Commentary

Q3 | 9.30.26

Share Class: A I SGHAX C I SGHCX S I SGHSX INST I MGHY X R6 I SGHRX

DWS Global High Income Fund

Executive summary

_ The ICE BofA Non-Financial Developed Markets High Yield Constrained (Hedged) Index—the fund's benchmark—returned -1.70% in the third quarter, reducing its year-to-date return to 0.53% as of September 30.[1]
_ The fund's Class S shares returned -1.63% in the quarter and outperformed the benchmark. It was also ahead of the index in the year-to-date and one-year periods that ended on September 30.
_ The fund slightly underperformed the -1.56% average return for the funds in its Morningstar peer group, High Yield Bond, in the quarter. However, it outpaced its peers year-to-date, as well as in the one-, five-, and 10-year periods ended September 30, 2026.[2]

Market review

_ The negative return for global high-yield bonds reflected the combination of sharply rising government bond yields and widening yield spreads.[3] The ongoing conflict in the Middle East led to higher energy prices and stoked concerns about reaccelerating inflation. The U.S. Federal Reserve (Fed) responded with a quarter point interest rate increase, and hawkish commentary fueled expectations that more rate hikes were in store over the coming year. The European Central Bank also boosted rates by a quarter point. Together, these factors contributed to the worst return for high yield since the second quarter of 2022. The ICE BofA Non-Financial Developed Markets High Yield Constrained (Hedged) Index returned -0.67% in July, rebounded with a gain of 0.83% in August, and slid -2.23% in September.
_ U.S. high-yield bonds returned -1.82%, as gauged by the ICE BofA U.S. High Yield Index.[4] Consistent with the increasingly "risk off" tone, lower-quality CCC issues lagged with a return of -3.20%. BBs and Bs returned -1.84% and -1.28%, respectively.[5]
_ European high-yield bonds returned -1.79% in U.S. dollar terms, based on the Bank of America Merrill Lynch European High Yield Constrained Index, and slightly outperformed the United States.[6] As was the case in the United States, higher-quality bonds outpaced their lower-quality counterparts.

Performance review

_ Security selection in the United States benefited fund performance. An underweight in Europe detracted, as did somewhat weaker selection in the region, particularly among longer-duration, BBB rated securities.[7][8]
_ From a sector allocation perspective, underweights in the underperforming auto, wireline telecommunications, and building materials sectors contributed. Conversely, overweights in other underperforming sectors—such as leisure—detracted. An underweight in the outperforming refining sector hurt relative performance, as well.

Attribution analysis

_ The fund's zero weighting in the shorter-dated, secured debt of the U.K. telecommunications firm Virgin Media Secured Finance contributed positively. The bonds underperformed on fears about the company's elevated leverage and loose covenants, as well as intensifying competitive pressures in the U.K. broadband market. The fund was also helped by its position in the longer-dated, unsecured bonds of the enterprise software company Cloud Software Group (0.9%). The issues rallied after the company reported positive earnings results and communicated that it was unlikely to adopt a more aggressive capital allocation policy that would be unfriendly to bondholders. A zero

weighting in the luxury British auto manufacturer Aston Martin Capital contributed, as well.

_ An overweight in the cruise line operator Carnival Corp. (2.6%) hurt performance. Although the company was upgraded to investment grade in the prior quarter, its bond prices declined as a result of the escalation in the Iran conflict and its lack of oil hedges. An overweight in the longer duration bonds of Venture Global Plaquemines (2.5%) detracted due to the increase in long-term yields. We were further hurt by an overweight in the U.S. data center operator RNO Property (1.2%), which lagged due to a lawsuit related to power supply arrangements. While we don't think this will affect the issuer's longer-term financial health, it nonetheless depressed sentiment at a time of high data center-related debt issuance and broader concerns about construction and power supply risks across the sector.

Portfolio positioning

_ We remain constructive on the global high-yield market given its 7.9% yield as of September 30, 2026. Historically, yields of 8-8.5% attract inflows into the asset class providing that the fundamental backdrop is supportive. In addition, we believe strong corporate balance sheets and low–albeit rising–defaults can offset the risks associated with relatively tight spreads and robust new-issue supply.

_ We expect distressed CCC credits will be more exposed to refinancing risks and elevated borrowing costs, as many already suffer from weak free cash flow and depressed credit fundamentals. We are cautious on this market segment and are watching closely to determine whether a contagion spreads to relatively stronger CCCs or the lower end of the B rated credit tier.

