

June 30, 2020

# Semiannual Report

Deutsche DWS Variable Series II

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## **DWS CROCI® U.S. VIP**

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Fund's shareholder reports from the insurance company that offers your contract unless you specifically request paper copies from your insurance company or from your financial intermediary. Instead, the shareholder reports will be made available on a Web site, and your insurance company will notify you by mail each time a report is posted and provide you with a Web site link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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**This report must be preceded or accompanied by a prospectus. To obtain an additional prospectus or summary prospectus, if available, call (800) 728-3337 or your financial representative. We advise you to consider the Fund's objectives, risks, charges and expenses carefully before investing. The summary prospectus and prospectus contain this and other important information about the Fund. Please read the prospectus carefully before you invest.**

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. The Fund may lend securities to approved institutions. Please read the prospectus for details.

War, terrorism, economic uncertainty, trade disputes, public health crises (including the recent pandemic spread of the novel coronavirus) and related geopolitical events could lead to increased market volatility, disruption to U.S. and world economies and markets and may have significant adverse effects on the Fund and its investments.

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries such as DWS Distributors, Inc. which offers investment products or DWS Investment Management Americas, Inc. and RREEF America L.L.C. which offer advisory services.

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NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

# Performance Summary

June 30, 2020 (Unaudited)

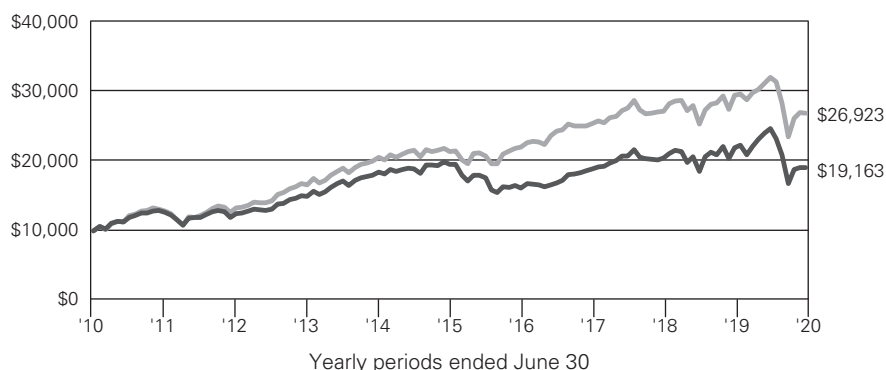
Fund performance shown is historical, assumes reinvestment of all dividend and capital gain distributions and does not guarantee future results. Investment return and principal value fluctuate with changing market conditions so that, when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please contact your participating insurance company for the Fund's most recent month-end performance. Performance does not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option. These charges and fees will reduce returns. While all share classes have the same underlying portfolio, their performance will differ.

The gross expense ratios of the Fund, as stated in the fee table of the prospectus dated May 1, 2020 are 0.84% and 1.16% for Class A and Class B shares, respectively, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report.

Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes only, and as such, the total return based on the unadjusted net asset value per share may differ from the total return reported in the financial highlights.

## Growth of an Assumed \$10,000

■ DWS CROCI® U.S. VIP — Class A  
 ■ Russell 1000® Value Index



Russell 1000® Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of the largest U.S. domiciled companies that are included in the Russell 1000 Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values. Russell 1000 Index is an unmanaged price-only index of the 1,000 largest capitalized companies that are domiciled in the U.S. and whose common stocks are traded.

Effective December 1, 2019, the Russell 1000® Value Index has replaced the S&P 500® Index as the fund's primary benchmark index. The Advisor believes that the new index better represents the fund's investment strategy and is therefore more suitable for performance comparison.

Index returns do not reflect any fees or expenses and it is not possible to invest directly into an index.

Prior to May 1, 2017, the Fund operated with a different investment strategy. Prior to October 3, 2016, the Fund had a team that operated with a different investment strategy. Performance would have been different if the Fund's current strategy had been in effect.

## Comparative Results

DWS CROCI® U.S. VIP		6-Month <sup>‡</sup>	1-Year	3-Year	5-Year	10-Year
Class A	Growth of \$10,000	\$7,751	\$8,701	\$10,123	\$9,769	\$19,163
	Average annual total return	-22.49%	-12.99%	0.41%	-0.47%	6.72%
Russell 1000® Value Index	Growth of \$10,000	\$8,374	\$9,116	\$10,557	\$12,546	\$26,923
	Average annual total return	-16.26%	-8.84%	1.82%	4.64%	10.41%
DWS CROCI® U.S. VIP		6-Month <sup>‡</sup>	1-Year	3-Year	5-Year	10-Year
Class B	Growth of \$10,000	\$7,739	\$8,672	\$10,028	\$9,630	\$18,602
	Average annual total return	-22.61%	-13.28%	0.09%	-0.75%	6.40%
Russell 1000® Value Index	Growth of \$10,000	\$8,374	\$9,116	\$10,557	\$12,546	\$26,923
	Average annual total return	-16.26%	-8.84%	1.82%	4.64%	10.41%

The growth of \$10,000 is cumulative.

<sup>‡</sup> Total returns shown for periods less than one year are not annualized.

# Portfolio Summary

(Unaudited)

<b>Asset Allocation</b> (As a % of Investment Portfolio excluding Securities Lending Collateral)	<b>6/30/20</b>	<b>12/31/19</b>
Common Stocks	99%	99%
Cash Equivalents	1%	1%
	100%	100%

## **Sector Diversification**

(As a % of Investment Portfolio excluding Cash Equivalents and Securities Lending Collateral)	<b>6/30/20</b>	<b>12/31/19</b>
Financials	27%	38%
Health Care	26%	16%
Industrials	13%	10%
Communication Services	12%	10%
Information Technology	9%	2%
Consumer Staples	7%	—
Consumer Discretionary	6%	2%
Utilities	—	17%
Energy	—	3%
Materials	—	2%
	100%	100%

Portfolio holdings and characteristics are subject to change.

For more complete details about the Fund's investment portfolio, see page 5.

Following the Fund's fiscal first and third quarter-end, a complete portfolio holdings listing is filed with the SEC on Form N-PORT. The Fund's Form N-PORT will be available on the SEC's Web site at [sec.gov](http://sec.gov). The Fund's portfolio holdings are also posted on [dws.com](http://dws.com) from time to time. Please read the Fund's current prospectus for more information.

