

Deutsche Asset & Wealth Management Investment GmbH

DWS Covered Bond Fund

Sales Prospectus including Investment Conditions

January 1, 2014



Sales Prospectus and Investment Conditions

Sales prospectus

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Sales prospectus

NOTE ON THE SALES PROSPECTUS

The purchase and sale of units in the investment fund covered in this sales prospectus shall take place on the basis of the currently valid versions of the sales prospectus, the key investor information document and the General Investment Conditions in conjunction with the Special Investment Conditions. The General Investment Conditions and the Special Investment Conditions are annexed to this sales prospectus.

The sales prospectus is to be provided free-of-charge to parties interested in acquiring a unit in this investment fund, together with the last published annual report and any semiannual report that may have been published after it, when requested. In addition, the key investor information document is also to be made available free-of-charge and in good time before contract conclusion.

It is prohibited to provide any information or to make any representations that differ from those contained in this prospectus. Any purchase and sale of units on the basis of information or statements not contained in this sales prospectus or in the key investor information document shall be at the exclusive risk of the buyer. The sales prospectus is supplemented by the relevant valid annual report and, where appropriate, any semi-annual report published thereafter.

SELLING RESTRICTIONS

The units of this investment fund that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Unless the Company, or a third party authorized by it, has obtained permission to do so from the local regulatory authorities, this sales prospectus does not constitute a solicitation to purchase investment fund units, nor may the sales prospectus be used for the purpose of soliciting the purchase of investment fund units.

Deutsche Asset & Wealth Management Investment GmbH and/or this investment fund are not and shall not be registered in accordance with the United States Investment Company Act of 1940 as amended. The units of this investment fund are not and shall not be registered in accordance with the United States Securities Act of 1933 as amended, or in accordance with the securities legislation of any of the federal states of the United States of America. Units of this investment fund may not be offered or sold in the United States or to or for the account of U.S. persons. Applicants may have to prove that they are not U.S. persons and that they are not acquiring or reselling units on behalf of or to U.S. persons. U.S. persons are individuals who are U.S. citizens or whose permanent place of residence is in the United States of America and/or who is subject to taxation in the United States of America. U.S. persons can also be partnerships or corporations established in accordance with the laws of the

United States of America or of any state, territory or possession of the United States.

In cases where the Company receives knowledge that a unitholder is a U.S. person or holds units for the account of a U.S. person, the Company may demand the immediate return of the units to the Company at the last determined net asset value per unit.

Investors that are considered "restricted persons" as defined in Rule 2790 of the National Association of Securities Dealers in the United States (NASD Rule 2790) must report their holdings in the investment fund to the Company without delay.

This sales prospectus may be used for sales purposes only by persons who have express written authorization from the Company (granted directly or indirectly via authorized sales agents) to do so. Declarations or representations by third parties that are not contained in this sales prospectus or in the documentation have not been authorized by the Company.

These documents are available to the public at the registered office of the Company.

MOST IMPORTANT LEGAL CONSEQUENCES OF THE CONTRACTUAL RELATIONSHIP

Through the acquisition of units, investors become joint owners of a fraction of each asset held by this investment fund. The assets are not at their disposal. There are no voting rights associated with the units.

The contractual relationship and all pre-contractual relationships between Deutsche Asset & Wealth Management Investment GmbH and the investor are governed by German law. The location of the registered office of Deutsche Asset & Wealth Management Investment GmbH shall be the place of jurisdiction for any disputes arising from this contractual relationship if the investor does not have a general place of jurisdiction in Germany. All publications and advertising brochures are to be drafted in German or translated into German. In addition, Deutsche Asset & Wealth Management Investment GmbH will communicate with its investors entirely in German. In the event of disputes relating to the provisions of the German Capital Investment Act (Kapitalanlagegesetzbuch; KAGB), consumers can contact the ombudsman for investment funds at BVI Bundesverband Investment und Asset Management e.V. This arbitration option does not affect the right of recourse to the courts.

The contact details for the ombudsman for investment funds of the BVI Bundesverband Investment und Asset Management e.V. are:

Office of the Ombudsman
BVI Bundesverband Investment und Asset Management e.V.
Unter den Linden 42
10117 Berlin, Germany
Tel.: +49 (0)30-6449046-0
Fax: +49 (0)30-6449046-29

E-mail: info@ombudsstelle-investmentfonds.de
www.ombudsstelle-investmentfonds.de

In the case of any disputes arising from the application of the regulations under the German Civil Code (Bürgerliches Gesetzbuch; BGB) concerning distance selling contracts involving financial services the parties may also apply to the arbitration office of the Deutsche Bundesbank. This arbitration option does not affect the right of recourse to the courts.

The contact details are as follows:

Arbitration office of the Deutsche Bundesbank
PO Box 11 12 32
60047 Frankfurt/Main, Germany
Tel.: +49 (0)69-2388-1907 or -1906
Fax: +49 (0)69-2388-1919
E-mail: schlichtung@bundesbank.de

GENERAL PRINCIPLES

The investment fund (the fund)

This investment fund (hereinafter "fund") is an Undertaking for Collective Investment, which collects capital from a number of investors, in order to invest it for the benefit of those investors in accordance with a stipulated investment strategy (hereinafter "investment fund"). The fund is an investment fund in accordance with Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of legal and administrative provisions relating to certain undertakings for collecting investment in transferable securities (hereinafter "UCITS") as defined by the German Capital Investment Act (Kapitalanlagegesetzbuch) (hereinafter "KAGB"). It is managed by Deutsche Asset & Wealth Management Investment GmbH (hereinafter "the Company"). The Company invests the capital deposited with it in its own name for the collective account of the investors in the form of an investment fund pursuant to the principle of risk-spreading in assets permitted under the KAGB, but separate from its own assets.

The assets in which the Company may invest the investors' money and the regulations to be observed when so doing are stipulated in the KAGB, the associated regulations and the Investment Conditions, which govern the legal relationship between the investors and the Company. The Investment Conditions contain a general section and a special section (the "General Investment Conditions" and "Special Investment Conditions"). Investment conditions for an investment fund must be approved by the German financial supervisory authority (hereinafter referred to as "BaFin") before their application. The fund is not part of the Company's insolvency assets.

Sales and marketing documentation and publication of information

The sales prospectus, the key investor information document, the Investment Conditions and the most recent annual and semiannual

reports are available free of charge from the Company. The text of the Investment Conditions is annexed to this sales prospectus. They can also be viewed on the Internet at www.dws.de.

Additional information on risk management investment limits for the fund, risk management methods and the latest developments concerning risks and returns of the most important categories of assets are available from the Company in electronic or written form.

Investment Conditions and their amendments

The Investment Conditions are annexed to this sales prospectus. The Investment Conditions may be amended by the Company. Amendments to the Investment Conditions are subject to approval by BaFin. Amendments to the fund's investment principles additionally require the consent of the Company's supervisory board. Changes to the fund's investment principles are only permitted provided that the Company offers to either redeem investor's units free of charge before the changes take effect or to exchange investors' units free of charge for units of investment funds with comparable investment principles, provided that such investment funds are also managed by the Company or another Group company.

Any proposed amendments shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication or daily newspaper with sufficient circulation, or on the Internet at www.dws.de. If the amendments relate to fees and expense reimbursements which may be charged to the fund or to the fund's investment principles or key investor rights, investors will also be informed of this in paper or electronic form (hereinafter "durable medium") by the institution maintaining the securities account. This information includes the key aspects of the proposed amendments, their background, the rights of the investors in relation to the amendment and a note on where and how additional information can be obtained.

The earliest date on which amendments shall come into force is on the day after their announcement. Amendments to the provisions concerning fees and reimbursement of expenses shall come into force no earlier than three months after their publication, unless an earlier date has been specified with the consent of BaFin. Amendments to the fund's previous investment principles shall likewise come into force no earlier than three months after their announcement.

MANAGEMENT COMPANY

Company, legal form and registered office

The Company is a management company as defined in the German Capital Investment Act (KAGB) with the legal form of a Gesellschaft mit beschränkter Haftung (GmbH) (limited liability company); it was founded on May 22, 1956. The Company name is Deutsche Asset & Wealth

Management Investment GmbH (up to August 2013, DWS Investment GmbH). The Company has its registered office at Mainzer Landstraße 178-190, 60327 Frankfurt/Main, Germany, and is listed in commercial register B of the Local Court (Amtsgericht) of Frankfurt/Main under HRB 23891.

Since 1994, the Company has been authorized to manage money market funds and equity investment funds in addition to securities investment funds, and since 1998, it has been authorized to manage funds of funds, mixed securities and real estate investment funds, as well as retirement investment funds. Since 2004, following adaptation to the Investmentgesetz (German Investment Act), the Company has been authorized to manage UCITS Directive-compliant investment funds, mixed investment funds and retirement investment funds, as well as investment funds with additional risks (hereinafter referred to as "hedge funds") and funds of funds with additional risks (hereinafter referred to as "funds of hedge funds"). Since 2008, the Company has additionally been authorized to manage "Other" investment funds.

The Company is licensed as an investment company according to the German Investment Act (InvG); the license as a UCITS management company in accordance with KAGB is therefore deemed issued. BaFin has yet to issue the Company with a license as an AIF management company in accordance with the KAGB. The Company may, within the framework of its previous business license and in compliance with the legal requirements, commence investing in and marketing new investment funds before the license is issued.

Management and Supervisory Board

For further information on the management and the composition of the supervisory board, please consult the final section of this sales prospectus.

Equity capital and additional reserves

The Company has nominal capital in the amount of EUR 131 million (as of: December 31, 2012). The liable equity capital of the Company is EUR 193.5 million (as of: December 31, 2012). Both figures take into consideration the merger of Deutsche Asset Management Investmentgesellschaft mbH with Deutsche Asset & Wealth Management Investment GmbH.

The Company has covered the professional liability risks which result from the management of investment funds that do not comply with the UCITS Directive, termed alternative investment funds (hereinafter "AIFs"), and which are attributable to the professional negligence of their bodies or employees, through: reserves in the amount of at least 0.01% of the value of the portfolio of all managed AIFs, whereby this amount shall be reviewed annually and adjusted. These reserves are included in the specified liable equity capital.

DEPOSITARY

The KAGB provides for a separation of the duties of management and custody for investment funds. The Depositary is a credit institution; it holds the assets in blocked securities accounts and blocked cash accounts and monitors whether the disposal of assets by the Company complies with the regulations of the KAGB and the Investment Conditions. The investment of assets in bank balances with another credit institution and disposals of these bank balances are only permitted with the prior approval of the Depositary. The Depositary must grant its permission if the investment or disposal is consistent with the Investment Conditions and the regulations of the KAGB.

In addition, the Depositary has the following duties in particular:

- issue and redemption of units of the fund;
- ensuring that the issue and redemption of units and the calculation of the net asset value per unit comply with the regulations of the KAGB and the fund's Investment Conditions;
- ensuring that the equivalent value of all transactions made for the collective account of the investors are received within the customary time limits, and that the income from the fund will be used in accordance with the regulations of the KAGB and the Investment Conditions. The Depositary must also review whether the use of blocked cash accounts and blocked securities accounts at another credit institution, securities company or other depositary is in compliance with the KAGB and the Investment Conditions. If this is the case, it must grant its consent to such investment;
- ensuring that the income from the fund is used in accordance with the regulations of the KAGB and the Investment Conditions;
- monitoring borrowing by the Company for the account of the fund as well as, where required, approving borrowing;
- ensuring that collateral for securities loans is ordered with legal force and is available at all times.

SUB-CUSTODIANSHIP

The Depositary has assigned custodianship of the assets in the following countries to the specified sub-depositaries:

Name of the sub-depositary	Country
The Hong Kong and Shanghai Banking Corporation Ltd.	Australia
Deutsche Bank AG, Netherlands	Belgium
Citibank, N.A.	Brazil
Skandinaviska Enskilda Banken AB (publ)	Denmark
Deutsche Bank AG	Germany/CBF
Skandinaviska Enskilda Banken AB (publ)	Finland
Deutsche Bank AG	France
BNP Paribas Securities Services, S.C.A.	Greece
Standard Chartered Bank (Hong Kong) Ltd.	Hong Kong
Deutsche Bank AG	Indonesia
Clearstream Banking, S.A.	International
Euroclear Bank S.A./N.V.	International
Bank Hapoalim B.M.	Israel
Deutsche Bank S.p.A.	Italy
Mizuho Corporate Bank, Ltd.	Japan
The Hong Kong and Shanghai Banking Corporation Ltd.	Japan
State Street Trust Company Canada	Canada
Deutsche Bank AG	Korea (Republic of Korea)
The Hong Kong and Shanghai Banking Corporation Ltd.	Korea (Republic of Korea)
Deutsche Bank (Malaysia) Berhad	Malaysia
HSBC Bank Malta, plc	Malta
Banco Nacional de México S.A.	Mexico
The Hong Kong and Shanghai Banking Corporation Ltd.	New Zealand
Deutsche Bank AG, Netherlands	Netherlands
Skandinaviska Enskilda Banken AB (publ)	Norway
Deutsche Bank AG	Austria
Citibank del Perú, S.A.	Peru
Deutsche Bank AG	Philippines
Bank Handlowy w Warszawie S.A.	Poland
Deutsche Bank AG	Portugal
ING Bank (Eurasia) ZAO	Russia
Skandinaviska Enskilda Banken AB (publ)	Sweden
UBS AG	Switzerland
Credit Suisse AG	Switzerland
Citibank N.A.	Singapore
Československá obchodná banka, a.s.	Slovak Republic
UniCredit Banka Slovenija d.d.	Slovenia
Deutsche Bank S.A.E.	Spain
FirstRand Bank Limited	South Africa
Standard Bank of South Africa Ltd.	South Africa
Deutsche Bank AG	Taiwan
Standard Chartered Bank (Thai) Public Company Limited	Thailand
Československá obchodní banka, a.s.	Czech Republic
Citibank, A.Ş.	Turkey
UniCredit Bank Hungary Zrt.	Hungary
State Street Bank and Trust Company, United Kingdom branch	United Kingdom
BNP Paribas Securities Services, S.C.A.	Cyprus

In addition to the actual custodianship of the foreign securities by the foreign sub-depositary, who shall abide by the customs and laws of the relevant country of deposit, the foreign sub-depositary also ensures the redemption of interest, profit-share and earnings certificates as well as of repayable securities on maturity.

Furthermore, the sub-depositary forwards on information on the capital measures of the foreign securities held in custody.

The Depositary shall, by its own account, deal with conflicts of interests as follows: the three-point declaration shall be made available at regular intervals. Further conflicts of interest were not named by the Depositary.

LIABILITY OF THE DEPOSITARY

The Depositary is generally responsible for all assets maintained by itself or by another institution with its consent. In the event of the loss of such assets, the Depositary shall be liable to the fund and its investors, unless the loss is attributable to events beyond the control of the Depositary. For damages that do not involve the loss of an asset, the Depositary shall, in principle, only be liable if it fails, through negligence at least, to fulfill its obligations under the regulations of the KAGB.

COMPANY, LEGAL FORM AND REGISTERED OFFICE OF THE DEPOSITARY

The credit institution, State Street Bank GmbH with its registered office at Briener Straße 59, 80333 Munich, Germany, has assumed the function of Depositary for the fund. The Depositary is a credit institution under German law. Its principal activities consist of depository and custodial services.

RISK WARNINGS

Before deciding to buy units in the fund, investors should read the following risk warnings, together with the other information contained in this sales prospectus carefully and take this into consideration in their investment decision. The materialization of one or several of these risks, in and of themselves or together with other circumstances, can negatively impact the performance of the fund or the assets held in the fund and consequently have a negative influence on the net asset value per unit. If the investor sells units of the fund on a date on which the prices of the assets in the fund have fallen in relation to the date on which he bought the units, this will result in the investor getting back none or less than the full amount of the capital invested in the fund.

The investor may lose some or all of the capital he invested in the fund. Appreciation cannot be guaranteed. The investor's risk is limited to the sum invested. There is no obligation to make subsequent payments in addition to the capital invested by the investor. In addition to the risks and uncertainties described below or at any other point in this sales prospectus, the performance of the fund can be impaired by various other risks and uncertainties that are not known at this time. The order in which the following risks are listed should not be interpreted as a statement as to the probability of their materialization nor to the extent or importance of the materialization of individual risks.

Risks of fund investment

The following is a list of risks typically associated with an investment in a UCITS. These risks can impact negatively on the net asset value per unit, on the capital invested by the investor and

on the length of the time the investor plans to hold onto his fund investment.

Fluctuation in the net asset value per unit of the fund

The net asset value per unit of the fund is calculated from the value of the fund, divided by the number of outstanding units. The value of the fund corresponds to the total of the market values of all assets in the fund less the total of the market values of all liabilities of the fund. The net asset value of the fund is therefore dependent on the value of the assets held in the fund and the level of liabilities of the fund. If the value of these assets falls or the value of the liabilities increases, the net asset value per unit of the fund will be reduced.

Influence of tax issues on the individual result

The tax treatment of capital earnings depends on the individual situation of the relevant investor and can be subject to future changes. For individual questions – in particular taking into consideration the individual tax situation – the investor should consult his personal tax advisor.

Suspension of the redemption of units

The Company may suspend the redemption of units temporarily under exceptional circumstances that make a suspension appear necessary when taking into consideration the interests of investors. Exceptional circumstances in this context could be, e.g., economic or political crises, redemption demands of an unusual size as well as the closure of the stock exchanges or markets, trade restrictions or other factors that influence negatively the determination of the net asset value per unit. The investor cannot redeem his units during this time. In the event of a suspension of the redemption of units, the net asset value per unit can also fall, e.g., if the Company is forced to sell assets below market value during the suspension of the redemption of units. The net asset value per unit after resumption of unit redemption may be lower than the price before suspension of redemption.

Amendment to the investment policy or Investment Conditions

The Company can amend the Investment Conditions subject to the approval of BaFin. Amending the Investment Conditions can also amend regulations that affect the investor. The Company can for instance modify the investment policy of the fund by amending the Investment Conditions or it can increase the costs to be charged to the fund. The Company can furthermore make changes to the investment policy within the statutorily and contractually permitted investment limits; this would not therefore constitute changes to the Investment Conditions and would not require the approval of BaFin. This can lead to a change in the risk associated with the fund.

Liquidation of the fund

The Company has the right to terminate the management of the fund. The Company can liquidate the fund entirely after termination of management. The right to dispose of the fund transfers to the Depositary after a notice period of six months. For the investor, this entails the risk that the holding period planned by the investor will not be realized. With the transition of the fund to the Depositary, taxes other than German income taxes can be charged to the fund. If the fund units are booked out from the investor's securities account after the end of the liquidation procedure, the investor can incur income taxes.

Transfer of all the assets of the fund to a different public investment fund (merger)

The Company can transfer all the assets of the fund to a different UCITS. In this event, the investor can (i) return his units, (ii) retain them, with the result that he becomes an investor in the receiving UCITS, (iii) or exchange the units for units in a public fund with comparable investment principles, provided that the Company or a company affiliated with it manages this investment fund in accordance with comparable investment principles. This applies in equal measure if the Company transfers all the assets of another public investment fund to the fund. The investor must therefore make a new investment decision at an early stage of the transfer process. Returning units can incur income taxes. Where units are exchanged for units in an investment fund with comparable investment principles, the investor can incur taxes if the value of the received units is higher than the value of the old units at the time of procurement.

Profitability and fulfillment of the investor's investment objectives

No assurance can be given that the investor's desired investment objectives will be achieved. The net asset value per unit of the fund can fall, leading to losses for the investor. There are no guarantees from the Company or third parties with respect to a certain minimum payout on redemption or a specific investment success of the fund. Additionally, an initial sales charge paid upon acquisition or a redemption fee paid upon the sale of units can reduce or completely consume the performance of an investment, particularly in the case of a short investment period. Investors could receive back a lower amount than they originally invested.

Risks of the negative performance of the fund (market risk)

The risks below can impair the performance of the fund or of the assets held in the fund and thus impact negatively on the net asset value per unit and on the capital invested by the investor.

Risks of changes in the value of assets

The assets, in which the Company invests for the account of the fund, are subject to risks.

Losses may be incurred if the market value of the assets decreases in relation to the purchase price or if spot and forward rates develop differently.

Capital market risk

The price or market performance of financial products depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation and the general economic and political framework in individual countries. Irrational factors such as sentiment, opinions and rumors have an effect on general price performance, particularly on an exchange. Fluctuations in the market prices and values can also be attributable to changes in interest rates, exchange rates or the credit standing of an issuer.

Risk of changes in price of equities

Experience shows that equities are subject to strong price fluctuations and thus also to the risk of price decreases. These price fluctuations are particularly influenced by the performance of the profits of the issuing company, the performance of the sector and the performance of the economy as a whole. The trust of the market participants in the relevant company can likewise influence the price performance. This applies in particular to companies whose equities have only recently been admitted to the stock exchange or another organized market; with these, even slight changes in forecasts can lead to strong price fluctuations. If the share of an equity that is freely tradable and in the ownership of many investors (free floating) is low, then even relatively small buy and sell orders of this equity can have a strong influence on the market price and can thus lead to higher price fluctuations.

Risk of changes in interest rates

Investing in fixed rate securities is associated with the possibility that the market interest rate existing at the time a fixed rate security is issued will change. If market interest rates rise in comparison with the interest rates at the time of the issue, the prices for fixed rate securities will fall as a rule. If, on the other hand, the market interest rate falls, the price of fixed rate securities will rise. This price trend means that the current return on a fixed rate security is roughly equivalent to the current market interest rate. However, these price fluctuations vary according to the (residual) maturity of the fixed rate securities. Fixed rate securities with shorter maturities are generally associated with lower price risks than fixed rate securities with longer maturities. Conversely, fixed-rate securities with shorter maturities generally have lower returns than longer-term fixed-rate securities. Due to their short terms not exceeding 397 days, money market instruments tend to be associated with lower price risks. In addition, the interest rates of different, interest-related financial instruments

denominated in the same currency with comparable residual maturity can develop differently.

Risk of changes in price of convertible and warrant-linked bonds

Convertible and warrant-linked bonds embody the right to convert the bond into equities or to acquire equities. The performance of the value of the convertible and warrant-linked bonds is therefore dependent on the price performance of the equity as the underlying. The risks of the performance of the underlying equities can therefore impact on the performance of the convertible and warrant-linked bonds. Warrant-linked bonds, which grant the issuer the right to tender to the investor a number of equities that has been agreed in advance instead of paying back a nominal amount (reverse convertibles), are very heavily dependent on the corresponding equity price.

