



# DWS Short Duration Bonds



Investors for a new now

# The case for short duration bonds

Short-term bonds have the potential to provide attractive risk-adjusted returns.

10-Year risk-adjusted returns by maturity level (as of 12/31/22)



Source: Morningstar Inc., as of 12/31/22. **Performance is historical and does not guarantee future results.** Risk-adjusted returns are represented by Sharpe ratio. For illustrative purposes only; does not represent any DWS fund. Asset class representation: **short-term bonds** are represented by the Bloomberg U.S. Aggregate 1-3 Year Bond Index; **long-term bonds** are represented by the Bloomberg U.S. Aggregate 10+ Year Bond Index; **intermediate-term bonds** are represented by the Bloomberg U.S. Aggregate 7-10 Year Bond Index; and **U.S. equities** are represented by the S&P 500 Index. Index returns assume reinvestment of all distributions and do not reflect fees or expenses and it's not possible to invest directly in an index. See last page for definitions.

# Less sensitivity to small interest rate changes

It would take a 50 basis points (bps) increase in interest rates on the short end of the yield curve to have the same impact on a two-year duration bond as a 20 bps move would have on a five-year duration bond, all else being equal.

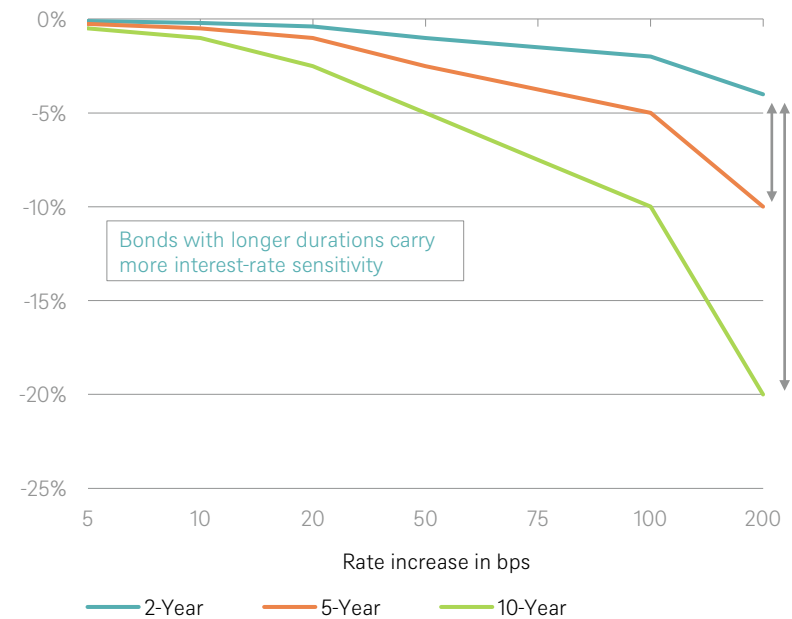
## Yield change

Bond price change (does not include income)

Bond duration	2 years	5 years	10 years
+5 bps	-0.10%	-0.25%	-0.50%
+10 bps	-0.20%	-0.50%	-1.00%
+20 bps	-0.40%	-1.00%	-2.50%
+50 bps	-1.00%	-2.50%	-5.00%
+75 bps	-1.50%	-3.75%	-7.50%
+100 bps	-2.00%	-5.00%	-10.00%
+200 bps	-4.00%	-10.00%	-20.00%

## Bond price change % due to increase in yield

(does not include income)



A key component to offsetting the price impact of duration risk is the income generated by the security. At 12/31/22, the yield difference between intermediate and short term bonds was just -4 bps (see page 4).

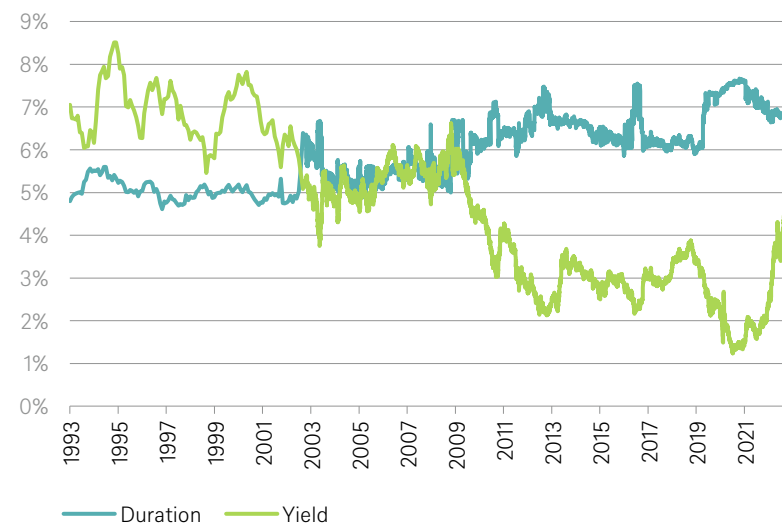
Source: DWS. For illustrative purposes only.