## Portfolio Management Team

Di Kumble, CFA, Managing Director  
John Moody, Vice President  
Portfolio Managers

# Investment Portfolio

as of June 30, 2020 (Unaudited)

	Shares	Value (\$)
<b>Common Stocks 98.8%</b>		
<b>Communication Services 11.8%</b>		
<b>Diversified Telecommunication Services 4.8%</b>		
AT&T, Inc.	95,210	2,878,198
Verizon Communications, Inc.	50,512	2,784,727
		<b>5,662,925</b>
<b>Media 7.0%</b>		
Comcast Corp. "A"	72,758	2,836,107
Discovery, Inc. "A"* (a)	130,351	2,750,406
Fox Corp. "A"	100,144	2,685,862
		<b>8,272,375</b>
<b>Consumer Discretionary 5.6%</b>		
<b>Auto Components 2.8%</b>		
BorgWarner, Inc. (a)	94,052	<b>3,320,036</b>
<b>Household Durables 2.8%</b>		
Garmin Ltd.	33,819	<b>3,297,352</b>
<b>Consumer Staples 6.8%</b>		
<b>Beverages 2.1%</b>		
Molson Coors Beverage Co. "B"	73,006	<b>2,508,486</b>
<b>Food Products 2.2%</b>		
The JM Smucker Co.	24,871	<b>2,631,601</b>
<b>Tobacco 2.5%</b>		
Altria Group, Inc.	74,457	<b>2,922,437</b>
<b>Financials 26.6%</b>		
<b>Banks 18.4%</b>		
Citigroup, Inc.	61,536	3,144,490
Comerica, Inc.	83,876	3,195,676
Huntington Bancshares, Inc.	345,070	3,117,707
JPMorgan Chase & Co.	30,833	2,900,152
M&T Bank Corp.	29,975	3,116,501
U.S. Bancorp.	85,525	3,149,030
Zions Bancorp. NA	93,672	3,184,848
		<b>21,808,404</b>
<b>Capital Markets 5.3%</b>		
Bank of New York Mellon Corp.	82,544	3,190,325
State Street Corp.	48,074	3,055,103
		<b>6,245,428</b>
<b>Consumer Finance 2.9%</b>		
Synchrony Financial	155,042	<b>3,435,731</b>
<b>Health Care 26.1%</b>		
<b>Biotechnology 14.7%</b>		
AbbVie, Inc.	30,908	3,034,547
Alexion Pharmaceuticals, Inc.*	27,282	3,062,132
Amgen, Inc.	12,081	2,849,425
Biogen, Inc.*	8,952	2,395,108
Gilead Sciences, Inc.	37,812	2,909,255
Regeneron Pharmaceuticals, Inc.*	4,944	3,083,325
		<b>17,333,792</b>
<b>Health Care Providers &amp; Services 2.5%</b>		
McKesson Corp.	19,154	<b>2,938,607</b>
<b>Pharmaceuticals 8.9%</b>		
Bristol-Myers Squibb Co.	44,435	2,612,778
Merck & Co., Inc.	35,380	2,735,935

	Shares	Value (\$)
Mylan NV*	172,589	2,775,231
Pfizer, Inc.	74,184	2,425,817
		<b>10,549,761</b>
<b>Industrials 12.4%</b>		
<b>Air Freight &amp; Logistics 2.4%</b>		
CH Robinson Worldwide, Inc.	35,606	<b>2,815,011</b>
<b>Building Products 2.7%</b>		
Johnson Controls International PLC	94,338	<b>3,220,699</b>
<b>Machinery 5.0%</b>		
Cummins, Inc.	17,323	3,001,383
PACCAR, Inc.	39,945	2,989,883
		<b>5,991,266</b>
<b>Professional Services 2.3%</b>		
ManpowerGroup, Inc.	39,313	<b>2,702,769</b>
<b>Information Technology 9.5%</b>		
<b>IT Services 7.2%</b>		
Amdocs Ltd.	44,531	2,711,047
Cognizant Technology Solutions Corp. "A"	52,743	2,996,857
International Business Machines Corp.	22,892	2,764,667
		<b>8,472,571</b>
<b>Technology Hardware, Storage &amp; Peripherals 2.3%</b>		
Hewlett Packard Enterprise Co.	278,634	<b>2,711,109</b>
<b>Total Common Stocks</b> (Cost \$123,006,415)		<b>116,840,360</b>

## Securities Lending Collateral 4.9%

DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 0.05% (b) (c) (Cost \$5,723,396)	5,723,396	<b>5,723,396</b>
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## Cash Equivalents 1.0%

DWS Central Cash Management Government Fund, 0.12% (b) (Cost \$1,217,640)	1,217,640	<b>1,217,640</b>
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	% of Net Assets	Value (\$)
<b>Total Investment Portfolio</b> (Cost \$129,947,451)	104.7	<b>123,781,396</b>
<b>Other Assets and Liabilities, Net</b>	(4.7)	<b>(5,513,118)</b>
<b>Net Assets</b>	100.0	<b>118,268,278</b>

The accompanying notes are an integral part of the financial statements.

A summary of the Fund's transactions with affiliated investments during the period ended June 30, 2020 are as follows:

Value (\$) at 12/31/2019	Purchases Cost (\$)	Sales Proceeds (\$)	Net Realized Gain/ (Loss) (\$)	Net Change in Unrealized Appreciation (Depreciation) (\$)	Income (\$)	Capital Gain Distributions (\$)	Number of Shares at 6/30/2020	Value (\$) at 6/30/2020
<b>Securities Lending Collateral 4.8%</b>								
DWS Government & Agency Securities Portfolio "DWS Government Cash Institutional Shares", 0.05% (b) (c)								
3,120,056	2,603,340(d)	—	—	—	2,817	—	5,723,396	5,723,396
<b>Cash Equivalents 1.0%</b>								
DWS Central Cash Management Government Fund, 0.12% (b)								
845,193	6,444,255	6,071,808	—	—	4,053	—	1,217,640	1,217,640
<b>3,965,249</b>	<b>9,047,595</b>	<b>6,071,808</b>	<b>—</b>	<b>—</b>	<b>6,870</b>	<b>—</b>	<b>6,941,036</b>	<b>6,941,036</b>

\* Non-income producing security.

- (a) All or a portion of these securities were on loan. In addition, "Other Assets and Liabilities, Net" may include pending sales that are also on loan. The value of securities loaned at June 30, 2020 amounted to \$5,587,702, which is 4.7% of net assets.
- (b) Affiliated fund managed by DWS Investment Management Americas, Inc. The rate shown is the annualized seven-day yield at period end.
- (c) Represents cash collateral held in connection with securities lending. Income earned by the Fund is net of borrower rebates.
- (d) Represents the net increase (purchase cost) or decrease (sales proceeds) in the amount invested in cash collateral for the period ended June 30, 2020.

### Fair Value Measurements

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

The following is a summary of the inputs used as of June 30, 2020 in valuing the Fund's investments. For information on the Fund's policy regarding the valuation of investments, please refer to the Security Valuation section of Note A in the accompanying Notes to Financial Statements.

Assets	Level 1	Level 2	Level 3	Total
Common Stocks (e)	\$ 116,840,360	\$ —	\$ —	\$ 116,840,360
Short-Term Investment (e)	6,941,036	—	—	6,941,036
<b>Total</b>	<b>\$ 123,781,396</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 123,781,396</b>

(e) See Investment Portfolio for additional detailed categorizations.