Risks connected to derivative transactions

The Company may conclude derivative transactions for the fund. Buying and selling options, as well as the conclusion of futures contracts or swaps, involves the following risks:

- Price changes in the underlying can cause a decrease in the value of the option or future. If this decrease ends in a total loss, the Company can be forced to allow the acquired right to lapse completely. Changes in the value of the asset underlying a swap can also result in losses for the fund.

- The leverage effect of options may alter the value of the fund's assets more strongly than the direct purchase of underlyings would. The risk of losses cannot be determined when the transaction is first concluded.

- There may be no liquid secondary market for a specific instrument at a given time. Under certain circumstances then it may not be possible to neutralize (close) a position in derivatives profitably.

- The purchase of options entails the risk that the options are not exercised because the prices of the underlyings do not change as expected, meaning that the fund loses the option premium it paid. If options are sold, there is the risk that the fund may be obliged to buy assets at a price that is higher than the current market price, or obliged to deliver assets at a price which is lower than the current market price. In that case, the fund will incur a loss amounting to the price difference minus the option premium collected.

- Futures contracts entail the risk that the Company may, for the account of the fund, be obliged to bear the difference between the underlying price at the time of conclusion and the market price at the time the transaction is closed or matures. The fund would suffer losses as a result. The risk of losses cannot be determined when the futures contract is concluded.

- Any necessary back-to-back transactions (closing of position) incur costs.

- Forecasts made by the Company about the future performance of underlying assets, interest rates, prices and currency markets may prove in retrospect to be incorrect.

- It may not be possible to buy or sell the assets underlying the derivatives at a favorable time or it might be necessary to buy or sell them at an unfavorable one.

- Using derivatives can result in potential losses, which under certain circumstances are not foreseeable and which may even exceed the initial margins.

Over-the-counter (OTC) transactions entail the following risks:

- There may be no organized market, meaning that the Company would find it difficult or even impossible to sell financial instruments it acquired on the OTC market for the account of the fund.

- Due to the individual agreement, it can be difficult or impossible to conclude a back-to-back transaction (closing of position) or to do so may involve considerable expense.

Risks of securities lending

If the Company grants a securities loan on behalf of the fund, it transfers the securities to a borrower who returns securities of the same type and in the same quantity and quality (securities loan) when the loan matures. The Company has no disposal rights to the lent securities during the term of the loan. If the security loses value during the term of the loan and the Company wants to sell the security entirely, it must terminate the loan transaction and wait for the customary settlement cycle, which can give rise to a risk of losses for the fund.

Risks of repurchase agreements

If the Company sells securities under repurchase agreements, it is selling them and undertaking to buy them back at a surcharge at the maturity date. The repurchase price and surcharge to be paid by the seller at the maturity date is stipulated when the agreement is made. Should the securities sold under a repurchase agreement lose value during the term of the agreement and should the Company wish to sell them to limit the value losses, it can only do this by exercising the right to early termination. The early termination of the agreement can entail financial losses for the fund. In addition, the surcharge to be paid at the end of the term may prove to be higher than the earnings generated by the Company through the reinvestment of the cash received.

If the Company buys securities under repurchase agreements, it is buying them and undertaking to sell them back at the maturity date. The repurchase price is already stipulated when the agreement is made. Securities purchased under repurchase agreements serve as collateral for the provision of liquidity to the contract partner. Increases in the value of the securities do not benefit the fund.

Risks connected to receiving collateral

The Company shall receive collateral for derivatives transactions, securities lending and repurchase agreements. Derivatives, lent securities or securities sold under repurchase agreements can increase in value. The collateral provided may then no longer suffice to cover in full the Company's right of supply or of return transfer with respect to the counterparty.

The Company can invest cash collateral in blocked cash accounts, in government bonds with high credit ratings or in money market funds with a short maturity structure. The credit institution holding the bank balances can fail however. Government bonds and money market funds can perform poorly. At the end of the term, the full amount of the invested collateral may no longer be available, even though it must be returned by the Company for the fund in the amount originally granted. The Company can then be obliged to top up the collateral to the granted amount for the account of the fund and thus compensate for the losses suffered by the investment.

Risk of securitization positions without an excess

The fund may only still acquire securities that securitize loans (loan securitization positions) and that were issued after January 1, 2011, if the lender retains at least 5% of the volume of the securitization as an excess and observes further stipulations. The Company is therefore obliged, in the interests of the investor, to take remedial action, if loan securitizations issued after this cutoff date do not comply with these EU standards. Within the framework of these remedial actions, the Company could be forced to sell such loan securitization positions. Due to legal regulations for banks, fund companies and, possibly in the future also for insurance companies, there is the risk that the Company will not be able to sell such loan securitization positions held in the fund or if it can, then only with heavy discounts or prolonged delays.

Inflation risk

All assets are subject to a risk of devaluation through inflation. This also applies to assets held in the fund. The inflation rate may exceed the appreciation of the fund.

Currency risk

Assets of the fund may be invested in currencies other than the fund currency. The fund receives income, repayments and proceeds from such investments in these other currencies. If the value of these currencies falls in relation to the fund currency, the value of these investments and consequently of the investment fund is likewise reduced.

Concentration risk

If there is a concentration of investments in particular assets or markets, the fund becomes particularly heavily dependent on the performance of these assets or markets.

Risks associated with investing in investment fund units

The risks entailed in investment funds, whose units are acquired for the fund (termed “target funds”) are closely linked to the risks inherent in the assets contained in these target funds and in the investment strategies pursued by them. However, since the managers of the individual target funds operate independently of one another, it is also possible that several target funds will be engaged in either similar or mutually opposing investment strategies. This can result in a cumulative effect of existing risks, and any opportunities might be offset. It is generally not possible for the Company to control the management of the target funds. Their investment decisions do not necessarily have to concur with the Company's assumptions or expectations. The Company often will not have timely knowledge of the current composition of target funds. If the composition does not match the Company's assumptions or expectations, it may not be able to react without a considerable delay, by returning units in target funds.

Open-ended investment funds in which the fund acquires units may furthermore temporarily suspend redemption of units. The Company is then prevented from selling the units to the target fund by returning them to the Management Company or Depositary of the target fund in return for payment of the redemption price.

Risks of reduced or increased liquidity of the fund (liquidity risk)

The risks presented below are those that can impair the liquidity of the fund. This can lead to the fund being unable either temporarily or permanently to meet its payment obligations or to the Company being unable to meet the redemption demands of investors, either temporarily or permanently. For the investor it is possible that the holding period he planned will not be realized and that the invested capital or parts thereof might not be available to him for an indefinite period. The materialization of liquidity risks could additionally lead to a reduction in the net asset value of the fund and thus of the net asset value per unit, particularly if the Company is forced, where legally permitted, to sell assets for the fund at prices that are below market value.

Risk of investing in assets

It is also permitted to acquire for the fund assets that are not admitted for trading on an exchange or on another organized market or that are not included in another organized market. It may prove to be the case that these assets can only be sold with heavy discounts or prolonged delays, if at all. Even assets that are admitted for trading on an exchange may prove impossible to sell, depending on the market situation, the volume, the time frame and the planned costs or they may need to be heavily discounted in order to sell. Although in principle, only assets which

may be liquidated at any time may be acquired for the fund, it cannot be ruled out that this may not be possible, either temporarily or permanently, without incurring a loss.

Risk of financing liquidity

The Company may borrow for the account of the fund. There is the risk that the Company may be refused the relevant loan or that it might only be given it at significantly less favorable conditions. Loans with a variable interest rate can become onerous if interest rates rise. Insufficient financing liquidity can impact on the liquidity of the fund, with the result that the Company may be forced to sell assets early or at less favorable conditions than planned.

Risks from increased inflows and outflows

Investors' buy and sell orders create liquidity flowing into the fund and liquidity flowing out of the fund. The inflows and outflows can, after balancing, lead to a net inflow or outflow of the fund's liquid assets. This net inflow or outflow can cause the fund manager to buy or sell assets, which would give rise to transaction costs. This applies in particular if the inflows or outflows cause the fund to exceed or drop below a quota of liquid assets set by the Company for the fund. The transaction costs incurred as a result are charged to the fund and can impact on the performance of the fund. For inflows, an increased fund liquidity can negatively impact on the performance of the fund, if the Company cannot invest the funds under adequate conditions.

Risk associated with public holidays in specific regions/countries

According to the investment strategy, investments are to be made for the fund particularly in specific regions/countries. Local public holidays in these regions or countries may result in differences between exchange trading days of these regions or countries and the valuation dates of the fund. The fund may consequently be unable to react to market developments in these regions or countries on the same day if that day is not a valuation date, or it may be unable to act on a valuation date that is not a trading day in the markets of these regions or countries. As a result, the fund can be prevented from selling assets in the required timeframe. This can negatively impact on the fund's ability to meet redemption demands or other payment obligations.

Counterparty risk including credit and receivables risk

The following risks are those which can arise within the framework of a contractual relationship with another party (counterparty). This includes the risk that the contractual partner will no longer be able to meet his obligations under the contract. These risks can impair the performance of the fund and thus impact negatively on the net asset value per unit and on the capital invested by the investor.

Risk of default / counterparty risks (excluding central counterparties)

The default of an issuer or of a contractual partner (counterparty), against which the fund has claims, may result in losses for the fund. Issuer risk describes the impact of particular developments at the individual issuer, which, along with the general trends in the capital markets, will affect the price of a security. Losses as a result of a decline in the assets of issuers cannot be entirely eliminated, even through careful selection of securities. The party to a contract concluded on behalf of the fund can default, either in whole or in part (counterparty risk). This applies to all contracts that are entered into for the account of the fund.

Risk of central counterparties

A central counterparty (CCP) acts as an interim institution in certain transactions for the fund, in particular in transactions relating to derivative financial instruments. In this case, it acts as buyer in relation to the seller and as seller in relation to the buyer. A CCP secures its counterparty default risks through a series of protection mechanisms, which make it possible for it to balance out losses from transactions entered into, for example through the use of initial margins (e.g., collateral), at any time. Despite these protection mechanisms it cannot be excluded that a CCP might default, which could also affect claims of the Company for the fund. This can result in losses for the fund, which cannot be secured.

Risk of default with repurchase agreements

In repurchase agreements, the collateral is furnished against provision of a consideration by the contractual partner. If the contractual partner defaults during the term of the repurchase agreement, the Company has a utilization right with respect to the securities or cash purchased under the repurchase agreement. A risk of loss may arise for the fund as a result of the fact that the collateral provided is no longer sufficient to cover in full the Company's right of return transfer due to the intervening deterioration in the creditworthiness of the issuer or rising prices of the securities sold under repurchase agreements.

Risk of default with securities lending

If the Company grants a securities loan on behalf of the fund, it must ensure it has sufficient collateral against the default of the contractual partner. The scope of the collateral provided corresponds at least to the market value of the securities transferred as a securities loan. The borrower must provide further collateral if the value of the securities granted as a loan increases, the quality of the collateral provided decreases or a deterioration in economic conditions occurs and the collateral already provided no longer suffices. If the borrower cannot meet

this obligation to make subsequent payments, the risk arises that the right of return transfer will not be covered in full should the contractual partner default. If the collateral is held in custody by an institution other than the Depositary of the fund, there arises the additional risk that it might not be possible to exploit it immediately or in full should the borrower default.

Operational and other risks of the fund

The following is a list of risks which can arise for example as a result of inadequate internal processes or human or system failures within the Company or external third parties. These risks can impair the performance of the fund and thus impact negatively on the net asset value per unit and on the capital invested by the investor.

Risks resulting from criminal activities, defects or natural catastrophes

The fund can be the victim of fraud or other criminal activities. It can suffer losses through misunderstandings or errors on the part of employees of the Company or external third parties or through external events such as, for example, natural catastrophes.

Country or transfer risk

There is the risk that a foreign borrower, despite ability to pay, cannot make payments at all, or not on time or only in another currency, because of the inability or unwillingness of its country of domicile to execute transfers in the currency or for other reasons. This means that, for example, payments to which the Company is entitled for the account of the fund may not occur, or be in a currency that is no longer convertible due to restrictions on currency exchange, or be in a different currency. If the debtor pays in another currency, this position is subject to the aforementioned currency risk.

Legal and political risks

Investments may be made for the fund in jurisdictions that are not subject to German law or that in the event of legal disputes are beyond German jurisdiction. The resultant rights and duties of the Company for the account of the fund can differ from those in Germany to the disadvantage of the fund and/or the investor. The Company may be too late in perceiving political or legal developments including changes to legal framework conditions in these jurisdictions or may not perceive them at all, or such developments may lead to restrictions with respect to acquirable or already acquired assets. Such consequences can also come to pass if the legal framework conditions for the Company and/or the management of the fund in Germany should change.

Change to fiscal framework conditions, tax risk

The information included here is based on our understanding of current legislation. It is aimed

at people subject, without limitation, to income tax or corporate income tax in Germany. However, no responsibility can be assumed for potential changes in the tax structure brought about by legislation, court decisions or the orders of the tax authorities.

In the case of a correction with tax consequences that are essentially unfavorable for the investor, changes to the fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect (e.g., based on external tax audits) can result in the investor having to bear the tax burden resulting from the correction for preceding fiscal years, even though he may not have held an investment in the fund at the time. Conversely, the investor may fail to benefit from an essentially favorable correction for the current or preceding fiscal years during which he held an investment in the fund if the units are redeemed or sold before the correction takes place.

In addition, a correction of tax data can result in a situation where taxable income or tax benefits are actually assessed for tax in a different assessment period to the applicable one and that this has a negative effect for the individual investor.

Key individual risk

If the fund's performance is exceptionally positive during a particular period, this success may also be dependent on the abilities of the individuals acting on behalf of the fund, and therefore on the correct decisions made by the management. Fund management personnel can change, however. New decision-makers might not be as successful.

Custody risk

The custody of assets, especially in foreign countries, involves a risk of loss that may result from insolvency, violation of due diligence, or force majeure.

Risks from trading and clearing mechanisms (settlement risk)

Processing securities transactions via an electronic system gives rise to the risk that one of the contractual parties will not pay on time or as agreed or that the securities will not be delivered in time.

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

Assets

The Company can acquire the following assets for the account of the fund:

- securities according to article 193 KAGB
- money market instruments according to article 194 KAGB
- bank balances according to article 195 KAGB
- investment fund units according to article 196 KAGB

- derivatives according to article 197 KAGB
- other investment instruments according to article 198 KAGB.

The Company may use these assets within the investment limits presented, specifically in the sections "Investment principles and investment limits – Assets – Investment limits for securities and money market instruments, including the use of derivatives and bank balances" as well as "Investment principles and limits – Assets – Other assets and their investment limits".

Details on these acquirable assets and the respective applicable investment limits are presented below.

Securities

The Company may acquire securities of German and foreign issuers for the account of the fund, if

1. they are admitted for trading on an exchange in a member state of the European Union (EU) or in another state that is a party to the Agreement on the European Economic Area (EEA) or are admitted for trading or included in another organized market in one of these states;
2. they are exclusively admitted for trading on an exchange outside the member states of the EU or outside the other states that are parties to the Agreement on the EEA or are admitted for trading or included in another organized market in one of these states, insofar as the choice of this exchange or organized market is approved by BaFin.

Securities from new issues may be acquired if the terms of issue contain the requirement that an application be filed for admission for official listing on or inclusion in one of the exchanges or organized markets mentioned under (1) or (2) above, and if such admission or inclusion takes place no later than one year after the issue.

In this context, securities are also deemed to include:

- Units in closed-end investment funds in contractual or company form, which are subject to supervision by the unitholders ("corporate control"), i.e., the unitholders must have voting rights with respect to key decisions as well as the right to monitor the investment policy by means of appropriate mechanisms. The investment fund must additionally be managed by an entity, who is subject to the regulations for investor protection, unless the investment fund is set up in company form and the asset management role is not performed by another entity.
- Financial instruments that are secured by other assets or are linked to the performance of other assets. Insofar as components of derivatives are embedded in such financial instruments, further requirements apply so that the Company may acquire these as securities.

The securities may only be acquired subject to the following prerequisites:

- The potential loss that the fund can incur may not exceed the purchase price of the secu-

ity. There must not be any obligation to make subsequent payments.

- The liquidity of the security acquired by the fund must not lead to a situation where the fund can no longer comply with the statutory regulations governing the redemption of units. This applies taking into consideration the legal option of being able to suspend unit redemptions in certain cases (see sections “Units – Issue and redemption of units – Issue of units”, “Units – Issue and redemption of units – Redemption of units” as well as “Units – Issue and redemption of units – Suspension of redemption of units”).

- A reliable valuation of the security through exact, reliable and current prices must be available; these must be either market prices or be provided by a valuation system that is independent of the issuer of the security.

- Appropriate information must exist on the security, either in the form of regular, precise and comprehensive information from the market on the security or in the form of an associated portfolio where present.

- The security is tradable.

- The acquisition of the security is in compliance with the investment objectives and the investment strategy of the fund.

- The risks of the security are recorded appropriately by the risk management of the fund.

Securities may also be acquired in the following form:

- equities to which the fund is entitled from company funds in the event of a capital increase;
- securities acquired through the exercise of subscription rights belonging to the fund.

In this context, subscription rights may also be acquired for the fund as securities, provided that the securities underlying the subscription rights may be included in the fund.

Money market instruments

The Company may invest, on behalf of the fund, in money market instruments that are usually traded on the money market, as well as in interest-bearing securities that

- at the time of their acquisition for the fund have a term or a residual term to maturity of maximum 397 days; or

- at the time of their acquisition for the fund have a term or a residual term to maturity that exceeds 397 days, but whose interest payments must under the terms of issue be adjusted to market rates regularly, at least once every 397 days; or

- whose risk profile corresponds to the risk profile of securities that fulfil the criterion of the residual term to maturity or that of the interest payment adjustment.

Money market instruments may be acquired for the fund if:

1. they are admitted for trading on an exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or are admitted for trading or

included in another organized market in one of these states;

2. they are exclusively admitted for trading on an exchange outside the member states of the EU or in another state that is party to the Agreement on the EEA or are admitted for trading or included in another organized market in one of these states, insofar as the choice of this exchange or organized market is approved by BaFin;

3. they are issued or guaranteed by the EU, the German federal government, a special-purpose vehicle of the German federal government, a federal state, another member state or another central, regional or local authority or the central bank of a member state of the EU, the European Central Bank or the European Investment Bank, a state that is not a member state of the European Union or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which at least one member state of the EU is a member;

4. they are issued by a company whose securities are traded on the markets specified in (1) and (2) above;

5. they are issued or guaranteed by a credit institution that is subject to supervision according to the criteria stipulated in EU law, or by a credit institution that is subject to and complies with supervisory provisions considered by BaFin to be equivalent to those of EU law;

6. they are issued by other issuers and the respective issuer is

- a) a company with its own capital and reserves amounting to at least EUR 10 million, which presents and publishes its annual financial statements in accordance with the European Directive governing the annual financial statements of investment companies; or

- b) an entity that, within a group of companies that includes one or more exchange-listed companies, is dedicated to the financing of the group; or

- c) an entity that issues money market instruments that are underwritten by liabilities, through the use of a credit line granted by a bank. These are products in which credit claims of banks are securitized (asset backed securities).

All the aforementioned money market instruments may be acquired only if they are liquid and their value can be determined precisely at all times. Money market instruments which can be sold within a sufficiently short period of time at limited cost are deemed to be liquid. The Company's obligation to redeem units in the fund at the request of the investor and to be in a position to be able to sell such money market instruments in an appropriately short time frame to do this, must be taken into consideration here. Furthermore an accurate and reliable valuation system must exist for the money market instruments, which permits the determination of the net asset value of the money market instrument or is

based on market data or valuation models, such as systems which amortize procurement costs. The liquidity criterion for money market instruments is deemed fulfilled, if they are admitted for trading or included in an organized market within the EEA or are admitted for trading or included in an organized market outside the EEA, insofar as the choice of this market is approved by BaFin.

For money market instruments that are not listed on an exchange or admitted for trading on a regulated market (see above under nos. 3 to 6), the issue or the issuer of these instruments must additionally be subject to provisions governing investment and investor protection. Therefore, appropriate information must be available for these money market instruments, which enables an appropriate valuation of the credit risks associated with the instruments, and the money market instruments must be freely transferable. The credit risks can be valued for example through a creditworthiness check by a ratings agency.

The following conditions continue to apply to these money market instruments unless they have been issued or guaranteed by the European Central Bank or the central bank of a member state of the EU:

- If they are issued or guaranteed by the following institutions (named under no. 3 above):

- the EU;
- the German federal government;
- a special-purpose fund of the German federal government;
- a federal state;
- another member state;
- another central authority;
- the European Investment Bank;
- a state that is not a member state of the European Union or, in the case of a federal state, by one of the members making up the federation;

- a public international body of which at least one member state of the EU is a member; adequate information on the issue or the issue program or on the legal and financial situation of the issuer prior to the issue of the money market instrument must be provided.

- If they are issued or guaranteed by a credit institution that is regulated in the EEA (see no. 5 above), adequate information on the issue or the issue program or on the legal and financial situation of the issuer prior to the issue of the money market instrument must be provided, and must be updated at regular intervals and in the event of significant occurrences. Moreover, data must be provided on the issue or the issue program (e.g., statistics), which makes possible an appropriate valuation of the credit risks associated with the investment.

- If they are issued by a credit institution that is subject to supervision rules outside the EEA, which in the opinion of BaFin are equivalent to the requirements placed on a credit institution within the EEA, one of the following prerequisites must be fulfilled:

- The credit institution maintains a registered office in one of the member states of the Organization for Economic Cooperation and Development (OECD) that is also a member of the “Group of 10” (collection of the most important industrialized countries – G10).

- The credit institution has been awarded at least an “investment grade” rating. “Investment grade” describes a rating of “BBB-” “Baa” or better awarded as part of a creditworthiness check by a rating agency.

- It can be proven, via an in-depth analysis of the issuer, that the supervision rules applicable to the credit institution are at least as strict as those set down in EU law.

- With respect to other money market instruments that are neither listed on an exchange nor admitted for trading on a regulated market (see those named above under nos. 4 and 6 and the remainder under no. 3), adequate information on the issue or the issue program as well as on the legal and financial situation of the issuer prior to the issue of the money market instrument must be provided; it must furthermore be updated at regular intervals and in the event of significant occurrences and be checked by a qualified third party who must be independent of the issuer. Moreover, data must be provided on the issue or the issue program (e.g., statistics), which makes possible an appropriate valuation of the credit risks associated with the investment.

