



DWS Investment S.A.

---

# Global Emerging Markets Balance Portfolio

**Sales Prospectus  
and Management Regulations**

November 15, 2011



: The DWS/DB Group is the largest German mutual fund company according to assets under management. Source: BVI. As of: September 30, 2011.



**Deutsche Bank Group**

DWS Investment S.A. currently manages the following investment funds in the legal form of a fonds commun de placement (FCP) in accordance with the Law of December 17, 2010 (as of November 1, 2011):

AL DWS GlobalAktiv\*; ARERO – Der Weltfonds; Breisgau-Rent; Certificate Horizon\*; DB Advisors Emerging Markets Equities – Passive; DB Advisors Invest\*; DB Advisors Strategy Fund\*; DB Opportunity; DB Portfolio\*; db PrivatMandat Fit\*; db PrivatMandat Invest\*; DBM Vermögensverwaltung Ausgewogen; DBM Vermögensverwaltung Ertrag; DBM Vermögensverwaltung Wachstum; DWS AgriX Garant 2013; DWS Alpha Fonds; DWS Best Global FX Selection Plus; DWS BestSelect Branchen; DWS Bond Flexible; DWS Brazil; DWS BRIC Garant; DWS BRIC Garant 2012; DWS Cashback Garant 2014; DWS Corporate Bond Basket 2013; DWS Credit Opportunities; DWS Deutschland Garant 2013; DWS DifferenzChance 2013; DWS Diskont Basket; DWS Dividende Deutschland Direkt 2014; DWS Dividende Direkt 2014; DWS Dividende Emerging Markets Direkt 2015; DWS Dividende Garant 2016; DWS Dividende USA Direkt 2014; DWS Emerging Asia; DWS Emerging Markets Bonds 2014; DWS Emerging Markets Corporates 2015; DWS Emerging Sovereign Bond Fund AUD; DWS Etoile; DWS Euro Reserve; DWS Euro-Bonds (Long); DWS Euro-Bonds (Medium); DWS Euro-Corp High Yield; DWS Europa Garant 2012; DWS Europe Convergence Bonds; DWS Eurorenta; DWS Flexible Invest 100; DWS FlexPension I; DWS Floating Rate Notes; DWS Garant 80 FPI; DWS Global\*; DWS Global Equity Focus Fund; DWS Global Value; DWS Gold plus; DWS India; DWS Lateinamerika; DWS Megatrend Performance 2016; DWS Osteuropa; DWS Performance Rainbow 2015; DWS Performance Select 2014; DWS Prospero Fund; DWS Rendite\*; DWS Rendite 2012; DWS Rendite Extra Garant; DWS Rendite Garant 2015; DWS Rendite Garant 2015 II; DWS Rendite Optima; DWS Rendite Optima Four Seasons; DWS Rendite Plus Garant; DWS Renten Direkt 2013; DWS Renten Direkt 2014; DWS Renten Direkt 2014 II; DWS Renten Direkt Select 2016; DWS Russia; DWS SachwertStrategie Protekt Plus; DWS Shift 2015; DWS Shift 2016; DWS Shift 2017; DWS Short Duration Emerging Markets FX; DWS Top Balance; DWS Top DivideX Bonus 2012; DWS Top Dynamic; DWS Türkei; DWS (US Dollar) Reserve; DWS Unternehmensanleihen Direkt 2014; DWS Vermögensbildungsfonds I (Lux); DWS Vermögensmandat\*; DWS Vola Strategy; DWS Vorsorge\*; DWS World Funds\*; DWS Zeitwert Protect; EM Equities; FI ALPHA\*; GIS High Conviction Equity (USD); Global Emerging Markets Balance Portfolio; Global Fund; Multi Opportunities; Multi Opportunities II; Multi Opportunities III; Multi Style – Mars; NOVETHOS Invest\*; PAM Fixed Income Opportunities (USD); PAM International Fund Selection Portfolio\*; PWM Mandat – DWS\*; RAM Dynamisch; RAM Konservativ; RAM Wachstum; Rendite Short Plus; SFC Global Markets; SK Invest\*; Südwestbank Vermögensmandat\*; thallos Global Trend; Zurich\*; Zurich Vorsorge Dachfonds II

as well as 17 investment companies in the legal form of a Société d'Investissement à Capital Variable (SICAV) pursuant to the Law of December 17, 2010, and another 30 specialized investment funds pursuant to the Law of February 13, 2007, in the form of a SICAV-SIF or a FCP-SIF.

\* Umbrella FCP

# Contents

<b>Additional information for investors in the Federal Republic of Germany</b>	<b>2</b>	<b>B. Management Regulations</b>	<b>21</b>
<b>A. Sales Prospectus</b>	<b>7</b>	General section	21
Global Emerging Markets		Special section	
Balance Portfolio at a glance	16	Global Emerging Markets	
		Balance Portfolio	27

## General information

Units from the I, IUSD and ICHF unit classes of the fund Global Emerging Markets Balance Portfolio are issued exclusively to institutional investors in accordance with article 129 of the Law of December 20, 2002; these include management and insurance companies, managers of funds of funds and others, and also Professionals of the Financial Sector as defined from time to time by the Luxembourg supervisory authority, acting in their own name and for their own accounts, yet on the basis of asset-management commissions for external assets that can be invested in units of the fund.