The accompanying notes are an integral part of the financial statements.

# Statement of Assets and Liabilities

as of June 30, 2020 (Unaudited)

<b>Assets</b>	
Investments in non-affiliated securities, at value (cost \$123,006,415) — including \$5,587,702 of securities loaned	\$116,840,360
Investment in DWS Government & Agency Securities Portfolio (cost \$5,723,396)*	5,723,396
Investment in DWS Central Cash Management Government Fund (cost \$1,217,640)	1,217,640
Cash	10,000
Receivable for Fund shares sold	3,045
Dividends receivable	351,452
Interest receivable	571
Other assets	1,598
<b>Total assets</b>	<b>124,148,062</b>
<b>Liabilities</b>	
Payable upon return of securities loaned	5,723,396
Payable for Fund shares redeemed	42,284
Accrued management fee	47,042
Accrued Trustees' fees	2,475
Other accrued expenses and payables	64,587
<b>Total liabilities</b>	<b>5,879,784</b>
<b>Net assets, at value</b>	<b>\$118,268,278</b>
<b>Net Assets Consist of</b>	
Distributable earnings (loss)	(22,193,173)
Paid-in capital	140,461,451
<b>Net assets, at value</b>	<b>\$118,268,278</b>
<b>Net Asset Value</b>	
<b>Class A</b>	
<b>Net Asset Value</b> , and redemption price per share (\$115,438,318 ÷ 10,123,663 outstanding shares of beneficial interest, no par value, unlimited shares authorized)	<b>\$ 11.40</b>
<b>Class B</b>	
<b>Net Asset Value</b> , offering and redemption price per share (\$2,829,960 ÷ 246,898 outstanding shares of beneficial interest, no par value, unlimited shares authorized)	<b>\$ 11.46</b>

\* Represents collateral on securities loaned.

# Statement of Operations

for the six months ended June 30, 2020 (Unaudited)

<b>Investment Income</b>	
Income:	
Dividends	\$ 2,016,515
Income distributions — DWS Central Cash Management Government Fund	4,053
Securities lending income, net of borrower rebates	2,817
<b>Total income</b>	<b>2,023,385</b>
Expenses:	
Management fee	409,257
Administration fee	61,816
Services to Shareholders	3,450
Recordkeeping fee (Class B)	984
Distribution service fee (Class B)	3,755
Custodian fee	2,962
Professional fees	37,860
Reports to shareholders	16,172
Trustees' fees and expenses	4,068
Other	4,469
<b>Total expenses before expense reductions</b>	<b>544,793</b>
Expense reductions	(105,696)
<b>Total expenses after expense reductions</b>	<b>439,097</b>
<b>Net investment income</b>	<b>1,584,288</b>
<b>Realized and Unrealized gain (loss)</b>	
Net realized gain (loss) from investments	(17,172,226)
Change in net unrealized appreciation (depreciation) on investments	(19,129,241)
<b>Net gain (loss)</b>	<b>(36,301,467)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$(34,717,179)</b>

The accompanying notes are an integral part of the financial statements.

# Statements of Changes in Net Assets

	Six Months Ended June 30, 2020 (Unaudited)	Year Ended December 31, 2019
<b>Increase (Decrease) in Net Assets</b>		
Operations:		
Net investment income (loss)	\$ 1,584,288	\$ 3,092,197
Net realized gain (loss)	(17,172,226)	6,704,808
Change in net unrealized appreciation (depreciation)	(19,129,241)	31,036,303
Net increase (decrease) in net assets resulting from operations	(34,717,179)	40,833,308
Distributions to shareholders:		
Class A	(9,467,191)	(14,271,121)
Class B	(221,204)	(332,950)
Total distributions	(9,688,395)	(14,604,071)
<b>Class A</b>		
Proceeds from shares sold	3,488,605	3,373,728
Reinvestment of distributions	9,467,191	14,271,121
Payments of shares redeemed	(7,143,940)	(15,030,273)
Net increase (decrease) in net assets from Class A share transactions	5,811,856	2,614,576
<b>Class B</b>		
Proceeds from shares sold	205,448	146,155
Reinvestment of distributions	221,204	332,950
Payments of shares redeemed	(205,128)	(438,366)
Net increase (decrease) in net assets from Class B share transactions	221,524	40,739
<b>Increase (decrease) in net assets</b>	(38,372,194)	28,884,552
Net assets at beginning of period	156,640,472	127,755,920
Net assets at end of period	<b>\$ 118,268,278</b>	<b>\$ 156,640,472</b>
<b>Other Information</b>		
<b>Class A</b>		
Shares outstanding at beginning of period	9,489,452	9,266,278
Shares sold	280,725	231,369
Shares issued to shareholders in reinvestment of distributions	895,666	1,002,890
Shares redeemed	(542,180)	(1,011,085)
Net increase (decrease) in Class A shares	634,211	223,174
Shares outstanding at end of period	<b>10,123,663</b>	<b>9,489,452</b>
<b>Class B</b>		
Shares outstanding at beginning of period	226,957	223,302
Shares sold	15,885	9,627
Shares issued to shareholders in reinvestment of distributions	20,809	23,283
Shares redeemed	(16,753)	(29,255)
Net increase (decrease) in Class B shares	19,941	3,655
Shares outstanding at end of period	<b>246,898</b>	<b>226,957</b>

The accompanying notes are an integral part of the financial statements.



# Financial Highlights

Class A	Six Months Ended 6/30/20 (Unaudited)		Years Ended December 31,			
	2019	2018	2017	2016	2015	
<b>Selected Per Share Data</b>						
<b>Net asset value, beginning of period</b>	\$ 16.12	\$13.46	\$16.64	\$13.75	\$15.29	\$17.38
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) <sup>a</sup>	.16	.31	.29	.24	.23	.11
Net realized and unrealized gain (loss)	(3.87)	3.92	(1.89)	2.88	(.93)	(1.20)
<b>Total from investment operations</b>	(3.71)	4.23	(1.60)	3.12	(.70)	(1.09)
<i>Less distributions from:</i>						
Net investment income	(.31)	(.30)	(.41)	(.23)	(.14)	(.25)
Net realized gains on investment transactions	(.70)	(1.27)	(1.17)	—	(.70)	(.75)
<b>Total distributions</b>	(1.01)	(1.57)	(1.58)	(.23)	(.84)	(1.00)
<b>Net asset value, end of period</b>	\$ 11.40	\$16.12	\$13.46	\$16.64	\$13.75	\$15.29
Total Return (%) <sup>b</sup>	(22.49)**	32.95	(10.50)	22.88 <sup>c</sup>	(4.39)	(6.87)
<b>Ratios to Average Net Assets and Supplemental Data</b>						
Net assets, end of period (\$ millions)	115	153	125	153	227	293
Ratio of expenses before expense reductions (%) <sup>d</sup>	.86*	.84	.84	.82	.81	.78
Ratio of expenses after expense reductions (%) <sup>d</sup>	.69*	.70	.72	.72	.74	.73
Ratio of net investment income (loss) (%)	2.52*	2.13	1.89	1.59	1.66	.65
Portfolio turnover rate (%)	63**	111	100	97	293	121
<p><sup>a</sup> Based on average shares outstanding during the period.</p> <p><sup>b</sup> Total return would have been lower had certain expenses not been reduced.</p> <p><sup>c</sup> The Fund's total return includes a reimbursement by the Adviser for commission costs incurred in connection with purchases and sales of portfolio assets due to the change in investment strategy, which otherwise would have reduced total return by 0.03%.</p> <p><sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.</p> <p>* Annualized</p> <p>** Not annualized</p>						