Bank balances

Unless otherwise stipulated in the Investment Conditions, the Company may for the account of the fund, hold only bank balances having a term not exceeding twelve months. Such balances shall be kept in blocked accounts at credit institutions having their registered offices in a member state of the EU or in another state that is a party to the Agreement on the EEA. They can also be kept with credit institutions having their registered offices in a third country whose regulatory rules are considered by BaFin as equivalent to those laid down in EU law.

Investment limits for securities and money market instruments, including the use of derivatives and bank balances

General investment limits

The Company may invest up to 10% of the fund's assets in securities and money market instruments of the same issuer (borrower). In this respect, the total value of securities and money market instruments of this issuer (borrower) may not exceed 40% of the fund. Furthermore, the Company may only invest up to 5% of the fund's assets in each of securities and money market instruments of the same issuer. Securities purchased under repurchase agreements shall be attributed to this investment limit.

The Company may invest no more than 20% of the fund's assets in bank balances at any one credit institution.

Investment limit for bonds with special cover assets pool

The Company may invest up to 25% of the fund's assets in each of mortgage bonds, municipal bonds and bonds issued by a credit institution having its registered office in a member state of the EU or in another state that is a party to the Agreement on the EEA. The prerequisite is that the funds deriving from the bonds are invested such that they cover the liabilities of the bonds over their entire term and are intended as a matter of priority for repayments and interest, if the issuer of the bonds should default. When more than 5% of the fund's assets are invested in such bonds issued by one issuer, the total value of these bonds must not exceed 80% of the value of the assets of the fund. Securities purchased under repurchase agreements shall be attributed to this investment limit.

Investment limits for public sector issuers

The Company may invest up to 35% of the fund's assets in each of bonds, promissory note loans (Schuldscheindarlehen) and money market instruments of certain national and supranational public sector issuers. These public sector issuers include the German federal government, the German federal states, member states of the EU or their local authorities, states that are not members of the European Union as well as supranational public organizations, of which at least one EU member state is a member.

This limit can be exceeded for securities and money market instruments, if this is provided for in the Investment Conditions and the issuers are specified there. If this option is availed of, the securities/money market instruments of this issuer held by the fund must consist of at least six different issues, whereby no more than 30% of the value of the fund may be invested in one issue.

Securities purchased under repurchase agreements shall be attributed to this investment limit.

Combining investment limits

The Company may invest no more than 20% of the fund's assets in a combination of the following assets:

- securities or money market instruments issued by one and the same institution;
- deposits at this institution, i.e., cash balances;
- attributable amounts for the counterparty risk of the derivatives, securities lending and repurchase agreements entered into with this institution.

For particular, public sector issuers (see section “Investment principles and investment limits – Assets – Investment limits for securities and money market instruments, including the use of

derivatives and bank balances – Investment limits for public sector issuers”) a combination of the aforementioned assets may not exceed 35% of the assets of the fund.

The respective individual upper limits remain unaffected.

Investment limits with the use of derivatives

The amounts of securities and money market instruments of an issuer that are attributable to the limits mentioned above may be reduced by using offsetting derivatives which have securities or money market instruments of the same issuers as their underlying. This means that securities or money market instruments from the same issuer may be acquired on behalf of the fund, even exceeding the limits mentioned above, provided that the related increase in issuer risk is reduced again by hedging transactions.

Other assets and their investment limits

The Company may invest no more than 10% of the fund's assets, in total, in the following other assets:

- Securities that are not admitted for trading on an exchange, nor admitted to or included in another organized market, but which in principle fulfill the criteria for securities.

In contrast to the traded/admitted securities, a reliable valuation must be available for these securities in the form of a valuation that is performed regularly and is derived from information provided by the issuer or a competent financial analysis. Appropriate information on the non-admitted/non-included security must be provided in the form of the regular provision of accurate information by the fund or, where present, the associated portfolio must be available.

- Money market instruments of issuers that do not satisfy the aforementioned requirements, once they are liquid and their value can be determined precisely at all times. Money market instruments which can be sold within a sufficiently short period of time at limited cost are deemed to be liquid. The Company's obligation to redeem units in the fund at the request of the investor and to be in a position to be able to sell such money market instruments in an appropriately short time frame to do this, must be taken into consideration here. Furthermore an accurate and reliable valuation system must exist for the money market instruments, which permits the determination of the net asset value of the money market instrument or is based on market data or valuation models, such as systems which amortize procurement costs. The liquidity criterion for money market instruments is deemed fulfilled, if they are admitted for trading or included in an organized market within the EEA or are admitted for trading or included in an organized market outside the EEA, insofar as the choice of this market is approved by BaFin.

- New issues of equities, if, according to their terms of issue,

- their admittance for trading on an exchange in a member state of the EU or in another state that is a party to the Agreement on the EEA or their admittance for trading or inclusion in an organized market in a member state of the EU or in another state that is a party to the Agreement on the EEA shall be applied for in accordance with the terms and conditions of issue, provided that
- their admittance for trading on an exchange or their admittance to or inclusion in an organized market other than in a member state of the EU or in another state that is not a party to the Agreement on the EEA shall be applied for in accordance with the terms and conditions of issue, provided that the selection of this exchange or this organized market is permitted by BaFin and
- the admittance or inclusion occurs within one year of issue.
- Promissory note loans (Schuldscheindarlehen) that can be assigned at least twice following acquisition for the fund and were granted by one of the following institutions:
 - a) the German federal government, a special-purpose vehicle of the German federal government, a member state of the EU or a member state of the OECD;
 - b) another domestic authority, regional government or local authority of another member state of the EU or another state that is a party to the Agreement on the EEA provided that the claim against credit institutions and securities firms can be handled, in accordance with the regulation governing supervisory requirements, in the same way as a claim against the central state, in whose jurisdiction the regional government or authority resides;
 - c) other corporate bodies or institutions under public law with registered offices in Germany or in another member state of the EU, or in another state that is a party to the Agreement on the EEA;
 - d) companies that have issued securities that have been admitted for trading in an organized market within the EEA or have been admitted for trading on another regulated market that fulfills the Markets in Financial Instruments Directive, as amended; or
 - e) other borrowers, provided that one of the bodies described in (a) through (c) above has guaranteed the payment of interest and repayment of principal.

Investment fund units

The section “Fund-specific regulations – Investment objectives and strategy – Investment strategy” and the Investment Conditions detail the amount to which the Company can invest in units of target funds for the account of the fund, provided these are open-ended German and foreign funds. The Company acquires for the fund

predominantly units in the member states of the EU, the EEA and G20.

The target funds may invest no more than 10% in units of other open-ended investment funds, in accordance with their Investment Conditions or their articles of incorporation and by-laws. For units in AIFs, the following requirements also apply:

- The target fund must have been authorized under laws that provide that it is subject to effective public supervision for the protection of the investor and satisfactory cooperation between authorities must be sufficiently ensured.
 - The level of protection for the investor must be equivalent to that provided for an investor in a domestic UCITS, particularly with respect to the segregation of management and custodianship of the assets, borrowing, lending, and short sales of securities and money market instruments.
 - The business activity of the target fund must be reported in annual and semiannual reports and allow investors to form an opinion of the assets and liabilities, income and transactions over the reporting period.
 - The target fund must be a public fund, where the number of units is not limited and the investors have the option to redeem the units.
- No more than 20% of the fund’s assets may be invested in units of a single target fund. No more than 30% of the fund’s assets in total may be invested in AIFs. The Company may acquire for the account of the fund no more than 25% of the issued units of a single target fund.
- Target funds can suspend the redemption of units temporarily within the statutory framework. The Company is then prevented from returning units in the target fund to the Management Company or Depositary of the target fund in return for payment of the redemption price (see also section “Risk warnings – Risks of the negative performance of the fund (market risk) – Risks associated with investing in investment fund units”). The Company’s website at www.dws.de contains information on whether and to what extent the fund holds units in target funds which have currently suspended redemption of units.

Derivatives

The Company may execute transactions with derivatives for the fund as part of the investment strategy. This includes transactions with derivatives for efficient portfolio management and to achieve additional income, i.e., also for speculative purposes. This can increase the fund’s risk of loss, at least temporarily.

A derivative is an instrument, the price of which depends on the price fluctuations or price expectations of other assets (“underlying”). The following information refers both to derivatives as well as to financial instruments with derivative

components (hereinafter referred to collectively as “derivatives”).

The market risk of the fund may be no more than doubled by the use of derivatives (“market risk limit”). Market risk is the risk of loss resulting from fluctuations of the market value of assets held in the fund caused by changes in variable prices/market prices, such as interest rates, exchange rates, prices of equities and commodities, or changes to the credit standing of an issuer. The Company must continuously observe the market risk limit. The extent of the market risk limit must be determined daily according to statutory provisions; these derive from the Regulation on Risk Management and Risk Measurement in the Use of Derivatives, Securities Loans and Repurchase Agreements in Investment Funds Pursuant to the German Capital Investment Act (KAGB) (hereinafter DerivateV).

Precise details, as to which derivatives the Company may acquire for the account of the fund and which method is used to determine the extent of the market risk limit, are provided in the section “Fund-specific regulations – Derivatives”.

Futures contracts

Futures contracts are agreements that unconditionally bind both parties to buy or sell a particular amount of a certain underlying at a predetermined price at a certain point in time, at maturity or within a certain period. The Company may enter into futures contracts for the account of the fund, in line with the investment principles, on assets that can be acquired for the fund, on interest rates, exchange rates or currencies as well as on qualifying financial indices.

Futures contracts are concluded both in the form of futures and forwards. The counterparty for forwards must have a minimum rating of A-/A3.

Options

In options transactions, a third party is granted, against payment of a premium, the right to demand delivery or acceptance of assets during a specific period of time or at the end of a specific period at a predetermined price (strike price), or to demand payment of a cash settlement, or to acquire the respective options. The Company may take part in options transactions for the account of the fund within the scope of the investment principles.

For options transactions, only underlyings that may also be acquired directly for the fund may be used.

Swaps

Swaps are exchange contracts in which the parties swap the cash flows or risks underlying the respective transaction. The Company may enter into interest rate swaps, currency swaps, equity swaps and credit default swaps for the account of the fund in line with the investment principles.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to conduct a swap transaction, the terms of which are precisely specified, at a certain point in time or within a certain period. In all other aspects, the principles related to option transactions apply as described. The Company may conclude swaptions composed of the options and swaps described above, for the account of the fund.

Credit default swaps

Credit default swaps are credit derivatives that enable the transfer of a volume of potential credit defaults to other parties. As compensation for accepting the credit default risk, the seller of the risk (the protection buyer) pays a premium to its counterparty. The Company may only enter into simple, standardized credit default swaps for the account of the fund that are used to hedge individual credit risks in the fund.

In all other aspects, the information for swaps applies accordingly.

Securitized financial instruments

The Company may also acquire, for the account of the fund, the aforementioned financial instruments if they are securitized. The transactions pertaining to financial instruments may also be just partially contained in such securities (e.g., warrant-linked bonds). The statements on opportunities and risks apply accordingly to such securitized financial instruments, but with the condition that the risk of loss in the case of securitized financial instruments is limited to the value of the security.

OTC derivative transactions

The Company may, for the account of the fund, conduct both those derivative transactions admitted for trading on an exchange or admitted for trading or included in another organized market and over-the-counter (OTC) transactions.

The Company may conduct derivative transactions not admitted for trading on an exchange nor admitted for trading nor included in another organized market only with suitable credit institutions or financial services institutions on the basis of standardized master agreements. For derivatives traded other than on an exchange, the counterparty risk of a contracting party is limited to 5% of the fund's assets. If the counterparty is a credit institution having its registered office in a member state of the EU, in another state that is party to the Agreement on the EEA or a third country with a comparable level of supervision, the counterparty risk may amount to 10% of the fund's assets. Derivative transactions traded other than on an exchange where the counterparty is the central clearinghouse of an exchange or another organized market are not included when determining counterparty limits if the derivatives are marked to market daily, with a daily margin settlement. Claims by the fund against a broker shall, however,

be included in the limits, even if the derivative is traded on an exchange or another organized market.

SECURITIES LENDING

The securities held by the fund may be transferred as a loan to a third party in exchange for appropriate market compensation. The entire quantity of securities held in the fund may only be transferred as a securities loan to a third party for an indefinite period. The Company has the option at any time to terminate the loan transaction. It must be contractually agreed that securities of the same kind, quality and quantity are to be returned within the usual processing time following the end of the loan transaction. A requirement for the transfer of securities by way of a loan is that the fund must be provided with sufficient collateral. For this purpose, deposits may be assigned or pledged, or securities and money market instruments may be transferred or pledged. The fund is entitled to the income from investing the collateral.

The borrower must additionally pay to the Depositary, for the account of the fund, any interest received from lent securities at maturity. The value of all securities transferred to any one borrower may not exceed 10% of the fund's assets.

Securities lending shall be conducted by the Company itself without the involvement of external service providers.

The Company is not permitted to grant money loans to third parties for the account of the fund.

REPURCHASE AGREEMENTS

The Company may enter into repurchase agreements having a maximum maturity of twelve months on behalf of the fund with credit institutions and financial services institutions. In this process, it can both transfer securities of the fund to a pledgee against payment of a fee (simple repurchase agreement) and purchase securities under repurchase agreements within the framework of the relevant valid investment limits (reverse repurchase agreement). The Company has the option to terminate the repurchase agreement at any time; this does not apply to repurchase agreements with a term of up to one week. Upon termination of a simple repurchase agreement, the Company is entitled to demand back the securities sold under same. The termination of a reverse repurchase agreement can result in either the repayment of the full monetary amount or of the accumulated monetary amount at the current market value. Repurchase agreements are only permitted in the form of "genuine repurchase agreements." In these transactions, the pledgee assumes the obligation to retransfer the securities on a fixed date or on a date to be determined by the pledger or to pay back the monetary amount plus interest.

COLLATERAL STRATEGY

Within the framework of derivatives transactions, securities lending and repurchase agree-

ments, the Company accepts collateral for the account of the fund. The collateral serves to reduce in whole or in part the default risk of the counterparty in these transactions.

Types of permissible collateral

The Company accepts the following assets as collateral and assets that meet the following prerequisites for derivatives transactions/securities lending/repurchase agreements:

- In the case of securities lending, such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through intermediaries, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower.

- Collateral for securities lending transactions, reverse repurchase agreement transactions and transactions with OTC derivatives (except currency forward transactions) must be provided in one of the following forms:

- liquid assets such as cash, short-term bank deposits, money market instruments as defined in Directive 2007/16/EC of March 19, 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty, or bonds issued or guaranteed by a member state of the OECD or by their local authorities or by supranational institutions and bodies of a community, regional or worldwide scope;
- units of a UCI investing in money market instruments, calculating a daily net asset value and which have a rating of AAA or its equivalent;
- units issued by UCITS investing mainly in bonds/equities mentioned in the following two indents;
- bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
- equities admitted to or traded on a regulated market of a member state of the European Union or on a stock exchange of a member state of the OECD, provided that these equities are included in a major index.

Scope of collateral

Securities lending is secured in full. The market value of the securities transferred as a loan, together with the associated income, forms the collateral value. The value of the collateral provided by the borrower must not fall below the collateral value plus a surcharge that is customary on the market.

Moreover, derivatives, securities lending and repurchase agreements must be secured to a level that ensures that the attributable amount for the default risk of the relevant counterparty

does not exceed 5% of the assets of the fund. If the counterparty is a credit institution having its registered office in a member state of the EU or in another state that is party to the Agreement on the EEA or a third country where equivalent supervision rules apply, the attributable amount for the default risk may amount to 10% of the fund's assets.

Strategy for discounting the valuation (haircut strategy)

The discounts applied to the collateral are based on:

- a) the credit worthiness of the counterparty,
- b) the liquidity of the collateral,
- c) the price volatility of the collateral,
- d) the credit standing of the issuer and/or
- e) the country or market in which the security is traded.

The discounts used are checked for their adequacy at regular intervals, at least yearly, and adjusted accordingly if necessary.

Investing cash collateral

Cash collateral in the form of bank balances may be held in blocked cash accounts with the Depositary of the fund or at another institution with the Depositary's approval. The cash may only be reinvested in government bonds with high credit ratings or in money market funds with a short maturity structure. In addition, cash collateral can be invested with a credit institution, in the form of a reverse repurchase agreement as long as the return transfer of the accumulated bank balance is guaranteed at all times.

BORROWING

Short-term borrowing of up to 10% of the fund's assets for the collective account of the investors is permissible if the borrowing conditions are customary in the market, and if the Depositary grants its consent.

LEVERAGE

Leverage is any method by which the Company increases the level of investment of the fund. This can take the form of the conclusion of securities loans, leveraging embedded in derivatives or other means. The option of using derivatives and concluding securities lending transactions is presented in the section "Investment principles and investment limits – Assets – Derivatives"; "Fund-specific regulations – Derivatives" as well as "Investment principles and investment limits – Assets – Securities lending". The borrowing option is set out in the section "Investment principles and investment limits – Borrowing".

The market risk of the fund may be no more than doubled by the use of derivatives (see section "Investment principles and investment limits – Assets – Derivatives"). The Company expects that the level of investment of the fund is no more than doubled as a result of leveraging,

unless otherwise regulated in the section "Fund-specific regulations – Derivatives".

The leverage is calculated by dividing the total exposure of the fund by its net asset value. To calculate total exposure, the net asset value of the fund is added to all nominal amounts of the derivative transactions used in the fund. Any effects from reinvesting collateral in securities lending and repurchase transactions shall be taken into account. Depending on the market conditions, however, the leverage may fluctuate meaning that the target mark may be exceeded despite constant monitoring by the Company. Derivatives can be used by the Company to different ends, for example to hedge or to optimize returns. The calculation of the total exposure does not however differentiate between the different objectives of derivative use. For this reason, the sum of the nominal amounts provides no indication of the risk content of the fund.

VALUATION

General asset valuation rules

Assets admitted for trading on an exchange/ traded in an organized market

Assets that are admitted for trading on an exchange or admitted to, or included in, another organized market, as well as subscription rights for the fund, are generally valued at their last available tradable market price which provides a reliable valuation, unless otherwise provided for in section "Investment principles and investment limits – Valuation – Special valuation rules for individual assets" below.

Assets not listed on exchanges nor traded in organized markets, or assets having no trading price

Assets that are not admitted for trading on exchanges nor admitted to, or included in, another organized market, or for which there is no trading price, are valued at the current market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration current market conditions, unless otherwise provided for in the section "Investment principles and investment limits – Valuation – Special valuation rules for individual assets" below.

SPECIAL VALUATION RULES FOR INDIVIDUAL ASSETS

Unlisted bonds and promissory note loans (Schuldscheindarlehen)

For the purposes of valuing bonds that are not admitted for trading on an exchange nor admitted to, or included in, another organized market (e.g., unlisted debt instruments, commercial papers and certificates of deposit) and for the valuation of promissory note loans (Schuldscheindarlehen), the market prices agreed for comparable bonds and promissory note loans and, if applicable, the market prices of bonds of comparable issuers

and with equivalent maturities and interest rates are used, less a discount to compensate for limited marketability, if necessary.

MONEY MARKET INSTRUMENTS

Money market instruments are valued at the prevailing market rates.

Options and futures contracts

Options owned by the fund and liabilities from options granted to third parties that are admitted for trading on an exchange or admitted to or included in another organized market are valued at the last available trading price, which provides a reliable valuation.

The same applies with respect to amounts receivable and payable under futures contracts sold for the account of the fund. The initial margins charged to the fund are included in the value of the fund, taking into account the gains and losses in valuation established on the day of trading.

Swaps

Swaps are valued at the market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration overall circumstances.

Bank balances, other assets, liabilities, time deposits, units of investment funds and loans

Bank balances and certain other assets (e.g., interest receivable), receivables (e.g., accrued interest receivable) and liabilities are generally measured at their nominal value plus accrued interest.

Time deposits are valued at their market value, provided that the time deposit may be cancelled at any time and repayment upon cancellation does not take place at the nominal value plus interest.

Investment fund units (units in target funds) are generally valued at their last determined redemption price or the last available tradable price, which provides a reliable valuation. If these figures are not available, investment units are valued at their current market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking into consideration the current market situation.

Repayment claims arising from lending transactions are governed by the applicable price of the assets transferred as loans.

Repurchase agreements

Assets sold under repurchase agreements for the account of the fund shall continue to be taken into account in the valuation. In addition, the amounts received for the account of the fund under repurchase agreements shall be reported as bank balances.

Assets purchased under repurchase agreements for the account of the fund shall not be included in the valuation. Because of the payments made by the fund, a claim against the pledger in the amount of the discounted repayment claims must be taken into account in the valuation.

Assets denominated in foreign currency

Assets denominated in foreign currency shall be converted into the currency of the fund using the Thomson Reuters (Markets) Deutschland GmbH morning fixing of the currency, calculated each day of trading at 10 AM CET.

SUB-FUNDS

The fund is not a sub-fund of an umbrella structure.

UNITS

The rights of the investors in the fund are certificated exclusively in global certificates at inception. These global certificates are kept at a central depository for securities. Investors are not entitled to receive physical delivery of individual share certificates. Units may only be purchased if they are to be held in custody. Share certificates are made out to the bearer and are issued for one unit or multiples thereof. When a share certificate is transferred, the rights represented by it are transferred also.

Issue and redemption of units

The Company prohibits all activities connected with market timing and similar practices, and it reserves the right to refuse buy, sell and exchange orders if it suspects that such practices are being applied. In such cases, the Company will take all measures necessary to protect the other investors in the fund.

Issue of units

The number of units issued is generally unlimited. Units may be purchased from the Depositary. They are issued by the Depositary at the issue price, which is equal to the net asset value per unit (NAV per unit) plus an initial sales charge. In addition, acquisition via the intermediary of third parties is possible; this can give rise to additional costs. The Company reserves the right to suspend or permanently discontinue the issue of units.

If a minimum investment sum is prescribed for an investment, this is made known in the section "Fund-specific regulations – Minimum investment amount".

Redemption of units

The investors can request the redemption of units on any valuation date, provided the Company has not temporarily suspended the redemption of units (see section "Units – Issue and redemption of units – Suspension of the redemption of units"). Redemption orders are to be placed with the Depositary or the Company itself. The Company is obliged to redeem units

at the redemption price applicable on the settlement date, which shall correspond to the calculated net asset value per unit – less a redemption fee, where applicable. Redemption can also take place via the intermediary of third parties; this can give rise to additional costs.

