

# Sales Prospectus and Management Regulations

January 1, 2009

**DB Portfolio**

■ **DB Portfolio Euro Liquidity**

**DWS Investment S.A.**

DWS Investment S.A. currently manages the following investment funds in the legal form of a fonds commun de placement (FCP) (as of September 25, 2008):

AL DWS GlobalAktiv+; Breisgau-Rent; Certificate Horizon\*; DB FCS; DB Flexible Management; DB Opportunity; DB Portfolio\*; db PrivatMandat Invest\*; DBM Vermögensverwaltung Ausgewogen; DBM Vermögensverwaltung Ertrag; DBM Vermögensverwaltung Wachstum; Diversified Strategic Asset Allocation\*; DWS 5% Target Return 2010; DWS 5,5% Target Return 2011; DWS ABS Fund; DWS ABS plus; DWS ACF (EUR); DWS AgriX Garant 2013; DWS Alpha Fonds; DWS Best 80 Garant; DWS Best Global FX Selection Plus; DWS Best Result Garant; DWS Best USA Garant; DWS BestSelect Balance; DWS BestSelect Branchen; DWS BestSelect Global; DWS Brazil; DWS BRIC Garant; DWS BRIC Garant 2012; DWS Cash EUR; DWS Cash USD; DWS China; DWS CO<sub>2</sub> Opportunities Fund; DWS Credit Opportunities; DWS Delta Fonds; DWS Deutschland Garant 2013; DWS DifferenzChance 2013; DWS Diskont Basket; DWS Dollarenta; DWS Emerging Markets Bonds; DWS Etoile; DWS EnergiX 2013; DWS Euro Reserve; DWS Euro-Bonds (Long); DWS Euro-Bonds (Medium); DWS Euro-Bonds (Short); DWS Euro-Corp Bonds; DWS Euro-Corp High Yield; DWS Eurocash plus; DWS Eurocash premium; DWS EuroDynamic Garant; DWS Euroland Konzept 2009; DWS Europa Bonus Express *Offensiv*; DWS Europa Bonus Express *Offensiv II*; DWS Europa Express; DWS Europa Garant 2012; DWS Europa Garant 2013; DWS Europa Timing +; DWS Europe Convergence Bonds; DWS Europe Convergence Equities; DWS Eurorenta; DWS Flex Aktiv; DWS FlexPension I; DWS Flex Chance I; DWS Flex Chance III; DWS Financials Opportunities Fund; DWS Fixed Income Strategy; DWS Global\*; DWS Global Equity Focus Fund; DWS Global Value; DWS Gold plus; DWS India; DWS Lateinamerika; DWS Mandarin; DWS Megatrend Performance 2016; DWS MultiDynamic Garant; DWS Multi Asset Solution I; DWS Multi Asset Solution II; DWS Multi Asset Solution III; DWS Multi Chance II; DWS OptiRent (Flex); DWS OptiRent (Medium); DWS OptiRent (Short); DWS Osteuropa; DWS Performance Rainbow 2015; DWS Performance Select 2014; DWS Professional Cash (Eq); DWS Rendite\*; DWS Rendite 2008; DWS Rendite 2010; DWS Rendite 2012; DWS Rendite Garant; DWS Rendite Optima; DWS Rendite Optima Four Seasons; DWS Russia; DWS Top Balance; DWS Top DivideX Bonus 2012; DWS Top Dynamic; DWS Türkei; DWS (US Dollar) Reserve; DWS Vario Chance I; DWS Vario Chance II; DWS Vario Solution I; DWS Vario Solution II; DWS Vario Solution III; DWS Vermögensbildungsfonds I (Lux); DWS Vermögensmandat\*; DWS Vorsorge\*; DWS Vola Strategy; DWS Zins Chance 2011; DWS ZukunftsFonds 2025; DWS ZukunftsFonds 2030; DWS ZukunftsFonds 2035; FI ALPHA\*; Global Fund; Multi Opportunities; Multi Opportunities II; Multi Opportunities III; Multi Opportunities IV; Multi Style – Mars; NOVETHOS Invest; P500; PAM Equity Alpha Fund; PAM Fixed Income Alpha Fund; PAM International Fund Selection Portfolio\*; P Apollo; Prima 2010; Prima 2010 plus; Private Global Opportunity; PWM Mandat – DWS\*; RAM Dynamisch; RAM Konservativ; RAM Wachstum; RREEF Global Real Estate Securities (EURO); SFC Global Markets; SK Invest\*; Südwestbank Vermögensmandat\*; Zurich Vorsorge Dachfonds I; Zurich Vorsorge Dachfonds II

as well as 14 investment companies in the legal form of a société d'investissement à capital variable (SICAV) and twelve specialized investment funds pursuant to the law of February 13, 2007.

\* Umbrella FCP

# Contents

**Additional information  
for investors in the  
Federal Republic of Germany 2**

**Information for investors  
in Austria 9**

**A. Sales Prospectus 10**

**DB Portfolio at a glance 15**

DB Portfolio Euro Liquidity 15

**B. Management Regulations 17**

General section 17

Special section 22

## General information

The legally dependent investment fund described in this sales prospectus is a Luxembourg investment fund (fonds commun de placement) organized as an umbrella fund under Part I of the Luxembourg law on Undertakings for Collective Investment of December 20, 2002 ("Law of December 20, 2002"), and in compliance with the provisions of Directives 2001/108/EC and 2001/107/EC of the European Parliament and of the Council of January 21, 2002 (UCITS as defined by Directive 85/611/EEC), as well as the provisions of the Ordinance of the Grand Duchy of February 8, 2008 pertaining to certain definitions of the amended law of December 20, 2002 on Undertakings for Collective Investment ("Ordinance of the Grand Duchy dated February 8, 2008"), via which Directive 2007/16/EC<sup>1</sup>

("Directive 2007/16/EC") was implemented in Luxembourg law.

With regard to the provisions contained in Directive 2007/16/EC and in the Grand-Ducal Regulation of February 8, 2008, the guidelines of the Committee of European Securities Regulators (CESR) set out in the document "CESR's guidelines concerning eligible assets for investment by UCITS," as amended, provide a set of additional explanations that are to be observed in relation to the financial instruments that are applicable for UCITS falling under Directive 85/611/EEC, as amended.<sup>2</sup>

It is prohibited to provide any information or to make any representations other than those

contained in the sales prospectus and in the Management Regulations. DWS Investment S.A. shall not be liable if such divergent information or representations are supplied.

<sup>1</sup> Directive 2007/16/EC adopted by the Commission on March 19, 2007 for the purposes of implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain undertakings for collective investment in transferable securities (UCTIS) in regard to the explanation of specific definitions ("Directive 2007/16/EC").

<sup>2</sup> See CSSF circular 08/339, as amended: CESR's guidelines concerning eligible assets for investment by UCITS – March 2007, Ref.: CESR/07-044; CESR's guidelines concerning eligible assets for investment by UCITS – The classification of hedge fund indices as financial indices – July 2007, Ref.: CESR/07-434.

# Additional information for investors in the Federal Republic of Germany

The full sales prospectus, the simplified sales prospectus, the Management Regulations, the annual and semiannual reports, the issue and redemption prices may be obtained free of charge from the Management Company and from the paying and information agents.

Redemption and exchange requests may be submitted to the German paying agents. All payments (redemption proceeds, possible dividends and any other payments) are paid out to investors by the German paying agents.

The issue and redemption prices of the shares are published on the Internet at [www.dws.com](http://www.dws.com). Any announcements to shareholders are published in the electronic version of the Federal Gazette (elektronischer Bundesanzeiger).

## **The sales, information and paying agents for Germany are:**

Deutsche Bank AG  
Theodor-Heuss-Allee 70  
60486 Frankfurt/Main, Germany  
and its branches

Deutsche Bank Privat- und Geschäftskunden AG  
Theodor-Heuss-Allee 72  
60486 Frankfurt/Main, Germany  
and its branches

## **Right of revocation as per article 126 of the German Investment Act (InvG):**

If a purchase of investment fund shares has been induced by verbal agreement off the regular business premises of the party selling the shares or brokering their sale, the purchaser may revoke his declaration to purchase said shares in a written instrument directed to the foreign investment company within a period of two weeks (right of revocation). The same applies if the party selling the shares or brokering their sale has no regular business premises. If this involves a distance selling transaction as defined by article 312b of the German Civil Code (BGB), then a revocation is precluded when purchasing financial services whose price is subject to fluctuations on the financial market (article 312d (4) no. 6 BGB). Compliance with the deadline requires only that the declaration of revocation be sent by this deadline. The revocation shall be declared in writing to DWS Investment S.A., 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, with the printed name and signature of the individual making the declaration; no reason for the revocation is required. The revocation period shall not commence until the copy of the application to buy fund shares or an invoice for the purchase has been delivered to the purchaser including a disclosure of the right of revocation such as presented here. If there is a dispute regarding the start of the period, the burden of proof shall be borne by the vendor. The right of revocation is not in force if the vendor can prove that either the purchaser acquired the shares within the scope of his business operations or that he made a visit to the purchaser which led to the sale of the shares as a result of a previously-made appointment (article 55 (1) of the Code of Trade and Commerce (Gewerbeordnung)). If the purchase is revoked and the purchaser has already made payments, the foreign investment company is obliged to pay to the purchaser, if necessary matching payment with delivery, the costs paid and an amount equivalent to the value of the shares paid for on the day after the receipt of the declaration of revocation. The right of revocation may not be waived.

# Summary of Tax Regulations

## Investment funds organized under Luxembourg law

### Current legal situation

The following general tax information is based on current tax laws for investors who are subject, without limitation, to taxation in Germany (as of September 2008).

Since significant changes are evident in particular due to the introduction of the so-called final withholding tax, the following is a comprehensive presentation of the future tax law.

The taxable income of the investment fund is taxed on the level of the investor. The treatment of fund income at investor level is dependent on the individual tax regulations applicable to them. In determining taxable income, tax legislation requires that certain distinctions be made with regard to income components.

### Shares held as personal assets (German tax residents)

#### 1. General points

The following statements on tax regulations only apply to investors who are subject, without limitation, to taxation in the Federal Republic of Germany and also hold shares as personal assets.

Distributed income and (reinvested) income equivalent to distributions, as well as any interim profits, are considered income as defined by article 20 (1) no. 1 of the Income Tax Act (Einkommensteuergesetz, EStG) for investors holding the shares as personal assets. The resulting taxable income is counted as income from capital assets which is subject to income tax on the level of the individual investor, provided that it exceeds the saver's tax allowance including the flat allowance for professional expenses of € 801 p.a. for single persons or couples filing separate returns, or € 1,602 for couples filing a joint return, when added to any other capital gains. In addition, the sale of shares can generate income from personal sales transactions as defined by article 23 (1), sentence 1, no. 2 EStG.

For individual investors, the timing of income is governed by article 11 EStG (accrual principle). Distributed income is thus reported in the tax year in which it was received. (Reinvested) income equivalent to distributions is considered to have accrued for tax purposes in the tax year in which it was collected by the investment fund.

#### 2. Interest and income equivalent to interest

Interest and income equivalent to interest are generally subject to income tax for the investor. This applies irrespective of whether such income is reinvested or distributed.

In the case of shares held in custody in Germany (domestic custody), interest income tax (30% interest income tax plus 5.5% solidarity surcharge) will be withheld from the portion of a distribution that is liable to interest income tax.

The tax on interest income is a tax prepayment that can be offset against the investor's final income tax liability. It does not, however, encompass the entire taxable distribution, only interest income.

The following remain exempt from tax on interest income: foreign and domestic dividends, capital gains from the sale of securities and subscription rights to shares in corporations, gains from forward transactions, as well as income that the Federal Republic of Germany has no right to tax pursuant to double taxation conventions.

Please consult the annual report and the announcements of bases for taxation for details on the interest income tax on distributed income from the investment fund.

The tax on interest income can be waived in the case of domestic custody if the investor submits a sufficient exemption form. Investors who submit a non-assessment certificate or foreign investors on proof of their foreign domicile are exempt from interest income tax to an unlimited amount.

If the exemption form or non-assessment certificate is not submitted, or not submitted in time, the investor will receive from the institution that maintains the custody account a tax statement of the interest income tax and solidarity surcharge withheld. The investor may then offset this interest income tax withheld against his tax liability when preparing his income tax return. The same applies for any amounts exceeding the exemption form.

For reinvesting investment funds, interest income tax is not withheld at the time of the reinvestment for shares that are held in custody in Germany. However, the income amounts liable to interest income tax will be accrued and the tax will be deducted from the total by the domestic institution maintaining the custody account when the shares are sold. Here, too, the domestic institution maintaining the custody account may refrain from withholding interest income tax if the investor submits an appropriate non-assessment certificate in the appropriate amount.

If share certificates of distributing investment funds are not kept in a custody account (shares held in own custody) and coupons are presented to a domestic credit institution (so-called over-the-counter transactions), an interest income tax in the amount of 35% shall be deducted. Upon request, the shareholder shall receive a tax certificate that enables him to offset the tax on interest income in his income tax assessment. In the case of reinvesting investment funds for which shareholders hold shares in own custody, the tax on interest income is 30%. The shareholder must apply to be credited with the tax on interest income within the scope of his income tax assessment, and must accompany such application with the required documentation.

#### Taxation of interim profits

In general, interim profits consist of income from interest received or accrued that is included in the sale or redemption price but has not yet been distributed or reinvested by the investment fund and has therefore not yet become taxable for the investor. The interest and interest claims earned from the investment fund are subject to income tax and investment income tax if the shares are sold or redeemed by German tax residents. The investment income tax on obtained interim profits is 30% if the shares are held in a custody account and 35% if they are held in own custody. The retained tax is an advance payment of income tax and must be entered in the "Anlage KAP".