Class B	Six Months Ended 6/30/20 (Unaudited)		Years Ended December 31,			
	2019	2018	2017	2016	2015	
<b>Selected Per Share Data</b>						
<b>Net asset value, beginning of period</b>	\$ 16.17	\$13.50	\$16.67	\$13.78	\$15.31	\$17.40
<i>Income (loss) from investment operations:</i>						
Net investment income (loss) <sup>a</sup>	.14	.27	.24	.20	.19	.06
Net realized and unrealized gain (loss)	(3.88)	3.92	(1.88)	2.87	(.92)	(1.21)
<b>Total from investment operations</b>	(3.74)	4.19	(1.64)	3.07	(.73)	(1.15)
<i>Less distributions from:</i>						
Net investment income	(.27)	(.25)	(.36)	(.18)	(.10)	(.19)
Net realized gains on investment transactions	(.70)	(1.27)	(1.17)	—	(.70)	(.75)
<b>Total distributions</b>	(.97)	(1.52)	(1.53)	(.18)	(.80)	(.94)
<b>Net asset value, end of period</b>	\$ 11.46	\$16.17	\$13.50	\$16.67	\$13.78	\$15.31
Total Return (%) <sup>b</sup>	(22.61)**	32.49	(10.71)	22.45 <sup>c</sup>	(4.62)	(7.16)
<b>Ratios to Average Net Assets and Supplemental Data</b>						
Net assets, end of period (\$ millions)	3	4	3	4	4	4
Ratio of expenses before expense reductions (%) <sup>d</sup>	1.18*	1.16	1.16	1.15	1.13	1.10
Ratio of expenses after expense reductions (%) <sup>d</sup>	1.00*	1.02	1.04	1.03	1.05	1.04
Ratio of net investment income (loss) (%)	2.21*	1.82	1.55	1.31	1.37	.35
Portfolio turnover rate (%)	63**	111	100	97	293	121
<p><sup>a</sup> Based on average shares outstanding during the period.</p> <p><sup>b</sup> Total return would have been lower had certain expenses not been reduced.</p> <p><sup>c</sup> The Fund's total return includes a reimbursement by the Adviser for commission costs incurred in connection with purchases and sales of portfolio assets due to the change in investment strategy, which otherwise would have reduced total return by 0.03%.</p> <p><sup>d</sup> Expense ratio does not reflect charges and fees associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.</p> <p>* Annualized</p> <p>** Not annualized</p>						

The accompanying notes are an integral part of the financial statements.

# Notes to Financial Statements

(Unaudited)

## A. Organization and Significant Accounting Policies

DWS CROCI® U.S. VIP (the “Fund”) is a diversified series of Deutsche DWS Variable Series II (the “Trust”), which is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company organized as a Massachusetts business trust.

**Multiple Classes of Shares of Beneficial Interest.** The Fund offers two classes of shares (Class A shares and Class B shares). Sales of Class B shares are subject to recordkeeping fees up to 0.15% and Rule 12b-1 fees under the 1940 Act equal to an annual rate of up to 0.25% of the average daily net assets of the Class B shares of the Fund. Class A shares are not subject to such fees.

Investment income, realized and unrealized gains and losses, and certain fund-level expenses and expense reductions, if any, are borne pro rata on the basis of relative net assets by the holders of all classes of shares except that each class bears certain expenses unique to that class (including the applicable Rule 12b-1 fee and recordkeeping fees). Differences in class-level expenses may result in payment of different per share dividends by class. All shares have equal rights with respect to voting subject to class-specific arrangements.

The Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which require the use of management estimates. Actual results could differ from those estimates. The Fund qualifies as an investment company under Topic 946 of Accounting Standards Codification of U.S. GAAP. The policies described below are followed consistently by the Fund in the preparation of its financial statements.

**Security Valuation.** Investments are stated at value determined as of the close of regular trading on the New York Stock Exchange on each day the exchange is open for trading.

Various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in three broad levels. Level 1 includes quoted prices in active markets for identical securities. Level 2 includes other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds and credit risk). Level 3 includes significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities.

Equity securities are valued at the most recent sale price or official closing price reported on the exchange (U.S. or foreign) or over-the-counter market on which they trade. Securities for which no sales are reported are valued at the calculated mean between the most recent bid and asked quotations on the relevant market or, if a mean cannot be determined, at the most recent bid quotation. Equity securities are generally categorized as Level 1.

Investments in open-end investment companies are valued at their net asset value each business day and are categorized as Level 1.

Securities and other assets for which market quotations are not readily available or for which the above valuation procedures are deemed not to reflect fair value are valued in a manner that is intended to reflect their fair value as determined in accordance with procedures approved by the Board and are generally categorized as Level 3. In accordance with the Fund’s valuation procedures, factors considered in determining value may include, but are not limited to, the type of the security; the size of the holding; the initial cost of the security; the existence of any contractual restrictions on the security’s disposition; the price and extent of public trading in similar securities of the issuer or of comparable companies; quotations or evaluated prices from broker-dealers and/or pricing services; information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange-traded securities); an analysis of the company’s or issuer’s financial statements; an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold; and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination and the movement of the market in which the security is normally traded. The value determined under these procedures may differ from published values for the same securities.

Disclosure about the classification of fair value measurements is included in a table following the Fund’s Investment Portfolio.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Investment securities and other assets and liabilities denominated in a foreign currency are translated into

U.S. dollars at the prevailing exchange rates at period end. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the prevailing exchange rates on the respective dates of the transactions.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses between trade and settlement dates on securities transactions, the acquisition and disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The portion of both realized and unrealized gains and losses on investments that results from fluctuations in foreign currency exchange rates is not separately disclosed but is included with net realized and unrealized gain/appreciation and loss/depreciation on investments.