Settlement of the issue and redemption of units

The Company complies with the principle of equal treatment of all investors by ensuring that no investor can gain an advantage by buying or selling units at the previously known NAV per unit. It therefore stipulates a daily order acceptance deadline. The settlement of issue and redemption orders received by the Depositary or the Company by the order acceptance deadline generally takes place at the net asset value per unit calculated on the day the order is received (= settlement date). Orders received by the Depositary or the Company after the acceptance deadline are generally not settled until the following valuation date (= settlement date) and then at the net asset value per unit calculated on that day. The order acceptance deadline for this fund is published on the Company's website at www.dws.de. It may be changed by the Company at any time.

Furthermore, third parties may process the issue and redemption of units, e.g., the institution maintaining the securities account. This can lead to longer settlement times. The Company has no influence on the different settlement procedures of the institutions maintaining the securities account.

Unless otherwise specified in the "Fund-specific regulations", the relevant units or the transfer of the amount to be received shall be posted two bank business days after the settlement day. This period refers to the processing activity between the institution maintaining the securities account and the Depositary. Posting or transfer from the institution maintaining the securities account to the desired recipient account must follow afterward, and may lead to additional delays. Investors should therefore allow sufficient time when planning for specific payment dates.

Suspension of the redemption of units

The Company may suspend the redemption of units under exceptional circumstances that make a suspension appear necessary when taking into consideration the interests of investors. Such exceptional circumstances include, for example, the unscheduled closing of an exchange on which a significant portion of the fund's securities is traded or that the assets of the fund cannot be valued. A temporary suspension of redemption is admissible particularly if the payment obligations resulting from the redemption cannot be met out of the liquid assets of the fund. While redemption is suspended, no new units may be issued. The Company is required to notify BaFin

and the responsible institutions of other member states of the EU or the other states that are party to the Agreement on the EEA, in which it distributes units, immediately of its decision to suspend redemption.

The Company reserves the right to redeem or exchange units at the current applicable redemption price only after it has sold assets of the fund promptly, yet always acting in the best interests of the unitholders.

The Company shall notify the investors by means of an announcement in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication and in daily newspapers with sufficient circulation, or on the Internet at www.dws.de, about the suspension of the redemption of units and its resumption. Investors shall be informed in paper or electronic form by the institution maintaining their securities account.

If it is not possible to fulfill all claims of the investors to redemption of their units, the claims shall be fulfilled in the chronological order of their assertion. Claims made on the same day must be fulfilled pro rata.

Liquidity management

The Company has stipulated written principles and procedures for the fund that make it possible for it to monitor the liquidity risks of the fund and to guarantee that the liquidity profile of the fund's investments are covered with the underlying liabilities of the fund. The principles and procedures include:

- The Company monitors the liquidity risks, which can arise at the level of the fund or the assets. To this end, it forms an assessment of the liquidity of the assets held in the fund in relation to the net assets and stipulates a liquidity ratio for this. The assessment of the liquidity includes, for example, an analysis of the trading volume, the complexity of the assets, the number of trading days, which are required to sell the relevant assets without influencing the market price. The Company hereby monitors the investments in target funds and their redemption principles and any resultant consequences for the liquidity of the fund.

- The Company monitors the liquidity risks that can arise from increased demands by investors for the redemption of investor units. It hereby forms expectations regarding changes to the net capital taking into consideration the available information on the investor structure and empirical values from historical changes to net capital. It takes into consideration the consequences of the risks of mass redemption demands and other risks, e.g., reputational risks.

- The Company has stipulated adequate limits for the liquidity risks for the fund. It monitors the compliance with these limits and has procedures in place should the limit be exceeded or be at risk of being exceeded.

- The procedures put in place by the Company guarantee a consistency between the

liquidity ratio, the liquidity risk limit and the changes in net capital that are to be expected.

The Company checks these principles regularly and updates them accordingly.

The Company performs stress tests regularly, but at least yearly, by means of which they can assess the liquidity risks of the fund. The Company performs the stress tests on the basis of reliable and current, quantitative or, if this is not appropriate, qualitative information. This includes the investment strategy, redemption deadlines, payment obligations and periods within which the assets can be sold, as well as information in relation to general investment behavior and market developments. The stress tests can simulate lack of liquidity of the assets in the fund or demands for redemption of units which in their number and scope are atypical. They cover market risks and their consequences, including margin calls, collateral requirements or credit lines. They take account of valuation sensitivities under stress conditions. They are performed taking into consideration the investment strategy, liquidity profile, investor structure and redemption principles of the fund at a level of frequency that is appropriate for the type of fund.

The rights of return under normal and unusual circumstances as well as the suspension of redemption are described in the sections "Units – Issue and redemption of units – Issue of units", "Units – Issue and redemption of units – Redemption of units" and "Units – Issue and redemption of units – Suspension of the redemption of units". The associated risks are explained under "Risk warnings – Risk of fund investment – Suspension of the redemption of units" as well as "Risk of reduced liquidity of the fund (liquidity risk)".

Fair treatment of investors and unit classes

All units issued have the same identifying features. No unit classes shall be formed.

The Company must treat the fund's investors fairly. During the process of controlling liquidity risk and redeeming units, it may not prioritize the interests of one investor or group of investors over the interests of the other investors or other group of investors.

For more information on the procedures which the Company uses to ensure the fair treatment of investors, see section "Units – Issue and redemption of units – Settlement of the issue and redemption of units" and "Units – Liquidity management".

The Company may, at its discretion, agree with individual investors the partial repayment to them of the management fees collected. This can be a consideration especially in the case of institutional investors who directly invest large amounts for the long term. The Company's "Institutional Sales" division is responsible for these matters.

Issue and redemption prices

In calculating the issue price and the redemption price for the units, the Depositary shall

determine on each valuation date, with the participation of the Company, the value of the assets owned by the fund, less any liabilities (net asset value).

The division of the net asset value determined in this way by the number of units issued gives the value of each unit ("net asset value per unit").

All exchange trading days are valuation dates for the net asset value per unit of the fund. On public holidays in the area covered by the KAGB that are trading days, as well as on December 24 and December 31 of each year, the Company and the Depositary may refrain from calculating the value. The net asset value per unit is not currently calculated on New Year's Day, Good Friday, Easter Monday, May 1, Ascension Day, Whit Monday, Corpus Christi, October 3, November 1, December 24 to 26, and December 31. In the section "Fund-specific regulations" additional days such as foreign holidays can also be excluded as valuation dates.

Suspension of the calculation of the issue and redemption prices

The Company may temporarily suspend the calculation of the issue and redemption prices under the same conditions as the redemption of units. These circumstances are explained in more detail in the section entitled "Units – Issue and redemption of units – Suspension of the redemption of units".

Initial sales charge and redemption fee

Precise details of the initial sales charge and the redemption fee are provided in the sections "Fund-specific regulations – Initial sales charge" and "Fund-specific regulations – Redemption fee".

Publication of the issue and redemption prices

For each issue and redemption of units, the issue and redemption prices shall be published in a business publication and a daily newspaper with sufficient circulation and/or on the Internet at www.dws.de.

If units are redeemed through third parties, costs could be incurred for the redemption of the units. Costs higher than the issue price may be charged if the units are sold through third parties.

COSTS

Costs related to the issue and redemption of units

No additional costs are charged by the Company or the Depositary for the issue and redemption of units at the issue price (net asset value per unit plus an initial sales charge) or redemption price (net asset value per unit).

If the investor acquires units via a third-party intermediary, the latter may charge costs that are higher than the initial sales charge. If the investor returns units via a third party, the latter can charge its own costs for the redemption of units.

Management and other costs

The details on the management and other costs are provided in the section "Fund-specific regulations – Management and other costs".

Circumstances particular to the acquisition of investment fund units

In addition to the fees for the management of the fund, a management fee shall be charged for the target fund units held in the fund. The ongoing costs for the target fund units held in the fund are taken into consideration when calculating the total expense ratio (see section "Costs – Total expense ratio").

In conjunction with the acquisition of target fund units, the following types of fees, costs, taxes, commissions and other expenses are to be borne, directly or indirectly, by the fund's investors:

- the management fee/all-in fee of the target fund;
- the performance-based fees of the target fund;
- the initial sales charges and redemption fees of the target fund;
- reimbursements of expenses of the target fund;
- other costs.

When acquiring units of investment funds that are directly or indirectly managed by the Company itself or by another company with which the Company is affiliated by virtue of joint management or control, or by material direct or indirect participation amounting to more than 10% of capital or voting rights (hereinafter referred to as "affiliated investment funds"), the fund may only be charged a reduced all-in fee of 0.25% in respect of the extent of such investments. If the Company invests in units of affiliated investment funds having an all-in fee lower than that of the fund, the Company may, instead of charging the reduced all-in fee, charge to the fund for the units acquired the difference between the all-in fee of the fund and the all-in fee of the affiliated investment fund, which may be higher than the reduced all-in fee. The same shall apply with respect to the management fee if no all-in fee is charged to the fund and/or the affiliated investment fund. The section "Fund-specific regulations – Circumstances particular to the acquisition of investment fund units" may contain regulations that deviate from this. The initial sales charges and redemption fees that have been charged to the fund in the reporting period for the acquisition and redemption of units in target funds shall be disclosed in the annual and semiannual report. The Company or the other company are not permitted to charge initial sales charges or redemption fees for the acquisition of affiliated investment funds. Furthermore, the fee charged to the fund by a German or foreign company or a company with which the Company is affiliated by means of a significant direct or indirect participation as a management fee for the units held in the fund shall be disclosed

in the annual and semiannual reports. The same shall apply with respect to the all-in fee, if an all-in fee is charged to the fund and/or the affiliated investment fund.

Buy and sell orders for securities and financial instruments

The Company submits buy and sell orders for securities and financial instruments directly to brokers and traders for the account of the fund. It concludes agreements with these brokers and traders under customary market conditions that comply with first-rate execution standards. When selecting the broker or trader, the Company takes into account all relevant factors, such as the credit rating of the broker or trader and the quality of the market information, the analyses, as well as the execution capacities provided. Moreover, the Company concludes agreements under which it can take advantage of and utilize valuable benefits offered by brokers and traders. These valuable benefits accepted in accordance with article 2 KAVerOV include services provided by the brokers and traders directly and those provided by third parties. These services may include the following, for example: particular advice regarding the advisability of trading an asset or its valuation, analyses and consultation services, economic and political analyses, portfolio analyses (including valuation and performance measurement), market analyses, market and price information systems, information services, computer hardware and software, or any and all other means of gathering information in the scope in which they are used to support the investment decision process and the performance of the services owed by the Company in respect of the investments of the fund. That means brokerage services may not be limited to general analysis, but may also include special services such as Reuters and Bloomberg. Agreements with brokers and traders may include the condition that traders and brokers are to transfer to third parties immediately or later a portion of the commissions paid for the purchase or sale of assets; said commissions shall be provided by the Company for the services previously specified.

The Company shall comply with all valid regulatory provisions and industry standards when taking advantage of these benefits (often also called "soft dollars"). In particular, the Company shall not accept any benefits, nor conclude any agreements on obtaining such benefits, if these agreements do not support the Company in its investment decision process according to reasonably prudent discretion. The prerequisite is that the Company shall always ensure that the transactions are executed while taking into account the appropriate market at the appropriate time for transactions of the appropriate type and size at the best possible conditions and that no unnecessary business transactions are concluded to acquire the right to such benefits.

The goods and services received within the scope of soft-dollar agreements shall exclude

travel, accommodations, entertainment, general administrative goods and services, general office equipment and office space, membership fees, employee salaries and direct cash payments.

Commission sharing

The Company may conclude agreements as defined in the "Buy and sell orders for securities and financial instruments" section above with select brokers under which the respective broker transfers, either immediately or after a time delay, portions of the payments it receives under the relevant agreement from the Company for the purchase or sale of assets to third parties that will provide research or analytical services to the Company or upon instruction from the Company will pay for its own research and analytical services. The services under these "commission-sharing agreements" are used by the Company for the purpose of managing the fund. To clarify: the Company shall use these services as specified in and only in accordance with the conditions set out in the "Costs – Buy and sell orders for securities and financial instruments" section. The Company offers to disclose further details to its investors.

Total expense ratio

The management costs incurred by the fund in the fiscal year are disclosed in the annual report and indicated as a ratio of the average fund volume (total expense ratio). The management costs comprise the fee for the management of the fund, Depositary fees as well as additional expenses which may also be charged to the fund (see sections "Fund-specific regulations – Management and other costs" as well as "Costs – Circumstances particular to the acquisition of investment fund units"). If the fund invests a large portion of its assets in other open-ended investment funds, the total expense ratio of this target fund is also taken into account. The total expense ratio does not include any ancillary costs and costs that may arise in connection with the acquisition and sales of assets (transaction costs). The total expense ratio is published in the key investor information document as "current costs".

DETERMINATION OF INCOME

Determination of income, income adjustment procedure

The fund achieves income from interest, dividends and income from investment fund units that have accrued during the fiscal year and have not been applied to cover costs. Added to this are considerations from securities loans and repurchase agreements. Further income can result from the sale of assets held for the account of the fund.

The Company applies an income adjustment procedure for the fund. This means that the pro-rated income over the fiscal year that the pur-

chaser of units must pay as part of the issue price, and that the seller of share certificates receives as part of the redemption price, are continually offset. When calculating the income adjustment, the expenses incurred are taken into account.

This income adjustment procedure serves to even out fluctuations in the ratio between income and other assets caused by the net capital inflows and outflows associated with the issue and redemption of units. Otherwise, every net capital inflow of liquid assets would decrease the proportion of income in the net asset value of the fund, while every net capital outflow would increase it.

In the case of a distributing investment fund, the ultimate effect of the income adjustment procedure is that the distribution amount per unit will not be influenced by any unforeseeable development in the fund and/or the number of units outstanding. In doing so, it is accepted that investors acquiring units shortly before a distribution date, for instance, will receive back the portion of the issue price attributable to income in the form of a dividend, even though their paid-in capital did not contribute to the generation of that income.

In the case of a reinvesting investment fund, the ultimate effect of the income adjustment procedure is that the income per unit reported in the annual report will not be influenced by the number of units outstanding.

LIQUIDATION AND MERGER OF THE FUND

Prerequisites for the liquidation of the fund

The investors are not entitled to demand the liquidation of the fund. The Company may terminate its right to manage the fund by giving at least six months' notice by way of an announcement in the Bundesanzeiger (Federal Gazette) and additionally in the annual report or semi-annual report. Furthermore, investors shall be informed of the termination in paper or electronic form by the institution maintaining their securities account. Upon the effective termination of its management, the Company's right to manage the fund shall cease.

The right of the Company to manage the fund shall also cease upon the institution of bankruptcy proceedings concerning the assets of the Company or upon a judicial order by which the application for the institution of such proceedings is rejected for lack of assets. When the Company's right to manage the fund ends, the right to dispose of the fund passes to the Depositary, which shall wind up the fund and distribute the proceeds to the investors or, with the approval of BaFin, transfer its management to another management company.

Procedure for the liquidation of the fund

With the transfer of the right to dispose of the fund to the Depositary, the issue and redemption of units is stopped and the fund is wound up.

The proceeds from the sale of the fund's assets, less the costs related to the fund and the costs associated with the liquidation of the fund, are distributed to the investors. The investors are entitled to a share of the proceeds of the liquidation of the fund that is proportional to the number of units they hold in the fund.

The Company shall draw up a liquidation report dated to the day on which its right of management ceases; this report must comply with the requirements of an annual report. No later than three months after the date of liquidation of the fund, the liquidation report shall be published in the Bundesanzeiger (Federal Gazette). While the Depositary liquidates the fund, it shall draw up a report annually and on the day liquidation is completed; this report must comply with the requirements of an annual report. These reports shall also be published in the Bundesanzeiger (Federal Gazette) no later than three months after the reference date.

■ **SETTLEMENT WHEN DISTRIBUTING THE LIQUIDATION PROCEEDS**

Settlement takes place three bank business days after the liquidation date. This period refers to the processing activity between the institution maintaining the securities account and the Depositary. Posting or transfer from the institution maintaining the securities account to the desired recipient account must follow afterward, and may lead to additional delays. Investors should therefore allow sufficient time when planning for specific payment dates.

■ **PREREQUISITES FOR THE MERGER OF THE FUND**

All assets of this fund may be transferred with the approval of BaFin to another existing investment fund or to a new investment fund established through the merger, which must fulfill the requirements of a UCITS that has been established in Germany or in another EU or EEA state. All assets of the fund may also be transferred to an existing investment corporation with variable capital or to an investment corporation with variable capital that has been newly established in Germany as a result of the merger.

The transfer takes effect at the end of the fund's fiscal year (key date of transfer), unless a different key date of transfer is stipulated.

Rights of the investor in the event of the merger of the fund

The institutions maintaining the securities accounts of the investors of the fund convey in paper or electronic format, no later than 37 days before the proposed key date of transfer, information on the reasons for the merger, the potential impact on the investors, the rights of the investors in relation to the merger and key aspects of the procedure. The investors shall furthermore receive the key investor information

document for the investment fund to which the assets of the fund are transferred.

The investors have the opportunity, up to five working days before the planned key date of transfer, either to redeem their units at no extra charge, with the exception of the costs to cover the liquidation of the fund or to exchange their units for units of another open-ended public investment fund which is also managed by the Company or another company of the same group and whose investment principles are comparable to those of the fund.

On the key date of transfer, the net asset values of the fund and of the receiving investment fund are calculated, the conversion ratio is determined, and the entire exchange procedure is examined by the auditor. The conversion ratio is calculated on the basis of the ratio of the net asset values per unit of the fund and of the receiving investment fund at the time of the transfer. The investor receives the number of units in the receiving investment fund that corresponds to the value of the units held in the fund.

If the investors do not avail of their right to redemption or exchange they will become investors in the receiving investment fund on the key date of transfer. The Company can, if required, also agree with the Management Company of the receiving investment fund that investors in the fund may receive a disbursement in cash of up to 10% of the value of their units. The fund ceases to exist once all assets are transferred. If the transfer takes place during the fiscal year of the fund, the Company must draw up a report on the key date of transfer which must comply with the requirements of an annual report.

The Company shall make an announcement in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication and daily newspaper with sufficient circulation, once the fund has been merged with another investment fund managed by the Company and the merger has come into force. If the fund is to be merged with an investment fund that is not managed by the Company, the Management Company responsible for the receiving or newly established investment fund shall be responsible for announcing that the merger has taken place.

■ **OUTSOURCING**

The Company has outsourced the following activities to DWS Holding & Service GmbH, Mainzer Landstraße 178-190, 60327 Frankfurt/Main, Germany:

- fund bookkeeping;
- fund reporting duties;
- monitoring compliance with the legal regulations (compliance, including investment limit compliance testing);
- tax declarations with respect to the investment fund;
- legal services.

The following conflicts of interest could result from outsourcing:

DWS Holding & Service GmbH is a company affiliated with the Management Company. It cannot be excluded that the contract would have been concluded in a different form, if a Management Company had been involved that is not interconnected under company law or in terms of personnel.

DWS Holding & Service GmbH has in turn outsourced the following key activities:

- investment limit compliance testing to DB Risk Center GmbH, Hardenbergstraße 32, 10623 Berlin, Germany;
- transaction and position monitoring to DB AG London Branch, 1 Great Winchester Street, EC2N2 London, United Kingdom;
- sub-areas of fund book-keeping to DBOI Global Services Private Ltd., Evolve – Mahindra Technology Park, Tower A1, Ground & 1st Floor, Inside Mahindra World City – SEZ, Jaipur – 302029 (Rajasthan) India.

The following conflicts of interest could result from outsourcing:

DB Risk Center GmbH, DB AG and DBOI Global Services Private Ltd are companies affiliated with the Management Company. It cannot be excluded that the respective contracts would have been concluded in a different form, if a Management Company had been involved that is not interconnected under company law or in terms of personnel.

The Company has outsourced the following activities to Deutsche Bank AG:

- legal services connected to OTC derivatives;
- monitoring of compliance with money laundering laws.

The following conflicts of interest could result from outsourcing:

Deutsche Bank AG is a company affiliated with the Management Company. It cannot be excluded that the contract would have been concluded in a different form, if a Management Company had been involved that is not interconnected under company law or in terms of personnel.

Additional outsourcing to depositaries: State Street Bank, Brienner Straße 59, 80333 Munich, Germany:

- management of records
- profit distributions

If the Company has outsourced the portfolio management, this will be described in the section "Fund-specific regulations."

■ **CONFLICTS OF INTEREST**

The following conflicts of interest could result for the Company:

The interests of the investor can conflict with the following interests:

- interests of the Company and of companies associated with it;
- interests of the employees of the Company; or
- interests of other investors in this or other funds.

Circumstances or relationships that could constitute a conflict of interest include in particular:

- incentive systems for employees of the Company;
- employee transactions;
- bonuses to employees of the Company;
- reallocations in the fund;
- key date-related improvement of the fund's performance ("window dressing");
- transactions between the Company and the investment funds or individual portfolios managed by it; or
- transactions between the investment funds and/or individual portfolios managed by the Company; or
- collation of several orders ("block trades");
- commissioning of associated companies and persons;
- individual investments of considerable size;
- transactions after the close of trading at that day's already foreseeable closing price, termed late trading.

In relation to transactions for the account of the fund, valuable benefits (broker research, financial analyses, market and price information systems) may arise for the Company, which it will use for investment decisions in the interests of the unitholders.

The Company does not receive any reimbursement of the fees and expense reimbursements paid out of the fund to the Depositary and third parties.

The Company grants intermediaries, e.g., credit institutions, agency fees, as "portfolio commissions" on a recurring basis, generally annually. This may constitute a substantial amount of the management fee of the Company. This is paid as remuneration for sales services performed on an agency basis.

FAIR TREATMENT OF INVESTORS / DEALING WITH CONFLICTS OF INTEREST

Leitmotiv

The Company performs its transactions such that conflicts of interest are handled fairly, and specifically those between the Company, its employees and its customers as well as between the customers themselves. In the conflict between the Company or its employees on one side and the customers on the other, the customers' interests are always given priority.

Introduction

As a globally active financial services provider, the Company and the companies of the Deutsche Bank Group affiliated with it (including Deutsche Bank AG) are continuously faced

with actual and potential conflicts of interest. It is a principle of the Company that all appropriate steps be taken to set up organizational structures and to take effective administrative measures, by means of which the respective conflicts can be identified, handled and monitored.

