STRATEGIC REPORT
For the year ended 31 December 2019

PRINCIPAL OBJECTIVES

The Company acts as a provider of services and control functions to the UK DWS regulated operating entites and other entities within DWS Group. In addition, the Company acts as a holding company including DWS AM Korea and its investment in the Pan European Infrastructure Fund.

The majority of costs incurred by the Company, are recovered via internal TP arrangements.

RISK AND UNCERTAINTIES

The Company is a wholly owned by DWS Group GmBH following the IPO which was completed in March 2018, and therefore the risk it is subject to are managed within the risk and control functions of this Group.

The Board of Directors is generally risk averse and does not seek to expose the Company to significant risk. The overall approach to risk is to control with policies and procedures.

BREXIT

In 2017, DWS Group GmbH & Co. KGaA and its direct and indirect subsidiaries ("DWS"), including DWS Group Services UK Limited, established a comprehensive, dedicated Brexit program focused on the planning and implementation of our Brexit contingency plans, with the objective of ensuring that DWS is able to continue to conduct its business and service clients, compliant with a post-Brexit regulatory environment, irrespective of the outcome of the Brexit process. As part of this program, extensive analysis of DWS's business operations, and how they may be impacted by Brexit, and a 'No-Deal' scenario in particular, was carried out, and measures were implemented to ensure DWS is ready, whatever the eventuality. As part of its preparations, DWS took steps to ensure that it can continue to leverage the capabilities of its geographical hubs and centres of excellence in the event that passport rights were lost following the UK's withdrawal from the European Union (EU) in a No-Deal scenario, or are lost at the end of the transition period. Likewise, DWS took appropriate mitigation measures with respect to internal and external data flows to ensure that the flow of information between the EEA and the UK can continue uninterrupted after Brexit, whatever the final outcome.

On 31 January 2020, the UK left the European Union. Following its ratification by the UK and the EU, the Withdrawal Agreement entered into force, and a transition period until 31 December 2020 started. The transition period aims to provide more time for citizens and businesses to adapt following the UK's exit from the EU, and provides time for negotiations on the future relationship between the UK and the EU to take place. It is due to end on 31 December 2020, but can be extended once for a period of up to one or two years, if both sides agree to this before 1 July 2020. The UK Government has however previously indicated it does not intend to agree to such an extension.

At the end of the transition period, new arrangements will come into force, which will depend on the terms of the new agreement – if any - reached by UK and the EU during the transition. While there are many possible outcomes, a framework for the future relationship is set out in the political declaration agreed by both sides in October 2019. Negotiations between the UK and the EU, which started formally in March 2020, have however been hampered by the Covid-19 crisis. DWS's priority has always been and remains to ensure that it continues to provide the best possible service to our clients, wherever they operate and whatever the outcome of the Brexit process. The work carried out by DWS's dedicated Brexit program seeks to ensure that it is well positioned to do this, during the transition period, and beyond. DWS continues to monitor Brexit negotiation developments, as well as measures taken by EU regulators and national competent authorities of EU member states and of the UK, and will adjust its Brexit response accordingly.

Whilst DWS has been focused on mitigating the impact of Brexit on its business and operations, potential changes in the regulatory environment may lead to increased compliance requirements and additional operating costs for the Company. Other risks that could have a (direct or indirect) material adverse effect on the Company's business and financial position, particularly in the short to medium term, include (i) increased uncertainty and volatility in UK and EU financial, real estate and infrastructure markets; (ii) fluctuations in exchange rates between sterling, euro and other currencies; (iii) increased illiquidity of investments located or listed within the UK or the EU.

COVID-19

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has caused disruptions to businesses and economic activity. The entity considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak on the entity.

KEY PERFORMANCE INDICATORS

The Company's KPIs, which are aligned with the Group's KPIs, enable oversight of the material risks of the Company while supporting and enabling the overall business strategy as approved by the Board.

STRATEGIC REPORT (continued)
For the year ended 31 December 2019

CURRENT PERIOD PERFORMANCE

GBP'000	2019	2018
Revenue	33,426	47,469
Expenses	(32,955)	(37,529)
PBT	471	9,940

Revenue - Decrease in revenue primarily due to the loss in PEIF infrastructure fund versus the gain recorded in 2018.

Expenses - Decrease in costs is driven by lower wages, salaries and other staff related costs following a reduction in the number of employees.

Section 172 (1) Statement (Continued)

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

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

To discharge their section 172 duties for this financial year, the directors had regard to the factors set out above in making principle decisions taken by the Company whilst maintaining high standards of business conduct to the benefit of all stakeholders.

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.

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 by the DWS Group and a dedicated framework is in place to classify dedicated ESG funds.

By order of the Board of Directors this 4th day of June 2020

A W Bartlett
Secretary

Registered office

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