**Securities Lending.** Deutsche Bank AG, as lending agent, lends securities of the Fund to certain financial institutions under the terms of its securities lending agreement. During the term of the loans, the Fund continues to receive interest and dividends generated by the securities and to participate in any changes in their market value. The Fund requires the borrowers of the securities to maintain collateral with the Fund consisting of either cash or liquid, unencumbered assets having a value at least equal to the value of the securities loaned. When the collateral falls below specified amounts, the lending agent will use its best effort to obtain additional collateral on the next business day to meet required amounts under the securities lending agreement. During the six months ended June 30, 2020, the Fund invested the cash collateral into a joint trading account in DWS Government & Agency Securities Portfolio, an affiliated money market fund managed by DWS Investment Management Americas, Inc. DWS Investment Management Americas, Inc. receives a management/administration fee (0.11% annualized effective rate as of June 30, 2020) on the cash collateral invested in DWS Government & Agency Securities Portfolio. The Fund receives compensation for lending its securities either in the form of fees or by earning interest on invested cash collateral net of borrower rebates and fees paid to a lending agent. Either the Fund or the borrower may terminate the loan at any time, and the borrower, after notice, is required to return borrowed securities within a standard time period. There may be risks of delay and costs in recovery of securities or even loss of rights in the collateral should the borrower of the securities fail financially. If the Fund is not able to recover securities lent, the Fund may sell the collateral and purchase a replacement investment in the market, incurring the risk that the value of the replacement security is greater than the value of the collateral. The Fund is also subject to all investment risks associated with the reinvestment of any cash collateral received, including, but not limited to, interest rate, credit and liquidity risk associated with such investments.

As of June 30, 2020, the Fund had securities on loan, which were classified as common stocks in the Investment Portfolio. The value of the related collateral exceeded the value of the securities loaned at period end. As of period end, the remaining contractual maturity of the collateral agreements was overnight and continuous.

**Federal Income Taxes.** The Fund's policy is to comply with the requirements of the Internal Revenue Code, as amended, which are applicable to regulated investment companies and to distribute all of its taxable income to its shareholders.

At June 30, 2020, the aggregate cost of investments for federal income tax purposes was \$130,319,741. The net unrealized depreciation for all investments based on tax cost was \$6,538,345. This consisted of aggregate gross unrealized appreciation for all investments for which there was an excess of value over tax cost of \$6,714,538 and aggregate gross unrealized depreciation for all investments for which there was an excess of tax cost over value of \$13,252,883.

The Fund has reviewed the tax positions for the open tax years as of December 31, 2019 and has determined that no provision for income tax and/or uncertain tax positions is required in the Fund's financial statements. The Fund's federal tax returns for the prior three fiscal years remain open subject to examination by the Internal Revenue Service.

**Distribution of Income and Gains.** Distributions from net investment income of the Fund, if any, are declared and distributed to shareholders annually. Net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Fund if not distributed, and, therefore, will be distributed to shareholders at least annually. The Fund may also make additional distributions for tax purposes if necessary.

The timing and characterization of certain income and capital gain distributions are determined annually in accordance with federal tax regulations, which may differ from accounting principles generally accepted in the United States of America. These differences primarily relate to certain securities sold at a loss. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period

may differ significantly from distributions during such period. Accordingly, the Fund may periodically make reclassifications among certain of its capital accounts without impacting the net asset value of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

**Expenses.** Expenses of the Trust arising in connection with a specific fund are allocated to that fund. Other Trust expenses which cannot be directly attributed to a fund are apportioned among the funds in the Trust based upon the relative net assets or other appropriate measures.

**Contingencies.** In the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet been made. However, based on experience, the Fund expects the risk of loss to be remote.

**Other.** Investment transactions are accounted for on a trade date plus one basis for daily net asset value calculations. However, for financial reporting purposes, investment transactions are reported on trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date net of foreign withholding taxes. Realized gains and losses from investment transactions are recorded on an identified cost basis. Proceeds from litigation payments, if any, are included in net realized gain (loss) from investments.

## B. Purchases and Sales of Securities

During the six months ended June 30, 2020, purchases and sales of investment transactions (excluding short-term investments) aggregated \$79,559,843 and \$81,996,733, respectively.

## C. Related Parties

**Management Agreement.** Under the Investment Management Agreement with DWS Investment Management Americas, Inc. ("DIMA" or the "Advisor"), an indirect, wholly owned subsidiary of DWS Group GmbH & Co. KGaA ("DWS Group"), the Advisor directs the investments of the Fund in accordance with its investment objectives, policies and restrictions. The Advisor determines the securities, instruments and other contracts relating to investments to be purchased, sold or entered into by the Fund.

Under the Investment Management Agreement with the Advisor, the Fund pays a monthly management fee based on the Fund's average daily net assets, computed and accrued daily and payable monthly, at the following annual rates:

First \$250 million	.650%
Next \$750 million	.625%
Next \$1.5 billion	.600%
Next \$2.5 billion	.575%
Next \$2.5 billion	.550%
Next \$2.5 billion	.525%
Next \$2.5 billion	.500%
Over \$12.5 billion	.475%

Accordingly, for the six months ended June 30, 2020, the fee pursuant to the Investment Management Agreement was equivalent to an annualized rate (exclusive of any applicable waivers/reimbursements) of 0.65% of the Fund's average daily net assets.

For the period from January 1, 2020 through April 30, 2021, the Advisor has contractually agreed to waive all or a portion of its fee and/or reimburse certain operating expenses of the Fund to the extent necessary to maintain the total annual operating expenses (excluding certain expenses such as extraordinary expenses, taxes, brokerage and interest expense) of each class as follows:

Class A	.69%
Class B	1.00%

For the six months ended June 30, 2020, fees waived and/or expenses reimbursed for each class are as follows:

Class A	\$	102,988
Class B		2,708
	<b>\$</b>	<b>105,696</b>

**Administration Fee.** Pursuant to an Administrative Services Agreement, DIMA provides most administrative services to the Fund. Prior to March 1, 2020, for all services provided under the Administrative Services Agreement, the Fund paid DIMA an annual fee (“Administration Fee”) of 0.10% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. Effective March 1, 2020, for all services provided under the Administrative Services Agreement, the Fund pays the Advisor an annual Administration Fee of 0.097% of the Fund’s average daily net assets, computed and accrued daily and payable monthly. For the six months ended June 30, 2020, the Administration Fee was \$61,816, of which \$9,617 is unpaid.

**Service Provider Fees.** DWS Service Company (“DSC”), an affiliate of the Advisor, is the transfer agent, dividend-paying agent and shareholder service agent for the Fund. Pursuant to a sub-transfer agency agreement between DSC and DST Systems, Inc. (“DST”), DSC has delegated certain transfer agent, dividend-paying agent and shareholder service agent functions to DST. DSC compensates DST out of the shareholder servicing fee it receives from the Fund. For the six months ended June 30, 2020, the amounts charged to the Fund by DSC were as follows:

Services to Shareholders	Total Aggregated	Unpaid at June 30, 2020
Class A	\$ 191	\$ 62
Class B	113	34
	<b>\$ 304</b>	<b>\$ 96</b>

**Distribution Service Agreement.** Under the Fund’s Class B 12b-1 plan, DWS Distributors, Inc. (“DDI”) received a fee (“Distribution Service Fee”) of up to 0.25% of the average daily net assets of Class B shares. For the six months ended June 30, 2020, the Distribution Service Fee aggregated \$3,755, of which \$593 is unpaid.