The management of the Company is responsible for ensuring that the systems, controls and procedures of the Company are fit to identify, monitor and resolve conflicts of interest. The compliance and legal departments of the Company support the identification and monitoring of actual and potential conflicts of interest.

The Company has appropriate procedures to be able to identify, handle and monitor actual or potential conflicts of interest in a division-specific manner. The Company has established principles for how to deal with conflicts of interest, the most recent version of which is available on the DeAWM website, www.dws.de

Objective

The Company takes appropriate steps to identify and handle properly any conflicts of interest which have a significant, negative impact on customers' interests. Corresponding policies specify the requirements for appropriate procedures and measures at both group and division-level in order to identify and prevent all such significant conflicts of interest and, if prevention is not possible, to manage the issue in the best interest of the affected customers.

Fair treatment of investors

The Company is obliged to treat the fund's investors fairly. It manages the invested assets in accordance with the principle of equal treatment, by not giving preference to certain assets and investors in assets to the detriment of others. The decision-making processes and organizational structures of the Company are aligned accordingly.

The Company is aware that conflicts of interest may arise due to the functions performed by the employees of the Management Company as Deutsche Bank Group members. In respect of such eventualities, each Deutsche Bank Group member has undertaken to endeavor, to a reasonable extent, to resolve such conflicts of interest equitably (with regard to the members' respective duties and responsibilities), and to ensure that the interests of the Company and of the investors are not adversely affected. The Company is of the view that Deutsche Bank Group members possess the required aptitude and competence to perform such duties.

(Potential) significant conflicts of interest

The following significant conflicts of interest can impact negatively on the commercial result achievable by the investor and, in particular, lead to smaller payments to the investors (see also Risk warnings).

Moreover, further conflicts of interest can exist or arise in the future, which will also impact

negatively, in particular on the commercial result achievable by the investor and lead to smaller payments to the investors.

a) Conflicts of interest at the level of the Company

Deutsche Bank AG and the Company as well as the persons acting for these companies all belong to the Deutsche Bank Group (together termed "affiliated companies"). In some cases, they are also involved or active in other funds in the same or similar capacities as with this fund, or will be in the future. This, too, may give rise to conflicts of interest.

The affiliated companies are indirectly or directly associated with one another under company law or in terms of personnel. The partial identity of the companies involved and the interconnections under company law and in terms of personnel can lead to conflicts of interest. It cannot be excluded that significant contracts for the fund would have been concluded in a different form, if only companies not acting in multiple functions and not interconnected under company law or in terms of personnel were involved.

The interests of the companies and persons involved may conflict with one another. In the event of conflicts of interest that affect the Company, the Company will endeavor to resolve such conflicts in favor of the fund's investors. Insofar as the interests of the investors are also affected, the Company will endeavor to avoid any conflicts of interest and, if it is impossible to avoid such conflicts, to ensure that inevitable conflicts of interests are resolved while suitably protecting the interests of the investors.

The fund can invest in financial instruments, e.g., money market funds, whose underlyings are the companies of the Deutsche Bank Group, their subsidiaries or affiliated companies. In some cases, the valuation of such transactions, derivatives transactions, derivatives contracts or similar may have to be conducted on the basis of information provided by the counterparties. In these cases, this information constitutes the basis for calculating the value of particular assets of the relevant fund by the Depositary. This, too, may give rise to conflicts of interest.

Assets of the fund in the form of bank balances, units in investment funds or securities (provided this is permitted in accordance with the investment conditions of the relevant fund) may be deposited with an affiliated company in accordance with the legal provisions governing the Depositary. Bank balances of the AIF may be invested in securities or certificates of deposit issued by affiliated companies or in bank deposits offered by them. This can result in other factors besides the interest rate level (e.g., for bank balances) being relevant to the investment (e.g., flow of information, but also and in particular the interest of the affiliated companies in investments in own products or products of affiliated companies). Banking or comparable transactions may also be conducted with or through the affli-

ated companies. Affiliated companies may likewise be counterparties in the derivatives transactions or contracts. This can give rise to conflicts of interest when valuing such derivative transactions or contracts.

Notwithstanding conditions in this document to the contrary, the Company may actively perform transactions for the account of other funds, that encompass the same units, real estate, securities, assets and instruments, in which the Company invests. The Company may perform investment management and consultancy services and/or management services for other funds and accounts, which pursue similar or different investment objectives to those of the fund and/or which can, if required, perform similar investment programs as those of the fund or others in which the fund does not participate. The portfolio strategies that are used for this or other investment funds could conflict with the transactions and strategies recommended by the affiliated companies for the management of the fund, and the prices and availability of units, real estate, securities and instruments in which the fund invests, could be impaired.

The Company dedicates to the activities of the fund as much time as it deems necessary and appropriate. It is not subject to any restriction on the inception of additional investment funds, in particular in relation to the entry into further investment consultancy relationships or the assumption of further business activities, even if these activities are in competition with the activity on behalf of the fund.

b) Conflicts of interest at the level of the sales partner

Given the pro rata payment of fee components or other payments by the Company to potential sales partners, there is an increased sales interest on the part of the sales partner.

c) Repayment of management fees collected

The Company may, at its discretion, agree with individual investors the partial repayment to them of the management fees collected. This can be a consideration especially in the case of institutional investors who directly invest large amounts for the long term. The Company's "Institutional Sales" division is responsible for these matters.

AUDITOR

– KPMG AG, THE SQUAIRE, Am Flughafen, 60549 Frankfurt/Main, Germany, has been appointed auditor of the fund and the annual report.

– The auditor verifies the annual report of the fund. During the audit, the auditor must also ascertain whether the regulations of the KAGB and the terms of the Investment Conditions have been complied with. The auditor is required to summarize the result of the audit in a special note; the note must be reproduced verbatim in the annual report. The auditor must submit the report of the fund audit to BaFin upon request.

PAYMENTS TO INVESTORS / DISTRIBUTION OF REPORTS AND OTHER INFORMATION

The appointment of the Depositary ensures that investors will receive the dividend distributions and that units will be redeemed. The key investor information document mentioned in this sales prospectus may also be obtained by the means stated in the "General principles – Sales documentation and disclosure of information" section. These documents may also be obtained from the Depositary.

SERVICE PROVIDERS

Companies, that assume outsourced functions from the Company, are listed under "Outsourcing". Furthermore, the Company has commissioned the following service providers with the following tasks:

– KPMG AG Wirtschaftsprüfungsgesellschaft, THE SQUAIRE, Am Flughafen, 60549 Frankfurt/Main, Germany, auditing of the fund and the annual report.

– State Street Bank, Brienner Straße 59, 80333 Munich, Germany, administration of collateral in the context of securities loans and derivative transactions.

– Institutional Shareholder Services, Ten Bishops Square, London E16EG, United Kingdom, drafting of proposals for exercising voting rights.

– WM Datenservice, Düsseldorf Straße 16, 60329 Frankfurt/Main, Germany, service provider for publications.

– Bloomberg, Neue Mainzer Straße 75, 60311 Frankfurt/Main, Germany, service provider for publications.

– Smarthouse Media GmbH, Hirschstraße 2, 76133 Karlsruhe, Germany, hosting and operation of the website.

– Kneip Communication S.A., 26/28 rue Edward Steichen, 2540 Luxembourg, Luxembourg.

No conflicts of interest arise from the commissioning of service providers.

If an investment advisor is used, this will be described in the section "Fund-specific regulations". The names of further service providers (e.g., law and tax consultancy firms) can be provided by Deutsche Asset & Wealth Management Investment GmbH upon request.

Summary of tax regulations of importance to the investor

Fund organized under German law

General points

The statements on tax regulations only apply to investors who are subject, without limitation, to taxation in Germany. We recommend that, prior to acquiring units of the fund described in this sales prospectus, the foreign investor individually discuss with his tax advisor any possible tax consequences in his country of residence arising from the acquisition of units.

As a special-purpose asset, this fund is exempt from corporate income tax and trade tax. However, the taxable income of the fund is taxable for the individual investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver's flat allowance of EUR 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 (for spouses assessed jointly) when added to any other capital gains.

Income from capital assets is generally subject to a 25% withholding tax (plus solidarity surcharge and, where applicable, church tax). Income from capital assets also includes income distributed by the fund, income equivalent to distributions, the interim profits, as well as any gains from the sale or purchase of fund units, provided the units were or are acquired after December 31, 2008.

In general, for the individual investor, the withholding tax acts as a final payment ("final withholding tax"), so that, as a rule, income from capital assets is not to be declared in the income tax return. For the individual investor, the domestic institution maintaining the custody account usually offsets income subject to withholding against losses and deductible foreign withholding taxes.

The withholding tax does not act as a final payment, however, if the investor's personal tax rate is lower than the final withholding tax of 25%. In this case, income from capital assets may be declared in the income tax return. The tax office then applies the lower personal tax rate and offsets the tax withheld against the personal tax liability ("reduced rate test").

Where income from capital assets was not subject to any tax deduction (because capital gains from the sale of fund units accrue in a foreign custody account, for example), this is to be specified in the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax of 25%, or else to the lower personal tax rate.

Despite tax withholding and a higher personal tax rate, income from capital assets may still have to be declared if deductions for unusual costs or special expenses (e.g., charitable donations) are claimed in the income tax return.

If units are held as business assets, the income is considered taxable as operating income. In this case, the withholding tax does not act as a final payment; the institution maintaining the custody account does not offset against any losses. In determining taxable income and income sub-

ject to investment income tax, tax legislation requires that certain distinctions be made with regard to the income components.

I Units held as personal assets (German tax residents)

1. Interest and income equivalent to interest and dividends

Distributed or reinvested interest, income equivalent to interest and German and foreign dividends are in principle subject to tax and, if held in custody in Germany, are generally subject to 25% withholding tax (plus solidarity surcharge and church tax if applicable).

If it is a reinvesting investment fund according to tax law, a deduction of 25% (plus solidarity surcharge) shall be withheld by the Management Company itself on reinvested income of the fund subject to withholding tax in the case of reinvestment before January 1, 2012. The issue and redemption prices of the fund units are thus reduced by the amount of tax withheld as of the close of each fiscal year. As the Management Company's investors are not generally known, no church tax can be withheld in this case. Investors who are subject to church tax are thus required to provide appropriate details in their income tax return.

For income reinvested after December 31, 2011, the fund provides the institutions maintaining the securities accounts with the investment income tax, in addition to the maximum accrued supplementary taxes (solidarity surcharge and church tax, where applicable). As in the case of distributions, the institutions maintaining the securities accounts take the personal situation of the investors into account when withholding taxes so that in particular church tax may be deducted, if applicable. Should the fund provide the institutions maintaining the securities accounts with amounts that do not have to be withheld, these are refunded.

2. Gains from the sale of securities, gains from forward transactions and income from option writer premiums

Gains from the sale of equities, dividend rights similar to equities and investment fund units, as well as gains from forward transactions and income from option writer premiums that are realized at the level of the fund do not affect the investor as long as they are not distributed. The same applies to the sale of units in other investment funds. Nor shall any gains from the sale of the debt instruments listed in article 1 (3), sentence 3, no. 1 (a) through (f), of the Investment Tax Act (Investmentsteuergesetz; InvStG) affect the investor if they are not distributed.

These include the following debt instruments (hereinafter "good debt instruments"):

a) debt instruments that have an issuing yield,

b) debt instruments with fixed or variable coupons in which repayment of the principal is agreed or effected in the amount in which it was made available (e.g., normal bonds, floaters, reverse floaters or down-rating bonds),

c) risk certificates representing an individual stock or a published index for multiple equities at a 1:1 ratio,

d) reverse convertible bonds, exchangeable bonds and convertible bonds,

e) income bonds and debt dividend rights traded flat, i.e., without a separate recording of the accrued interest, and

f) cum-warrant bonds.

If gains from the sale of the aforementioned securities/debt instruments, gains from forward transactions and income from option writer premiums are distributed, they are generally taxable and are usually subject to withholding tax of 25% (plus solidarity surcharge and church tax if applicable). However, distributed gains from the sale of securities and gains from forward transactions are tax-exempt if the securities are purchased at the level of the fund before January 1, 2009, or the forward transactions are executed before January 1, 2009. Investors acquiring units of a fund after December 31, 2008, receive a notional allocation of these untaxed distributed gains when capital gains are determined (see I 5 below).

Gains from the sale of debt instruments not contained in the above list shall be treated as interest for tax purposes (see I 1 above).

3. Negative taxable income

If negative income remains after offsetting it with the positive income at fund level, it is carried forward for tax purposes at fund level. It can be offset against future positive taxable income of the same type at fund level in subsequent years. It is not possible to allocate negative taxable income directly to the investors. These negative amounts thus do not impact income tax for the investor until the assessment period (tax year) in which the fiscal year of the fund ends or the fund's income is distributed for the fiscal year for which the negative taxable income is offset at fund level. It is not possible to exercise this on the investor's income tax at an earlier date.

4. Distributions of non-income assets

Distributions of non-income assets are not subject to taxation. Distributions of non-income assets that the investor has received during the time of his holding shall, however, be added to the taxable income from the sale of fund units, i.e., they increase the taxable profit.

5. Realized capital gains at investor level

If units of the fund that were purchased after December 31, 2008, are sold by an individual investor, the capital gains are subject to the final withholding tax of 25% (plus solidarity surcharge and, where applicable, church tax). If such units are sold by an individual investor at a loss, the

loss can be offset against other positive income from capital assets. If the units are held in a German securities account and positive income from capital assets was achieved in the same calendar year by the same institution maintaining the securities account, the institution maintaining the securities account shall perform the loss offsetting.

For the sale of the fund units purchased before January 1, 2009, the gains are not taxed for individual investors. An interim profit contained in the sales proceeds is also generally taxable in these cases and is usually subject to withholding tax of 25% (plus solidarity surcharge and church tax, if applicable), see under point IX.

When determining the capital gains for final withholding tax purposes, the interim profits at the time of purchase must be subtracted from the cost of purchasing the units, and the interim profits and sales proceeds at the time of selling the units must be subtracted from the selling price to prevent double income taxation of interim profits (see below). The sales proceeds must further be reduced by the amount of reinvested income the investor has already reported for taxes, so that double taxation is prevented in that respect also. An addition to the sales proceeds takes place in the respective amounts of foreign tax as defined by article 4 (2) InvStG paid, less any credits claimed, and investment income tax as defined by article 7 (3) and (4) InvStG paid, provided such taxes relate to the reinvested income generated during the holding period, as well as in the amount of the income equivalent to distributions generated in the fiscal years before the holding period and distributed during the holding period. If the investor acquired units of a fund after December 31, 2008, untaxed distributions of gains from forward transactions after January 1, 2009, as well as gains from the sale of securities, must be added to the gain from the sale.

The gain from the sale of fund units acquired after December 31, 2008, is tax-exempt insofar as it is attributable to income deemed tax-exempt under the DTA that was generated in the fund during the holding period but not yet recognized at investor level (so-called "pro-rata real estate profit"). A prerequisite for this is that the Management Company publishes the real estate profit as a percentage of the net asset value of the fund on each valuation date.

If a minimum investment of EUR 100,000 or more is required in order to invest in the fund (or in a unit class, in the case of particular unit classes), or if the participation of natural persons is dependent on the knowledge of investors, the following applies to the sale or redemption of units acquired after November 9, 2007, and before January 1, 2009: The gain from the sale or redemption of such units is generally subject to the final withholding tax of 25%. However, in this case the taxable capital gain from the sale or redemption of the units is limited to the amount of the gains reinvested at fund level

from the sale of securities acquired after December 31, 2008, and the gains reinvested at fund level from forward transactions executed after December 31, 2008. Such limitation of taxable capital gain requires the documentation of the corresponding amount.

In the opinion of the German Federal Ministry of Finance (ministerial letter of October 22, 2008), it can be assumed, for investors whose investment does in fact amount to at least EUR 100,000, that the minimum investment of EUR 100,000 is a prerequisite and that particular investor knowledge is required whenever the major portion of the assets of an investment fund is held by a small number of up to ten investors.

II Units held as business assets (German tax residents)

1. Interest income and income equivalent to interest

Interest, income equivalent to interest and German rental income is generally taxable for the investor. This applies irrespective of whether such income is reinvested or distributed. In accordance with article 2 (2a) InvStG, taxable interest is subject to the interest deduction ceiling of article 4h of the Income Tax Act (Einkommensteuergesetz, EStG).

2. Gains from the sale of securities, gains from forward transactions and income from option writer premiums

Gains from the sale of equities, units in investment funds, dividend rights similar to equities, gains from forward transactions and income from option writer premiums that are realized at the level of the fund do not affect the investor as long as they are not distributed. Nor shall any gains from the sale of good debt instruments affect the investor if they are not distributed.

They include the following good debt instruments:

- a) debt instruments that have an issuing yield,
- b) debt instruments with fixed or variable coupons in which repayment of the principal is agreed or effected in the amount in which it was made available (e.g., normal bonds, floaters, reverse floaters or down-rating bonds),
- c) risk certificates representing an individual stock or a published index for multiple equities at a 1:1 ratio,
- d) reverse convertible bonds, exchangeable bonds and convertible bonds,
- e) income bonds and debt dividend rights traded flat, i.e., without a separate recording of the accrued interest, and
- f) cum-warrant bonds.

If these gains are distributed, they are to be considered at investor level for tax purposes. In the case of investors that are corporations, gains from the sale of equities are generally tax free: 5%, however, are considered non-deductible operating expenses. In the case of other busi-

ness investors (e.g., sole proprietorships), 40% of gains from the sale of equities is tax-exempt (partial-income procedure). Capital gains from the sale of bonds/debt instruments, gains from forward transactions and income from option writer premiums, however, shall be subject to taxation on the full amount.

Gains from the sale of debt instruments not contained in the above list shall be treated as interest for tax purposes (see II 1 above).

3. German and foreign dividends

Dividends of German and foreign corporations which were accrued or deemed to have been accrued by the fund before March 1, 2013, and which are distributed on or reinvested in units held as business assets are tax-exempt for corporate entities, with the exception of dividends pursuant to the German Act on German Real Estate Stock Corporations with Listed Shares (hereinafter the REIT Act) (in the case of corporations, 5% of the dividends constitute non-deductible operating expenses and are therefore taxable). Due to the new regulations on taxation of free-float dividends, dividends of German and foreign corporations, which were accrued or deemed to have been accrued by the fund from direct investments after February 28, 2013, are subject to taxation for corporate entities. For sole proprietorships, 60% of dividends are taxable, with the exception of dividends pursuant to the REIT Act (partial-income procedure).

German and foreign dividends are generally subject to withholding tax of 25% plus solidarity surcharge.

In the case of investors subject to trade tax, the dividend income which is partially exempt from income tax or corporate income tax shall be added back in order to calculate the trade income but shall not be deducted again. In the opinion of the tax authorities, dividends from foreign investment companies may only be tax-exempt in full as fractional dividends if the investor is an (investment) company as defined in the respective double taxation agreement and it holds a sufficiently high consolidated (fractional) share.

4. Negative taxable income

If negative income remains after offsetting it with the positive income at fund level, it is carried forward for tax purposes at fund level. It can be offset against future positive taxable income of the same type at fund level in subsequent years. It is not possible to allocate negative taxable income directly to the investors. These negative amounts thus do not impact income tax for the investor until the assessment period (tax year) in which the fiscal year of the fund ends or the investment fund's income is distributed for the fiscal year for which the negative taxable income is offset at fund level. It is not possible to exercise this on the investor's income tax or corporate income tax at an earlier date.

5. Distributions of non-income assets

Distributions of non-income assets are not taxable. For an investor who is required to prepare financial statements, this means that the distributions of non-income assets are to be collected related to income in the commercial balance sheet; in the tax balance sheet, an adjustment item on the liabilities side is to be formed related to expenses, and thus technically the historic acquisition costs are reduced in a tax-neutral manner. Alternatively the amortized costs may be reduced by the pro rata amount of the distributions of non-income assets.

6. Realized capital gains at investor level

Gains from the sale of units held as business assets are tax-exempt for business investors insofar as they are attributable to income deemed tax-exempt under the DTA that was generated in the fund during the holding period but not yet recognized at investor level ("pro-rata real estate profit"). A prerequisite for this is that the Management Company publishes the real estate profit as a percentage of the net asset value of the fund on each valuation date.

Gains from the sale of units held as business assets are generally tax-exempt for corporate entities (in the case of corporations (5% of the tax-free gains on sale are considered non-deductible operating expenses and are therefore subject to taxation), provided the gains emanate from dividends that have not yet accrued or are deemed to have not yet accrued and from realized and unrealized capital gains of the fund from German and foreign equities ("equity profit") and provided that these dividends and gains, if allocated, are tax-exempt for the investor. For sole proprietorships, 60% of the capital gains are taxable. The Management Company publishes the equity profit (as of March 1, 2013 two equity profits are published separately for corporations and sole proprietors due to the aforementioned changes in the law – the separate publication may be conducted retrospectively if applicable) as a percentage of the net asset value per unit of the fund on each valuation date.

III Exemption from withholding tax and refunding of withholding tax on investment income

1. German tax residents

If a resident individual investor has units of a fund held in custody in Germany by the Management Company or another credit institution (custody arrangement) and if the private investor submits, in sufficient time, an officially prescribed exemption certificate issued in a sufficient amount or a certificate for persons who are not expected to be assessed for income tax (hereinafter a "non-assessment certificate"), the following shall apply:

- In the case of a (partially) distributing fund, the credit institution maintaining the securities

account will, as paying agent, refrain from withholding and refund any investment income tax withheld by the Management Company. In this case, the investor will be credited the full amount of the distribution.

- In the case of a fund that does not distribute its income, the institution maintaining the securities account credits the investor with the tax withheld by the Management Company (or from 2012 the amount provided to the institution maintaining the securities account) on the reinvested income subject to withholding tax. Amounts not to be withheld, which in the case of reinvestment conducted after December 31, 2011, were provided to the institution maintaining the custody account, are refunded to the individual investor even without submission of an exemption certificate or non-assessment certificate.

- The institution maintaining the securities account waives withholding tax on interim profits included in the sales proceeds from the sale of investment fund units.