The Management Company reserves the right to buy back units from investors at the redemption price insofar as investors do not meet this requirement.

## Legal structure:

FCP according to Part I of the Law of December 17, 2010, on Undertakings for Collective Investment.

# General information

The legally dependent investment fund described in this sales prospectus is a Luxembourg investment fund (fonds commun de placement) organized under Part I of the Luxembourg law on Undertakings for Collective Investment of December 17, 2010 ("Law of December 17, 2010"), and in compliance with the provisions of Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009, which replaces Directive 85/611/EEC (UCITS), as well as the provisions of the Grand-Ducal Regulation of February 8, 2008, relating to certain definitions of the Law of December 20, 2002, on Undertakings for Collective Investment, as amended<sup>1</sup> ("Grand-Ducal Regulation of February 8, 2008") and implementing Directive 2007/16/EC<sup>2</sup> ("Directive 2007/16/EC") 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 2009/65/EC, as amended.<sup>3</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> Replaced by the Law of December 17, 2010.

<sup>2</sup> Commission Directive 2007/16/EC of March 19, 2007, implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions ("Directive 2007/16/EC").

<sup>3</sup> See CSSF circular 08-339 in the currently applicable version: 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 sales prospectus, the management regulations, the "key investor documents"; the annual and semiannual reports, as well as the issue and redemption prices are available free of charge from the Management Company and from the paying and information agents.

Requests for redemption can 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 units are published on the Internet at [www.dws.de](http://www.dws.de). Any notices to unitholders are published in the electronic Bundesanzeiger.

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

Deutsche Bank AG  
Taubusanlage 12  
60325 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 units has been induced by verbal agreement off the regular business premises of the party selling the units or brokering their sale, the purchaser may revoke such declaration to purchase 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 units 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 (Bürgerliches Gesetzbuch; 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, 1115 Luxembourg, 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 units 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 shall not apply if the vendor can prove that either the purchaser acquired the units within the scope of his business operations or that he made a visit to the purchaser which led to the sale of the units 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 units 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 of importance to the investor

## Investment funds organized under Luxembourg law

### General points

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

This foreign investment fund is generally not subject to corporate income tax or trade tax in Germany. However, the taxable income of the investment fund is taxable for the individual investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver's flat allowance of EUR 801 p.a. (for single persons or spouses assessed separately) or EUR 1,602 (for spouses assessed jointly) when added to any other capital gains.

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

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

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

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

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

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

that certain distinctions be made with regard to the income components.

### I Units held as personal assets (German tax residents)

#### 1. Interest and income equivalent to interest, domestic and foreign dividends

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

Distributed interest and income equivalent to interest, as well as domestic and foreign dividends of the investment fund are usually subject to the 25% withholding tax (plus solidarity surcharge and, where applicable, church tax).

In the case of a reinvesting investment fund according to tax law, the 25% withholding (plus solidarity surcharge) is not applied at the time of the reinvestment. However, the income subject to withholding is accrued and withholding will be applied on the total so-called "accrued income equivalent to distributions" by a domestic institution maintaining the custody account when the investment fund units are redeemed or sold.

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

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

They include the following debt instruments:

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

If gains from the sale of the securities and debt instruments listed above, gains from forward transactions, as well as income from option writer premiums are distributed, they are generally taxable and usually subject to the 25% withholding tax (plus solidarity surcharge and, where applicable, church tax). However, distributed gains from the sale of securities and gains from forward trans-

actions are tax-exempt if the securities are purchased at the level of the investment fund before January 1, 2009, or the forward transactions are executed before January 1, 2009. Investors acquiring units of an investment fund after December 31, 2008, receive a notional allocation of these untaxed distributed gains when capital gains are determined (see I 5 below).

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

#### 3. Negative income for tax purposes

If negative income remains after offsetting with similar positive income at the level of the investment fund, that negative income is carried forward for tax purposes at the level of the investment fund. It may be offset at the level of the investment fund against future similar positive taxable income in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, these 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 is offset at the level of the investment fund. Earlier consideration in the investor's income tax is not possible.

#### 4. Distributions of non-income assets

Distributions of non-income assets are not subject to tax. However, distributions of non-income assets received by the investor during his holding period must be added to the taxable gain from the sale of the fund units; the total taxable gain is thus increased.

#### 5. Capital gains at investor level

If units of 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% (plus solidarity surcharge and, where applicable, church tax).

For the sale of the units purchased before January 1, 2009, the gains are not taxed for individual investors.