**Typesetting and Filing Service Fees.** Under an agreement with the Fund, DIMA is compensated for providing certain pre-press and regulatory filing services to the Fund. For the six months ended June 30, 2020, the amount charged to the Fund by DIMA included in the Statement of Operations under “Reports to shareholders” aggregated \$4,610, of which \$1,133 is unpaid.

**Trustees’ Fees and Expenses.** The Fund paid retainer fees to each Trustee not affiliated with the Advisor, plus specified amounts to the Board Chairperson and to each committee Chairperson.

**Affiliated Cash Management Vehicles.** The Fund may invest uninvested cash balances in DWS Central Cash Management Government Fund and DWS ESG Liquidity Fund, affiliated money market funds which are managed by the Advisor. Each affiliated money market fund is managed in accordance with Rule 2a-7 under the 1940 Act, which governs the quality, maturity, diversity and liquidity of instruments in which a money market fund may invest. DWS Central Cash Management Government Fund seeks to maintain a stable net asset value, and DWS ESG Liquidity Fund maintains a floating net asset value. The Fund indirectly bears its proportionate share of the expenses of each affiliated money market fund in which it invests. DWS Central Cash Management Government Fund does not pay the Advisor an investment management fee. To the extent that DWS ESG Liquidity Fund pays an investment management fee to the Advisor, the Advisor will waive an amount of the investment management fee payable to the Advisor by the Fund equal to the amount of the investment management fee payable on the Fund’s assets invested in DWS ESG Liquidity Fund.

**Securities Lending Agent Fees.** Deutsche Bank AG serves as securities lending agent for the Fund. For the six months ended June 30, 2020, the Fund incurred securities lending agent fees to Deutsche Bank AG in the amount of \$212.

#### D. Ownership of the Fund

At June 30, 2020, two participating insurance companies were owners of record of 10% or more of the total outstanding Class A shares of the Fund, each owning 60% and 33%. Two participating insurance companies were owners of record of 10% or more of the total outstanding Class B shares of the Fund, each owning 62% and 15%.

#### E. Line of Credit

The Fund and other affiliated funds (the “Participants”) share in a \$350 million revolving credit facility provided by a syndication of banks. The Fund may borrow for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. The

Participants are charged an annual commitment fee, which is allocated based on net assets, among each of the Participants. Interest is calculated at a rate per annum equal to the sum of the Federal Funds Rate plus 1.25 percent plus if the one-month LIBOR exceeds the Federal Funds Rate, the amount of such excess. The Fund may borrow up to a maximum of 33 percent of its net assets under the agreement. The Fund had no outstanding loans at June 30, 2020.

#### **F. Other — COVID-19 Pandemic**

A novel strain of coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization on March 11, 2020. The situation is evolving with various cities and countries around the world responding in different ways to address the pandemic. There are direct and indirect economic effects developing for various industries and individual companies throughout the world. The recent pandemic spread of the novel coronavirus and related geopolitical events could lead to increased financial market volatility, disruption to U.S. and world economies and markets and may have significant adverse effects on the Fund and its investments. A prolonged disruption may result in the Fund and its service providers experiencing operational difficulties in implementing their business continuity plans. Management will continue to monitor the impact COVID-19 has on the Fund and reflect the consequences as appropriate in the Fund's accounting and financial reporting.

#### **G. Other — Deutsche Bank AG Consent Order**

On June 17, 2020, Deutsche Bank AG ("DB"), an affiliate of DWS Group, resolved with the Commodity Futures Trading Commission ("CFTC") charges stemming from alleged violations of various swap data reporting requirements and corresponding supervision and other failures. The matter, which was resolved by the issuance of a federal court order ("Consent Order"), involved unintentional conduct that resulted from a system outage that prevented DB from reporting data in accordance with applicable CFTC requirements for a period of five days in April 2016.

The matter giving rise to the Consent Order did not arise out of any investment advisory, fund management activities or distribution activities of DIMA, DWS Distributors, Inc. or their advisory affiliates (the "DWS Service Providers"). DWS Group, of which the DWS Service Providers are wholly-owned subsidiaries, is a separate publicly traded company but continues to be an affiliate of DB due to, among other things, DB's 79.49% ownership interest in DWS Group. Under the provisions of the Investment Company Act of 1940, as a result of the Consent Order, the DWS Service Providers would not be eligible to continue to provide investment advisory and underwriting services to the Fund absent an order from the Securities and Exchange Commission (the "SEC"). DB and the DWS Service Providers are seeking temporary and permanent orders from the SEC to permit the DWS Service Providers to continue to provide investment advisory and underwriting services to the Fund and other registered investment companies notwithstanding the Consent Order. While there can be no assurance that the requested exemptive orders will be granted, the SEC has granted this type of relief in the past. Consistent with their fiduciary and other relationships with the Fund, and in accordance with the desire of the Board of the Fund, the DWS Service Providers continue to provide investment advisory and distribution services to the Fund. Subject to the receipt of the temporary and permanent exemptive orders, the DWS Service Providers have informed the Fund that they do not believe the Consent Order will have any material impact on the Fund or the ability of the Service Providers to provide services for the Fund.

## Information About Your Fund's Expenses

(Unaudited)

As an investor of the Fund, you incur two types of costs: ongoing expenses and transaction costs. Ongoing expenses include management fees, distribution and service (12b-1) fees and other Fund expenses. Examples of transaction costs include contract charges, which are not shown in this section. The following tables are intended to help you understand your ongoing expenses (in dollars) of investing in the Fund and to help you compare these expenses with the ongoing expenses of investing in other mutual funds. In the most recent six-month period, the Fund limited these expenses; had it not done so, expenses would have been higher. The example in the table is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (January 1, 2020 to June 30, 2020).

The tables illustrate your Fund's expenses in two ways:

- **Actual Fund Return.** This helps you estimate the actual dollar amount of ongoing expenses (but not transaction costs) paid on a \$1,000 investment in the Fund using the Fund's actual return during the period. To estimate the expenses you paid over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the "Expenses Paid per \$1,000" line under the share class you hold.
- **Hypothetical 5% Fund Return.** This helps you to compare your Fund's ongoing expenses (but not transaction costs) with those of other mutual funds using the Fund's actual expense ratio and a hypothetical rate of return of 5% per year before expenses. Examples using a 5% hypothetical Fund return may be found in the shareholder reports of other mutual funds. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

Please note that the expenses shown in these tables are meant to highlight your ongoing expenses only and do not reflect any transaction costs. The "Expenses Paid per \$1,000" line of the tables is useful in comparing ongoing expenses only and will not help you determine the relative total expense of owning different funds. If these transaction costs had been included, your costs would have been higher.