Interim profits paid for during the purchase are deductible in the year of payment as negative income from capital assets. They are also taken into account to reduce tax liability when tax is deducted for subsequent income amounts liable to interest income tax of the same calendar years (so-called accrued interest pot). On balance, therefore, returns received from interest on an investment are only considered taxable on a pro-rata basis for the duration they are held.

Furthermore, no tax is deducted if an exemption form or non-assessment certificate takes effect.

The interim profit is determined each time the net asset value per share is determined and pub-

lished on each valuation date. Interim profits to be included in the "Anlage KAP" by the investor result from multiplication of the individual interim profit per share with the number of shares reported in the statement of purchase or sale. Interim profits are also regularly reported in the account statements prepared by the institution maintaining the custody account.

### 3. Dividends

Only one half of dividends from foreign and domestic corporations that are distributed or reinvested by the investment fund is subject to income tax for individual investors ("half-income procedure").

### 4. Gains from the sale of securities and gains from forward transactions at fund level

Capital gains from the sale of securities and gains from forward transactions attained at the level of the investment fund are always to be treated as non-taxable for the individual investor. This is not the case in financial innovations established for tax purposes.

### 5. Distributions of non-income assets

Distributions of non-income assets are not subject to tax.

### 6. Capital gains at the level of the individual investor

Capital gains from the sale of an individual investor's investment fund shares are subject to income tax if the sale is made within one year from the date of purchase (speculative period). The profits are not taxed for individual investors if the sale takes place after the one-year period has ended. Capital losses may also be offset against capital gains from the preceding year or from subsequent years.

When determining the capital gains, the interim profits at the time of purchase must be subtracted from the cost of purchasing the shares, and the interim profits at the time of selling the shares must be subtracted from the sales price to prevent double income taxation of interim profits. Capital gains are to be reduced by the taxable income attributed to the investor during the holding period, provided this was not distributed to the investors (in particular income equivalent to distributions). The half-income procedure is not applied to the capital gains.

The gains are tax-exempt if the total gain generated from all personal sales transactions in a calendar year is less than € 600 (exemption limit). If this exemption limit is exceeded, capital gains are taxable to the full amount.

### 7. Negative income for tax purposes

If the investment fund's net taxable incomes in the same income category are negative, that negative income is carried forward at the level of the investment fund and can be offset here against future positive taxable incomes of the same kind in future years. Direct allocation of negative taxable income to the investor is not possible. In this way, the negative income only affects the investor for income tax purposes in the tax year in which the fiscal year of the investment fund ends or in which the distribution for the fiscal year of the investment fund occurred for which the negative taxable income was offset at the level of the investment fund. Earlier consideration to the investor's income tax is not possible.

## **Shares held as business assets (German tax residents)**

### **1. General points**

The following statements on tax regulations only apply to investors who are subject, without limitation, to taxation in the Federal Republic of Germany and also hold shares as business assets.

In the case of investors who hold shares in business assets, distributed income and income equivalent to distributions, interim profits and gains from the disposal of shares are subject to taxation.

In the case of investors that keep tax accounts, the general legal principles governing tax balance sheets apply to distributed income. This means that distributed income is reported when the claim to it arises. For other business investors, the timing of income is governed by article 11 EStG (accrual principle).

(Reinvested) income equivalent to distributions is considered to have accrued in the tax year in which it was collected by the investment fund.

### **2. Interest and income equivalent to interest**

Interest and income equivalent to interest generated by the investment fund is generally taxable for the investor. This applies irrespective of whether such income is reinvested or distributed.

The element of a distribution liable to tax on interest income is subject to tax on interest income if held in a custody account in Germany.

The tax on interest income is a tax prepayment that can be offset against the investor's final tax liability. It does not, however, encompass the entire taxable distribution of the investment fund, only interest income.

The following remain exempt from tax on interest income: foreign and domestic dividends, capital gains from the sale of securities and subscription rights to shares in corporations, gains from forward transactions, as well as income that the Federal Republic of Germany has no right to tax pursuant to double taxation conventions.

Please consult the annual report and the announcements of bases for taxation for details on the interest income tax on distributed income from the investment fund.

If shares are held as business assets, interest income tax cannot be avoided unless an appropriate exemption form is submitted. Otherwise, the investor will receive a tax statement indicating the amount of interest income tax.

For reinvesting investment funds, interest income tax is not withheld at the time of the reinvestment for shares that are held in custody in Germany. However, the income amounts liable to interest income tax will be accrued and the tax will be deducted from the total by the domestic institution maintaining the custody account when the shares are sold. Here, too, the domestic institution maintaining the custody account may refrain from interest income tax if the investor submits an appropriate non-assessment certificate.

### **3. Dividends**

Dividends from domestic and foreign corporations that are distributed on or reinvested in shares held as business assets are 95% tax-exempt for corporate entities (5% of these dividends constitute non-deductible operating expenses). In the case of sole proprietorships and partnerships, one half of this income is taxable (half-income procedure) as in the case of individual investors.

## **4. Gains from the sale of securities and gains from forward transactions at fund level**

Gains from the sale of securities and gains from forward transactions attained on the level of the investment fund are irrelevant for tax purposes for the investor if they are reinvested. If these gains are distributed, they have to be considered at investor level for tax purposes. For investors that are corporations, capital gains on equities are generally tax-exempt, 5% of the capital gains on equities constitute non-deductible operating expenses. In the case of other business investors (e.g., sole proprietorships), 50% of capital gains on equities are tax-exempt. Capital gains from bonds and gains from forward transactions, on the other hand, are fully taxable. For credit institutions, financial services institutions and other finance companies, special regulations apply pursuant to article 8 b (7) and (8) of the Corporation Tax Act (Körperschaftsteuergesetz; KStG).

### **5. Distributions of non-income assets**

Distributions of non-income assets are not subject to tax. For an investor who keeps a tax account, 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.

### **6. Capital gains at the level of the business investor**

Capital gains are to be reduced by the taxable income attributed to the investor during the holding period, provided this was not distributed to the investors (in particular income equivalent to distributions). Gains from the sale of shares held as business assets are generally tax-exempt for corporate bodies, provided the gains emanate from dividends and realized and unrealized capital gains of the investment fund from foreign and domestic equities that accrued during the holding period and were not yet attributed to the investor via distribution or reinvestment (so-called pro-rata temporis investor equity gain). However, 5% of this equity gain capital gains constitutes non-deductible operating expenses. One half of these equity gains are taxable for sole proprietorships.

To qualify for this favorable tax treatment, the Investment Company must calculate the net asset value per share and publish the equity gain on each valuation date, with the gain expressed as a percentage of the redemption price (an option for retail mutual funds).

### **7. Negative income for tax purposes**

If the investment fund's net taxable incomes of the same kind are negative after being offset against positive incomes of the same kind, that negative income is carried forward at the level of the investment fund and can be offset against future positive taxable incomes of the same kind in future years. Direct allocation of negative taxable income to the investor is not possible. In this way, this negative income only affects the investor for income tax or corporation tax purposes in the tax year in which the fiscal year of the investment fund ends or in which the distribution for the fiscal year of the investment fund occurred for which the negative taxable income was offset at the level of the investment fund. Earlier consideration

to the investor's income tax or corporation tax is not possible.

## **Non-resident taxpayers (custody in Germany)**

The following statements only apply for investors who are not resident in the Federal Republic of Germany.

If a non-resident taxpayer holds shares held in custody by a domestic credit institution (custody arrangement), no interest income tax will be withheld, provided that he submits verification of his non-resident status. If the financial institution acting as Custodian is not aware of the investor's foreign domicile, or if it is not verified in time, the foreign investor can apply for a refund of the interest income tax withheld using the reimbursement procedure defined in article 37 (2) of the German Fiscal Code (Abgabenordnung; AO). The tax office having jurisdiction over the business operations of the institution that maintains the custody account will be responsible for processing such a refund application.

If the foreign investor does not hold his shares in custody accounts with domestic credit institutions, and if he presents the coupons for payment at a domestic credit institution (so-called over-the-counter transaction), withholding tax on interest income shall be deducted at a rate of 35%. In the case of shares of reinvesting investment funds for which the shareholders hold the shares in their own custody, the withholding tax on interest income is 30%. In these cases, the foreign investor can apply for a refund of the interest income tax withheld, via the tax office having jurisdiction over the business operations of the financial institution maintaining the custody account, using the procedure defined in article 37 (2) of the German Fiscal Code.

Moreover, we recommend that the investor resident outside Germany for tax purposes should individually discuss any possible tax consequences in his country of residence with his tax consultant.

### **Solidarity surcharge**

A solidarity surcharge of 5.5% is generally levied on interest income tax amounts to be paid. The solidarity surcharge can be offset against income tax.

If there is no interest income tax liability, e.g., in the case of a sufficient exemption form, a non-assessment certificate or proof of non-resident status, no solidarity surcharge shall be withheld.

### **Foreign withholding tax**

Local withholding tax is in some cases levied on income generated abroad. The Investment Company can deduct such creditable withholding tax as income-related expenses at the level of the investment fund. In such a case, foreign withholding tax is not deductible at investor level. If the Investment Company chooses not to exercise its option to deduct foreign withholding tax at fund level, the creditable withholding tax can be deducted in whole or in part at the request of the investor when the total income is calculated, or it can be offset in whole or in part against the portion of the investor's German income tax or corporation tax that is attributable to the corresponding income.

### **Providing documentation for taxation bases**

If the Federal Tax Office (Bundeszentralamt für Steuern) requires it to do so, a foreign investment

company must, within three months after receiving the request, provide the Federal Tax Office with documentation about the bases of taxation in the case of (partial) distribution or reinvestment, as applicable, as well as about the income deemed to have accrued but on which no tax deductions have yet taken place.

Should this require corrections to the amounts in the income statement, the correction amount must be included in the announcement notice for the fiscal year in which the disclosure request was received. Thus, the correction of errors has a financial impact on those investors who have invested in the investment fund at the time the error is corrected. The effects may be positive or negative.

### Consequences of merging investment funds

If investment funds are transferred to a different investment fund within the scope of a tax-neutral transfer as defined by article 17a in combination with article 14 of the Investment Tax Act (Investmentsteuergesetz; InvStG), a distributing investment fund is, in its final fiscal year before the amalgamation, to be treated for tax purposes like a reinvesting investment fund. This also applies with respect to the "pending transactions" arising from financial innovations. For the investors, the amalgamation does not result in the disclosure and taxation of the unrealized gains residing in the shares of the transferred investment fund. For individual investors, the personal tax-relevant holding period will not re-start as a result of the amalgamation in respect of the shares of the absorbing investment fund. These provisions do not apply to foreign incorporated investment funds (e.g., SICAV-type funds). At the level of the individual investor, a merger has the effect of a sale of shares with a corresponding purchase of shares.

### Transparent, semi-transparent and non-transparent taxation

The above taxation principles (so-called transparent taxation) apply only if all taxation bases are made known as defined by article 5 (1) InvStG. This also applies if the investment fund has acquired shares in other foreign or domestic investment funds (target fund as defined in article 10 InvStG) and these meet their 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 (so-called 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 share 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 (so-called non-transparent taxation).

### EU Savings Tax Directive, Interest Information Regulation

The Interest Information Regulation (IIR), with which Council Directive 2003/48/EC of June 3, 2003, Official Journal EU no. L 157 p. 38 (EU Savings Tax Directive) is implemented in Germany, is to ensure effective taxation of cross-border interest payments to natural persons and certain equivalent institutions that are resident within the EU. The EU has agreements in place with some third countries (Switzerland, Liechtenstein, Chan-

nel Islands, Monaco, and Andorra) that are largely consistent with the EU Savings Tax Directive.

Under this regulation, a paying agent having its registered office in Germany must report to the Federal Tax Office any interest payments that it pays to a natural person or to an equivalent institution resident in an EU member state or in one of the aforementioned third countries or associated or dependent territories. The Federal Tax Office then forwards this information to the foreign recipient's local tax authorities.

Accordingly, interest payments received by a natural person or equivalent institution resident in Germany for tax purposes from a paying agent based in another EU member state or in one of the acceded third countries or associated or dependent territories are generally reported to the recipient's local tax authorities.

Investors receiving interest payments from a paying agent in their country of residence are not affected by the EU Savings Tax Directive or the Interest Information Regulation.

If the paying agent is in Belgium, Luxembourg or Austria, such information is only disclosed if the recipient authorizes the relevant paying agent to exchange information. Alternatively, these countries will deduct withholding tax on the interest payments, which can be offset or refunded by means of a German tax return (EU withholding tax is 20%, rising to 35% effective July 1, 2011).

Fund distributions and proceeds from selling or redeeming shares can result in interest income as defined by the Interest Information Regulation. The Interest Information Regulation stipulates that it must be specified for each foreign and domestic investment fund whether it is subject to the Interest Information Regulation or not. The Interest Information Regulation contains two decisive investment limits for this assessment.

If the investment fund consists of no more than 15% claims as defined by the Interest Information Regulation, the paying agents that ultimately make use of the data disclosed by the Investment Company need not send reports to the relevant tax authorities in the event of a distribution. Otherwise, exceeding the 15% limit will obligate the paying agents to report the EU interest portion contained in the distribution to the tax authorities. If the investment fund consists of more than 40% (more than 25% from January 1, 2011) claims as defined by the Interest Information Regulation, the sales proceeds must be reported.