_ We anticipate default rates will increase but remain below prior cycles due to the higher quality of the index, strong corporate balance sheets, and manageable near-term maturity schedules. Issuers have been working to extend their maturities, with only 0.4% of the global market maturing in 2026 and another 4.5% in 2027. The maturity wall becomes incrementally more challenging in 2028 at 8.6%. Private credit and leveraged loans have offered alternative funding sources for stressed issuers to extend their debt maturity schedules and liquidity runways in recent years, and structural improvements (i.e., enhanced collateral and rapid amortization) could further facilitate refinancing. Liability management exercises have also provided stressed credits with the ability to restructure their balance sheets outside of a more traditional bankruptcy process, thereby enhancing financial flexibility. We believe these trends should keep default rates below historical averages and sustain high recovery rates in the near term.

_ We continue to monitor the impact of AI adoption. The magnitude and pace of investment in AI and data centers has exceeded expectations, and investors have grown somewhat skeptical of implied returns and corporations' ability to monetize compute power. While we don't think higher rates will curtail the rapid pace of AI investment, we're watching more rate-sensitive sectors–such as housing and autos–that could be vulnerable.

_ The global high-yield market remains susceptible to a range of disruptive factors. While we currently anticipate U.S. GDP growth will remain solid, deteriorating macroeconomic conditions and more restrictive monetary policy could represent risks to valuation. The upcoming U.S. midterm elections may inject a further element of uncertainty, as could the combination of France's elections and the ongoing worries about the country's fiscal policy.

AVERAGE ANNUAL TOTAL RETURNS (as of 9/30/26 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	-1.63%	0.96%	2.55%	7.87%	3.76%	4.88%	5.94%	5/16/2005	0.78%/0.74%
Class INST	-1.50%	1.09%	2.69%	7.99%	3.81%	4.93%	6.17%	3/16/1998	0.74%/0.74%
Class A (Unadjusted)	-1.56%	0.91%	2.27%	7.68%	3.46%	4.63%	5.71%	5/16/2005	1.01%/0.99%
Class A (Adjusted)	-5.99%	-3.63%	-2.33%	6.04%	2.51%	4.15%	5.48%	5/16/2005	1.01%/0.99%
Bloomberg Global Aggregate Index	-2.46%	-2.67%	-2.43%	3.82%	-1.86%	0.05%	n/a	n/a	n/a
ICE BofA Non-Financial Developed Markets High Yield Constrained (Hedged) Index	-1.70%	0.53%	1.80%	8.02%	3.78%	5.00%	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 4.50%. 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. Class A and S shares have a contractual waiver that runs through 01/31/2027. Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

[1]The ICE BofA Non-Financial Developed Markets High Yield Constrained (Hedged) Index contains all securities in the ICE BofA Global High Yield Index that are non-financials and from developed markets countries, but caps issuer exposure at 2%. The index is hedged 100% to the USD by selling each foreign currency forward at the one-month forward weight. The fund's broad-based prospectus benchmark, The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
Index returns do not reflect fees or expenses and it is not possible to invest directly into an index.
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Morningstar High Yield Bond category portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. The average category returns in the year-to-date, one-, five-, and 10-year periods ended September 30, 2026 were 0.41%, 1.69%, 3.44%, and 4.49%, respectively
[3]Yield spread refers to differences between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. ICE BofA ML US High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the US domestic market. The ICE BofA Merrill Lynch US High Yield Option Adjusted Spread (OAS) calculates the spread between a computed OAS index of bonds that are below investment grade (those rated BB or below) and a spot Treasury curve.
[4]The ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the US domestic market. The fund's broad-based prospectus benchmark, the Barclays U.S. Aggregate Bond Index is an unmanaged index representing domestic taxable investment-grade bonds, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with an average maturity of one year or more.
[5]Credit quality measures a bond issuer's ability to repay interest and principal in a timely manner. Rating agencies assign letter designations, such as AAA, AA and so forth. The lower the rating, the higher the probability of default. Credit quality does not remove market risk and is subject to change.
[6]ICE BofA ML Euro High Yield Constrained Index is designed to track the performance of euro and British pound sterling denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets by issuers around the world.
[7]Overweight means a fund holds a higher weighting in a given sector or individual security compared with its benchmark index; underweight means a fund holds a lower weighting.
[8]Contribution and detraction incorporate both an investment's total return and its weighting in the portfolio.

Holding percentages in parentheses represent percentages of the fund's market value as of 8/31/26. 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 9/30/26 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.
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 foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. 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.

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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