If a resident investor holding units of a fund as business assets has them held in domestic custody by the Management Company or by another credit institution (custody arrangement), the credit institution maintaining the securities account will refrain, as paying agent, from withholding and refund any investment income tax withheld by the Management Company

- if the investor submits an appropriate non-assessment certificate in sufficient time (total or partial exemption from withholding/refund of tax withheld will depend on the type of the respective non-assessment certificate), in the case of amounts not to be withheld, which have been provided to the institutions maintaining the securities accounts for income reinvested after December 31, 2011, even without submission of a non-assessment certificate or,

- for gains from the sale of securities, gains from forward transactions, income from option writer premiums, as well as gains from the sale of the investment fund units, even without a non-assessment certificate if the investor is a corporate entity subject, without limitation, to taxation in Germany or if the investment income constitutes the operating income of a domestic business and the creditor informs the paying agent accordingly, using the official form.

In the event that no exemption certificate or non-assessment certificate is submitted or it is submitted too late, the investor shall upon request receive a tax certificate from the institution maintaining the securities account regarding withheld and no refunded taxes and the solidarity surcharge. The investor then has the option of offsetting the tax withheld against his income tax and corporate income tax liability as part of his personal income tax assessment. For certain corporate entities (article 1 (1), nos. 4 and 5 KStG), a certificate from the tax office responsible for them must be submitted to the paying agent as evidence of an unrestricted tax liability. These are

associations without legal capacity, institutions, foundations and other special purpose assets under private law as well as legal persons under private law that are not investment companies, cooperatives nor insurance and pension fund associations on mutual terms.

2. Non-resident taxpayers

If a non-resident taxpayer has units of distributing funds held in custody by a domestic credit institution (custody arrangement), no tax will be withheld on interest and income equivalent to interest, on gains from the sale of securities, on gains from forward transactions and on foreign dividends, as well as on the interim profits and on the gains from the sale of the investment fund units contained in the sales proceeds/redemption price, provided that the taxpayer submits proof of non-resident status. If the institution maintaining the securities account is not aware of the investor's non-resident status, or if such status is not verified in time, the foreign investor must use the reimbursement procedure defined in article 37 (2) of the German Fiscal Code (Abgabenordnung; AO). The tax office with jurisdiction over the institution maintaining the securities account will be responsible for this.

If a foreign investor has units of reinvesting funds held in custody by a domestic credit institution, the 25% withholding tax plus solidarity surcharge for income reinvested before January 1, 2012, will be refunded upon verification of his non-resident status for tax purposes, insofar as the tax withheld does not relate to domestic dividends. If the refund application is delayed, a refund can be applied for in accordance with article 37 (2) AO even after the date of reinvestment, as in the case of delayed proof of non-resident status with distributing funds. If income is reinvested in this case after December 31, 2011, no tax is withheld provided it does not relate to German dividends or German rental income.

In contrast, German dividends and German rental income are subject to withholding tax. The extent to which withholding tax can be offset or refunded for the non-resident investor depends on the double taxation agreement in place between the tax residence of the investor and the Federal Republic of Germany. Investment income tax on German dividends and German rental income under the DTA is refunded by the German Federal Tax Office (Bundeszentralamt für Steuern (BZSt)) in Bonn.

IV Solidarity surcharge

A solidarity surcharge of 5.5% shall be levied on the withholding tax to be deducted on distributions and reinvestments. The solidarity surcharge can be offset against income tax and corporate income tax.

If no tax is withheld or if the tax deducted is credited in the case of reinvestment before January 1, 2012 – e.g. by means of a sufficient exemption certificate, submission of a non-assessment

certificate or proof of the investor's non-resident taxpayer status – no solidarity surcharge shall be withheld or in the case of reinvestment, it shall be credited.

V Church tax

Provided the income tax is already levied by a German institution maintaining the custody account (withholding agent) by means of withholding tax, the church tax attributable shall be levied as a surcharge to the withholding tax at the church tax rate of the religious group to which the church tax payer belongs. For this purpose, the church tax payer may declare his religious affiliation to the withholding agent in a written application. Spouses shall also declare in the application what proportion of the couple's total investment income relates to the investment income attributable to each spouse, so that church tax can be allocated, withheld and paid accordingly. If no allocation ratio is declared, it shall be apportioned per capita.

The tax deductibility of church tax as an extraordinary expense is taken into account to reduce withholding.

If the investor has not applied to his German institution maintaining the securities account for the retention of church tax, the church tax will be stipulated in the assessment.

VI Foreign withholding tax

In some cases withholding tax is levied on the fund's foreign income in the originating countries.

The Management Company can deduct the withholding tax, which can be offset at fund level in the same way as income-related expenses. In this case the foreign withholding tax can neither be offset nor deducted at investor level.

Should the Management Company not exercise its option to deduct foreign withholding tax at fund level, the withholding tax which can be offset is taken into account to reduce withholding.

VII Income adjustment

Portions of the issue price allocated to income for units issued, which may be used for distribution (income adjustment procedure), shall be treated for tax purposes in the same way as the income to which these portions of the issue price relate.

VIII Separate assessment, external audit

The bases for taxation determined at fund level shall be assessed separately. For this purpose the Management Company shall submit a declarative statement to the tax office responsible. Modifications of declarative statements, e.g., due to an external audit (article 11 (3) InvStG) by the tax authorities, become effective for the fiscal year in which the modified determination of taxation bases becomes incontestable. The tax allocation of this modified determination of taxation bases for the investor then takes place at the end of the relevant fiscal year or on the dis-

tribution date for the distribution of the relevant fiscal year.

Accordingly, the changes financially impact investors who hold units in the fund at the time of the change. The tax consequences may be either positive or negative.

IX Taxation of interim profits

Interim profits consist of income from interest received or accrued that are included in the issue or redemption price as well as gains from the sale of debt instruments other than good debt instruments that have not yet been distributed or reinvested by the fund and have therefore not yet become taxable for the investor (somewhat comparable to accrued interest from fixed rate securities). The interim profits earned by the fund are subject to income tax if the units are redeemed or sold by German tax residents. The withholding tax on interim profits is 25% (plus solidarity surcharge and, where applicable, church tax).

Interim profits paid upon the acquisition of units may be offset as negative income for individual investors in the year they were paid for income tax purposes, if an income adjustment is carried out and this is indicated both when publishing the interim profits and as part of the tax data to be certified by professionals. It is taken into account to reduce withholding for the individual investor. If actual interim profits are not published, 6% (pro rata temporis) of the amount paid for the redemption or sale of the investment fund unit must be assessed each year as interim profits. In the case of business investors, the interim profits paid constitute a dependent part of acquisition costs, which shall not be corrected. If the fund unit is redeemed or sold, the interim profit received forms a dependent part of the capital gains. It shall not be corrected.

X Consequences of the merging of investment funds

In cases where a German investment fund is merged with another German investment fund, hidden reserves will not be disclosed either at the level of the investors or at the level of investment funds involved, i.e., such a transaction is tax-neutral. The same holds true for the transfer of all assets of a German investment fund to a German investment stock corporation or a sub-fund of a German investment stock corporation. If the investors of the transferred assets receive a cash payment provided for in the merger plan, as defined in article 190 (2), no. 2, KAGB, this is to be treated in the same way as a distribution of any other income. Income generated by the transferring investment fund and not yet distributed is allocated to the investors for tax purposes as so-called income equivalent to distributions as of the key date of transfer.

A distributing investment fund is, in its final fiscal year before the amalgamation, to be treated for tax purposes like a reinvesting investment fund.

XI Transparent, semi-transparent and non-transparent taxation as an investment fund

The above taxation principles (termed transparent taxation) for investment funds within the meaning of the InvStG, apply only if the fund falls under the resource protection regulation of article 22 (2) InvStG. Alternatively, the fund must fulfill the fiscal investment conditions in accordance with the InvStG; these are the principles according to which the fund may invest in order to be treated as an investment fund for tax purposes. In both cases, all bases for taxation must also be disclosed in accordance with the provisions of article 5 (1) InvStG (termed the tax notification requirement). The fund falls under the resource protection regulations of the InvStG if it was launched prior to December 24, 2013 and the investment conditions and borrowing limits of the former Investment Act (InvG) are fulfilled. If the fund has acquired units in other investment funds, the aforementioned bases for taxation shall likewise only apply, if (i) the respective fund falls either under the resource protection regulations of the InvStG or meets the fiscal investment conditions according to the InvStG and (ii) the Management Company for the target fund meets the tax notification obligations.

If the information pursuant to article 5 (1), no. 1 (c) or (f), InvStG is not provided, all income is taxable in its entirety ("semi-transparent taxation").

If the notification requirement pursuant to article 5 (1) InvStG is violated and there is no instance of semi-transparent taxation, all distributions and the interim profit as well as 70% of the positive difference between the first and the last redemption price of the investment fund unit determined in the calendar year shall be assessed for taxation at investor level; at least 6% of the last redemption price determined in the calendar year shall be assessed (termed non-transparent taxation). If another investment fund, in which the fund has acquired units, does not meet its notification obligations according to article 5 (1) InvStG, a taxable income amount, to be determined according to the principles described in the preceding, must be assessed for the respective target fund at the level of the investment fund.

XII EU Savings Tax Directive / Interest Information Regulation

The Interest Information Regulation (abbreviated IIR) via which Council Directive 2003/48/EC of June 3, 2003, Official Journal EU no. L 157, pg. 38, is implemented in the area of the taxation of interest income, is intended to ensure effective cross-border taxation of interest payments to natural persons within the territory of the EU. The EU has agreements in place with certain third countries (most notably Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) that are largely consistent with the EU Savings Tax Directive.

For this purpose, interest income which is credited to a natural person resident in another European country or certain third countries by a German credit institution (which in this case acts as paying agent) shall be reported by the German credit institution to the German Federal Tax Office (Bundeszentralamt für Steuern) and then finally from there to the tax offices in the investors' place of residence.

Conversely, interest payments credited to a natural person resident in Germany by a foreign credit institution in another European country or in certain third countries are ultimately reported by the foreign credit institution to the tax office of the recipient's German residence. Alternatively, some foreign countries retain withholding taxes that are creditable in Germany.

Specifically affected therefore are individual investors resident within the European Union and in the associated third countries that maintain their cash or securities accounts and earn interest in another EU country.

Among others, Luxembourg and Switzerland have undertaken to retain a 35% withholding tax from interest income. As part of his tax documentation, the investor receives a tax certificate enabling him to have that withholding tax credited in his income tax return.

Alternatively the individual investor has the option of exempting himself from foreign withholding tax by authorizing the foreign bank to

voluntarily disclose his interest income, which allows the institution to waive the withholding tax and instead to report the income to the legally designated tax authorities.

If the assets of the fund consist of no more than 15% in claims as defined by the IIR, the paying agents that ultimately make use of the data disclosed by the Management Company need not file reports with the Federal Tax Office. Crossing the 15% threshold obligates the paying agents to report to the Federal Tax Office the EU interest portion contained in the distribution.

If the 25% threshold is crossed, the sales proceeds must be reported when fund units are redeemed or sold. If the fund is a distributing fund, the EU interest portion contained in any distribution must additionally be reported to the Federal Tax Office. In the case of a reinvesting fund, reports are naturally only filed when fund units are redeemed or sold.

Note:

The information included here is based on our understanding of current legislation. It is aimed at people subject, without limitation, to income tax or corporate income tax in Germany. However, no responsibility can be assumed for potential changes in the tax structure through legislation, court decisions or the orders of the tax authorities.

Legal and tax risk

In the case of a correction with tax consequences that are essentially unfavorable for the investor, changes to the fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect (e.g., based on external tax audits) can result in the investor having to bear the tax burden resulting from the correction for preceding fiscal years, even though he may not have held an investment in the fund at the time. Conversely, the investor may fail to benefit from an essentially favorable correction for the current or preceding fiscal years during which he held an investment in the fund if the units are redeemed or sold before the correction takes place.

In addition, a correction of tax data can result in a situation where taxable income or tax benefits are actually assessed for tax in a different assessment period to the applicable one and that this has a negative effect for the individual investor.

Investment funds managed by Deutsche Asset & Wealth Management Investment GmbH:

Investment funds in accordance with the UCITS Directive

■ Equity funds

Astra-Fonds
 Basler-Aktienfonds DWS
 DeAM-Fonds BKN-HR
 DeAM-Fonds STRATAV European Strategy 1
 DeAM-HAD-Mitarbeiter II
 DeAM Manager-Select Global Equities
 Deutsche Nomura Japan Growth
 DWS Akkumula
 DWS Aktien Schweiz
 DWS Aktien Strategie Deutschland
 DWS Biotech
 DWS Deutschland
 DWS Emerging Markets Typ O
 DWS Energy Typ O
 DWS Europe Dynamic
 DWS European Opportunities
 DWS Europäische Aktien Typ O
 DWS Eurovesta
 DWS Financials Typ O
 DWS German Equities Typ O
 DWS German Small/Mid Cap
 DWS Global Growth
 DWS Global Metals & Mining Typ O
 DWS Global Small/Mid Cap
 DWS Health Care Typ O
 DWS Investa
 DWS Technology Typ O
 DWS Telemedia Typ O
 DWS Top 50 Welt
 DWS Top Asien
 DWS Top Dividende
 DWS Top Europe
 DWS Top Portfolio Offensiv
 DWS TRC Deutschland
 DWS TRC Top Asien
 DWS TRC Top Dividende
 DWS US Equities Typ O
 DWS US Growth
 DWS Vermögensbildungsfonds I
 DWS Water Sustainability Fund
 DWS ZukunftsInvestitionen

DWS Zukunftsressourcen
 DWS Zukunftsstrategie Aktien
 DWS Zürich Invest Aktien Schweiz
 DWS-Merkur-Fonds 1
 E.ON Aktienfonds DWS
 Gottlieb Daimler Aktienfonds DWS
 LEA-Fonds DWS
 Löwen-Aktienfonds
 OP American Equities
 OP East Asia
 SOP AktienLongShort
 SOP EurolandWerte
 Top 25 S

■ Bond funds

Barmenia Renditefonds DWS
 Basler-Rentenfonds DWS
 Bethmann Rentenfonds
 DWS Covered Bond Fund
 DWS ESG Global-Gov Bonds
 DWS Euroland Strategie (Renten)
 DWS Europa Strategie (Renten)
 DWS Global Strategie (Renten)
 DWS High Income Bond Fund
 DWS Internationale Renten Typ O
 DWS Inter-Renta
 DWS Vermögensbildungsfonds R
 E.ON Rentenfonds DWS
 Euro Agg One
 Global Agg One
 Noris-Rendite-Fonds
 Oppenheim Portfolio 1
 SOP NonEuroQualitätsanleihen

■ Money market and short-term bond funds

DWS Flexizins Plus
 DWS Inter-Vario-Rent

■ Mixed funds

Basler-International DWS
 Bethmann Nachhaltigkeit
 Bethmann Stiftungsfonds
 Bethmann Wertsicherungsstrategie
 Core Alpha

DeAM-Fonds PVZ 1
 DeAM-Fonds WOP 2
 DeAM-HAD-Mitarbeiter I
 DEGE -Bayer-Mitarbeiter-Fonds
 DWS Balance
 DWS Convertibles
 DWS Defensiv
 DWS Dynamik
 DWS Hybrid Bond Fund
 DWS PlusInvest (Wachstum)
 DWS Stiftungsfonds
 Global Selection OP
 Noris-Fonds
 Oppenheim DA
 Oppenheim Global-Invest
 Oppenheim Global Strategie
 Oppenheim Portfolio E
 Oppenheim Spezial III
 Oppenheim Strategiekonzept I
 Optimum Alpha
 SOP BondEuroPlus
 SOP FXOpportunitiesPlus
 WvF Rendite und Nachhaltigkeit

Alternative investment funds (AIFs)

■ Mixed investment funds

Argentos Sauren Dynamik-Portfolio
 Argentos Sauren Stabilitäts-Portfolio
 DWS Sachwerte
 OP Strategieportfolio IV
 WvF Strategie-Fonds Nr. 1
 Zins Plus OP

■ Retirement investment funds

DWS Vorsorge AS (Dynamik)
 DWS Vorsorge AS (Flex)

■ Other investment funds

Capital Growth Fund
 PWM Commodity Optimum Fonds (EUR)
 PWM US Dynamic Growth (USD)

The Company currently also manages 242 special investment funds.

DWS Covered Bond Fund

Fund-specific regulations

FUND, UNIT CLASSES AND SUB-FUNDS

The fund DWS Covered Bond Fund was launched on May 26, 1988, for an indeterminate period. The investors are joint owners or creditors of a fraction of the assets of the fund in proportion to the number of units they hold. Units are made out to bearer and embody the bearer's claims against the Company. The fund is not a sub-fund of an umbrella structure. The following euro unit classes will be formed for the fund (currently: LD, LC, FC, FD, IC, ID). The assets of the original fund "DWS Covered Bond Fund" with an inception date of May 26, 1988, were incorporated into the LD unit class on February 28, 2013.

INVESTMENT OBJECTIVE AND STRATEGY

Investment objective

The fund's investment objective is to achieve the highest possible appreciation of capital in euro, in combination with a reasonable annual distribution of income. The benchmark for the investment fund is the iBoxx € Covered.

Investment strategy

The Company acquires and sells the assets permitted under the German Capital Investment Act (Kapitalanlagegesetzbuch; KAGB) and the Investment Conditions in accordance with its assessment of economic and capital market conditions and of future prospects on the exchanges.

1. At least 70% of the assets of the fund must be invested in covered bonds that are denominated in euro and that have an investment grade rating or a corresponding internal rating.

2. Up to 30% of the fund's assets may be invested in other securities according to article 24, no. 1.

3. The Company only acquires equities through the exercise of conversion and subscription rights. The equities thus acquired may only remain in the fund for a period of up to 6 months following acquisition. The same applies for warrants after acquired warrant-linked bonds have been separated.

4. Securities purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) and (2) KAGB.

5. Up to 30% of the fund's assets may be invested in money market instruments. There are no restrictions regarding the money market instruments that may be purchased in accordance with article 6 of the General Investment Conditions. Money market instruments purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) and (2) KAGB.

6. Up to 30% of the fund's assets may be held in bank accounts in accordance with article 7, sentence 1, of the General Investment Conditions.

7. Up to 10% of the fund's assets may be invested in all permissible investment fund units in accordance with article 8, no. 1, of the General Investment Conditions. Investment fund

units purchased under repurchase agreements shall be attributed to the investment limits of articles 207 and 210 (3) KAGB.

No assurance can be given that the objectives of the investment strategy will actually be achieved.

PERFORMANCE

Performance of unit classes (in euro)					
Unit class	ISIN	1 year	3 years	5 years	Since inception
LD class ¹⁾	DE0008476532	4.9%	12.2%	21.5%	207.5%
FD class ²⁾	DE000DWS1UN6	–	–	–	1.1%
LC class ³⁾	DE000DWS1UL0	–	–	–	-0.2%
IC class ⁴⁾	DE000DWS1UP1	–	–	–	-0.2%
iBoxx € Covered (RI) from July 1, 2010		5.3%	15.4%	29.9%	258.3%

¹⁾ Launched on May 26, 1988; (from February 28, 2013, as LD unit class)

²⁾ Launched on March 15, 2013

³⁾ Launched on April 22, 2013

⁴⁾ Launched on June 4, 2013

Performance according to the BVI method, i.e., not taking the initial sales charge into consideration. Past performance is no guide to future results. As of: September 30, 2013

SPECIFIC RISK WARNINGS

Explanation of the risk profile of the fund

The performance of the fund is influenced in particular by the following factors, which give rise to both opportunities and risks:

- risk of changes in interest rates,
- currency risk.

In addition, the fund may temporarily concentrate more or less intensively on particular sectors, countries or market segments. This, too, may give rise to risks.

DERIVATIVES

The Company can record and measure with sufficient accuracy all the market risks in the fund that are due to the use of derivatives.

The Company uses the "qualified approach" as defined in the Derivatives Regulation (Derivateverordnung; DerivateV) to determine the extent of the market risk limit. To this end, the Company compares the market risk of the fund with the market risk of a virtual reference portfolio that does not include any derivatives. The reference portfolio that does not contain derivatives is a virtual portfolio, the value of which always corresponds precisely to the current value of the fund but which contains no increases or hedging of the market risk through derivatives. In all other respects, the composition of the reference portfolio must correspond to the investment objectives and investment policy of the fund. The reference portfolio for the fund, which does not contain derivatives, includes euro bonds with an emphasis on asset-backed covered bonds of various maturities. If required, the exact composition of the

reference portfolio can be requested from the Management Company.

Through the use of derivatives, the value-at-risk amount for the market risk exposure of the fund may at no time exceed twice the value-at-risk amount for the market risk exposure of the respective derivative-free reference portfolio.

The market risk exposure of the fund and the reference portfolio that does not contain derivatives is determined in each case using an appropriate internal risk model (called the value-at-risk method). To do this, the Company uses the historic simulation with complete revaluation of the products as the modeling method. The main parameters are: 99% confidence interval, 10-day holding period, 1 year history and no decay factor. In addition, stress tests are performed and the value-at-risk methodology is confirmed by back testing. The Company includes the market price risks from all transactions here. Through the risk model, it quantifies the change in value of the assets held in the fund over time. The value-at-risk approach provides a limit, expressed in monetary units, for potential losses of a portfolio between two specified points in time. This change in value is determined by random events, namely the future performance of market prices, and therefore cannot be predicted with any certainty. The market risk exposure to be determined can only be estimated with a sufficiently large degree of probability.

The Company may – provided an appropriate risk management system is in place – invest in any type of derivative on behalf of the fund. The prerequisite is that the derivatives be derived from assets which the fund is permitted to acquire or from the following underlyings:

- interest rates
- exchange rates
- currencies
- financial indices that are sufficiently diversified, represent an adequate reference basis for the market to which they refer and which are published appropriately.

In particular, this includes options, financial futures and swaps, as well as combinations thereof.

PROFILE OF A TYPICAL INVESTOR

The fund is intended for the income-oriented investor seeking higher returns through interest income and from possible capital gains. Return expectations are offset by moderate equity, interest rate and currency risks, as well as minor default risks. Loss of capital is thus improbable in the medium to long term.

UNITS

Issue of units

Units may be purchased from the Depositary, the Company or through an intermediary. The order acceptance deadline for the issue of units is 1:30 PM CET at the offices of the Company or the Depositary. Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG will additionally act as secondary paying agents in Germany; in this capacity, they too will accept buy orders up until the order acceptance deadline.

Redemption of units

Units are redeemed by the Depositary. The order acceptance deadline for the redemption of units is 1:30 PM CET at the offices of the Company or the Depositary. Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG will additionally act as secondary paying agents in Germany; in this capacity, they too will accept sell orders up until the order acceptance deadline.