### Expenses and Value of a \$1,000 Investment for the six months ended June 30, 2020

<b>Actual Fund Return</b>	<b>Class A</b>	<b>Class B</b>
Beginning Account Value 1/1/20	\$ 1,000.00	\$ 1,000.00
Ending Account Value 6/30/20	\$ 775.10	\$ 773.90
Expenses Paid per \$1,000*	\$ 3.05	\$ 4.41

<b>Hypothetical 5% Fund Return</b>	<b>Class A</b>	<b>Class B</b>
Beginning Account Value 1/1/20	\$ 1,000.00	\$ 1,000.00
Ending Account Value 6/30/20	\$ 1,021.43	\$ 1,019.89
Expenses Paid per \$1,000*	\$ 3.47	\$ 5.02

\* Expenses are equal to the Fund's annualized expense ratio for each share class, multiplied by the average account value over the period, multiplied by 182 (the number of days in the most recent six-month period), then divided by 366.

<b>Annualized Expense Ratios</b>	<b>Class A</b>	<b>Class B</b>
Deutsche DWS Variable Series II — DWS CROCI® U.S. VIP	.69%	1.00%

For more information, please refer to the Fund's prospectus.

These tables do not reflect charges and fees ("contract charges") associated with the separate account that invests in the Fund or any variable life insurance policy or variable annuity contract for which the Fund is an investment option.

For an analysis of the fees associated with an investment in the Fund or similar funds, please refer to the current and hypothetical expense calculators for Variable Insurance Products which can be found at [dws.com/calculators](https://dws.com/calculators).

## Liquidity Risk Management

In accordance with Rule 22e-4 (the “Liquidity Rule”) under the Investment Company Act of 1940 (the “1940 Act”), your Fund has adopted a liquidity risk management program (the “Program”), and the Board has designated DWS Investment Management Americas, Inc. (“DIMA”) as Program administrator. The Program is designed to assess and manage your Fund’s liquidity risk (the risk that the Fund would be unable to meet requests to redeem shares of the Fund without significant dilution of remaining investors’ interests in the Fund). DIMA has designated a committee (the “Committee”) composed of personnel from multiple departments within DIMA and its affiliates that is responsible for the implementation and ongoing administration of the Program, which includes assessing the Fund’s liquidity risk under both normal and reasonably foreseeable stressed conditions. Under the Program, every investment held by a Fund is classified on a daily basis into one of four liquidity categories based on estimations of the investment’s ability to be sold during designated timeframes in current market conditions without significantly changing the investment’s market value.

In February 2020, as required by the Program and the Liquidity Rule, DIMA provided the Board with an annual written report (the “Report”) addressing the operation of the Program and assessing the adequacy and effectiveness of its implementation during the period from December 1, 2018 through November 30, 2019 (the “Reporting Period”). During the Reporting Period, your Fund was primarily invested in highly liquid investments (investments that the Fund anticipates can be converted to cash within three business days or less in current market conditions without significantly changing their market value). As a result, your Fund is not required to adopt, and has not adopted, a “Highly Liquid Investment Minimum” as defined in the Liquidity Rule. During the Reporting Period, the Fund did not approach the 15% limit imposed by the Liquidity Rule on holdings in illiquid investments (investments that cannot be sold or disposed of in seven days or less in current market conditions without the sale of the investment significantly changing the market value of the investment). Your Fund did not experience any issues meeting investor redemptions at any time during the Reporting Period. In the Report, DIMA stated that it believes the Program has operated adequately and effectively to manage the Fund’s liquidity risk during the Reporting Period. DIMA also reported on a material change made to the Program in May 2019 to address Securities and Exchange Commission guidance relating to extended foreign market holidays.

## Proxy Voting

The Trust’s policies and procedures for voting proxies for portfolio securities and information about how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 are available on our Web site — [dws.com/en-us/resources/proxy-voting](https://dws.com/en-us/resources/proxy-voting) — or on the SEC’s Web site — [sec.gov](https://sec.gov). To obtain a written copy of the Trust’s policies and procedures without charge, upon request, call us toll free at (800) 728-3337.



## Advisory Agreement Board Considerations and Fee Evaluation

The Board of Trustees (hereinafter referred to as the “Board” or “Trustees”) approved the renewal of DWS CROCI® U.S. VIP’s (the “Fund”) investment management agreement (the “Agreement”) with DWS Investment Management Americas, Inc. (“DIMA”) in September 2019.

In terms of the process that the Board followed prior to approving the Agreement, shareholders should know that:

- During the entire process, all of the Fund’s Trustees were independent of DIMA and its affiliates (the “Independent Trustees”).
- The Board met frequently during the past year to discuss fund matters and dedicated a substantial amount of time to contract review matters. Over the course of several months, the Board’s Contract Committee reviewed extensive materials received from DIMA, independent third parties and independent counsel. These materials included an analysis of the Fund’s performance, fees and expenses, and profitability from a fee consultant retained by the Fund’s Independent Trustees (the “Fee Consultant”). Based on its evaluation of the information provided, the Contract Committee presented its findings and recommendations to the Board. The Board then reviewed the Contract Committee’s findings and recommendations.
- The Board also received extensive information throughout the year regarding performance of the Fund.
- The Independent Trustees regularly met privately with counsel to discuss contract review and other matters. In addition, the Independent Trustees were advised by the Fee Consultant in the course of their review of the Fund’s contractual arrangements and considered a comprehensive report prepared by the Fee Consultant in connection with their deliberations.
- In connection with reviewing the Agreement, the Board also reviewed the terms of the Fund’s Rule 12b-1 plan, distribution agreement, administrative services agreement, transfer agency agreement and other material service agreements.

In connection with the contract review process, the Contract Committee and the Board considered the factors discussed below, among others. The Board also considered that DIMA and its predecessors have managed the Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious advisor is in the best interests of the Fund. The Board considered, generally, that shareholders chose to invest or remain invested in the Fund knowing that DIMA managed the Fund. DIMA is part of DWS Group GmbH & Co. KGaA (“DWS Group”). DWS Group is a global asset management business that offers a wide range of investing expertise and resources, including research capabilities in many countries throughout the world. In 2018, approximately 20% of DWS Group’s shares were sold in an initial public offering, with Deutsche Bank AG owning the remaining shares.

As part of the contract review process, the Board carefully considered the fees and expenses of each DWS fund overseen by the Board in light of the fund’s performance. In many cases, this led to the negotiation and implementation of expense caps. As part of these negotiations, the Board indicated that it would consider relaxing these caps in future years following sustained improvements in performance, among other considerations.