### New taxation rules

On July 6, 2007, the upper house of the German parliament (Bundesrat) approved the company tax reform of 2008. The revisions encompass the introduction of a final withholding tax for individual investors and changes for the taxation of business investors.

The revisions are to come into force for individual investors fundamentally as of January 1, 2009 and for business investors as of January 1, 2008 and/or January 1, 2009. The following describes the new legal situation – but does not take into account potential changes arising from the current legislative proceedings regarding 2009 tax law. Because of the current legislative proceedings regarding 2009 tax law, changes to the new legal situation described may take place even before the revisions enter into force on January 1, 2009.

As a special-purpose fund, the investment fund is not subject to corporation tax or trade tax. However, the taxable income generated by the investment fund is taxed on the level of the investor. The

treatment of fund income at investor level is dependent on the individual tax regulations applicable to them. In determining taxable income and income subject to investment income tax, tax legislation requires that certain distinctions be made with regard to the income components.

### Shares held as personal assets (German tax residents)

#### 1. General points

The following statements on tax regulations only apply to investors who are subject, without limitation, to taxation in the Federal Republic of Germany and also hold shares as personal assets.

The taxable income of the investment fund is counted on the individual investor level as income from capital assets which is subject to income tax, provided that it exceeds the saver's flat allowance of € 801 p.a. (for single persons or couples filing separate returns) or € 1,602 (for couples filing a joint return) when added to any other capital gains. In addition, the sale of investment fund shares can generate income from personal sales transactions as defined by article 23 (1), sentence 1, no. 2, EStG as amended, provided investment fund shares were purchased prior to January 1, 2009.

Income from capital assets is generally subject to a tax deduction of 25% (plus solidarity surcharge and church tax where applicable). Income from capital assets also includes income distributed by the investment fund, income equivalent to distributions, the interim profits, as well as any income from the sale or purchase of fund shares insofar as such purchase took place after December 31, 2008. In general, the tax deduction acts as a payment (so-called final withholding tax), so that the income from capital assets is not to be specified on a regular basis in the income tax return. The tax deduction does not act as a payment when the personal tax rate is lower than the payment rate of 25%. In this case, the income from capital assets may be specified in the income tax return. The tax office applies the lower personal tax rate and offsets the tax deduction against the tax liability (so-called reduced rate test).

Provided income from capital assets was not subject to any tax deduction, this is to be specified in the tax return. Within the tax return, the income from capital assets is also then subject to the payment rate of 25% or the lower personal tax rate. Distributed income from a foreign investment fund is not subject to tax deduction if the shares in are held in a foreign custody account. For shares of a foreign investment fund, no tax deduction may occur for income equivalent to distribution. However, the income equivalent to distribution that is liable to tax will be accrued and the final withholding tax will be deducted from the total by the domestic institution maintaining the custody account when the investment fund shares are sold.

Despite a tax deduction and a higher personal tax rate, information on income from capital assets is to be included if unusual expenses were asserted in the income tax return. Information may also be included on income from capital assets if donations are to be asserted as special expenses.

If a domestic investor has his shares of a (partially) distributing investment fund held in a domestic custody account (custody arrangement), the credit institution maintaining the custody account shall refrain, as paying agent, from the tax deduction if, prior to the set date of distribution, it has been provided with an exemption form con-



forming to the official sample document or with a non-assessment certificate issued by the tax office for a term of three years. In this case, the investor will be credited the full amount of the distribution.

If the exemption form or non-assessment certificate is not submitted, or not submitted in time, the investor in a distributing or a partially distributing investment fund will receive from the domestic institution that maintains the custody account a tax statement of the tax deduction and solidarity surcharge withheld. The investor may then offset this tax deduction against his tax liability when preparing his income tax return. The same applies for any amounts exceeding the exemption form.

If shares of distributing investment funds are not kept in a custody account and coupons are presented to a domestic credit institution (shares held in own custody), the tax deduction of 25% plus solidarity surcharge shall be deducted. For shares in reinvesting investment funds, no tax deduction may be made so that the tax of 25% on the income subject to tax is levied in general in the tax return.

## **2. Interest and income equivalent to interest**

Interest and income equivalent to interest is generally taxable for the investor. This applies irrespective of whether such income is reinvested or distributed.

In the case of shares held in domestic custody, distributed interest and income equivalent to interest of the investment fund are subject as a rule to 25% tax deduction (plus solidarity surcharge and church tax, where applicable). No tax is deducted if an exemption form or non-assessment certificate takes effect.

### *Taxation of interim profits*

In general, interim profits consist of income from interest received or accrued that is included in the sale or redemption price but has not yet been distributed or reinvested by the investment fund and has therefore not yet become taxable for the investor. The interest and interest claims earned from the investment fund are subject to income tax if the shares are redeemed or sold by German tax residents. If the redemption or sale occurs via a domestic institution maintaining the custody account, a tax of 25% (plus 5.5% solidarity surcharge and church tax, where applicable) is withheld from the interim profits received.

Interim profits paid during the purchase of shares may be deducted in the year of payment for income tax purposes as negative income from capital assets. When tax is deducted, they are taken into account to reduce tax liability. Furthermore, no tax is deducted if an exemption form or non-assessment certificate takes effect.

The interim profit is determined each time the net asset value per share is determined and published on each valuation date. Interim profits may also be found regularly in the account statements as well as in the earnings statements of the banks.

## **3. Dividends**

Dividends from foreign and domestic corporations that are distributed or reinvested by the investment fund are in general taxable for investors. For distributions, a tax deduction of 25% is made from the dividends (plus solidarity surcharge and church tax, where applicable), provided the investor holds his shares in a domestic custody account. No tax is deducted if an exemption form or non-assessment certificate takes effect.

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

Gains from the sale of securities, income from option writer premiums, and gains from forward transactions attained on the level of the investment fund do not affect the investor if they are not distributed.

If gains from the sale of securities, income from option writer premiums, and gains from forward transactions are distributed, they are taxable as a rule and for shares held in custody domestically are subject to a tax deduction of 25% (plus solidarity surcharge and church tax, where applicable). No tax is deducted if an exemption form or non-assessment certificate takes effect. Distributed gains from the sale of securities, income from option writer premiums, and gains from forward transactions are ultimately tax-free for the investor if the fund purchased the securities before January 1, 2009, or if the forward transaction was conducted before January 1, 2009, and if the investor acquired the fund shares before January 1, 2009.

## **5. Distributions of non-income assets**

Distributions of non-income assets are not subject to tax.

## **6. Capital gains at the level of the individual investor**

If shares in an investment 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%. If the shares are held in custody in a domestic custody account, then the institution that maintains the custody account makes the tax deduction of 25%. The tax deduction of 25% (plus solidarity surcharge and church tax, where applicable) may be avoided by presenting a sufficient exemption form or a non-assessment certificate.

If shares in an investment fund that were purchased prior to January 1, 2009, are sold again by an individual investor within one year of acquisition (speculative period), capital gains as income from private sales transactions are as a rule subject to income tax. For this type of capital gains, the individual tax rate of the individual investor is to be applied. The total gains are tax-exempt if the total gain generated from "private sales transactions" in a calendar year is less than €600 (exemption limit). Are the exemption limit is exceeded, private capital gains are taxable to the full amount.

The profits are not taxed for individual investors if the sale of the shares purchased before January 1, 2009, takes place outside the speculative period.

When determining the capital gains, the interim profits at the time of purchase must be subtracted from the cost of purchasing the shares, and the interim profits at the time of selling the shares must be subtracted from the sales price to prevent double income taxation of interim profits. In addition, the sales price must be reduced by any reinvested income already reported by the investor, so that double taxation is prevented here also.

Special transitional regulations apply for investment funds in which the participation of natural persons is dependent on the knowledge of the investor in accordance with legislation, articles of incorporation or partnership, or terms of contract, or where a minimum investment of €100,000 or more is required: If the investor acquires shares of such an investment fund after November 9,

2007, these are subject to tax even if sold outside the one-year speculative period. However, the taxable capital gain from such shares is limited to undistributed gains from the sale of securities acquired at investment fund level after December 31, 2008, or gains from forward transactions conducted at investment fund level after December 31, 2008, to the extent verified.

## **7. Negative income for tax purposes**

If there is negative income after offsetting against similar positive income at the investment fund level, the negative income is carried forward at the level of the investment fund and can be offset at the level of the investment fund against similar future positive taxable incomes in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, the negative amounts only affect the investor for income tax purposes in the tax year in which the fiscal year of the investment fund ends or in which the distribution for the fiscal year of the investment fund occurred for which the negative taxable income was offset at the level of the investment fund. Earlier consideration to the investor's income tax is not possible.

## **Shares held as business assets (German tax residents)**

### **1. General points**

The following statements on tax regulations only apply to investors who are subject, without limitation, to taxation in the Federal Republic of Germany and also hold shares as business assets.

In the case of investors who hold shares in business assets, distributed income and income equivalent to distributions, interim profits and gains from the disposal of shares are subject to taxation.

In the case of investors that keep tax accounts, the general legal principles governing tax balance sheets apply to distributed income. This means that distributed income is reported when the claim to it arises. For other business investors, the timing of income is governed by article 11 EStG (accrual principle).

(Reinvested) income equivalent to distributions is considered to have accrued in the tax year in which it was collected by the investment fund.

### **2. Interest and income equivalent to interest**

Interest and income equivalent to interest is generally taxable for the investor. This applies irrespective of whether such income is reinvested or distributed.

In the case of shares held in domestic custody, distributed interest and income equivalent to interest of the investment fund are subject as a rule to 25% tax deduction (plus solidarity surcharge). The tax withheld is an advance payment of future income tax or corporation tax liability.

If shares are held as business assets, and if the investor holds the shares in custody in a domestic custody account, the tax deduction may be waived or the tax deduction for distributed interest or income equivalent to interest of the investment fund may be remunerated only if a relevant non-assessment certificate has been submitted. Otherwise, the investor will receive a tax statement indicating the amount of the tax deduction.

### **3. Dividends**

Dividends from domestic and foreign corporations that are distributed on or reinvested in



shares held as business assets are generally tax-exempt for corporate entities (5% of these dividends, however, constitute non-deductible operating expenses). For sole proprietorships, 60% of this income is taxable as of the assessment period 2009 (partial-income procedure).

For distributions, a tax deduction of 25% is made from the dividends (plus solidarity surcharge), provided the investor holds his shares in a domestic custody account. The tax withheld is an advance payment of future income tax or corporation tax liability.

For certain business investors (a corresponding non-assessment certificate or exemption form may be required), it may be possible to avoid this withholding of investment income tax. Otherwise, the investor will receive a tax statement indicating the tax withheld and the deductible investment income tax, provided the shares are held in a domestic custody account.

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

Gains from the sale of securities, income from option writer premiums, and gains from forward transactions are irrelevant for tax purposes for the investor if they are reinvested. If these gains are distributed, they have to be considered at investor level for tax purposes. For investors that are corporations, capital gains on equities are generally tax-exempt, but 5% constitute non-deductible operating expenses. In the case of other business investors (e.g. sole proprietorships), 40% of capital gains on equities are tax-exempt as of the 2009 assessment period. Capital gains from bonds and gains from forward transactions, on the other hand, are fully taxable. For credit institutions, financial services institutions and other finance companies, special regulations apply pursuant to article 8 b (7) and (8) of the KStG.

Distributions are subject to a withholding tax of 25% (plus solidarity surcharge), which is deducted from gains from the sale of securities, the income from option writer premiums, and gains from forward transactions, provided the investor holds his shares in a domestic custody account. The withholding tax is an advance payment of future income tax or corporation tax liability. For certain business investors (a corresponding non-assessment certificate or exemption form may be required), it may be possible to avoid this withholding of investment income tax. Otherwise, the investor will receive a tax statement indicating the tax withheld.

#### **5. Distributions of non-income assets**

Distributions of non-income assets are not subject to tax. For an investor who keeps a tax account, 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.

#### **6. Capital gains at the level of the business investor**

Gains from the sale of shares held as business assets are generally tax-exempt for corporate entities, provided the gains emanate from dividends and realized and unrealized capital gains of the investment fund from foreign and domestic equities (so-called pro-rata temporis equity gain). How-

ever, 5% of this equity gain constitutes non-deductible operating expenses. For sole proprietorships, 60% of these capital gains are taxable as of the 2009 assessment period.

To qualify for this favorable tax treatment, the Investment Company must calculate the net asset value per share and publish the equity gain on each valuation date, with the gain expressed as a percentage of the redemption price (an option for retail mutual funds).

If the investor holds his shares in a domestic custody account, a 25% tax is withheld. For certain business investors (a corresponding non-assessment certificate or exemption form may be required), it may be possible to avoid this withholding of investment income tax. Otherwise, the investor will receive a tax statement indicating the tax withheld.

#### **7. Negative income for tax purposes**

If negative income remains after offsetting with similar positive income on the level of the investment fund, this is carried forward on the level of the investment fund. This may be offset on the level of the investment fund against future similar positive income that is subject to tax in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, this negative amount only affects the investor for income tax or corporation tax purposes in the tax year in which the fiscal year of the investment fund ends or in which the distribution for the fiscal year of the investment fund occurred for which the negative taxable income was offset at the level of the investment fund. Earlier consideration to the investor's income tax or corporation tax is not possible.

#### **Investors not resident in Germany for tax purposes**

The following statements only apply for investors who are not resident in the Federal Republic of Germany.