This analysis does not take into account other factors such as downgrades, defaults, or changes in spread that may still lead to negative outcomes.

# Benefits of duration management

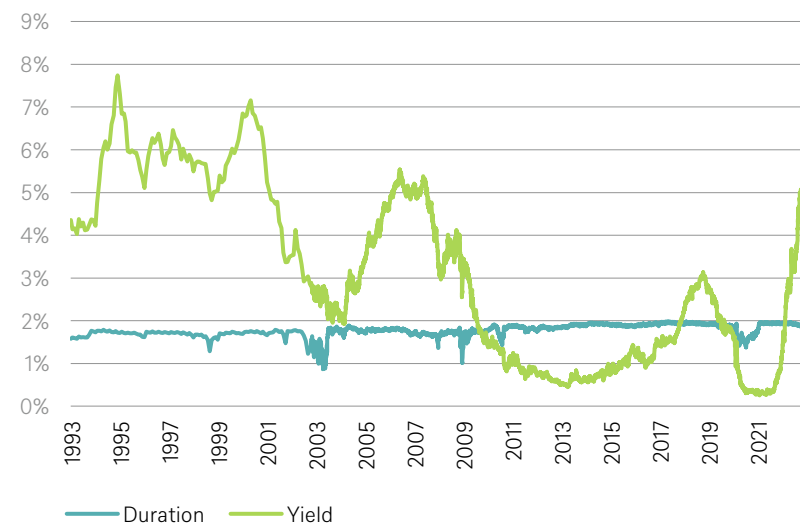
With a duration of 6.72, intermediate bonds could lose 6.72% of principal for every 1% increase in interest rates—while adding only 4.67% in income—not nearly enough to offset potential principal losses.

Duration and yield of intermediate-term bonds (as of 12/31/22)



	Duration (years)	Yield
Intermediate-term bonds	6.72	4.67%

Duration and yield of short-term bonds (as of 12/31/22)



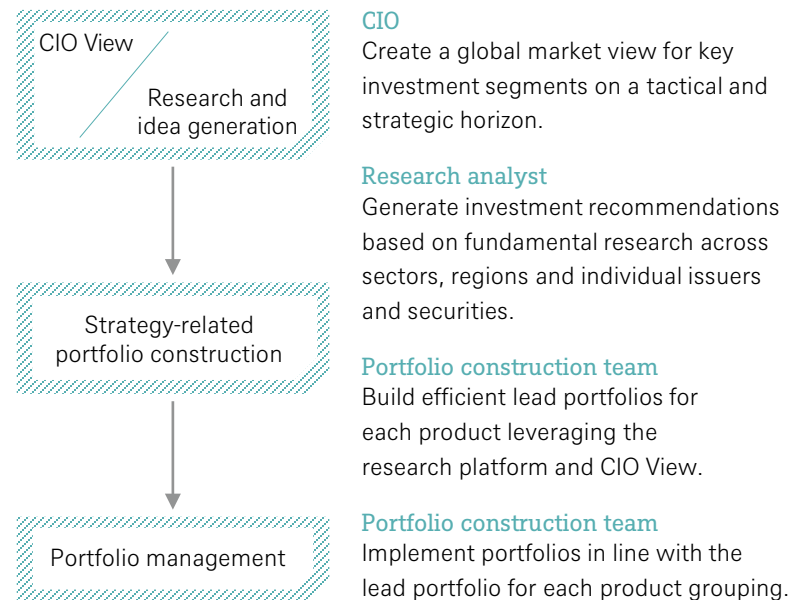
	Duration (years)	Yield
Short-term bonds	1.86	4.72%

Source: Bloomberg/Barclays as of 12/31/22. **Performance is historical and does not guarantee future results.** See page 2 for asset class representation. Index returns assume reinvestment of all distributions and do not reflect fees or expenses and it's not possible to invest directly in an index.

# DWS short duration capabilities

Our investment process seeks to deliver consistently attractive returns, while aiming to achieve capital preservation and income.

