Commentary

Q2 | 6.30.26

Share Class: A I KDHAX C I KDHCX S I KDHSX INST I KDHIX

DWS CROCI® Equity Dividend Fund

Executive summary

_ The Russell 1000 Value Index gained 13.84% in the second quarter, raising its year-to-date return as of June 30 to 16.23%.[1]
_ Class S shares of the fund rose 7.58% but underperformed the index by a wide margin.

Market review

_ The double-digit gain for U.S. equities reflected the combination of positive news flow and a favorable starting point. When the period began, the markets were just days off of the lows hit during the initial phase of the conflict in Iran. As investors grew confident that the war would be short lived and ultimately have only a limited impact on global growth, crude oil prices fell sharply and stocks recovered to achieve a series of new all-time highs. Equities were further supported by corporate earnings results that came in well above expectations, particularly for technology companies. AI-related stocks continued to lead the market higher, with semiconductor and memory producers continuing to benefit from rising demand brought about by the build-out of AI infrastructure.
_ The persistent attention on AI, together with weakness in the energy and materials sectors, contributed to underperformance for the value style relative to growth. The Russell 1000 Growth Index rose 16.74% in the quarter and outpaced the value index by nearly three percentage points.[2] Still, value strongly outperformed in the first half of the year: the 16.26% return for the Russell 1000 Value Index was well ahead of the gain of just 5.33% for its growth counterpart. Dividend paying stocks finished the quarter with a return far behind both the value style and the market as a whole amid investors' ongoing focus on speculation and faster-growing companies over income producers. Higher-momentum stocks strongly outperformed those with lower beta characteristics, which was an additional headwind for the fund given the nature of our investment approach.[3]

Performance review

_ The fund significantly underperformed the benchmark in the quarter, but the shortfall was largely a result of zero weightings in four tech stocks that delivered gains in a range of 150% to 250%: Micron Technology, Intel, Sandisk, and Advanced Micro Devices. The lack of a position in these companies accounted for more than 80% of the fund's total performance deficit over the past three months. Although the four companies were included in the Russell 1000 Value for the majority of the period, none met our criteria for dividend yield or valuation. Notably, all but Intel were removed from the index following its rebalancing on June 26. For our part, we maintained a focus on adhering to the fund's investment mandate rather than attempting to chase performance in areas that happen to be "hot" in a particular quarter.
_ Despite our overall underperformance in technology, the sector was home to a number of winners. Hewlett Packard Enterprises (3.9%) was the top contributor in the portfolio as a whole, as booming demand for AI infrastructure helped the stock record its largest earnings beat since 2018. NetApp (3.7%) also benefited from strong profit growth, and shares of Qualcomm (3.9%) rallied on optimism about the company's AI strategy.

Attribution analysis

_ Healthcare was the only other sector in which the fund's holdings underperformed by a meaningful margin. Pfizer (2.3%), which lost ground due to worries about upcoming patent expirations and the surprise departure of its chief financial officer, was the largest detractor.[4] Holdings in

Gilead Sciences (2.4%), Medtronic (2.1%), and Bristol-Myers Squibb (2.3%) also posted negative returns at a time in which the broader healthcare sector delivered a gain. On the other hand, AbbVie (2.0%) was a top contributor both in the sector and the fund as a whole.

_ The fund exhibited strong relative performance in financials, led by State Street (2.1%), as well as in consumer staples, energy, and consumer discretionary. In combination, the positive results in these sectors helped offset some of the weakness in technology and healthcare.

_ Sector allocation further contributed, highlighted by an overweight in technology and a zero weighting in communication services.[5] An overweight in consumer staples, where stocks came under pressure from the potential for a resurgence in input-cost inflation, was the most significant detractor.