If a non-resident taxpayer holds shares of distributing investment funds in custody account at a domestic credit institution (custody arrangement), no tax will be withheld from distributed interest, income equivalent to interest, dividends and realized capital gains, provided that he submits verification of his non-resident status. If the credit institution acting as Custodian is not aware of the investor's foreign domicile, or if it is not verified in time, the investor can apply for a refund of the tax deduction using the reimbursement procedure defined in article 37 (2) of the German Fiscal Code (Abgabenordnung; AO). The tax office having jurisdiction over the business operations of the institution that maintains the custody account will be responsible for processing such a refund application.

If the foreign investor does not hold his shares in custody accounts with domestic credit institutions, and if he presents the coupons for payment at a domestic credit institution, a tax of 25% will be withheld.

Moreover, we recommend that the investor resident outside Germany for tax purposes should individually discuss any possible tax consequences in his country of residence with his tax consultant.

#### **Solidarity surcharge**

A solidarity surcharge of 5.5% is generally levied on the tax withheld from distributions. The solidarity surcharge can be offset against income tax.

If no tax is withheld, e.g., in the case of a sufficient exemption form, a non-assessment certificate or proof of non-resident status, no solidarity surcharge shall be withheld.

#### **Church tax**

Provided the income tax is levied by a domestic institution maintaining the custody account (deduction obligor) via the tax deduction, the church tax attributable will be levied as surcharge to the tax deduction at the church tax rate of the religious group to which the church tax payer belongs. For this purpose, the church tax payer is to declare his religious affiliation to the deduction obligor in a written application. Spouses are also to declare in the application the proportion of the investment income attributable for each spouse as related to the total investment income of the spouses so that the church tax can be divided, retained and paid in accordance with this proportion. In the tax deduction, the church tax is already taken into account to reduce tax liability. If the church tax payer does not make any statement on his religious affiliation, then income from capital assets is to be specified in the tax return.

#### **Foreign withholding tax**

Local withholding tax is in some cases levied on investment fund income generated abroad. The Investment Company can deduct such creditable withholding tax as income-related expenses at the level of the investment fund. In such a case, foreign withholding tax is not deductible at investor level. If the Investment Company chooses not to exercise its option to deduct foreign withholding tax at fund level, the creditable withholding tax will be used to reduce the tax deduction. If the investor chooses to exercise its assessment option, then the deductible withholding tax can be deducted at the request of the investor when the total income is calculated or it can be attributed to income when calculating the investor's German income tax or corporation tax that is attributable to the corresponding foreign income.

#### **Providing documentation for taxation bases**

If the Federal Tax Office (Bundeszentralamt für Steuern) requires it to do so, a foreign investment company must, within three months after receiving the request, provide the Federal Tax Office with documentation about the bases of taxation in the case of (partial) distribution or reinvestment, as applicable, as well as about the income deemed to have accrued but on which no tax deductions have yet taken place.

Should this require corrections to the amounts in the income statement, the correction amount must be included in the announcement notice for the fiscal year in which the disclosure request was received. Thus, the correction of errors has a financial impact on those investors who have invested in the investment fund at the time the error is corrected. The effects may be positive or negative.

#### **Consequences of merging investment funds**

If investment funds are transferred to a different investment fund within the scope of a tax-neutral transfer as defined by article 17a in combination with article 14 of the Investment Tax Act (Investmentsteuergesetz; InvStG), hidden reserves will not be disclosed at the level of the investor or at the level of investment funds involved. For individual investors, the personal tax-relevant holding period will not re-start as a result

of the amalgamation in respect of the shares of the absorbing investment fund.

A distributing investment fund is, in its final fiscal year before the amalgamation, to be treated for tax purposes like a reinvesting fund. This also applies with respect to the “pending transactions” arising from unclosed derivative transactions and financial innovations.

#### **Transparent, semi-transparent and non-transparent taxation**

The above taxation principles (so-called transparent taxation) apply only if all taxation bases are made known as defined by article 5 (1) InvStG. This also applies if the investment fund has acquired shares in other foreign or domestic investment funds (target fund as defined in article 10 InvStG) and these meet their 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 (so-called 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 share 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 (so-called non-transparent taxation).

#### **EU Savings Tax Directive, Interest Information Regulation**

The Interest Information Regulation (IIR), with which Council Directive 2003/48/EC of June 3, 2003, Official Journal EU no. L 157 p. 38 (EU Sav-

ings Tax Directive) is implemented, is to ensure effective taxation of cross-border interest payments to natural persons and certain equivalent institutions that are resident within the EU. The EU has agreements in place with some third countries (Switzerland, Liechtenstein, Channel Islands, Monaco, and Andorra) that are largely consistent with the EU Savings Tax Directive.

Under this regulation, a paying agent having its registered office in Germany must report to the Federal Tax Office any interest payments that it pays to a natural person or to an equivalent institution resident in an EU member state or in one of the aforementioned third countries or associated or dependent territories or to an equivalent institution, to the relevant Luxembourg tax authority. The Federal Tax Office then forwards this information to the foreign recipient's local tax authorities.

Accordingly, interest payments received by a natural person or equivalent institution resident in Germany for tax purposes from a paying agent based in another EU member state or in one of the acceded third countries or associated or dependent territories are generally reported to the recipient's local tax authorities.

Investors receiving interest payments from a paying agent in their country of residence are not affected by the EU Savings Tax Directive or the Interest Information Regulation.

If the paying agent is in Belgium, Luxembourg or Austria, such information is only disclosed if the recipient authorizes the relevant paying agent to exchange information. Alternatively, these countries will deduct EU withholding tax on the interest payments, which can be offset or refunded by means of a German tax return (EU withholding tax rate is 20%, rising to 35% effective July 1, 2011).

Fund distributions and proceeds from selling or redeeming shares can result in interest income as

defined by the Interest Information Regulation. The Interest Information Regulation stipulates that it must be specified for each foreign and domestic investment fund whether it is subject to the Interest Information Regulation or not. The Interest Information Regulation contains two decisive investment limits for this assessment.

If the investment fund consists of no more than 15% claims as defined by the Interest Information Regulation, the paying agents that ultimately make use of the data disclosed by the Investment Company must not send reports to the relevant tax authorities in the event of a distribution. Otherwise, exceeding the 15% limit will obligate the paying agents to report the EU interest portion contained in the distribution to the tax authorities. If the investment fund consists of more than 40% (more than 25% from January 1, 2011) claims as defined by the Interest Information Regulation, the sales proceeds must be reported.

#### **General information**

**The information included here is based on our understanding of current tax laws. No responsibility can be assumed for potential changes in the tax structure through legislation, court decisions or the orders of the tax authorities. Such changes may also be introduced with retroactive effect, which could negatively affect the tax consequences described above.**

**This summary does not purport to be a comprehensive discussion of all tax considerations that may be of relevance to a particular investor based on his personal circumstances. Accordingly, investors are advised to consult a professional tax advisor or similar professional about the tax consequences of acquiring, holding, or selling shares.**

# Information for investors in Austria

The sales and paying agent in Austria is

Deutsche Bank AG  
Vienna Branch  
Hohenstaufengasse 4  
1013 Wien, Austria

At this office,

- shares may be redeemed and redemption requests may be submitted,
- investors can obtain all the information, such as sales prospectuses together with Terms and Conditions, annual reports and semiannual reports, as well as the offering and redemption prices, and request or inspect other information and documentation,
- payments to shareholders may be forwarded.

Annual reports and semiannual reports are also available in electronic form on the Internet pages at [www.dws.com](http://www.dws.com) and [www.ebundesanzeiger.de](http://www.ebundesanzeiger.de).

# A. Sales prospectus

## Promoter

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

## Management Company and Central Administration Agent

DWS Investment S.A.  
2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

## Board of Directors

Dr. Stephan Kunze  
Chairman  
Managing Director of DWS Investment GmbH  
Frankfurt/Main

Udo Behrenwaldt (until October 30, 2008)  
Vice-Chairman of the Supervisory Board of  
Deutsche Asset Management  
Investmentgesellschaft mbH  
Frankfurt/Main

Ernst Wilhelm Contzen  
Executive Member of the Board of Directors of  
Deutsche Bank Luxembourg S.A., Luxembourg

Klaus-Michael Vogel  
Executive Member of the Board of Directors of  
DWS Investment S.A., Luxembourg;  
Executive Member of the Board of Directors of  
Deutsche Bank Luxembourg S.A., Luxembourg

Jochen Wiesbach  
Managing Director of DWS Investment GmbH  
Frankfurt/Main

## Management

Klaus-Michael Vogel  
Executive Member of the Board of Directors of  
DWS Investment S.A., Luxembourg;  
Executive Member of the Board of Directors of  
Deutsche Bank Luxembourg S.A., Luxembourg

Günter Graw  
Member of the Management of  
DWS Investment S.A., Luxembourg

Doris Marx  
Member of the Management of  
DWS Investment S.A., Luxembourg

## Fund Manager

DWS Finanz-Service GmbH  
Mainzer Landstr. 178–190  
60327 Frankfurt/Main, Germany

## Custodian

State Street Bank Luxembourg S.A.  
49, Avenue J.F. Kennedy,  
1855 Luxembourg, Luxembourg

## Auditor

KPMG Audit S.à r.l.  
9, Allée Scheffer  
2520 Luxembourg, Luxembourg

## Sales, Information and Paying Agents

### Luxembourg

Deutsche Bank Luxembourg S.A.,  
2, Boulevard Konrad Adenauer,  
1115 Luxembourg, Luxembourg

### Germany

Deutsche Bank AG  
Theodor-Heuss-Allee 70  
60486 Frankfurt/Main, Germany  
and its branches

Deutsche Bank Privat- und Geschäftskunden AG  
Theodor-Heuss-Allee 72  
60486 Frankfurt/Main, Germany  
and its branches

### Austria

Deutsche Bank AG  
Vienna branch  
Hohenstaufengasse 4  
1013 Wien, Austria

### Spain

Deutsche Bank S.A.E.  
Ronda General Mitre 72–74  
08017 Barcelona, Spain

## General regulations

Attached to this sales prospectus are the Management Regulations for the fund. The sales prospectus and Management Regulations form a unit, providing information on and explanations of one and the same subject, and therefore supplement one another.

The Management Regulations following this sales prospectus are subdivided into a general section and a special section. The general section defines general legal principles, and the special section defines fund-specific information and the investment policy.

The sales prospectus, the simplified sales prospectus and the Management Regulations, as well as the annual and semiannual reports, are available free of charge from the Management Company and the paying agents. Other important information will be communicated to shareholders in a suitable form by the Management Company.

The fund is managed by DWS Investment S.A., Luxembourg (the "Management Company"). The Management Company was established on April 15, 1987, with subsequent publication in the Mé-morial C taking place on May 4, 1987. Its subscribed and paid-in capital is EUR 30,677,400. The Management Company shall perform the administrative duties that are necessary to manage the fund as required by Luxembourg law. The Management Company shall additionally act as and perform the tasks and duties of the central administration agent.

The Custodian is State Street Bank Luxembourg S.A.. The Custodian holds the assets of the fund and discharges all other obligations imposed on the Custodian pursuant to Luxembourg law.

The fund manager is DWS Finanz-Service GmbH, Frankfurt/Main, Germany, a portfolio manager established under the laws of Germany. DWS Finanz-Service GmbH will implement the investment policy, make investment decisions and continuously adapt them to market developments as appropriate, taking into account the interests of the fund.

## General risk warnings

Investing in the shares involves risks. These can encompass or involve equity or bond markets risks, interest rate, credit, default, liquidity and counterparty risks as well as exchange rate, volatility, or political risks. Any of these risks may also occur in conjunction with other risks. Some of these risks are addressed briefly below. Potential investors should possess experience of investing in instruments that are employed within the scope of the proposed investment policy. Investors should also have a clear picture of the risks involved in investing in the shares and should not make a decision to invest until they have fully consulted their legal, tax and financial advisors, auditors or other advisors about (i) the suitability of investing in the shares, taking into account their personal financial and tax situation and other circumstances, (ii) the information contained in this sales prospectus, and (iii) the respective sub-fund's investment policy.

**It must be noted that investments made by the respective sub-fund also contain risks in addi-**

**tion to the opportunities for price increases. The shares of the respective sub-fund are securities, the value of which is determined by the price fluctuations of the assets contained in the sub-fund. Accordingly, the value of the shares may rise or fall in comparison with the purchase price.**

**No assurance can therefore be given that the investment objectives will be achieved.**

## Market risk

This risk is of a general nature and exists in all forms of investment. The market performance of financial products depends, in particular, on the performance of the capital markets as well as the economic performance of individual issuers, which in turn are affected by the overall economic situation and the general economic and political framework in individual countries (market risk).

## Interest rates

Investors should be aware that investing in shares may involve interest rate risks. These risks may occur in the event of interest rate fluctuations in the denomination currency of the securities or the respective sub-fund.

## Credit risk

Investors should be absolutely clear that an investment of this type may involve credit risks. Bonds or debt instruments involve a credit risk with regard to the issuers, for which the issuer's credit rating can be used as a benchmark. Bonds or debt instruments floated by issuers with a lower rating are generally viewed as securities with a higher credit risk and greater risk of default on the part of the issuer than those instruments that are floated by issuers with a better rating. If an issuer of bonds or debt instruments runs into financial or economic difficulties, this can affect the value of the bonds or debt instruments (this value could drop to zero) and the payments made on the basis of these bonds or debt instruments (these payments could drop to zero).

## Risk of default

In addition to the general trends on capital markets, the particular performance of each individual issuer also affects the price of an investment. The risk of a decline in the assets of issuers, for example, cannot be eliminated even by the most careful selection of the securities.