## Dedicated teams backed by a global platform



Source: DWS. Note: CIO is Chief Investment Officer, which is an executive position responsible for a company's investment portfolios. For illustrative purposes only, and there can be no assurance that investment goals will be achieved.

## Strategic and tactical asset allocation target ranges

			Ranges
Investment-grade corporate credit	40%	30% 50%	+/- 10%
Asset-backed securities	20%	10% 30%	+/- 10%
U.S. treasuries	15%	5% 25%	+/- 10%
CMBS	10%	5% 15%	+/- 5%
RMBS	5%	0% 10%	+/- 5%
Emerging market debt	5%	0% 10%	+/- 5%
High yield bonds	5%	0% 10%	+/- 5%

■ **Strategic allocations**  
Based on long-term trend and regression analysis

■ **Tactical allocations**  
Based on fundamental and relative value assessment for the next 1-3 months.

Source: DWS. Non-investment-grade allocations are limited to 10% per prospectus guidelines.

# Solid results in recent years

In August 2017, Lead Portfolio Manager Jeff Morton and team took over fund management. Since then, the fund has experienced solid results.

## Solid returns with limited downside capture over the management team's tenure (8/1/17–12/31/22)

### Solid returns

#### Top 15%

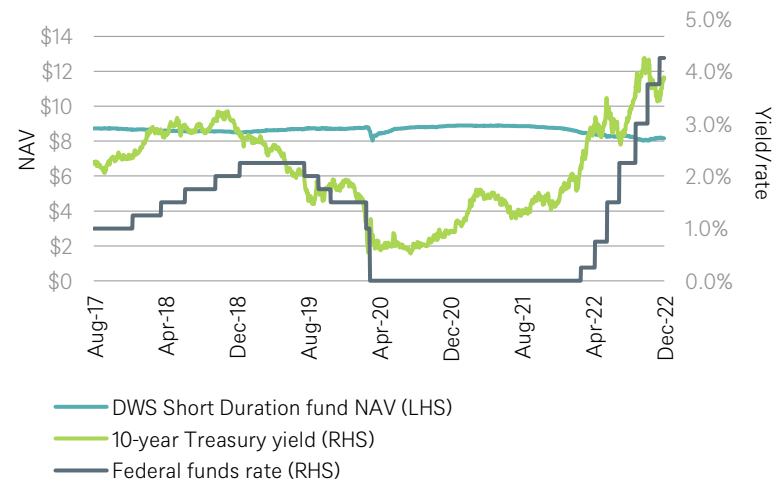
Total return percentile ranking of its Morningstar category since manager inception, 8/1/17, over the period ended 12/31/22. (Ranked 52th of 511 total category funds)

### Limited downside capture

DWS Short Duration Fund Class S shares have provided a downside capture ratio to the Bloomberg U.S. Aggregate Index of 30.13% and to the S&P 500 of 7.15%, respectively, over the management team's tenure.

Source: Morningstar Inc., as of 12/31/22. **Past performance is no guarantee of future results.** Total return rankings for Class S shares of DWS Short Duration Fund in the Morningstar Short Term Bond category for the one-, five- and 10-year time periods ended 12/31/22 are 34% (167/560), 15% (53/512) and 22% (83/444), respectively. See Important Information for standardized fund performance.

## Fund NAV since management team's inception (8/1/17–12/31/22)



Source: DWS, Morningstar, Bloomberg Barclays and the Federal Reserve Bank of St. Louis as of 12/31/22. **Performance is historical and does not guarantee future results. Investment return and principal value fluctuate so your shares may be worth more or less when redeemed. Current performance may differ from data shown. Please visit [dws.com](https://dws.com) for the fund's most recent month-end performance.** Performance includes reinvestment of all distributions. Not all shares are available to all investors. Class S shares have a waiver that runs through 9/30/23 and without that waiver, returns would have been lower.