ISSUE AND REDEMPTION PRICES AND COSTS

Initial sales charge

An initial sales charge is added to the net asset value per unit when the issue price is set. The initial sales charge for the LD and LC unit classes is currently 2.5% of the net asset value per unit. The initial sales charge for the FC, FD, IC and ID unit classes is currently 0%. The initial sales charge may reduce or even completely consume the performance of the fund, particularly in the case of a short investment period. The initial sales charge is basically a fee for the distribution of the units of the fund. The Company may pass on the initial sales charge to intermediaries as remuneration for sales services.

Redemption fee

A redemption fee is not charged.

Management and other costs

The Company shall receive from the fund a daily all-in fee of 0.70% p.a. of the fund's assets for the LD and LC unit classes, 0.40% p.a. for the FC and FD unit classes and 0.35% p.a. for the IC and ID unit classes, based on the net asset value calculated each exchange trading day (see article 18 of the General Investment Conditions). The following fees and expenses are included in the all-in fee, and will not be charged separately to the fund:

- fees for the management of the fund (fund management, administrative functions, distribution costs, service fee for reporting and analysis);
- Depositary fees;
- customary bank custody and account management fees including, if applicable, the customary bank expenses for holding foreign assets in custody abroad;
- costs for the printing and mailing of legally required documentation destined for the investor (annual and semiannual reports, sales prospectuses, key investor information document);
- costs associated with the publication of annual and semiannual reports, the issue and redemption prices, and, where applicable, dividend distributions or reinvestments and the liquidation report;
- the cost of having the fund audited by the auditors of the fund;
- the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

The all-in fee may be withdrawn from the fund at any time.

In addition to the all-in fee payable to the Company, the following additional expenses may also be charged to the fund:

- any taxes arising in connection with remuneration to be paid to the Company, the Depositary and third parties and expenses stated below, including taxes arising in connection with management or safekeeping;
- the costs of asserting and enforcing legal claims by the Company for the account of the fund and defending itself against claims incurred by the fund asserted against the Company;
- costs for informing the investors by means of a durable medium, with the exception of costs for informing the investors by durable media in the case of
 - fund mergers and
 - measures related to accounting errors in determining the NAV or when contravening investment limits.

The net income from securities lending and securities repurchase agreements is due to the fund.

The Company shall receive a fee for initiating, preparing and implementing such securities lending and repurchase agreements. This shall be up to 50% of the income from these agreements.

In addition to the aforementioned remuneration and expenses, costs associated with the acquisition and sale of assets are charged to the fund.

Further costs can be incurred in connection with securities lending and repurchase agreements, such as:

- Depositary fees;
- customary bank fees including, if applicable, the customary bank expenses for holding securities in custody abroad;
- fees to be paid to external service providers which the Company uses to perform the transactions (see also the section on securities lending and repurchase agreements previously in this sales prospectus).

These further costs incurred in performing the transactions are borne by the Company.

Fees and reimbursements of expenses from the fund to the Company, the Depositary or third parties are subject to the approval of BaFin.

CIRCUMSTANCES PARTICULAR TO THE ACQUISITION OF INVESTMENT FUND UNITS

When acquiring units in target funds, the costs of the target fund, especially the management fee/all-in fee, performance-based fees, initial sales charges and redemption fees, expense reimbursements as well as other costs payable for the target funds are charged to the fund in full.

Notwithstanding the provision in the general section of this sales prospectus, the following applies for the acquisition of affiliated target funds:

No fees are charged to the fund for the acquisition of units of affiliated target funds. The portion of the management fee/all-in fee attributable to units of affiliated target funds is deducted from the management fee/all-in fee charged by the acquired target funds, if necessary up to the full amount (difference method).

EXCHANGES AND MARKETS

The Company may have the units of the fund admitted for listing on an exchange or traded in organized markets; currently the Company is not availing itself of this option.

The Company is aware that – without its consent – as of the date of preparation of this sales prospectus, the units of the fund are being traded in or are listed on the following markets:

- Hamburg Stock Exchange (Börse Hamburg)
- Frankfurt Stock Exchange (Börse Frankfurt)
- Düsseldorf Stock Exchange (Börse Düsseldorf)
- Munich Stock Exchange (Börse München)
- Stuttgart Stock Exchange (Börse Stuttgart)
- Berlin Stock Exchange (Börse Berlin)

The possibility that such trading might be discontinued at short notice, or that the units of the fund may be trading or introduced for trading in other markets – including at short notice, where applicable – cannot be excluded. The Company has no knowledge of this.

The market price underlying exchange trading or trading in other markets is not determined exclusively by the value of the assets held in the fund. Supply and demand are also contributing factors. The market price may therefore deviate from the calculated net asset value per unit.

FISCAL YEAR

The fiscal year of the fund commences on October 1 and ends on September 30.

DISTRIBUTION POLICY

Reinvesting unit classes

Subject to the requisite adjustment of income, the Company reinvests in the fund the interest, dividends and other income that have accrued in reinvesting unit classes for the account of the fund during the fiscal year and have not been applied to cover costs, as well as the capital gains realized during the fiscal year.

Distributing unit classes

Within three months after the end of the fiscal year, the Company generally distributes to investors the interest, dividends and income from securities loans and repurchase agreements that have accrued in the distributing unit classes for the account of the fund during the fiscal year and have not been applied to cover costs. Realized capital gains and other income may also be included in the distribution.

Since the dividend is withdrawn from the assets of the fund, the fund's net asset value per unit decreases on the distribution date (the ex-dividend date) by the amount distributed per unit.

If units are held in custody with the Depositary, the Depositary's branches will credit distributions free of charge. The same applies for securities accounts maintained with the Company and with Deutsche Bank AG and Deutsche Bank Privat- und Geschäftskunden AG. If the securities account is maintained at banks or savings banks other than the preceding, other costs may be incurred.

CONSULTING FIRMS

The Company has not engaged any consulting firms or investment advisors at this time.

OVERVIEW OF THE UNIT CLASSES

ISIN	LD	DE0008476532
	LC	DE000DWS1UL0
	FC	DE000DWS1UM8
	FD	DE000DWS1UN6
	IC	DE000DWS1UP1
	ID	DE000DWS1UQ9
Security code (WKN)	LD	847653
	LC	DWS1UL
	FC	DWS1UM
	FD	DWS1UN
	IC	DWS1UP
	ID	DWS1UQ
Fund currency	EUR	
Unit class currency	LD	EUR
	LC	EUR
	FC	EUR
	FD	EUR
	IC	EUR
	ID	EUR
Date of inception and initial subscription	LD	May 26, 1988
	LC	April 22, 2013
	FC	Not yet launched. The sales prospectus will be updated immediately following inception of the unit class.
	FD	March 15, 2013
	IC	June 4, 2013
	ID	January 20, 2014
Initial sales charge	LD	2.5%
	LC	2.5%
	FC	None
	FD	None
	IC	None
	ID	None
Distribution policy	LD	Distribution
	LC	Reinvestment
	FC	Reinvestment
	FD	Distribution
	IC	Reinvestment
	ID	Distribution
All-in fee	LD	0.7% p.a.
	LC	0.7% p.a.
	FC	0.4% p.a.
	FD	0.4% p.a.
	IC	0.35% p.a.
	ID	0.35% p.a.
Minimum investment	LD	None
	LC	None
	FC	EUR 400,000
	FD	EUR 400,000
	IC	EUR 25,000,000
	ID	EUR 25,000,000
Initial issue price	LD	DEM 87.12 (incl. initial sales charge)
	LC	EUR 52.87 (incl. initial sales charge)
	FC	NAV per unit of the DWS Covered Bond Fund LD unit class on the inception date
	FD	EUR 50.99
	IC	EUR 51.65
	ID	NAV per unit of the DWS Covered Bond Fund LD unit class on the inception date

Investment Conditions

GENERAL INVESTMENT CONDITIONS

governing the legal relationship between the investors and Deutsche Asset & Wealth Management Investment GmbH, Frankfurt/Main, Germany, (hereinafter referred to as the "Company") for the investment funds managed by the Company in accordance with the UCITS Directive. These General Investment Conditions are only valid in conjunction with the Special Investment Conditions set forth for the specific UCITS investment fund.

Article 1 General principles

1. The Company is a UCITS management company and is subject to the provisions of the German Capital Investment Act (Kapitalanlagegesetzbuch; KAGB).

2. The Company invests the money deposited with it in its own name for the collective account of the investors in the form of a UCITS investment fund pursuant to the principle of risk-spreading in assets permitted under the KAGB, but separate from its own assets. Documents (share certificates) shall be issued concerning the rights of the investors.

3. The legal relationship between the Company and the investor is based on the General Investment Conditions (GICs) and the Special Investment Conditions (SICs) of the UCITS investment fund, and the KAGB.

Article 2 Depositary

1. The Company shall appoint a credit institution as Depositary for the UCITS investment fund. The Depositary shall act independently of the Company and exclusively in the interests of the investors.

2. The tasks and duties of the Depositary are governed by the Depositary contract concluded with the Company, the KAGB as well as the GICs and SICs.

3. The Depositary can outsource depositary tasks pursuant to article 73 KAGB to another company (sub-depositary). The sales prospectus contains additional information on this.

4. The Depositary is liable to the UCITS investment fund or the investors for the loss, by the Depositary or a sub-depositary to whom the custody of financial instruments has been transferred pursuant to article 73 (1) KAGB, of a financial instrument that is held in custody. The Depositary is not liable if it can verify that the loss is attributable to external events the consequences of which were unavoidable despite all appropriate countermeasures. Further-reaching claims that result from the provisions of civil law on the basis of contracts or unpermitted actions remain unaffected. The Depositary is also liable to the UCITS investment fund or the investors for all other losses these suffer as a result of the Depositary failing either through intent or negligence to fulfill its obligations under the provisions of the KAGB. The Depositary's liability remains unaffected by any transfer of the

depositary tasks pursuant to paragraph 3, sentence 1. The Company is empowered to grant the Depositary the option of an exemption from liability for the loss of financial instruments held in custody by a sub-depositary pursuant to article 77 (4) or (5) KAGB. If the Depositary avails of this option, the Company can assert claims for compensation due to the loss of financial instruments held by a sub-depositary against the relevant sub-depositary instead of against the Depositary.

Article 3 Fund management

1. The Company acquires and manages assets in its own name for the collective account of the investors with expertise, probity, due care and conscientiousness. It shall act independently of the Depositary in performing its duties and exclusively in the interests of the investors.

2. The Company has the right to use the money deposited with it by the investors to purchase assets, resell them and invest the proceeds in other assets; the Company is furthermore authorized to carry out all other legal transactions arising out of the management of the assets.

3. The Company may neither grant money loans nor enter into any obligations in connection with a contract of surety or guarantee for the collective account of the investors. It is not permitted to sell assets as defined in articles 193, 194 and 196 KAGB that are not held by the UCITS investment fund at the time of conclusion of the transaction. Article 197 KAGB shall remain unaffected.

Article 4 Investment principles

The Company shall only acquire assets for the UCITS investment fund which are expected to generate income and/or growth. The assets that may be acquired for the UCITS investment fund are stipulated in the SICs.

Article 5 Securities

Unless the SICs provide for additional restrictions, the Company may purchase securities – subject to article 198 KAGB – only if

a) they are admitted for trading on an exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in one of these states;

b) they are only admitted for trading on an exchange outside the member states of the European Union or in another state that is not a party to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in one of these states, provided that the selection of this exchange or this organized market is permitted by BaFin¹;

¹ The list of exchanges is published on the BaFin web site at www.bafin.de

c) their admission for trading on an exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or their admission to an organized market or their inclusion in such a market in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area is to be applied for under the terms and conditions of issue, insofar as the admission or inclusion of these securities takes place within one year of issue;

d) the respective terms of issue require that their admission for trading on a stock exchange or their admission to or inclusion in an organized market, outside the member states of the European Union or outside the other states that are party to the Agreement on the European Economic Area must be applied for, the BaFin has approved of the choice of stock exchange or organized market and the admission or listing of such securities takes place within one year of their issue;

e) they are equities to which the UCITS investment fund is entitled from company funds in the event of a capital increase;

f) they were acquired through the exercise of subscription rights belonging to the UCITS investment fund;

g) they represent units in a closed-end fund that meet the criteria specified in article 193 (1), sentence 1, no. 7, KAGB;

h) they are financial instruments that meet the criteria specified in article 193 (1), sentence 1, no. 8, KAGB.

Securities may not be acquired according to sentence 1 (a) to (d) unless the conditions under article 193 (1), sentence 2, KAGB, have also been fulfilled.

Article 6 Money market instruments

1. Unless the SICs provide for additional restrictions, the Company may, subject to article 198 KAGB, acquire for the account of the UCITS investment fund instruments that are usually traded on the money market, as well as interest-bearing securities that have a residual term not exceeding 397 days at the time of acquisition for the UCITS investment fund, or whose interest payments are adjusted to market circumstances regularly throughout their entire term, although at least once every 397 days, pursuant to the terms and conditions of issue or whose risk profile corresponds to the risk profile of such securities (money market instruments).

Money market instruments may be acquired for the UCITS investment fund only if they

a) are admitted for trading on an exchange in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in such a member state;

b) are exclusively admitted for trading on an exchange outside the member states of the European Union or outside the other states that are parties to the Agreement on the European Economic Area or are admitted for trading or included in another organized market in such a country, insofar as the choice of this exchange or organized market is approved by BaFin¹;

c) are issued or guaranteed by the European Union, the German federal government, a special-purpose vehicle of the German federal government, a federal state, another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a state that is not a member state of the European Union or, in the case of a federal state, by one of the members making up the federation, or by a public international body of which one or more member states of the European Union are members;

d) are issued by a company whose securities are traded on the markets specified in (a) and (b) above;

e) are issued or guaranteed by a credit institution that is subject to supervision according to the criteria stipulated in European Union legislation, or by a credit institution that is subject to and complies with supervisory provisions considered by BaFin to be equivalent to those of European Union legislation; or

f) are issued by other issuers and meet the requirements under article 194 (1), sentence 1, no. 6, KAGB.

2. Money market instruments as defined in paragraph 1 hereof may be acquired only if they fulfill the respective prerequisites specified in article 194 (2) and (3) KAGB.

Article 7 Bank balances

The Company may, for the account of the UCITS investment fund, hold bank balances having a term not exceeding twelve months. Such balances shall be kept in blocked accounts at a credit institution having its registered office in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area, or else in a third country whose supervisory provisions are considered by BaFin as equivalent to those stipulated in European Union legislation. Unless the SICs provide otherwise, the bank balances may also be denominated in foreign currencies.

Article 8 Investment fund units

1. Unless the SICs provide otherwise, the Company may acquire units for the account of the UCITS investment fund in accordance with Directive 2009/65/EC (UCITS). Units in other German investment funds and investment corporations with variable capital as well as units

of foreign open-ended investment funds that are not units in EU UCITS may be acquired if they meet the requirements under article 196 (1), sentence 2, KAGB.

2. The Company may acquire units of German investment funds and investment corporations with variable capital, of EU UCITS and foreign open-ended investment funds that are not EU UCITS only if the investment conditions or the articles of incorporation and by-laws of the UCITS management company, the investment corporation with variable capital or the foreign open-ended investment fund or the foreign management company stipulate that no more than 10% of their net assets may be invested in units of other German investment funds, investment corporations with variable capital or foreign open-ended investment funds as defined in article 196 (1), sentence 2, KAGB.

Article 9 Derivatives

1. Unless the SICs provide otherwise, the Company may deploy derivatives pursuant to article 197 (1), sentence 1 KAGB, and financial instruments with a derivative component pursuant to article 197 (1), sentence 2, KAGB, in the course of the management of the UCITS investment fund. Depending on the type and volume of the derivatives and financial instruments with a derivative component employed, the Company may use either the simple or the qualified approach as defined in the "Regulation on Risk Management and Risk Measurement in the Use of Derivatives, Securities Loans and Repurchase Agreements in Investment Funds Pursuant to the German Capital Investment Act (KAGB)" (DerivateV), established in accordance with article 197 (3) KAGB, in order to determine the extent to which the market risk limit for the use of derivatives and financial instruments with a derivative component set in accordance with article 197 (2) KAGB has been reached; details are specified in the sales prospectus.

2. Insofar as the Company employs the simple approach, it may regularly use only basic types of derivatives, financial instruments with a derivative component or combinations of these derivatives, financial instruments with a derivative component or combinations of underlyings permitted under article 197 (1), sentence 1 KAGB, in the UCITS investment fund. Complex derivatives of underlyings permissible in accordance with article 197 (1), sentence 1 KAGB may only be employed to a negligible extent. The attributable amount of the UCITS investment fund to be determined for the market risk as calculated in accordance with article 16 DerivateV may at no time exceed the value of the investment fund's assets.

Basic types of derivatives are:

a) futures contracts on underlyings pursuant to article 197 (1) KAGB with the exception of investment fund units in accordance with article 196 KAGB;

b) options or warrants on underlyings pursuant to article 197 (1) KAGB with the exception of investment units pursuant to article 196 KAGB and on futures contracts according to (a) hereof, if they have the following characteristics:

aa) it is possible to exercise them either during the entire term or at maturity, and

bb) at the time the option is exercised, its value depends directly on the positive or negative difference between the strike price and the market price of the underlying, and becomes zero if the difference has the opposite sign;

c) interest rate swaps, currency swaps, or interest rate/currency swaps;

d) options on swaps as defined in (c) hereof, provided they have the characteristics defined in (aa) and (bb) of (b) above (swaptions);

e) credit default swaps, if they serve exclusively and verifiably as hedges for the credit risk of exactly attributable assets of the UCITS investment fund.

3. If the Company uses the qualified approach, it may – provided an appropriate risk management system is in place – invest in any types of financial instruments with a derivative component or derivatives that are derived from an underlying that is permissible in accordance with article 197 (1), sentence 1 KAGB.

In these cases, the value-at-risk amount attributable to the UCITS investment fund for the market risk exposure ("value-at-risk amount") may at no time exceed twice the value-at-risk amount for the market risk exposure of the respective reference portfolio in accordance with article 9 DerivateV. Alternatively, the value-at-risk amount may not exceed 20% of the assets of the UCITS investment fund at any time.

4. In these transactions, the Company may not deviate under any circumstances from the investment principles and investment limits specified in the GICs, SICs or in the sales prospectus.

5. The Company shall employ derivatives and financial instruments with derivative components for hedging purposes, for efficient portfolio management and for achieving additional income for the investment fund, if and to the extent that it considers this advisable in the interests of the investors.

6. In determining the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch from the simple to the qualified approach in accordance with article 7 DerivateV. The switch to the qualified approach does not require approval by BaFin; however, the Company must inform BaFin immediately of the change and publish it in the next semiannual or annual report.

7. When using derivatives and financial instruments with a derivative component, the Company shall comply with the DerivateV.

Article 10 Other investment instruments

Unless the SICs provide otherwise, the Company may invest in other investment instruments

¹ The list of exchanges is published on the BaFin web site at www.bafin.de

in accordance with article 198 KAGB for the account of the UCITS investment fund up to a value of 10% of the UCITS investment fund's assets.

Article 11 Issuer limits and investment limits

1. When managing the investment fund, the Company must comply with the limitations and restrictions specified in the KAGB, DerivateV and in the Investment Conditions.

2. Securities and money market instruments, including securities and money market instruments of the same issuer purchased under repurchase agreements, may be purchased up to 5% of the value of the UCITS investment fund; however, a maximum of 10% of the value of the UCITS investment fund may be invested in these securities, if provided for in the SICs and the total value of securities and money market instruments of these issuers does not exceed 40% of the value of the UCITS investment fund.

3. The Company may invest up to 35% of the UCITS investment fund's assets in bonds, promissory note loans (Schuldscheindarlehen) and money market instruments issued or guaranteed by any one of the German federal government, a German federal state, the European Union, a member state of the European Union or its local authorities, another state that is a party to the Agreement on the European Economic Area, a state that is not a member of the European Union or by an international organization of which one or more member states of the European Union are members.

4. The Company may invest up to 25% of the UCITS investment fund's assets in mortgage bonds and municipal bonds, as well as bonds issued by credit institutions having their registered offices in a member state of the European Union or in another state that is a party to the Agreement on the European Economic Area, if these credit institutions are legally subject to special public supervision intended to protect the holders of such bonds, and if the sums deriving from the issue of such bonds are invested in conformity with the law in assets that, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and that, in the event of default of the issuer, would be used on a priority basis for the repayment of the principal and payment of the accrued interest. Insofar as the Company invests more than 5% of the UCITS investment fund's assets in bonds issued by one issuer in accordance with sentence 1 above, the total value of these bonds must not exceed 80% of the value of the assets of the UCITS investment fund.

5. The limit in paragraph 3 hereof may be exceeded in the case of securities and money market instruments of the same issuer pursuant to article 206 (2) KAGB, if this is provided for in the SICs, which must state the names of the issuers affected. In these cases, the securi-

ties and money market instruments held for the account of the UCITS investment fund must consist of at least six different issues; no more than 30% of the value of the UCITS investment fund may be invested in one issue.

6. The Company may invest no more than 20% of the UCITS investment fund's assets in bank balances as defined in article 195 KAGB at any one credit institution.

7. The Company shall ensure that a combination of

a) securities or money market instruments issued by one and the same institution;

b) deposits at this institution; and

c) attributable amounts for the counterparty risk of transactions entered into with this institution does not exceed 20% of the value of the UCITS investment fund. Sentence 1 hereof shall apply to the issuers and guarantors stated in paragraphs 3 and 4 hereof with the proviso that the Company must ensure that a combination of the assets and the attributable amounts stated in sentence 1 shall not exceed 35% of the value of the respective UCITS investment fund. The respective individual upper limits shall remain unaffected in both cases.

8. The bonds, promissory note loans (Schuldscheindarlehen) and money market instruments set forth in paragraphs 3 and 4 hereof are not taken into consideration when applying the 40% limits stated in paragraph 2 hereof. By way of derogation from the provision in paragraph 7 hereof, the limits mentioned in paragraphs 2 through 4 as well as in paragraphs 6 through 7 shall not be added together.

9. The Company may invest no more than 20% of the UCITS investment fund's assets in units of a single investment fund pursuant to article 196 (1), KAGB. The Company may invest no more than 30% of the UCITS investment fund's assets overall in investment fund units pursuant to article 196 (1), sentence 2, KAGB. The Company may acquire for the account of the UCITS investment fund no more than 25% of the issued units of another open-ended, German, EU or foreign investment fund, which invests, in accordance with the principle of risk-spreading, in assets permitted under articles 192 through 198, KAGB.