## Liquidity risk

Liquidity risks arise when a particular security is difficult to dispose of. In principle, acquisitions for the respective sub-fund shall only consist of securities that can be sold again at any time. Nevertheless, it may be difficult to sell particular securities at the desired time during certain phases or in particular exchange segments. There is also the risk that securities traded in a rather narrow market segment will be subject to considerable price volatility.

## Counterparty risk

When the respective sub-fund conducts over-the-counter (OTC) transactions, it may be exposed

to risks relating to the credit standing of its counterparties and to their ability to fulfill the conditions of the contracts it enters into with them. The respective sub-fund may consequently enter into futures, options and swap transactions or use other derivative techniques that will subject the respective sub-fund to the risk of a counterparty not fulfilling its obligations under a particular contract.

## Derivatives

The respective sub-fund may use derivatives. Their use need not be limited to hedging the fund's assets; they may also be part of the investment strategy.

Trading in derivatives is conducted within the confines of the investment limits and provides for the efficient management of the fund's assets, while also regulating investment maturities and risks. The use of derivatives does not change the respective sub-fund's risk profile.

In this context, we draw attention to the following risks that may be associated with derivatives:

- a) the time-limited rights acquired may expire or suffer a fall in value;
- b) the risk of loss cannot be predicted and may exceed margins;
- c) transactions intended to eliminate or reduce risks may not be possible or may only be possible at market prices resulting in a loss;
- d) the risk of loss may increase if the claims and obligations associated with these transactions are denominated in a foreign currency.

## Swaps

Swaps are exchange contracts used to control exposure to interest rates and currencies. Their use allows the maturity pattern of the respective sub-fund's interest-bearing assets to be reduced or extended, thus providing control over exposure to interest rate fluctuations. In addition, currency risks can be altered using swaps if assets are exchanged into another currency.

The respective sub-fund may enter into swap transactions on interest rates, currencies and equities, as well as on combinations of these transactions within the scope of the investment principles. If no market price is available for any of the above swap transactions, the price is determined at the time the transaction is entered into, as well as on each date at which the net asset value per share is calculated, by deriving it from the market price of the underlying instruments using accepted valuation models. Transactions and price determinations are documented.

In addition to the swap transactions already mentioned, the respective sub-fund may also enter into credit default swaps. A credit default swap is a bilateral financial agreement under which a counterparty (the protection buyer) pays a periodic premium against an undertaking by the protection seller to pay a certain amount if the reference issuer becomes subject to a credit default event. The protection buyer acquires the right to sell a particular bond issued by the reference issuer at its face value (or at another reference

value or strike price) if a credit default event arises. A credit default event generally includes bankruptcy, insolvency, reorganization under court supervision, significant detrimental rescheduling of debt, or inability to fulfill payment obligations falling due. The International Swaps and Derivatives Association (ISDA) has formulated standardized documentation for such transactions in the ISDA Master Agreement.

The use of credit default swaps may entail greater risks than direct investment in debt securities. The market for credit default swaps can at times be less liquid than the markets for debt securities. Nevertheless, the respective sub-fund seeks to limit investments to credit default swaps that are liquid. The respective sub-fund will therefore always strive to attain a position in which it will be able to liquidate its credit default swap exposure in order to accommodate redemption requests. In respect of credit default swaps in which the respective sub-fund is the protection seller, the sub-fund becomes subject to the risks attributable to an event of default relating to the reference issuer. Furthermore, in respect of credit default swaps in which the respective sub-fund is the protection buyer, the sub-fund becomes subject to the risk of default by the counterparty. When using credit default swap transactions to reduce the risk of default, the respective sub-fund will only enter into credit default swaps with top-rated financial institutions specializing in such transactions, and it will adhere to the standardized provisions specified by the ISDA.

Credit default swaps must be used in the exclusive interest of and in accordance with the investment policy. The underlying bonds, as well as their respective issuers, on which a credit default swap is based must be taken into consideration regarding the investment limits of article 4 B. of the Management Regulations – general section.

### Risk management

The fund shall include a risk management process that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio. It shall include a process for accurate and independent assessment of the value of OTC derivative instruments.

The Management Company monitors the fund as specified in circular no. 07/308, dated August 2, 2007, of the Commission de Surveillance du Secteur Financier ("CSSF") in accordance with the complex approach requirements and guarantees for the fund that the overall risk associated with derivative financial instruments does not exceed 100% of the net assets of the fund and that the risk of the fund therefore does not exceed 200% of the net assets of the fund.

In addition, the option to borrow 10% of net assets is available for the fund, provided that this borrowing is temporary and the borrowing proceeds are not used for investment purposes.

An overall commitment thus increased up to 210% can significantly increase both the opportunities and the risks associated with an investment (see in particular the risk warnings in the "Risks connected to derivative transactions" section).

### Legal status of investors

The money invested in the respective sub-fund is invested by the Management Company in its own name for the joint account of the investors (the "shareholders") in securities, money market instruments and other permissible assets, based on the principle of risk-spreading. The money invested in the sub-funds and the assets purchased with the money constitute each respective sub-fund's assets, which are kept separate from the Management Company's own assets.

Shareholders as joint owners have an interest in the fund's assets in proportion to the number of shares they hold. Their rights are represented by bearer shares and documented in the form of global certificates. All fund shares have the same rights.

### Calculation of the NAV per share

In order to calculate the net asset value (NAV) per share, the value of the assets belonging to the respective sub-fund less its liabilities is calculated on each bank business day in Luxembourg and Frankfurt/Main ("valuation date"), and the result is divided by the number of shares issued.

Particulars on the calculation of the NAV per share and on asset valuation are provided in the Management Regulations.

At this time, the Management Company and the Custodian will refrain from calculating the NAV per share on public holidays that are bank business days in one of the countries applicable to the valuation date, as well as on December 24 and December 31 of each year. Any calculation of the net asset value per share that deviates from this specification will be published in appropriate newspapers, as well as on the Internet at [www.dws.com](http://www.dws.com).

### Issue of shares

Fund shares are issued on each valuation date at their net asset value plus the initial sales charge payable by the purchaser to the Management Company. The initial sales charge may be retained in whole or in part by intermediaries as remuneration for sales services. Where shares are issued in countries where stamp duties or other charges apply, the issue price increases accordingly. In a purchase, the equivalent value is charged two bank business days after issue of the shares.

The Management Company is authorized to issue new shares continuously. Nevertheless, the Management Company reserves the right to suspend or permanently discontinue the issue of shares. In this instance, payments already made will be reimbursed immediately. Shareholders will be informed immediately of the suspension and resumption of the issue of shares.

Shares can be purchased from the Management Company and via the sales and paying agents. If the Management Company no longer issues new shares, it is only possible to purchase shares from existing holders.

An example of calculating the issue price is presented below:

Net assets	EUR	1,000,000.00
÷ Number of shares in circulation on the key date		<u>10,000.00</u>
Net asset value per share	EUR	100.00
+ Initial sales charge (e.g. 5%)	EUR	<u>5.00</u>
Issue price	EUR	<u>105.00</u>

### Redemption of shares

Fund shares are redeemed on each valuation date at their net asset value less the deferred sales charge payable by the shareholder. A deferred sales charge is not charged at this time. Where shares are redeemed in countries where stamp duties or other charges apply, the redemption price decreases accordingly. The equivalent value is credited two bank business days after redemption of the shares.

In the event of substantial redemption requests, the Management Company reserves the right, with the prior consent of the Custodian, to redeem shares at the applicable NAV only after it has sold the corresponding assets promptly, yet always acting in the best interests of the shareholders.

Shares can be returned to the Management Company and via the sales and paying agents. Any other payments to shareholders are also made through these offices.

An example of calculating the redemption price is presented below:

Net assets	EUR	1,000,000.00
÷ Number of shares in circulation on the key date		<u>10,000.00</u>
Net asset value per share	EUR	100.00
– Deferred sales charge (e.g. 2.5%)	EUR	<u>2.50</u>
Redemption price	EUR	<u>97.50</u>

### Acceptance of orders

All orders are submitted on the basis of an unknown net asset value per share. Details are listed for each sub-fund in the "At a glance" summary below.

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

### Publication of the issue and redemption prices

The current issue and redemption prices and all other information for shareholders may be requested at any time at the registered office of the Management Company and from the paying agents. In addition, the issue and redemption prices are published in every country of distribution through appropriate media (such as the Internet, electronic information systems, newspapers, etc.). Neither the Management Company nor the paying agents shall be liable for any errors or omissions with respect to the publication of prices.



## Costs

The fund shall pay the Management Company an all-in fee, the precise amount of which is specified in the special section of the Management Regulations. Sales agents may receive a commission out of these costs. Furthermore, the fund shall pay other expenses (such as transaction costs), which are also set forth in the special section of the Management Regulations.

Further details can be found for each sub-fund in the "At a glance" summary below.

The specified costs are listed in the annual reports.

When acquiring shares of investment funds that are directly or indirectly managed by the Management Company itself or by another company with which the Management Company is affiliated through joint management or control, or through significant direct or indirect participation greater than 10% of the capital or voting rights ("affiliated investment funds"), the investment fund may only be charged a reduced all-in fee of 0.25% in respect of the extent of such investments.

If the Management Company invests in shares of affiliated investment funds which have a lower all-in fee than that of the investment fund, this means that the Management Company may charge to the investment fund the difference between the all-in fee of the investment fund and the all-in fee of the affiliated investment fund instead of the reduced all-in fee (0.25%) for the acquired shares.

In the case of the investment fund shares acquired for the investment fund, the annual report and semiannual report shall contain a disclosure of the amount of the initial and deferred sales charges that have been charged to the investment fund for the acquisition and redemption of shares of domestic and foreign target funds during the reporting period. The Management Company may not charge initial sales charges or deferred sales charges for the purchase of shares of investment funds that are managed directly or indirectly by the Management Company itself or by another company with which the Company is affiliated through a major direct or indirect participation; nor may another company with which the Company is affiliated through major direct or indirect participation charge initial sales charges or deferred sales charges for aforementioned purchases. Furthermore, the Management Company must disclose in the reports the management fees for investment fund shares charged to the investment fund by the Management Company itself, another investment management company, an investment corporation with variable capital or another company affiliated with the Management Company through a significant direct or indirect participation, or a foreign investment company, including its management company.

## Repayment to certain investors of management fees collected

The Management 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 "Institutional Sales" division at DWS Investment S.A. is responsible for these matters.

## Total expense ratio

The total expense ratio (TER) is defined as the proportion of the respective sub-fund's expenditures to the average assets of the fund, excluding accrued transaction costs. The effective TER is calculated annually and published in the annual report.

## Buy and sell orders for securities and financial instruments

The fund manager shall submit buy and sell orders for securities and financial instruments directly to brokers and traders for the account of the fund. In doing so, it shall select its trading partners at its own discretion and in the best interests of the shareholders.

When making such selections, consideration shall be given not only to the security prices offered and commissions and other fees charged, but also to relevant factors affecting the price of the transaction, such as execution channels, analytical services, statistical products and other services offered by brokers and traders. Such services not only comprise general analysis, but also special services such as Reuters or Bloomberg.

Further included in analytical services are the analysis of companies, technical analysis, company information and market information, as well as business and market research. All of these services provided shall be examined on a regular basis. They constitute useful support for the fund manager, thereby benefiting the fund.

## Soft commissions

There are currently no soft commission arrangements in place for the fund.

## Fund dissolution/Changes to the Management Regulations

The Management Company may dissolve the respective sub-fund or change the Management Regulations at any time. Particulars are provided in the Management Regulations.

## Taxes

Pursuant to article 129 of the Law of December 20, 2002, the fund is subject to a tax in the Grand Duchy of Luxembourg (the *taxe d'abonnement*) of 0.05% p.a. or 0.01% p.a. respectively at present, payable quarterly on the net assets of the fund reported at the end of each quarter. The tax rate applicable in each instance can be found in the fund overview.

The fund's income may be subject to withholding tax in the countries where the fund assets are invested. In such cases, neither the Custodian nor the Management Company is required to obtain tax certificates.

## EU taxation of interest payments (withholding tax)

In accordance with the provisions of Council Directive 2003/48/EC on the taxation of interest

payments within the EU (the "EUSD"), which entered into force on July 1, 2005, it cannot be ruled out that a withholding tax may be retained by the Luxembourg paying agent for certain distributions and redemptions of fund shares if the recipient of the proceeds is an individual who is a resident of another EU member state. The withholding tax on such distributions and redemptions is

15% from July 1, 2005, until June 30, 2008, 20% from July 1, 2008, until June 30, 2011, and 35% after June 30, 2011.

The individual affected can instead explicitly authorize the Luxembourg paying agent to disclose the necessary tax information according to the information exchange system provided for in the Directive to the tax authority for the respective domicile.

Alternatively, he can present to the Luxembourg paying agent a certificate issued by the tax authority for the respective tax domicile for exemption from the above withholding tax.

Income and capital gains from the fund may be taxable for the shareholder. Shareholders should always inform themselves about the current laws and regulations that apply to acquiring, holding and redeeming shares and obtain advice as appropriate.

## Selling restrictions

The shares 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 Management Company, or a third party authorized by it, has obtained permission to do so from the local regulatory authorities and such permission can be presented by the Management Company, this prospectus does not constitute a solicitation to purchase investment fund shares, nor may the prospectus be used for the purpose of soliciting the purchase of investment fund shares.

