

DWS Strategic High Yield Tax-Free Fund

Eligible for \$250,000 NAV purchase privilege†

Executive summary

- _ Class S shares of DWS Strategic High Yield Tax-Free Fund returned 1.94% in the quarter compared to 1.56% for the Bloomberg Municipal Bond Index.¹
- _ The AAA municipal curve flattened over the quarter lower as yields finished higher for shorter maturities and declined for longer maturities.²
- _ The fund's overweight exposure to longer maturities proved additive to performance relative to the Bloomberg index along with exposure to lower quality issues.^{3,4}

Market review

- _ The U.S. Federal Reserve (Fed) followed up September's reduction in its benchmark overnight lending rate with additional quarter point cuts in October and December, leaving the fed funds target in the 3.50% to 3.75% range. In its December commentary, the Fed cited a softening employment backdrop but also signaled caution with respect to additional rate cuts given lingering inflation concerns. The Treasury yield curve steepened modestly over the quarter with the bellwether 10-year Treasury yield finishing essentially unchanged, bumping up from 4.16% to 4.18%.
- _ The AAA municipal yield curve flattened over the quarter as yields finished higher for shorter maturities and declined for longer maturities. The two-year municipal yield ended at 2.39% vs. 2.30% three months earlier, the 10-year at 2.76% vs. 2.92%, and the 30-year at 4.24% vs. 4.24% (source: Thomson Reuters). Performance for municipals continued to be pressured by elevated new issue supply which was partly offset by positive fund flows. Within the investment grade municipal market, bonds in the BBB ratings category outperformed higher-rated issues.

Performance review

- _ Class S shares of DWS Strategic High Yield Tax-Free Fund returned 1.94% in the quarter compared to 1.56% for the Bloomberg Municipal Bond Index.

- _ Municipals outperformed the broad taxable-bond market as measured by the Bloomberg U.S. Aggregate Index, which returned 1.10% during the quarter.⁵ The average fund in the Morningstar peer group, High Yield Municipal, returned 1.36% for the quarter.⁶

Attribution analysis

- _ The fund's overweight to more interest rate-sensitive longer maturities added to performance relative to the index as the municipal yield curve flattened.
- _ The fund's overweight to BBB and certain below investment grade sectors added to performance.
- _ In sector terms, overweights to continuing care retirement care facilities and higher education bonds added to performance for the quarter while an overweight to transportation bonds and underweight to general obligation bonds detracted.

Portfolio positioning

- _ The relative steepness of the municipal yield curve versus Treasuries and the fact that the 30-year municipal yield is at a relatively attractive 87.4% of the comparable Treasury yield support the Fund's focus on longer maturities. Credit spreads are now below long run averages but are unlikely to move wider given generally sound fundamentals as well as supportive market technical factors.⁷

The fund has been selling longer bonds that are priced closer to par due to their unattractive interest rate risk profile, while investing in the 15–30-year part of the curve with a premium coupon or deep discount structure. The

fund has been selectively adding to lower quality and BBB issues. The focus of purchases has mainly been on new issues, which are coming to market at wider spreads.

AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/25 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	1.94%	3.23%	3.23%	5.93%	1.12%	2.54%	5.22%	1/22/87	0.74%/0.64%
Class INST	1.94%	3.23%	3.23%	5.90%	1.10%	2.54%	3.99%	8/19/02	0.76%/0.64%
Class A (Unadjusted)	1.88%	2.97%	2.97%	5.67%	0.86%	2.28%	4.14%	5/1/00	0.98%/0.89%
Class A (Adjusted)	-0.92%	0.14%	0.14%	4.69%	0.30%	2.00%	4.03%	5/1/00	0.98%/0.89%
Bloomberg Municipal Bond Index	1.56%	4.25%	4.25%	3.88%	0.80%	2.34%	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 2.75%. 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. Class A, S, and INST shares have a contractual waiver that runs through 09/30/2026. Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

[†] If you're investing \$250,000 or more, you may be eligible to purchase Class A shares of this fund without a sales charge. However, redemptions within 12 months may be subject to sales charges.

¹The Bloomberg Municipal Bond Index tracks the performance of investment-grade, fixed-rate municipal bonds with maturities greater than two years.

²The 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. One basis point equals 1/100 of a percentage point.

³"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.

⁴Credit quality is a measure of 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. The Fund's credit quality does not remove market risk and is subject to change.

⁵The Bloomberg U.S. Aggregate Index tracks the performance of the broad U.S. investment-grade, fixed-rate bond market, including both government and corporate bonds.

⁶The Morningstar High Yield Municipal category consists of portfolios that invest a high portion of assets in high income municipal securities that are not rated or are rated at the level of BBB or below by a major rating agency. The category average returns for the one-, five- and 10-year periods ended 12/31/25 were 2.86%, 1.03% and 2.73%, respectively.

⁷Spread, or credit spread, refers to the excess yield offered by a lower quality bond relative to a higher quality bond of comparable maturity. When spreads widen, yield differences increase between the bonds being compared. When spreads narrow, the opposite is true.

Index returns do not reflect fees or expenses. It is not possible to invest directly in an index or category.

The opinions and forecasts expressed herein by the fund managers do not necessarily reflect those of DWS, are as of 12/31/25 and may not come to pass.

Holding percentages in parentheses represent percentages of the fund's market value as of 11/30/25. 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 12/31/25 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 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. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest. The market for municipal bonds may be less liquid than for taxable bonds and there may be less information available on the financial condition of issuers of municipal securities than for public corporations. The fund invests in inverse floaters, which are derivatives that involve leverage and could magnify the fund's gains or losses. Although the fund seeks income that is exempt from federal income taxes, a portion of the fund's distributions may be subject to federal, state and local taxes, including the alternative minimum tax. 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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