Article 12 Merger

1. In accordance with articles 181 through 191, KAGB, the Company may

a) transfer all the assets and liabilities of this UCITS investment fund to another existing investment fund or to a new investment fund established hereby, or an EU UCITS or a UCITS investment corporation with variable capital;

b) include all the assets and liabilities of another open-ended investment fund, an EU UCITS or a UCITS investment corporation with variable capital in this UCITS investment fund.

2. The merger must be approved by the respective supervisory authority. The details

of the process are derived from articles 182 through 191, KAGB.

3. The UCITS investment fund may only be merged with an investment fund that is not a UCITS, if the receiving or newly founded investment fund continues to be a UCITS. In addition, an EU UCITS may be merged with the UCITS investment fund in accordance with the provisions of article 2 (1) (p) point iii of Directive 2009/65/EC.

Article 13 Securities loans

1. The Company may, for the account of the UCITS investment fund grant to a securities borrower a securities loan that can be cancelled at any time in exchange for appropriate market compensation following transfer of sufficient collateral in accordance with article 200 (2) KAGB. The market value of the securities to be transferred, together with the market value of the securities of the same securities borrower including affiliated companies in accordance with article 290 of the German Commercial Code (Handelsgesetzbuch; HGB) already transferred as a securities loan for the account of the UCITS investment fund, may not exceed 10% of the value of the UCITS investment fund.

2. If the collateral provided by the borrower for the securities transferred as a loan is in the form of bank balances, the bank balances must be held in blocked cash accounts in accordance with article 200 (2), sentence 3, no. 1, KAGB. Alternatively, the Company may take the opportunity to invest these bank balances, in the currency of the bank balance, in the following assets:

a) in bonds of a high quality that have been issued by the German federal government, by a German federal state, the European Union, a member state of the European Union or its local authorities, by another state that is a party to the Agreement on the European Economic Area or a third country;

b) in money market funds with a short maturity structure in accordance with the directives issued by BaFin on the basis of article 4 (2) or

c) by way of a repurchase agreement with a credit institution, which guarantees the claim for the return of the accumulated bank balances which can occur at any time.

The UCITS investment fund is entitled to the income earned from investing the collateral.

3. The Company may also make use of an organized system for the brokerage and settlement of securities loans provided by a central depository for securities or by a different company designated in the SICs, whose purpose is the handling of international securities transactions for others, that does not meet the requirements of articles 200 and 201 KAGB, if protection of the investors' interests is assured through the facilities provided by the aforementioned system and there is no deviation from the right to cancel at any time as set out in paragraph 1 hereof.

4. Unless the SICs provide otherwise, the Company may also grant securities loans in relation to money market instruments and investment fund units, insofar as the UCITS investment fund is permitted to acquire these assets. The provisions in paragraphs 1 through 3 shall apply in this case.

Article 14 Repurchase agreements

1. The Company may, for the account of the UCITS investment fund, enter into securities repurchase agreements that can be cancelled at any time as defined in article 340b (2) of the German Commercial Code (Handelsgesetzbuch; HGB) with credit institutions or financial services institutions on the basis of standardized master agreements against payment of a fee.

2. The repurchase agreements must involve securities that may be purchased for the UCITS investment fund in accordance with the Investment Conditions.

3. The repurchase agreements may have a maximum term of twelve months.

4. Unless the SICs provide otherwise, the Company may also grant repurchase agreements in relation to money market instruments and investment fund units, insofar as the UCITS investment fund is permitted to acquire these assets. The provisions in paragraphs 1 through 3 shall apply in this case.

Article 15 Borrowing

The Company may take out short-term loans of up to 10% of the UCITS investment fund's assets for the collective account of the investors if the borrowing conditions are customary in the market, and if the Depositary grants its consent.

Article 16 Share certificates

1. Share certificates are made out to the bearer and are issued for one unit or multiples thereof.

2. The units may have different individual features in particular with respect to the distribution policy, the initial sales charge, the redemption fee, the currency of the net asset value per unit, the management fee, the minimum investment or a combination of these features (unit classes). Details are set down in the SICs.

3. The share certificates carry at least the handwritten or facsimile signatures of the Company and the Depositary.

4. Units are transferable. When a share certificate is transferred, the rights represented by it are transferred also. The Company shall in each case consider the bearer of a share certificate to be the entitled owner.

5. In the event that the rights of the investors at the time of the formation of the UCITS investment fund, or the rights of the investors in a unit class at the time of inception of the unit class, are not to be represented exclusively in a global certificate but in individual share certificates or multiple certificates, this shall be stated in the SICs.

Article 17 Issue and redemption of units, suspension of redemption

1. The number of units issued is generally unlimited. The Company reserves the right to suspend or permanently discontinue the issue of units.

2. Units may be purchased from the Company, the Depositary or through an intermediary.

3. Investors can request the redemption of their units by the Company. The Company is obliged to redeem units at the applicable redemption price for the account of the UCITS investment fund. Units are redeemed by the Depositary.

4. However, the Company reserves the right to suspend the redemption of units in accordance with article 98 (2) KAGB under exceptional circumstances that make a suspension appear necessary in the interests of the investors.

5. The Company shall notify the investors, by means of an announcement in the Bundesanzeiger (Federal Gazette) and, in addition, in a financial paper or a daily newspaper having sufficient circulation or in the electronic information media mentioned in the sales prospectus, about the suspension of the redemption of units, pursuant to paragraph 4 hereof, and the resumption of same. The investors shall be informed about the suspension of the redemption of units and its resumption without delay after it is announced in the Bundesanzeiger (Federal Gazette), by means of a durable medium.

Article 18 Issue and redemption prices

1. To calculate the issue and redemption prices of the units, the market values of the assets owned by the UCITS investment fund less any loans and other liabilities (net asset value) are determined and then divided by the number of units outstanding (net asset value per unit). If different unit classes are introduced for the UCITS investment fund pursuant to article 16 (2), the net asset value per unit and the issue and redemption prices shall be calculated separately for each unit class. The assets are valued pursuant to articles 168 and 169 KAGB and the Capital Investment Accounting and Valuation Regulation (KARBV).

2. The issue price corresponds to the net asset value per unit of the UCITS investment fund, plus an initial sales charge to be specified in the SICs, where applicable, in accordance with article 165 (2), no. 8 KAGB. The redemption price corresponds to the net asset value per unit of the UCITS investment fund, less a redemption fee to be specified in the SICs, where applicable, in accordance with article 165 (2), no. 8 KAGB.

3. The settlement date for unit purchases and redemption orders is the valuation date following receipt of the unit purchase or redemption order at the latest, unless otherwise stipulated in the SICs.

4. The issue and redemption prices are calculated on each exchange trading day. Unless the SICs provide otherwise, the Company and the Depositary may refrain from calculating these prices on public holidays that are trading days, as well as on December 24 and December 31 of each year. The SICs for investment funds with a country-specific investment focus can also include further country-specific exceptions. The details with respect to the determination of the issue and redemption prices are regulated by the sales prospectus.

Article 19 Costs

The fees and other expenses that may be charged to the UCITS investment fund and to which the Company, the Depositary and third parties are entitled are set forth in the SICs. In the case of fees as defined by sentence 1 hereof, the method of payment, their amount and the calculation that forms their basis are also specified in the SICs.

Article 20 Reporting duties

1. No later than four months following the close of the fiscal year of the UCITS investment fund, the Company shall publish an annual report, including a statement of income and expenses pursuant to article 101 (1) and (2) KAGB.

2. No later than two months after the first half of the fiscal year, the Company shall publish a semiannual report pursuant to article 103 KAGB.

3. If the right to manage the UCITS investment fund is transferred to another investment company in the course of the fiscal year, or if the UCITS investment fund is merged with another investment fund or an EU UCITS in the course of the fiscal year, the Company must draw up an interim report dated to the effective date of transfer. This report must comply with the requirements of an annual report pursuant to paragraph 1 hereof.

4. If the UCITS investment fund is liquidated, the Depositary must draw up a liquidation report annually and on the day liquidation is completed; this report must comply with the requirements of an annual report pursuant to paragraph 1 hereof.

5. The reports are available from the Company and the Depositary and other offices that must be specified in the sales prospectus and the key investor information document; they shall also be published in the Bundesanzeiger (Federal Gazette).

Article 21 Termination and liquidation of the UCITS investment fund

1. The Company may terminate its management of the UCITS investment fund with at least six months' notice by way of an announcement in the Bundesanzeiger (Federal Gazette) and additionally in the annual report or semiannual report. The investors shall be informed without delay about a termination published

pursuant to the first sentence by means of a durable medium.

2. Once the termination takes effect, the Company's right to manage the UCITS investment fund shall cease. In this case, the UCITS investment fund, or the right to dispose of the UCITS investment fund, shall pass to the Depositary, which shall liquidate it and distribute the proceeds of the liquidation to the investors. For the period of the liquidation, the Depositary shall be entitled to a fee for its liquidation activity and for compensation of its expenses, required for the liquidation. Subject to approval by BaFin, the Depositary may refrain from liquidation and distribution and may transfer its management of the UCITS investment fund to another management company in accordance with the previous Investment Conditions.

3. The Company must draw up a liquidation report to the day on which its right of management ceases, pursuant to article 99 KAGB; this report must comply with the requirements of an annual report pursuant to article 20 (1).



Article 22 Amendments to the Investment Conditions

1. The Company may amend the Investment Conditions.

2. Amendments to the Investment Conditions are subject to prior approval by BaFin. To the extent that the amendments set forth in sentence 1 above involve the UCITS investment fund's investment principles, they require the prior consent of the Company's supervisory board.

3. All the proposed amendments shall be announced in the Bundesanzeiger (Federal Gazette) and, in addition, in a business publication or daily newspaper with sufficient circulation, or in the electronic information media designated in the sales prospectus. Reference must be made to the proposed amendments and their coming into force in a publication as defined in sentence 1 above. In the event of changes in costs as defined in article 162 (2), no. 11, KAGB, changes to the investment principles of the UCITS investment fund as defined in article 163 (3) KAGB or changes related to key investor rights, the investors are to be informed of the key aspects of the proposed changes to the Investment Conditions and their background and of their rights pursuant to article 163 (3) KAGB in a comprehensible way by means of a durable medium pursuant to article 163 (4) KAGB, simultaneously with publication pursuant to the first sentence hereof.

4. The amendments shall come into force the day after their publication in the Bundesanzeiger (Federal Gazette) at the earliest; in the event of changes in costs and the investment principles, however, no earlier than three months after the respective announcement.

Article 23 Place of performance and jurisdiction

1. The place of performance shall be the location of the registered office of the Company.

2. For investors having no general place of jurisdiction in the Federal Republic of Germany, the non-exclusive place of jurisdiction shall be the location of the registered office of the Company.

SPECIAL INVESTMENT CONDITIONS

governing the legal relationship between the investors and Deutsche Asset & Wealth Management Investment GmbH, Frankfurt/Main, Germany (hereinafter referred to as the "Company") for the investment fund

DWS Covered Bond Fund

which is managed by the Company in accordance with the UCITS Directive. These are only valid in conjunction with the General Investment Conditions laid down by the Company.

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

Article 24 Assets

The Company may acquire the following assets for the UCITS investment fund:

1. securities according to article 193 KAGB;
2. money market instruments according to article 194 KAGB;
3. bank balances according to article 195 KAGB;
4. investment fund units according to article 196 KAGB;
5. derivatives according to article 197 KAGB;
6. other investment instruments according to article 198 KAGB.

Article 25 Investment limits

1. At least 70% of the assets of the UCITS investment fund must be invested in covered bonds that are denominated in euro and that have an investment grade rating or a corresponding internal rating.

2. Up to 30% of the UCITS investment fund's assets may be invested in other securities according to article 24, no. 1.

3. The Company only acquires equities through the exercise of conversion and subscription rights. The equities thus acquired may only remain in the UCITS investment fund for a period of up to 6 months following acquisition. The same applies for warrants after acquired warrant-linked bonds have been separated.

4. Securities purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) to (3) KAGB.

5. Up to 30% of the UCITS investment fund's assets may be invested in money market instruments. There are no restrictions regarding the money market instruments that may be purchased in accordance with article 6 of the General Investment Conditions (GICs). Money market instruments purchased under repurchase agreements shall be attributed to the investment limits of article 206 (1) to (3) KAGB.

6. Up to 30% of the UCITS investment fund's assets may be held in bank balances in accordance with article 7, sentence 1, of the GICs.

7. Up to 10% of the UCITS investment fund's assets may be invested in all permissible investment fund units in accordance with article 8 (1)

of the GICs. Investment fund units purchased under repurchase agreements shall be attributed to the investment limits of articles 207 and 210 (3) KAGB.

UNIT CLASSES

Article 26 Unit classes

Unit classes may be established for the UCITS investment fund within the meaning of article 16 (2) of the GICs, whereby the unit classes may vary with respect to the distribution policy, initial sales charge, redemption fee, currency of the NAV per unit including the use of currency hedges, all-in fee, minimum investment amount, or a combination of these features. Unit classes may be established at any time at the discretion of the Company.

Currency hedges may be concluded exclusively in favor of each currency unit class. For currency unit classes which are currency hedged in favor of the currency of this unit class (base currency), the Company may also use derivatives on exchange rates or currencies as defined in article 197 (1) KAGB, irrespective of article 9 of the GICs, with the objective of preventing losses in the NAV per unit caused by exchange rate losses of assets of the UCITS investment fund not denominated in the base currency of the unit.

The NAV per unit is calculated separately for each unit class; whereby the costs of establishing new unit classes, the distributions (including any taxes to be paid from fund assets), the all-in fee and gains or losses on currency hedging related to a specific unit class – including any applicable income adjustments – are exclusively allocated to the respective unit class.

The existing unit classes are listed individually, both in the sales prospectus and the annual and semiannual report. The different individual features which identify the unit classes (distribution policy, initial sales charge, currency of the NAV per unit, all-in fee, minimum investment or a combination of these features) are described individually in the sales prospectus and the annual and semiannual report.

UNITS, ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND COSTS

Article 27 Units

The investors are joint owners of a fraction of each asset of the UCITS investment fund in accordance with their pro rata share.

Article 28 Issue and redemption prices

The Company provides details of the initial sales charges levied in respect of each unit class in the sales prospectus and the annual and semiannual reports. The initial sales charge for the LD and LC unit classes is 3% of the NAV per unit. The Company is free to charge a lower initial sales charge. The initial sales charge for the FC, FD, IC and ID unit classes is 0% of the NAV per unit. The Com-

pany must provide details of the initial sales charge in the sales prospectus, pursuant to article 165 (3) KAGB.

Article 29 Costs and services received

1. The Company shall receive from the UCITS investment fund a daily all-in fee of 0.70% p.a. of the UCITS investments fund's assets for the LD and LC unit classes, 0.40% p.a. for the FC and FD unit classes and 0.35% p.a. for the IC and ID unit classes, based on the net asset value calculated each exchange trading day (see article 18 of the GICs). The following fees and expenses are included in the all-in fee, and will not be charged separately to the UCITS investment fund:

a) fees for the management of the UCITS investment fund (fund management, administrative functions, distribution costs, service fee for reporting and analysis);

b) Depositary fees;

c) customary bank custody and account management fees including, if applicable, the customary bank expenses for holding foreign assets in custody abroad;

d) costs for the printing and mailing of legally required documentation destined for the investor (annual and semiannual reports, sales prospectuses, key investor information document);

e) costs associated with the publication of annual and semiannual reports, the issue and redemption prices, and, where applicable, dividend distributions or reinvestments and the liquidation report;

f) the cost of having the UCITS investment fund audited by the auditors of the UCITS investment fund;

g) the cost of publishing the information required for taxation and the certificate confirming that the tax information was prepared in compliance with German tax law.

The all-in fee may be withdrawn from the UCITS investment fund at any time.

2. In addition to the all-in fee payable to the Company from paragraph 1 hereof, the following additional expenses may also be charged to the UCITS investment fund:

a) any taxes arising in connection with remuneration to be paid to the Company, the Depositary and third parties and expenses stated below, including taxes arising in connection with management or safekeeping;

b) the costs of asserting and enforcing legal claims by the Company for the account of the UCITS investment fund and defending itself against claims incurred by the UCITS investment fund asserted against the Company;

c) costs for informing the investors by means of a durable medium, with the exception of costs for informing the investors by durable media in the case of

- fund mergers and
- measures related to accounting errors in determining the NAV per unit or when contravening investment limits.

3. The Company shall receive a flat fee for initiating, preparing and implementing securities lending and securities repurchase agreements for the account of the fund amounting to up to 50% of the income from these transactions. The Company shall bear the costs which arise in connection with preparing and implementing such transactions, including any fees payable to third parties.

4. In addition to the aforementioned remuneration and expenses, costs associated with the acquisition and sale of assets are charged to the UCITS investment fund. In relation to these trading operations for the UCITS investment fund, the Company is entitled to retain valuable benefits provided by brokers and traders, accepted in accordance with article 2 of the Regulation on the Rules of Conduct and Organizational Rules (Kapitalanlage-Verhaltens- und Organisationsverordnung; KAVerOV), which it will use for investment decisions in the interests of the unitholders. These benefits include services such as research, financial analyses and market and price information systems, and may be provided by the brokers and traders themselves or by third parties.

5. The Company shall disclose in the annual report and in the semiannual report the amount of the initial sales charges and redemption fees that have been charged to the UCITS investment fund, over the period covered by the report, for the acquisition and redemption of units as defined in article 196 KAGB. When acquiring units that are managed directly or indirectly by the Company itself or by another company with which the Company is affiliated through significant direct or indirect participation, the Company itself or the other company may not charge initial sales charges and redemption fees for acquisitions and redemptions. The Company shall disclose in the annual report and in the semiannual report the fee charged to the UCITS investment fund as a management fee for the units held in the UCITS investment fund by the Company itself, by another management company, by an investment stock corporation or by another company with which the Company is affiliated through significant direct or indirect participation, or by a foreign investment company, including its management company.

DISTRIBUTION POLICY AND FISCAL YEAR

Article 30 Reinvesting unit classes

Subject to the requisite adjustment of income, the Company reinvests, in the reinvesting unit classes, the interest, dividends and other income that have accrued for the account of the UCITS investment fund during the fiscal year and have not been applied to cover costs, as well as the capital gains realized in the UCITS investment fund.

Article 31 Distributing unit classes

1. Subject to the requisite adjustment of income, the Company generally distributes the interest, dividends and other income that have accrued for the account of the UCITS investment fund during the fiscal year and have not been applied to cover costs, to the distributing unit classes. Realized capital gains may also be included in the distribution, subject to the requisite adjustment of income.

2. Distributable income pursuant to paragraph 1 hereof may be carried forward for distribution in future fiscal years, provided that the aggregate amount of the income carried forward does not exceed 15% of the relevant UCITS investment fund's assets as of the end of the fiscal year. Income from truncated fiscal years can be fully carried forward.

3. In the interest of preserving the capital of the investment fund, income may be partially, and in exceptional cases fully, retained in the UCITS investment fund for reinvestment.

4. Distributions shall be made on an annual basis within three months of the close of the fiscal year.

Article 32 Fiscal year

The fiscal year of the UCITS investment fund commences on October 1 and ends on September 30.

Article 33 Share certificates of Deutsche Vermögensbildungsgesellschaft mbH

1. The rights of unitholders that acquired units of this UCITS investment fund formerly managed by Deutsche Vermögensbildungsgesellschaft mbH shall remain unaffected by the transfer of the management to the Company.

2. Share certificates of this UCITS investment fund that are made out in the original name of DVG-Fonds Select-Rent and that are still signed by Deutsche Vermögensbildungsgesellschaft mbH shall retain their validity, irrespective of the transfer of the management to the Company.

Management Company

Deutsche Asset & Wealth Management
Investment GmbH
60612 Frankfurt/Main, Germany
Liable equity capital as of
December 31, 2012: EUR 193.5 million
Subscribed and paid-in capital as of
December 31, 2012: EUR 131 million
(Both figures take into consideration the
merger of Deutsche Asset Management
Investmentgesellschaft mbH with
Deutsche Asset & Wealth Management
Investment GmbH)

Supervisory Board

Michele Faissola
Head of Asset & Wealth Management
Deutsche Bank AG, London
Chairman

Christof von Dryander
Deutsche Bank AG,
Frankfurt/Main
Vice-Chairman

Dr. Roland Folz
Deutsche Bank AG,
Frankfurt/Main

Dr. Stefan Marcinowski
Ludwigshafen

Dr. Edgar Meister
Former member of the Executive Board of the
Deutsche Bundesbank,
Frankfurt/Main

Friedrich von Metzler
Partner in the banking firm
B. Metzler seel. Sohn & Co. KGaA,
Frankfurt/Main

Andreas Pohl
General Agent and
Member of the Management of
Deutsche Vermögensberatung Holding GmbH,
Marburg

Thomas Rodermann
Deutsche Bank AG,
Frankfurt/Main

Christian Strenger
Frankfurt/Main

Depository

State Street Bank GmbH
Brienner Straße 59
80333 Munich, Germany
Liable equity capital as of
December 31, 2012: EUR 1,339.5 million
Subscribed and paid-in capital as of
December 31, 2012: EUR 108 million

Management

Wolfgang Matis
Managing Director of
DWS Holding & Service GmbH,
Frankfurt/Main
Chairman of the Board of Directors of
DWS Investment S.A.,
Luxembourg
Chairman of the Supervisory Board of
Sal. Oppenheim jr. & Cie. AG & Co. KGaA,
Cologne

Holger Naumann
Managing Director of
DWS Holding & Service GmbH,
Frankfurt/Main
Managing Director of
RREEF Spezial Invest GmbH,
Frankfurt/Main

Peter Roemer
Member of the Board of Directors of
Deutsche Asset Management Schweiz AG,
Zurich
Member of the Supervisory Board of
RREEF Investment GmbH,
Frankfurt/Main
Member of the Supervisory Board of
ZAO UFG Invest,
Moscow

Dr. Asoka Wöhrmann
Managing Director of
DWS Holding & Service GmbH,
Frankfurt/Main
Member of the Board of Directors of
DWS Investment S.A.,
Luxembourg

Shareholder of Deutsche Asset & Wealth Management Investment GmbH

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Frankfurt/Main

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