The information contained herein and the shares of the investment fund are not intended for distribution in the United States of America or to U.S. persons (individuals who are U.S. citizens or whose permanent place of residence is in the United States of America and 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). Accordingly, shares will not be offered or sold in the United States or to or for the account of U.S. persons. Subsequent transfers of shares in or into the United States or to U.S. persons are prohibited.

This prospectus may not be distributed in the United States of America. The distribution of this prospectus and the offering of the shares may also be restricted in other jurisdictions.

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 Management Company without delay.

This prospectus may be used for sales purposes only by persons who have express written authorization from the Management 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 Management Company.

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

In the event of any inconsistency between the original German language version of the sales prospectus and its English translation, the German language version shall prevail. The Management Company may, on behalf of itself and the fund, declare translations into particular languages as legally binding versions with respect to those shares of the fund sold to investors in countries

where the fund's shares may be offered for sale to the public.

## DWS Risk Classes

### **DWS Risk Class 1 of 4: Risk-averse**

**Investor Profile:** The fund is intended for the risk-averse investor seeking steady performance at comparatively low interest rates. Moderate short-term fluctuations are possible, but no loss of capital is to be expected in the medium to long term.

### **DWS Risk Class 2 of 4: Income-oriented**

**Investor Profile:** 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 only 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.

### **DWS Risk Class 3 of 4: Growth-oriented**

**Investor Profile:** The fund is intended for the growth-oriented investor seeking returns higher than those from capital-market interest rates, with capital growth generated primarily through opportunities in the equity and currency markets. Security and liquidity are subordinate to potential high returns. This entails higher equity, interest-rate and currency risks, as well as default risks, all of which can result in loss of capital.

### **DWS Risk Class 4 of 4: Risk-tolerant**

**Investor Profile:** The fund is intended for the risk-tolerant investor who, in seeking investments that offer targeted opportunities to maximize return, can tolerate the unavoidable, and occasionally substantial, fluctuations in the values of speculative investments. The high risks from volatility, as well as high credit risks, make it probable that the fund will lose value from time to time, and expectations of high returns and tolerance of risk are offset by the possibility of incurring significant losses of capital invested.

## Performance

Past performance is not a guarantee of future results for the fund. The returns and the prin-

cipal value of an investment may rise or fall, so investors must take into account the pos-

sibility that they will not get back the original amount invested.

# DB Portfolio at a glance

The fund **DB Portfolio** is a so-called umbrella fund as defined in article 133 of the Law of December 20, 2002, relating to undertakings for collective investment. The investor can be offered one or more sub-funds at the sole discretion of the Management Company. The aggregate of the sub-funds produces the umbrella fund. Every shareholder has an interest in the fund via the sub-fund.

As regards the legal relationships of the share-

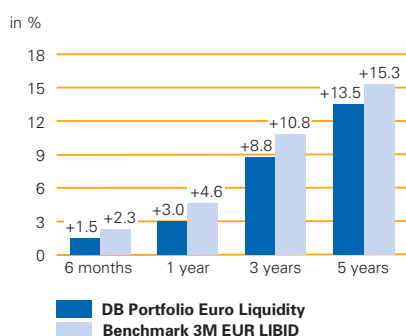
holders among themselves, each sub-fund is treated as a separate entity. In relation to third parties, the assets of a sub-fund are only liable for the liabilities and payment obligations involving such sub-fund. The investment restrictions listed in the general section of the Management Regulations apply to each sub-fund separately; however, the investment limits in the second sentence of article 4 B. (k) must be applied to the fund in its entirety. Additional sub-funds may be established

and/or one or more existing sub-funds may be dissolved or merged at any time. If applicable, this shall entail an appropriate update to the sales documentation.

The DB Portfolio umbrella fund currently consists of the following sub-fund:

DB Portfolio Euro Liquidity

## DB PORTFOLIO EURO LIQUIDITY vs. benchmark Performance at a glance



All data on euro basis

“BVI method” performance, i.e., excluding the initial sales charge. Past performance is no guide to future results.

As of June 30, 2008

## DB PORTFOLIO EURO LIQUIDITY AT A GLANCE

### Investment objective and investment policy

The objective of the investment policy is to generate a return for euro-oriented investors. At least 70% of the fund's assets are invested in bonds, convertible bonds and other fixed-interest securities and variable interest bonds denominated in euro or hedged against the euro, which are traded on exchanges or another regulated market that operates regularly and is recognized and open to the public, and is located in a member country of the Organisation for Economic Co-operation and Development (OECD). Credit default swaps may be used solely for hedging purposes to the extent permitted by law. Such credit default swaps serve to hedge the insolvency risks arising from the corporate bonds purchased by the fund. Interest rates received by the fund on a corporate bond with a higher insolvency risk are swapped for interest rates with a lower insolvency risk – e.g., Libor plus a premium depending on the credit standing of the company issuing the corporate bond. At the same time, the counterparty is obligated to accept the bond at an agreed price (usually the nominal value of the bond) if the company issuing the corporate bond defaults. In practice, if the company defaults, settlement can be effected by simply paying an amount of money representing the difference between the residual value of the corporate bond and the agreed price instead of accepting the bond, provided this has been agreed. By only engaging in credit default swaps with top-rated financial institutions specializing in such transactions, the risk of default on the part of the counterparty can be reduced. Credit default swaps are valued on a regular basis using verifiable and transparent methods. The Management Company and the auditor will monitor the valuation methods and their application to establish whether they are verifiable and transparent. Should any discrepancies be identified during the monitoring procedure, the Company will arrange to have these eliminated. A maximum of 30% of the sub-fund's assets (after deduction of liquid assets) may be invested in securities of foreign and domestic issuers that do not satisfy the requirements of the preceding paragraph. In addition, the fund's assets may be invested in all other permissible assets.

<b>ISIN</b>	LU0080237943
<b>Security code</b>	986 967
<b>Sub-fund currency</b>	EUR
<b>Inception date</b>	May 12, 1997
<b>Initial issue price</b>	DEM 101.00 (incl. initial sales charge)
<b>Calculation of the NAV per share</b>	Each bank business day in Luxembourg and Frankfurt/Main
<b>Initial sales charge</b> (payable by the shareholder)	1%
<b>Deferred sales charge</b> (payable by the shareholder)	0%
<b>Exchange fee</b> (payable by the shareholder)	Shareholders may at any time exchange some or all of their shares for shares of another sub-fund upon payment of an exchange commission of 0.5 percentage points less than the initial sales charge, plus any applicable issue taxes and levies. Additional information is provided in the “Exchange” section of the sales prospectus.

## DB PORTFOLIO EURO LIQUIDITY AT A GLANCE (CONTINUATION)

<b>Distribution policy</b>	Reinvestment
<b>All-in fee</b> (payable by the fund)	0.25% p.a. (plus performance-based fee*)
<b>Order acceptance</b>	All orders are submitted on the basis of an unknown net asset value per share. Orders received by the Management Company or the paying agent at or before <b>1:30 PM CET</b> on a valuation date are processed on the basis of the net asset value per share on that valuation date. Orders received after <b>1:30 PM CET</b> are processed on the basis of the net asset value per share on the next valuation date.
<b>Maturity date</b>	No fixed maturity
<b>Guarantee</b>	Yes, for the exact scope of guarantee refer to the "Guarantee" section connected to this table
<b>Taxe d'abonnement</b> (payable by the fund)	0.01% p.a.
<b>Investor Profile/Risk Class</b>	Risk-averse; DWS Risk Class 1 of 4

\* In addition, the Management Company shall receive from the fund's assets a performance-based fee equal to one half of the amount by which the recorded gain exceeds the return from a money market investment used as a benchmark for comparison purposes. The respective money market interest rate to be used for this money market investment is based on the interbank rate LIBID for 3-month euro investments, and is determined quarterly, on January 1, April 1, July 1 and October 1. The performance-based fee is generally calculated daily and settled annually.

<b>Publication date of filing of the Management Regulations in the Mémorial</b>	
<b>General section</b>	October 2, 2006
<b>Special section</b>	August 18, 2008
<b>Entry into force of the Management Regulations</b>	
<b>General section</b>	October 1, 2006
<b>Special section</b>	July 1, 2008

### Guarantee

DWS Investment S.A. will set a new guarantee at the end of the guarantee on December 30, 2008: by way of derogation from the previous semi-annual renewal (June 30/December 30), the new guarantee will not be renewed on the reference date June 30, 2009, but on the reference date December 30, 2009. The value of the guaranteed net asset value per share for the new reference date is determined on December 30, 2008, and published thereafter.

Subsequent to the guarantee date December 30, 2009, DWS Investment S.A. intends to set a new guarantee for the fund on an annual basis.

The respective annual net asset values per share used as the basis to set the guaranteed value are determined on December 30 of each year, if commercial banks are open in Luxembourg and Frankfurt/Main ("Reference Date"). If the Reference Date is not a day on which commercial banks are open in Luxembourg and Frankfurt/Main, the next possible preceding day on which commercial banks are open in Luxembourg and Frankfurt/Main is used for the calculation.

If changes in taxes during the guarantee period have a detrimental effect on the price performance of the fund, the guarantee will be reduced by the amount of this difference per share, including missed market-based and time-based reinvestments.

**Investors should be aware that the guaranteed value refers exclusively to the respective specified guarantee date. Accordingly, prior to the specified guarantee date, the net asset value per share may remain below the specified guaranteed value.**

DWS Investment S.A. is under no obligation whatsoever to set a new guarantee after a guarantee has run its course.

If DWS Investment S.A. does set a new guarantee, the guaranteed value need not correspond to the net asset value per share determined on a Reference Date. The exact amount of the guaranteed value and the respective applicable guarantee date may be requested from the Management Company and the paying agents; they are also published in the annual and semi-annual reports. Also, any changes to the guarantee itself (e.g., a change to the adjustment interval or a future decision not to set a new guarantee) will be communicated by the Management Company in appropriate media, and the sales prospectus will be amended accordingly.

### Exchange of shares

Shareholders may at any time exchange some or all of their shares for shares of another sub-fund upon payment of an exchange commission of 0.5 percentage points less than the initial sales charge, plus any applicable issue taxes and levies. The exchange commission, which is collected for

the benefit of DWS Investment S.A., is calculated on the amount to be invested in the new sub-fund. Any residual amount that may result from an exchange will be converted to euro if necessary and paid out to shareholders if the amount exceeds EUR 10.00 or 1% of the exchange value. An exchange may only take place on a valuation date.

### Fiscal year

The fiscal year begins on January 1 and ends on December 31 of each year.

### Exchanges and markets

The Management Company may have the fund's shares admitted for listing on an exchange or traded on regulated markets; currently the Management Company is not availing itself of this option. The Management Company is aware that – without its consent – as of the date of creation of this sales prospectus, the fund's shares are being traded or are listed on the following exchanges and markets:

- Berlin-Bremen Stock Exchange (Börse Berlin-Bremen)
- Düsseldorf Stock Exchange (Börse Düsseldorf)
- Investment Stock Exchange (Börse Investmentfonds)
- Hamburg Stock Exchange (Börse Hamburg)
- Munich Stock Exchanges (Börse München)
- Frankfurt Stock Exchange (Börse Frankfurt)
- Stuttgart Stock Exchange (Börse Stuttgart)

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

The market price underlying exchange trading or trading on 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 share.

# B. Management Regulations – general section

The contractual rights and obligations of the Management Company, the Custodian and the shareholders with regard to the fund are based on the following Management Regulations.

## Article 1 The fund

1. The fund is a legally dependent investment fund (fonds commun de placement) consisting of securities and other assets (the “fund’s assets”) and managed on the basis of the principle of risk-spreading for the collective account of the investors (“shareholders”). Shareholders have an interest in the fund’s assets in proportion to the number of shares they hold. The assets constituting the fund’s assets are in principle held by the Custodian.
2. The reciprocal rights and obligations of the shareholders, the Management Company and the Custodian are set forth in these Management Regulations, the current version of which, together with changes thereto, was filed at the clerk’s office of the Luxembourg District Court, and whose filing memorandum is published in the “Mémorial, Recueil des Sociétés et Associations”, the official journal of the Grand Duchy of Luxembourg (the “Mémorial”). By purchasing a share, the shareholder accepts the Management Regulations and all approved changes to them.

## Article 2 The Management Company

1. The Management Company of the fund is DWS Investment S.A., a public limited company under Luxembourg law with registered office in Luxembourg. It was established on April 15, 1987. The Management Company is represented by its Board of Directors. The Board of Directors may entrust one or more of its members and/or employees of the Management Company with day-to-day management.
2. The Management Company manages the fund in its own name, but exclusively in the interests and for the collective account of the shareholders. Its management authority covers in particular the purchase, sale, subscription, exchange and receipt of securities and other assets, as well as the exercise of all rights that are related, directly or indirectly, to the fund’s assets.
3. The Management Company may appoint a fund manager under its responsibility and control, and at its own expense.
4. The Management Company may appoint investment advisors and the services of an investment advisory committee under its responsibility and at its own expense.

## Article 3 The Custodian

1. The Management Company appoints the Custodian. The rights and obligations of the Custodian are governed by the law, these Management Regulations and the Custodian agreement. Its particular duty is to hold in safe-keeping the assets of the fund. The Custodian acts in the interests of the shareholders.

