SHARE CAPITAL		<u>2022</u> £000	<u>2021</u> £000
Allotted, called up and fully paid:			
Ordinary shares of £1 each		104,007	104,007
Additional issuance of shares of £1 each		-	-
		<u>104,007</u>	<u>104,007</u>
		<u>2022</u> No	<u>2021</u> No
Allotted, called up and fully paid:			
15,007,001 ordinary shares of £1 each		15,007,001	15,007,001
89,000,000 Additional issuance of shares of £1 each		89,000,000	89,000,000
Ordinary shares of £1 each		<u>104,007,001</u>	<u>104,007,001</u>

13 SHARE-BASED RESERVE

The share based reserve reflects the mark-to-market impact since grant for any unexercised shares and share options granted to the company's employees and recognized in accordance with the accounting policy adopted for equity-settled share-based compensation in note 2(h).

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.

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

Grant year(s)	Award Type	Vesting schedule	Eligibility
2021 - 2022 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	Selected 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	Selected employees as annual performance-based compensation (non-InstVV MRTs)
	Annual Award - Upfront	Vesting immediately at grant ¹	Regulated employees
	Retention/New hire/Off-cycle ⁴	Individual specification	Selected 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	Selected employees as annual performance-based compensation
	Retention/New Hire	Individual specification	Selected employees to attract and retain the best talent
2018 DWS Equity Plan	Performance Share Unit (PSU) Award (one-off IPO related award) ¹	1/3: March 2022 ² 1/3: March 2023 ² 1/3: March 2024 ²	Selected Senior Managers
	SAR Award (one-off IPO related award)	For non-MRTs: 1 June 2021 ³ For MRTs: 1 March 2021 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 For outstanding awards, a 4-year exercise period applies following vesting/retention period.

⁴ Off-Cycle awards to non-InstVV regulated employees only.

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:

	DWS Equity Plan		DWS SAR Plan			
	2022	2021	2022		2021	
	Number of Awards	Number of Awards	Number of Awards	Weighted-average exercise price	Number of Awards	Weighted-average exercise price
Share Units (in thousands)						
Outstanding at beginning of year	158	157	44	€ 24.65	59	€ 24.65
Granted	103	73	0	€ 0.00	0	€ 0.00
Released or exercised	(122)	(73)	(2)	€ 24.65	(14)	€ 24.65
Forfeited	(13)	(0)	0	€ 0.00	(1)	€ 24.65
Expired	0	0	0	€ 0.00	0	€ 0.00
Other movements	0	1	0	€ 0.00	0	€ 24.65
Outstanding at end of year	126	158	42	€ 24.65	44	€ 24.65
Of which, exercisable	0	0	19	€ 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	€ 28.61	€ 28.07	1	€ 31.47	€ 38.47	1
DWS SAR Plan	0	€ 30.95	4	0	€ 39.90	5

The fair value of outstanding share-based awards recognised in the income statement up to the period ending 2022 and 2021 was £3.6 million and £4.4 million respectively, of which £0.4 million (2021: £0.9 million) relate to fully vested awards.

The fair value of the DWS Stock Appreciation Rights Plan awards have been measured using the generalised 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:

	Measurement date	Measurement date
	Dec 31, 2022	Dec 31, 2021
	SAR	SAR
Units (in thousands)		
Fair value (weighted average)	€ 7.71	€ 10.31
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.

NOTES TO THE ACCOUNTS
For the year ended 31 December 2022

14 SHARE-BASED COMPENSATION (continued)

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.

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

Grant year(s)	Deutsche Bank Equity Plan	Vesting Schedule	Eligibility
2019-2021	Annual Award	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 CB/IB/CRU) and InstVV MRTs in ² an MBU)

¹ For InstVV-regulated employees (and Senior Management) a further retention period of twelve months applies (six months for awards granted from 2017 -2018).

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
	Number of Awards	Number of Awards
Outstanding at beginning of year	46	96
Granted	0	0
Released or exercised	(44)	(50)
Forfeited	0	0
Expired	0	0
Other movements ¹	0	0
Outstanding at end of year	2	46
Of which, exercisable		0

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	€ 0.00	€ 11.56	1	€ 0.00	€ 10.56	1

As of 31 December 2022, the grant value of outstanding share awards was approximately £0.01 million (31 December 2021: £0.4 million). In addition, approximately 44 thousand shares were issued to plan participants in 2022 following the vesting of DB Equity Plan awards granted in prior years.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

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 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 December 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 in 2018. Prior to this, Deutsche Asset Management Group 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 CONTINGENCIES

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.

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

DWS signed an Asset Purchase Agreement for the sale of the Private Equity Solutions (PES) business to Brookfield Asset Management on 28th December 2022. The sale of the PES business to Brookfield Asset Management was completed on 30th January 2023. The sale included, among others, the transfer of the management contract for the PES fund and associated investment management and investor relations personnel.