Portfolio positioning

_ We continue to see a wide range of opportunities across our investment universe. The flood of investor cash into AI-related equities, while a short-term headwind for the fund, may represent a longer-term positive in the sense that many stocks outside of this area have been used as a source of funds to facilitate the buying in technology. We believe this has created more attractive valuations across a number of industries, and we will be on the lookout for new investment ideas that emerge as a result. We would also note that the AI trade is having a growing influence on index-level performance as the weightings of the related companies have increased. In our view, this indicates rising concentration within index-based products. While this is certainly a positive as long as investors remain enthusiastic about the AI theme, it may work in the opposite direction if the outlook for this area becomes less favorable. We therefore believe the fund continues to offer an important source of diversification for investors who are seeking to broaden their exposure beyond the narrow group of tech stocks that have led the market in 2026. Diversification neither assures a profit nor guarantees against loss.

AVERAGE ANNUAL TOTAL RETURNS (as of 6/30/26 returns of less than one year are cumulative)

Share class	3-month	YTD	1-year	3-year	5-year	10-year	Since inception	Inception date	Gross/Net expenses
Class S	7.58%	10.45%	18.03%	11.01%	8.03%	9.28%	6.22%	2/28/2005	0.78%/0.78%
Class INST	7.60%	10.47%	18.05%	11.04%	8.07%	9.33%	7.20%	8/19/2002	0.76%/0.76%
Class A (Unadjusted)	7.53%	10.33%	17.76%	10.75%	7.78%	9.04%	9.73%	3/18/1988	1.02%/1.02%
Class A (Adjusted)	1.35%	3.98%	10.99%	8.59%	6.51%	8.40%	9.56%	3/18/1988	1.02%/1.02%
Russell 1000 Index	15.13%	10.32%	22.01%	20.47%	12.66%	15.29%	n/a	n/a	n/a
Russell 1000 Value Index	13.84%	16.23%	27.09%	17.78%	11.17%	11.52%	n/a	n/a	n/a

Performance is historical and does not guarantee future results. Investment returns and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may be lower or higher than the performance data quoted. Please visit www.dws.com for the fund's most recent month-end performance. Adjusted returns include the maximum sales charge of 5.75%. Unadjusted returns do not reflect sales charges and would have been lower if they did. Performance includes reinvestment of all distributions. Index returns do not reflect fees or expenses. It is not possible to invest directly in an index or category. Not all share classes are available to all investors. A minimum investment of $1 million is required to open an account for Institutional shares.

[1]The Russell 1000 Value Index tracks the performance of those Russell 1000 Index stocks with lower price-to-book ratios and lower forecasted growth values. The Fund's broad-based prospectus index, the Russell 1000 Index, returned 15.14% in the quarter. The Russell 1000 Index is an unmanaged index that measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.
[2]The Russell 1000 Growth Index tracks the performance of those Russell 1000® Index stocks with higher price-to-book ratios and higher forecasted growth values.
Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index or category.
[3]Beta measures a security's sensitivity to the movements of the fund's benchmark or the market as a whole.
[4]Contribution and detraction incorporate both an investment's total return and its weighting in the fund.
[5]Overweight means the fund holds a higher weighting in a given sector or security than the benchmark. Underweight means the Fund holds a lower weighting.

Holding percentages in parentheses represent percentages of the fund's market value as of 5/31/26. Securities referenced do not represent all of the securities purchased or sold by the fund, may or may not be profitable, and should not be construed as a recommendation of any specific security. Current and future portfolio holdings are subject to risk. The opinions and forecasts expressed herein by the fund managers do not necessarily reflect those of DWS, are as of 6/30/26 and may not come to pass.

Important risk information
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 or strategy and its investments.
Stocks may decline in value. The fund will be managed using the CROCI® Investment Process which is based on portfolio management's belief that, over time, stocks which display more favorable financial metrics (for example, the CROCI® Economic P/E Ratio) as generated by this process may outperform stocks which display less favorable metrics. This premise may not prove to be correct and prospective investors should evaluate this assumption prior to investing in the fund. Dividends are not guaranteed. If the dividend-paying stocks held by the fund reduce or stop paying dividends, the fund's ability to generate income may be adversely affected. Preferred stocks, a type of dividend-paying stock, present certain additional risks. The fund may lend securities to approved institutions. Please read the prospectus for details.

Obtain a prospectus
Consider the investment objective, risks, charges and expenses carefully before investing. For a summary prospectus, or prospectus that contains this and other information, download one from www.dws.com or talk to your financial representative. Read the prospectus carefully before investing.

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