2. All securities and other assets of the fund will be held in safe-keeping by the Custodian in separate accounts and deposits, authority over which may only be exercised in compliance with the provisions contained in these Management Regulations. The Custodian may, under its responsibility, entrust other banks or securities clearing houses with the custody of the securities and assets of the fund.
3. Both the Custodian and the Management Company may terminate the custody arrangement at any time by giving three months’ written notice. Such termination will be effective when the Management Company, with the authorization of the responsible supervisory authority, appoints another bank as Custodian and that bank assumes the responsibilities and functions as Custodian; until then the previous Custodian shall continue to fulfill its responsibilities and functions as Custodian to the fullest extent in order to protect the interests of the shareholders.
4. The Custodian is bound to follow the instructions of the Management Company, unless such instructions are in violation of the law, the Management Regulations or the sales prospectus.

## Article 4 General investment policy guidelines

### A. Investments

- a) The fund may invest in securities and money market instruments that are listed or traded on a regulated market.
- b) The fund may invest in securities and money market instruments that are traded on another market in a member state of the European Union that operates in an orderly manner and is recognized, regulated and open to the public.
- c) The fund may invest in securities and money market instruments that are admitted for official trading on an exchange in a state that is not a member state of the European Union or traded on another regulated market in that state that operates in an orderly manner, is recognized and open to the public, and is located primarily in Europe, Asia, the Americas or Africa.
- d) The fund may invest in securities and money market instruments that are new issues, provided that
  - the terms of issue include the obligation to apply for admission for trading on an exchange or on another regulated market that operates in an orderly manner, is recognized and open to the public, and is located primarily in Europe, Asia, the Americas or Africa, and
  - such admission is procured no later than one year after the issue.
- e) The fund may invest in shares of Undertakings for Collective Investment in Transferable Securities within the meaning of Council Directive 85/611/EEC and/or other

collective investment undertakings within the meaning of the first and second indent of article 1 (2), should they be situated in a member state of the European Union or not, provided that

- such other collective investment undertakings have been authorized under laws that provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier to be equivalent to that laid down in Community law (at present the United States of America, Switzerland, Japan, Hong Kong and Canada), and that cooperation between authorities is sufficiently ensured;
  - the level of protection for shareholders in the other collective investment undertakings is equivalent to that provided for shareholders in an Undertaking for Collective Investment in Transferable Securities, and in particular that the rules on fund asset segregation, borrowing, lending, and short sales of transferable securities and money market instruments are equivalent to the requirements of Council Directive 85/611/EEC;
  - the business of the other collective investment undertakings is reported in semiannual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;
  - no more than 10% of the assets of the Undertaking for Collective Investment in Transferable Securities or of the other collective investment undertaking whose acquisition is being contemplated can, according to its contract terms or corporate by-laws, be invested in aggregate in shares of other Undertakings for Collective Investment in Transferable Securities or other collective investment undertakings.
- f) The fund may invest in deposits with credit institutions that are repayable on demand or have the right to be withdrawn, and mature within twelve months or less, provided that the credit institution has its registered office in a member state of the European Union or, if the registered office of the credit institution is situated in a state that is not a member state of the European Union, provided that it is subject to prudential rules considered by the Commission de Surveillance du Secteur Financier as equivalent to those laid down in Community law.
  - g) The fund may invest in derivative financial instruments (“derivatives”), including equivalent cash-settled instruments, that are traded on a market referred to in a), b) and c) and/or derivative financial instruments that are not traded on an exchange (“OTC derivatives”), provided that
    - the underlying instruments are instruments covered by this paragraph or financial indices, interest rates, foreign

exchange rates or currencies in which the fund may invest according to its investment policy;

– the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Commission de Surveillance du Secteur Financier; and

– the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the fund's initiative.

h) The fund may invest in money market instruments not traded on a regulated market that are usually traded on the money market, are liquid and have a value that can be accurately determined at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these instruments are

– issued or guaranteed by a central, regional or local authority or central bank of a member state of the European Union, the European Central Bank, the European Union 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; or

– issued by an undertaking whose securities are traded on the regulated markets referred to in the preceding subparagraphs (a), (b) or (c); or

– issued or guaranteed by an establishment that is subject to prudential supervision in accordance with the criteria defined by Community law, or by an establishment that is subject to and complies with prudential rules considered by the Commission de Surveillance du Secteur Financier to be at least as stringent as those laid down by Community law; or

– issued by other bodies belonging to the categories approved by the Commission de Surveillance du Secteur Financier, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third preceding indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual financial statements in accordance with the Fourth Council Directive 78/660/EEC, is 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 is an entity that is dedicated to the financing of securitization

vehicles that benefit from credit lines to assure liquidity.

**i) Notwithstanding the principle of risk-spreading, the fund may invest up to 100% of its assets in securities and money market instruments stemming from different issues that are issued or guaranteed by a member state of the European Union, its local authorities, an OECD member country, or by a public international body of which one or more member states of the European Union are members, provided that the fund holds securities that originated from at least six different issues and the securities stemming from any one issue do not exceed 30% of the assets of the fund.**

j) The fund may not invest in precious metals or precious-metal certificates.

## B. Investment limits

a) No more than 10% of the fund's net assets may be invested in securities or money market instruments from any one issuer.

b) No more than 20% of the fund's net assets may be invested in deposits made with any one institution.

c) In the case of OTC derivative transactions, the counterparty risk may not exceed 10% of the fund's net assets if the counterparty is a credit institution as defined in A. f). In all other cases, the exposure limit is 5% of the fund's net assets.

d) No more than 40% of the fund's net assets may be invested in securities and money market instruments of issuers in which over 5% of the fund's net assets are invested.

This limitation does not apply to deposits and OTC derivative transactions conducted with financial institutions that are subject to prudential supervision.

Notwithstanding the individual upper limits specified in B. (a), (b) and (c) above, the fund may not invest more than 20% of its net assets in a combination of

– securities or money market instruments issued by this institution, and/or

– deposits made with this institution, and/or

– exposures arising from OTC derivative transactions undertaken with this institution.

e) The limit of 10% set in B. a) rises to 35%, and the limit set in B. d) does not apply to securities and money market instruments issued or guaranteed by

– a member state of the European Union or its local authorities; or

– a state that is not a member state of the European Union; or

– public international bodies of which one or more member states of the European Union are members.

f) The limit set in B. a) rises from 10% to 25%, and the limit set in B. d) does not apply in the case of bonds that fulfill the following conditions:

– they are issued by a credit institution that has its registered office in a member state of the European Union and which is legally subject to special public supervision intended to protect the holders of such bonds; and

– 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

– such assets, 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.

If the fund invests more than 5% of its assets in bonds of this type issued by any one issuer, the total value of these investments may not exceed 80% of the value of the assets of the fund.

g) The limits provided for in B. a), b), c), d), e) and f) may not be combined, and thus investments in transferable securities or money market instruments issued by any one institution or in deposits made with this institution or in this institution's derivative instruments shall under no circumstances exceed in total 35% of the fund's net assets.

The fund may cumulatively invest up to 20% of its assets in securities and money market instruments of any one group of companies.

Companies that are included in the same group for the purposes of consolidated financial statements, as defined in accordance with the Seventh Council Directive 83/349/EEC or in accordance with recognized international accounting rules, shall be regarded as a single issuer for the purpose of calculating the limits provided for in this article.

h) The fund may invest no more than 10% of its net assets in securities and money market instruments other than those specified in A.

i) The fund may invest no more than 10% of its net assets in shares of other Undertakings for Collective Investment in Transferable Securities and/or other collective investment undertakings as defined in A. e).

In the case of investments in shares of another Undertaking for Collective Investment in Transferable Securities and/or other collective investment undertakings,



the investments held by that Undertaking for Collective Investment in Transferable Securities and/or by other collective investment undertakings are not taken into consideration for the purposes of the limits specified in B. (a), (b), (c), (d), (e) and (f).

- j) If admission to one of the markets defined under A. a), b) or c) is not obtained within the one-year deadline, new issues shall be considered unlisted securities and money market instruments and counted towards the investment limit stated there.
- k) The Management Company may not, for any of the investment funds governed by Part I of the Law of December 20, 2002, under its management, acquire equities with voting rights that would enable it to exert a significant influence on the management of the issuer.

The fund may acquire no more than

- 10% of the non-voting equities of any one issuer,
- 10% of the bonds of any one issuer;
- 25% of the shares of any one fund;
- 10% of the money market instruments of any one issuer.

The limits provided for in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments, or the net amount of outstanding fund shares, cannot be calculated.

- l) The investment limits specified in k) shall not be applied to:
- securities and money market instruments issued or guaranteed by a member state of the European Union or its local authorities;
  - securities and money market instruments issued or guaranteed by a state that is not a member state of the European Union;
  - securities and money market instruments issued by public international bodies of which one or more member states of the European Union are members;
  - equities held by the fund in the capital of a company incorporated in a state that is not a member state of the European Union, investing its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the fund can invest in the securities of issuers from that state. This derogation, however, shall apply only if in its investment strategy the company from the state that is not a member state of

the European Union complies with the limits specified in B. a), b), c), d), e), f) and g), l) and k). Where these limits are exceeded, article 49 of the Law of December 20, 2002, on Undertakings for Collective Investment shall apply;

- equities held by one or more investment companies in the capital of subsidiary companies that only conduct certain management, advisory or marketing activities with regard to the repurchase of shares at the request of shareholders in the country where the subsidiary is located, and do so exclusively on behalf of the investment company or investment companies.

m) Notwithstanding the limits specified in B. k) and l), the maximum limits specified in B. a), b), c), d), e) and f) for investments in equities and/or debt securities of any one issuer are 20% when the objective of the investment policy is to replicate the composition of a certain index. This is subject to the condition that

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- the index is published in an appropriate manner.

The maximum limit is 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this limit is only permitted for one single issuer.

n) The fund's global exposure relating to derivative instruments must not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying instruments, the counterparty risk, future market movements and the time available to liquidate the positions.

The fund may invest in derivatives as part of its investment strategy and within the limits specified in B. (g), provided that the global exposure to the underlying instruments does not exceed in aggregate the investment limits specified in B. (a), (b), (c), (d), (e) and (f).

If the fund invests in index-based derivatives, these investments are not taken into consideration with reference to the investment limits specified in B. (a), (b), (c), (d), (e) and (f).

When a security or money market instrument embeds a derivative, the latter must be taken into consideration when complying with the requirements of the investment limits.

o) In addition, the fund may invest up to 49% of its assets in liquid assets. In particular

exceptional cases it is permitted to temporarily have more than 49% invested in liquid assets, if and to the extent that this appears to be justified with regard to the interests of shareholders.

### C. Exceptions to the investment limits

- a) The fund need not comply with the investment limits when exercising subscription rights attaching to securities or money market instruments that form part of their assets.
- b) While ensuring observance of the principle of risk spreading, the fund may derogate from the specified investment limits for a period of six months following the date of its authorization.

### D. Credit restrictions

Neither the Management Company nor the Custodian may borrow for the account of the fund. The fund may, however, acquire foreign currency by means of a "back-to-back" loan.

By way of derogation from the preceding paragraph, the fund may borrow up to 10% of the fund's assets, provided that such borrowing is on a temporary basis.

Neither the Management Company nor the Custodian may grant loans for the account of the fund, nor may they act as guarantor on behalf of third parties.

This restriction shall not prevent the acquisition of securities, money market instruments or other financial instruments that are not yet fully paid in.

### E. Short sales

No management company, nor any custodian acting on behalf of an investment fund, may engage in short sales of securities, money market instruments or other financial instruments as specified in A. (e), (g) and (h).

### F. Encumbrance

The fund's assets may only be pledged as collateral, transferred, assigned or otherwise encumbered to the extent that such transactions are required by an exchange or regulated market or imposed by contractual or other terms and conditions.

### G. Securities lending and repurchase agreements

a) In a standardized securities lending system, up to 50% of the fund's securities may be lent for a maximum of 30 days. The securities lending system must be organized by a recognized clearing organization or a top-rated financial institution specializing in such transactions.

The securities lending may comprise more than 50% of the securities held by the fund or have a term of more than 30 days, provided that the fund has the right to terminate the securities loan at any

time and demand the return of the lent securities.

When lending securities, the fund must generally receive collateral in the amount of at least the total value of the securities loans at the time the contract was entered into. This collateral may consist of liquid assets or securities issued or guaranteed by OECD member countries, their local authorities, or international organizations. These liquid assets or securities must be restricted in favor of the fund for the duration of the securities loan.

- b) The fund may from time to time buy or sell securities in repurchase agreements. The counterparty must be a top-rated financial institution specializing in such transactions. During the period of the securities repurchase agreement, the fund may not sell the securities involved. The scope of securities repurchase transactions will always be kept at a level that allows the fund to meet its redemption obligations at any time.

#### **Article 5 Calculation of the net asset value per share**

1. The value of a share is denominated in the currency specified for the fund (the "fund currency"). It is calculated for the fund on every bank business day (the "valuation date") in Luxembourg and Frankfurt/Main, unless indicated otherwise in the special section.

The NAV per share is calculated by dividing the net assets of the fund by the number of shares of the fund in circulation on the valuation date. The fund's NAV is calculated according to the following principles:

- a) Securities and money market instruments listed on an exchange are valued at the most recent available price paid.
- b) Securities and money market instruments not listed on an exchange but traded on another organized securities market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation, and which the Management Company considers to be an appropriate market price.
- c) In the event that such prices are not in line with market conditions, or for securities and money market instruments other than those covered in a) and b) above for which there are no fixed prices, these securities and money market instruments, as well as all other assets, will be valued at the current market value as determined in good faith by the Management Company, following generally accepted valuation principles verifiable by auditors.
- d) The liquid assets are valued at their nominal value plus interest.
- e) Time deposits may be valued at their yield value if a contract exists between the Management Company and the Custodian stipulating that these time deposits can be

withdrawn at any time and that their yield value is equal to the realized value.