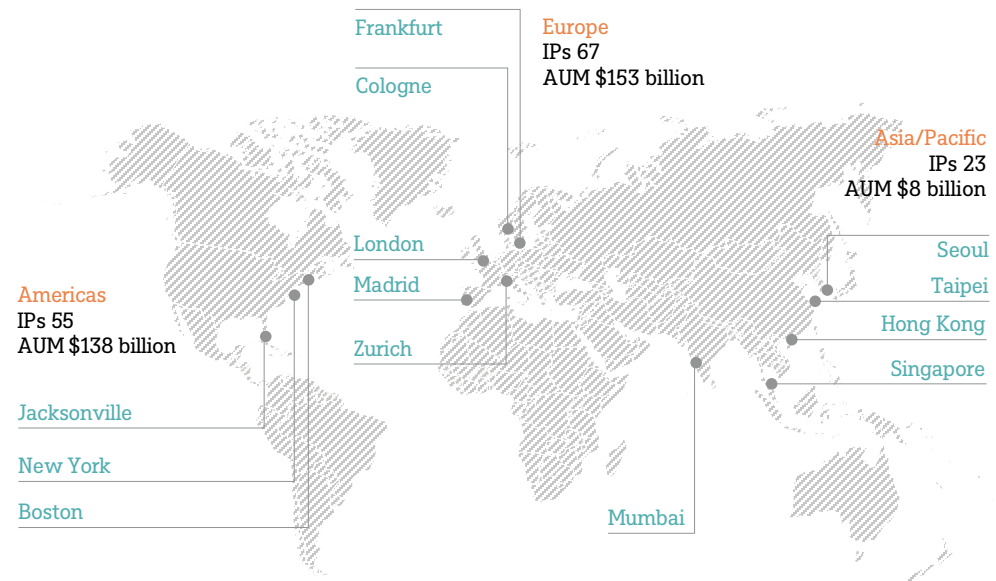
# DWS global fixed income platform

A legacy of fixed income investing.

Managing fixed income products is in our DNA, dating back to 1928 with the launch of DWS Total Return Bond Fund (originally launched as Scudder, Stevens and Clark Core Plus Income Fund).

DWS oversees more than \$298 billion in fixed-income assets globally including \$138 billion in the U.S.

DWS has 145 fixed-income investment professionals on the platform globally.



As of: September 2022. IP is investment professionals. AUM is assets under management.



### Average annual total returns (as of 12/31/22)

	1-year	3-year	5-year	10-year	Gross/net expense ratio
DWS Short Duration Fund, S shares (DBPIX)	-4.17%	0.30%	1.44%	1.40%	0.66%/0.50%
Bloomberg 1-3 Year U.S. Government/Credit Index	-3.69%	-0.32%	0.92%	0.88%	-
S&P 500 Index	-18.11%	7.66%	9.42%	12.56%	-

**Past performance is historical and does not guarantee future results. Performance of other share classes may vary. Investment return and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may differ from data shown. Please visit [www.dws.com](http://www.dws.com) for the fund's most recent month-end performance.** Performance includes reinvestment of all distributions. Class S shares have a contractual fee waiver through 9/30/23. Without a waiver, returns would have been lower and any rankings/returns might have been less favorable.

**Definitions:** **Bloomberg 10+ Year U.S. Aggregate Index** tracks the performance of domestic, taxable investment-grade bonds with average maturities of greater than 10 years. **Bloomberg 7-10 Year U.S. Aggregate Index** tracks the performance of domestic, taxable investment-grade bonds with average maturities of seven to 10 years. **Bloomberg 1-3 Year U.S. Aggregate Index** tracks the performance of U.S. investment grade corporate debt securities, with maturities of one to three years. **S&P 500 Index** tracks the performance of 500 leading U.S. stocks and is widely considered representative of the U.S. equity market. **Duration**, which is expressed in years, measures the sensitivity of the price of a bond or bond fund to a change in interest rates. **Maturity** is the date on which a debt becomes due for payment. **Sharpe ratio** measures an investment's performance per unit of risk for a given period. **One basis point** equals 1/100 of a percentage point. The **yield curve** is a graphical representation of how yields on bonds of different maturities compare. Normally, yield curves slant up, as bonds with longer maturities typically offer higher yields than short-term bonds. **Spread** refers to the excess yield various bond sectors offer over financial instruments with similar maturities. When spreads widen, yield differences are increasing between bonds in the two sectors being compared. When spreads narrow, the opposite is true. **Net asset value (NAV)** represents a fund's per share market value. It is the price at which investors buy ("bid price") fund shares from a fund company and sell them ("redemption price") to a fund company. The **federal funds rate** is the interest rate, set by the U.S. Federal Reserve Board, at which banks lend money to each other, usually on an overnight basis.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

**Important risk information:** Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investments in lower-quality ("junk bonds") and non-rated securities present greater risk of loss than investments in higher-quality securities. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. The fund may lend securities to approved institutions. Please read the prospectus for details.

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#### Obtain a prospectus

To obtain a summary prospectus, if available, or prospectus, download one from [www.dws.com](http://www.dws.com), talk to your financial representative or call (800) 728-3337.

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