While shareholders may focus primarily on fund performance and fees, the Fund’s Board considers these and many other factors, including the quality and integrity of DIMA’s personnel and administrative support services provided by DIMA, such as back-office operations, fund valuations, and compliance policies and procedures.

**Nature, Quality and Extent of Services.** The Board considered the terms of the Agreement, including the scope of advisory services provided under the Agreement. The Board noted that, under the Agreement, DIMA provides portfolio management services to the Fund and that, pursuant to a separate administrative services agreement, DIMA provides administrative services to the Fund. The Board considered the experience and skills of senior management and investment personnel and the resources made available to such personnel. The Board reviewed the Fund’s performance over short-term and long-term periods and compared those returns to various agreed-upon performance measures, including market index(es) and a peer universe compiled using information supplied by Morningstar Direct (“Morningstar”), an independent fund data service. The Board also noted that it has put into place a process of identifying “Funds in Review” (e.g., funds performing poorly relative to a peer universe), and receives additional reporting from DIMA regarding such funds and, where appropriate, DIMA’s plans to address underperformance. The Board

believes this process is an effective manner of identifying and addressing underperforming funds. Based on the information provided, the Board noted that, for the one-, three- and five-year periods ended December 31, 2018, the Fund's performance (Class A shares) was in the 3rd quartile, 4th quartile and 4th quartile, respectively, of the applicable Morningstar universe (the 1st quartile being the best performers and the 4th quartile being the worst performers). The Board also observed that the Fund has underperformed its benchmark in the one-, three- and five-year periods ended December 31, 2018. The Board noted the disappointing investment performance of the Fund in recent periods and continued to discuss with senior management of DIMA the factors contributing to such underperformance and actions being taken to improve performance. The Board considered that, effective October 3, 2016, the Fund changed its investment strategy and portfolio management team, and noted that the Fund further changed its investment strategy, effective May 1, 2017. The Board recognized the efforts by DIMA in recent years to enhance its investment platform and improve long-term performance across the DWS fund complex.

**Fees and Expenses.** The Board considered the Fund's investment management fee schedule, operating expenses and total expense ratios, and comparative information provided by Broadridge Financial Solutions, Inc. ("Broadridge") and the Fee Consultant regarding investment management fee rates paid to other investment advisors by similar funds (1st quartile being the most favorable and 4th quartile being the least favorable). With respect to management fees paid to other investment advisors by similar funds, the Board noted that the contractual fee rates paid by the Fund, which include a 0.10% fee paid to DIMA under the Fund's administrative services agreement, were higher than the median (3rd quartile) of the applicable Broadridge peer group (based on Broadridge data provided as of December 31, 2018). The Board noted that the Fund's Class A shares total (net) operating expenses were expected to be lower than the median (2nd quartile) of the applicable Broadridge expense universe (based on Broadridge data provided as of December 31, 2018, and analyzing Broadridge expense universe Class A (net) expenses less any applicable 12b-1 fees) ("Broadridge Universe Expenses"). The Board also reviewed data comparing each other operational share class's total (net) operating expenses to the applicable Broadridge Universe Expenses. The Board noted that the expense limitations agreed to by DIMA were expected to help the Fund's total (net) operating expenses remain competitive. The Board considered the Fund's management fee rate as compared to fees charged by DIMA to comparable DWS U.S. registered funds ("DWS Funds") and considered differences between the Fund and the comparable DWS Funds. The information requested by the Board as part of its review of fees and expenses also included information about institutional accounts (including any sub-advised funds and accounts) and funds offered primarily to European investors ("DWS Europe Funds") managed by DWS Group. The Board noted that DIMA indicated that DWS Group does not manage any institutional accounts or DWS Europe Funds comparable to the Fund.

On the basis of the information provided, the Board concluded that management fees were reasonable and appropriate in light of the nature, quality and extent of services provided by DIMA.

**Profitability.** The Board reviewed detailed information regarding revenues received by DIMA under the Agreement. The Board considered the estimated costs to DIMA, and pre-tax profits realized by DIMA, from advising the DWS Funds, as well as estimates of the pre-tax profits attributable to managing the Fund in particular. The Board also received information regarding the estimated enterprise-wide profitability of DIMA and its affiliates with respect to all fund services in totality and by fund. The Board and the Fee Consultant reviewed DIMA's methodology in allocating its costs to the management of the Fund. Based on the information provided, the Board concluded that the pre-tax profits realized by DIMA in connection with the management of the Fund were not unreasonable. The Board also reviewed certain publicly available information regarding the profitability of certain similar investment management firms. The Board noted that, while information regarding the profitability of such firms is limited (and in some cases is not necessarily prepared on a comparable basis), DIMA and its affiliates' overall profitability with respect to the DWS Funds (after taking into account distribution and other services provided to the funds by DIMA and its affiliates) was lower than the overall profitability levels of most comparable firms for which such data was available.

**Economies of Scale.** The Board considered whether there are economies of scale with respect to the management of the Fund and whether the Fund benefits from any economies of scale. The Board noted that the Fund's investment management fee schedule includes fee breakpoints. The Board concluded that the Fund's fee schedule represents an appropriate sharing between the Fund and DIMA of such economies of scale as may exist in the management of the Fund at current asset levels.

**Other Benefits to DIMA and Its Affiliates.** The Board also considered the character and amount of other incidental or "fall-out" benefits received by DIMA and its affiliates, including any fees received by DIMA for administrative services provided to the Fund, any fees received by an affiliate of DIMA for transfer agency

services provided to the Fund and any fees received by an affiliate of DIMA for distribution services. The Board noted that DIMA pays a licensing fee to an affiliate related to the Fund's use of the CROCI® strategy. The Board also considered benefits to DIMA related to brokerage and soft-dollar allocations, including allocating brokerage to pay for research generated by parties other than the executing broker dealers, which pertain primarily to funds investing in equity securities. In addition, the Board considered the incidental public relations benefits to DIMA related to DWS Funds advertising and cross-selling opportunities among DIMA products and services. The Board considered these benefits in reaching its conclusion that the Fund's management fees were reasonable.

**Compliance.** The Board considered the significant attention and resources dedicated by DIMA to its compliance processes in recent years. The Board noted in particular (i) the experience, seniority and time commitment of the individuals serving as DIMA's and the Fund's chief compliance officers and (ii) the substantial commitment of resources by DIMA and its affiliates to compliance matters, including the retention of compliance personnel.

Based on all of the information considered and the conclusions reached, the Board determined that the continuation of the Agreement is in the best interests of the Fund. In making this determination, the Board did not give particular weight to any single factor identified above. The Board considered these factors over the course of numerous meetings, certain of which were in executive session with only the Independent Trustees and counsel present. It is possible that individual Independent Trustees may have weighed these factors differently in reaching their individual decisions to approve the continuation of the Agreement.



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