- f) All assets denominated in a currency other than that of the fund are converted into the fund currency at the latest mean rate of exchange.
- g) The prices of the derivatives employed by the fund will be set in the usual manner, which is verifiable by the auditor and subject to systematic examination. The criteria that have been specified for pricing the derivatives shall remain in effect for the term of each individual derivative.
- h) Credit default swaps are valued according to standard market practice at the current value of future cash flows, where the cash flows are adjusted to take into account the risk of default. Interest rate swaps are valued at their market value, which is determined based on the yield curve for each swap. Other swaps are valued at an appropriate market value, determined in good faith in accordance with recognized valuation methods that have been specified by the Management Company and approved by the fund's auditor.
- i) The target fund shares contained in the fund are valued at the most recent available redemption price that has been determined.
2. An income equalization account is maintained for the fund.
3. For large-scale redemption requests that cannot be met from the fund's liquid assets and allowable credit facilities, the Management Company may determine the NAV per share based on the price on the valuation date on which it sells the necessary securities; this price then also applies to subscription applications submitted at the same time.

#### **Article 6 Suspension of calculation of the NAV per share**

The Management Company has the right to suspend the calculation of the NAV per share, if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking into consideration the interests of the shareholders, in particular:

- while an exchange or other regulated market on which a substantial portion of the fund's securities and money market instruments are traded is closed (excluding normal weekends and holidays) or when trading on that exchange has been suspended or limited;
- in an emergency, if the Management Company is unable to access the fund's assets or cannot freely transfer the transaction value of the fund's purchases or sales or calculate the NAV per share in an orderly manner.

Investors who have applied for redemption of shares will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per share is resumed. After resumption, investors will

receive the redemption price that is then current.

The suspension of calculation of the NAV per share will be published in a Luxembourg daily newspaper.

#### **Article 7 Issue and redemption of fund shares**

1. All fund shares have the same rights. The fund shares are registered in the form of global certificates. There is no right to issuance of actual shares, unless the special section of the Management Regulations provides otherwise.
2. Shares are issued and redeemed by the Management Company and all paying agents.
3. The Management Company may unilaterally buy back shares at the redemption price if this is deemed necessary in the interests of all shareholders, or to protect the Management Company or the fund.

#### **Article 8 Restriction of the issue of shares**

1. The Management Company may at any time and at its discretion reject a subscription application or temporarily limit, suspend or permanently discontinue the issue of shares, or may buy back shares at the redemption price, if such action should appear necessary in consideration of the interests of the shareholders or the public, or to protect the fund or the shareholders.

In this case, the Management Company or the paying agent will promptly refund payments on subscription applications that have not yet been executed.

2. The suspension of the issue of shares will be published in a Luxembourg daily newspaper and, where applicable, in the countries of distribution.

#### **Article 9 Restriction of the redemption of shares**

1. The Management Company has the right to suspend the redemption of shares under exceptional circumstances that make a suspension appear necessary and justified in the interests of the shareholders.
2. The Management Company has the right, with the previous authorization of the Custodian, to carry out substantial redemptions only once the corresponding assets of the fund have been sold without delay.
3. The Management Company or the paying agent is obligated to transfer the redemption price to the country of the applicant only if this is not prohibited by law – for example by foreign exchange regulations – or by other circumstances beyond the control of the Management Company or the paying agent.
4. The suspension of the redemption of shares will be published in a Luxembourg daily newspaper and, where applicable, in the countries of distribution.

#### **Article 10 Audit**

The fund's annual financial statements are audited by an auditor appointed by the Management Company.

#### **Article 11 Distribution policy**

1. The Board of Directors decides whether to distribute or reinvest income. In the case of a distribution, the Board of Directors also decides whether a distribution will be made and in what amount. Both regular net income and realized capital gains may be distributed. In addition, unrealized capital gains as well as retained capital gains from previous years and other assets may also be distributed, provided the net assets of the fund do not fall below the minimum amount required by article 23 of the law of December 20, 2002. Distributions are paid out based on the number of shares in issue on the distribution date. Distributions may be paid entirely or partly in the form of bonus shares. Any remaining fractions of shares may be paid out in cash or credited. Distributions not claimed within the deadlines stipulated in article 16 shall lapse in favor of the respective fund.
2. The Board of Directors may elect to pay out interim dividends for each fund in accordance with the law.

#### **Article 12 Changes to the Management Regulations**

1. The Management Company may, with the consent of the Custodian, change the Management Regulations at any time, in whole or in part.
2. Changes to the Management Regulations are filed and enter into force immediately following such filing, unless otherwise specified.

#### **Article 13 Publications**

1. Issue and redemption prices may be obtained from the Management Company and all paying agents. In addition, the issue and redemption prices are published in every country of distribution through appropriate media (such as the Internet, electronic information systems, newspapers, etc.).
2. The Management Company produces an audited annual report and a semiannual report for the fund in accordance with the laws of the Grand Duchy of Luxembourg.
3. The fund's sales prospectus, simplified sales prospectus and Management Regulations, as well as the annual and semiannual reports, are available free of charge to shareholders at the registered offices of the Management Company and all paying agents.

#### **Article 14 Dissolution of the fund**

1. The term of the fund is specified in the special section of the Management Regulations.
2. However, notwithstanding the preceding, the fund can be dissolved at any time by the Management Company, unless otherwise pro-

vided for in the special section of the Management Regulations. The Management Company may decide to dissolve the fund if such dissolution appears necessary or expedient in consideration of the interests of shareholders, for protection of the interests of the Management Company, or in the interest of the investment policy.

3. Dissolution of the fund is mandatory in the cases provided for by law.
4. The Management Company shall publish any such dissolution of the fund in the Mémorial and in at least two daily newspapers with sufficient circulation, at least one of which must be a Luxembourg newspaper, as required by law, and in accordance with the regulations of each respective country of distribution.
5. The issue of shares shall cease when the fund is dissolved. Shares can be redeemed until just before the liquidation date, thereby ensuring that any liquidation costs are taken into account and thus borne by all investors holding shares of the fund at the time the decision to liquidate became effective.
6. On the order of the Management Company or of the liquidators appointed by the Management Company or by the Custodian in agreement with the supervisory authority, the Custodian will divide the proceeds of the liquidation, less the costs of liquidation and fees, among the shareholders of the fund according to their entitlement. The net proceeds of liquidation not collected by shareholders upon completion of the liquidation proceedings will at that time be deposited by the Custodian with the Caisse des Consignations in Luxembourg for the account of shareholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.
7. Neither the shareholders nor their heirs or legal successors may apply for dissolution or division of the fund.

#### **Article 15 Merger**

1. The fund may be incorporated into another fund (merger) following a decision to this effect by the Board of Directors.
2. Such a decision will be published in a Luxembourg daily newspaper and in accordance with the regulations of each country of distribution.
3. The execution of the merger takes place in the form of a dissolution of the fund that is being incorporated and a simultaneous takeover of all of the assets by the receiving fund. In contrast to a fund dissolution (article 14), however, the investors in the fund being incorporated receive shares of the receiving fund, the number of which is based on the ratio of the net asset values per share of the funds involved at the time of the absorption, with a provision for settlement of fractions if necessary.
4. Prior to the actual merger, shareholders of the fund have the option of separating from the fund involved within one month of publication by the Management Company of the merger

decision by redeeming their shares at the redemption price.

5. The execution of the merger is monitored by auditors of the fund.

#### **Article 16 Limitation of claims and presentation deadline**

1. Claims of shareholders against the Management Company or the Custodian shall cease to be enforceable once a period of five years has elapsed since the claim arose. The rules set forth in article 14 (6) remain unaffected by this provision.
2. The presentation deadline for coupons is five years.

#### **Article 17 Applicable law, jurisdiction and language of contract**

1. The fund's Management Regulations are subject to Luxembourg law. The same applies to the legal relationship between the shareholders and the Management Company. The Management Regulations are filed with the District Court in Luxembourg. Any legal disputes between shareholders, the Management Company and the Custodian fall within the jurisdiction of the competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg. The Management Company and the Custodian may elect to submit themselves and the fund to the jurisdiction and laws of any of the countries of distribution in respect of the claims of investors who are resident in the relevant country, and with regard to matters concerning the fund.
2. The German version of these Management Regulations shall be legally binding. The Management Company may, on behalf of itself and the fund, declare translations into particular languages as legally binding versions with respect to those shares of the fund sold to investors in countries where the fund's shares may be offered for sale to the public.

# Management Regulations – special section

The fund **DB Portfolio** is a so-called umbrella fund as defined in article 133 of the Law of December 20, 2002, relating to undertakings for collective investment. The investor can be offered one or more sub-funds at the sole discretion of the Management Company. The aggregate of the sub-funds produces the umbrella fund. Every shareholder has an interest in the fund via the sub-fund.

As regards the legal relationships of the shareholders among themselves, each sub-fund is treated as a separate entity. In relation to third parties, the assets of a sub-fund are only liable for the liabilities and payment obligations involving such sub-fund. The investment restrictions listed in the general section of the Management Regulations apply to each sub-fund separately; however, the investment limits in the second sentence of article 4 B. (k) must be applied to the fund in its entirety. Additional sub-funds may be established and/or one or more existing sub-funds may be dissolved or merged at any time. If applicable, this shall entail an appropriate update to the sales documentation.

For the individual sub-funds, the following provisions shall apply in addition to the terms contained in the general section of the Management Regulations.

## **Article 18 Investment policy**

The assets of DB Portfolio are invested based on the principle of risk-spreading in accordance with the investment policies specified in the sales prospectus for each respective sub-fund and within the general investment policy guidelines specified in article 4 of the Management Regulations.

The individual sub-funds may differ especially in terms of their investment objectives and their investment policies, their terms (fixed or open-ended) and the currency in which they are launched.

The Management Company shall define the investment policy of the individual sub-funds. It bears comprehensive responsibility for the definition and implementation of the investment policy.

## **Article 19 Fund and sub-fund currency, issue and redemption prices, distribution policy**

1. The currency of the fund is the euro.
2. The calculation of the NAV per share and the calculation and publication of the issue and redemption prices for the individual sub-funds are carried out in the currency in which the respective sub-fund was launched. The currency of the respective sub-fund is indicated in the "At a glance" summary in the sales prospectus.
3. The issue price is the net asset value per share, plus an initial sales charge for the benefit of the Management Company. The amount of the initial sales charge for each sub-fund is indicated in the "At a glance" summary in the sales prospectus. The Management Company may pass on the initial sales charge to intermediaries as remuneration for sales services. The issue price may be increased by fees or other costs that are charged in the respective countries of distribution. The equivalent

value is charged within five bank business days after issue of the shares.

4. The redemption price is the net asset value per share less a deferred sales charge of up to 2.5% of the net asset value per share for the benefit of the Management Company. Whether or not, and in what amount, a deferred sales charge is charged for the respective sub-fund is indicated in the "At a glance" summary in the sales prospectus. The redemption price may additionally be reduced by fees or other costs that are charged in the respective countries of distribution. The equivalent value is credited within five bank business days after redemption of the shares.
5. The Management Company decides whether to distribute or reinvest income for each sub-fund. Further details can be found for each sub-fund in the "At a glance" summary in the sales prospectus.

## **Article 20 Costs**

The respective sub-fund shall pay an all-in fee of up to 1% p.a. of its net assets based on the net asset value calculated on the valuation date. The amount of the all-in fee for each sub-fund may be found in the "At a glance" summary in the sales prospectus. This all-in fee shall in particular serve as compensation for investment management, fund management, the distribution of the fund and the services of the Custodian. The all-in fee shall generally be withdrawn from the respective sub-fund at the end of each month. Aside from the all-in fee, the following costs may be charged to the sub-fund:

- all of the taxes charged to the assets of the fund and to the fund itself (especially the tax d'abonnement), as well as any taxes that may arise in connection with administrative and custodial costs;
- any costs that may arise in connection with the acquisition and disposal of assets;
- extraordinary costs (e.g., court costs) that may be incurred in order to protect the interests of shareholders of the fund; the Board of Directors shall decide in each individual case whether or not to assume such costs and will report these separately in the annual report.

In addition, the Management Company may receive a performance-based fee for the respective sub-fund, the amount of which is specified in the sales prospectus.

Furthermore, the Management Company may receive up to one half of the income from the conclusion of securities lending transactions for the account of the sub-fund's assets as a flat fee in relation to the expenses incurred in the preparation and execution of such securities lending transactions, but no more than 0.2% p.a. based on the net assets of the fund, on the basis of the net asset value per share calculated on the valuation date.

## **Article 21 Fiscal year**

The fiscal year of the fund and of the sub-funds ends on December 31 of each year.

## **Article 22 Terms of the fund and of the sub-funds**

The term of the fund is not limited. Sub-funds may also be set up for a fixed term. Details about the term of the respective sub-fund may be found in the "At a glance" summary in the sales prospectus.

In view of the existence of a guarantee, the right to effect a merger pursuant to article 15 is excluded.

## **Article 23 Custodian**

The Custodian is State Street Bank Luxembourg S.A., Luxembourg.

## **Article 24 Guarantee**

The Management Company may give capital, dividend or performance guarantees for individual sub-funds. Guarantees of this type assure the investor a minimum dividend from income earned in a particular fiscal year, or a minimum NAV per share on a particular date. In between such dates, the NAV per share may both exceed and fall short of the guaranteed minimum.

You will find whether and to what extent the Management Company guarantees any given sub-fund in the corresponding table in the "DB Portfolio at a glance" section in the sales prospectus.



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