When determining the capital gains for final withholding tax purposes, the interim profits at the time of purchase must be subtracted from the cost of purchasing the units, and the interim profits and sales proceeds at the time of selling the units must be subtracted from the selling price to prevent double income taxation of interim profits (see below). The sales proceeds must further be reduced by the amount of reinvested income the investor has already reported for taxes, so that double taxation is prevented in that respect also. An addition to the sales proceeds takes place in the respective amounts of foreign tax as defined by article 4 (2) InvStG paid, less any credits claimed, and investment income tax as defined by article 7 (3) and (4) InvStG paid, provided such taxes relate to the reinvested income generated during the holding period, as well as in the amount of the income equivalent to distributions gener-

ated in the fiscal years before the holding period and distributed during the holding period. If the investor acquired units of an investment fund after December 31, 2008, untaxed distributions of gains from forward transactions after January 1, 2009, as well as gains from the sale of securities, must be added to the gain from the sale.

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

If a minimum investment of EUR 100,000 or more is required in order to participate in the fund (or in a unit class, in the case of particular unit classes), or if the participation of natural persons is dependent on the knowledge of investors, the following applies to the sale or redemption of units acquired after November 9, 2007, and before January 1, 2009: The gain from the sale or redemption of such units is generally subject to the final withholding tax of 25%. However, in this case the taxable capital gain from the sale or redemption of the units is limited to the amount of the gains reinvested at fund level from the sale of securities acquired after December 31, 2008, and the gains reinvested at fund level from forward transactions executed after December 31, 2008. Such limitation of taxable capital gain requires the documentation of the corresponding amount.

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

## II Units held as business assets (German tax residents)

### 1. Interest income, 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. According to article 2 (2a) InvStG, taxable interest is subject to the interest deduction ceiling of article 4h of the Income Tax Act (Einkommensteuergesetz; EStG).

Distributed interest and income equivalent to interest is generally subject to the 25% withholding tax plus solidarity surcharge.

In the case of a reinvesting investment fund according to tax law, the 25% withholding (plus solidarity surcharge) is not applied at the time of the reinvestment. However, the income subject to withholding is accrued and withholding will be applied on the total so-called "accrued income equivalent to distributions" by a domestic institution maintaining the custody account when the investment fund units are redeemed or sold.

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

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

They include the following debt instruments:

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

If these gains are distributed, they have to be considered at investor level for tax purposes. For investors that are corporate entities, 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 (partial-income procedure). Capital gains from bonds and debt instruments, as well as gains from forward transactions and option writer premiums, on the other hand, are fully taxable.

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

### 3. Domestic and foreign dividends

Except for those governed by the German REIT Act, dividends from domestic and foreign corporations that are distributed on or reinvested in units held as business assets are generally tax-exempt for corporate entities (5% of these dividends, however, constitute non-deductible operating expenses). In the case of other business investors (e.g., sole proprietorships), 40% of this income is tax-exempt (partial-income procedure).

Domestic and foreign dividends are generally subject to the 25% withholding tax plus solidarity surcharge.

In the case of a reinvesting investment fund according to tax law, the 25% withholding (plus solidarity surcharge) is not applied at the time of the reinvestment. However, the income subject to withholding is accrued and withholding will be applied on the total so-called "accrued income equivalent to distributions" by a domestic institution maintaining the custody account when the investment fund units are redeemed or sold.

For investors subject to trade tax, this dividend income partially exempted from (corporate)

income tax must be added back when determining income for trade-tax purposes, and not deducted again. In the opinion of the tax authorities, dividends from foreign corporations can only be tax exempt as "intercorporate dividends" to the full extent if the investor is a (capital) company as defined in the relevant double taxation convention and it is established that the investor has a sufficiently high (intercorporate) stockholding.

### 4. Negative income for tax purposes

If negative income remains after offsetting with similar positive income at the level of the investment fund, that negative income is carried forward for tax purposes at the level of the investment fund. It may be offset at the level of the investment fund against future similar positive taxable income in subsequent years. Direct allocation of negative taxable income to the investor is not possible. In this way, these negative amounts only affect the investor for (corporate) 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 is offset at the level of the investment fund. Earlier consideration in the investor's (corporate) income tax is not possible.

### 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. Alternatively, the amortized acquisition costs can be reduced by the pro-rata amount of the distribution of non-income assets.

### 6. Capital gains at investor level

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

Gains from the sale of units held as business assets are also tax-exempt for corporate entities, provided the gains emanate from dividends that have not yet accrued or are deemed to have not yet accrued and from realized and unrealized capital gains of the investment fund from domestic and foreign equities ("equity gain"). However, 5% of the equity gain constitutes non-deductible operating expenses. In the case of other business investors (e.g., sole proprietorships), 40% of this income is tax-exempt (partial-income procedure). A prerequisite for this is that the capital investment company publishes the equity gain as a percentage of the value of the investment unit on each valuation date.

## III Exemption from withholding and refund of investment income tax withheld

### 1. German tax residents

If a resident individual investor has units of an investment fund held in domestic custody by the

investment company or by another credit institution (custody arrangement), and if the individual investor submits an exemption form conforming to the official sample document and covering an adequate amount, or a non-assessment certificate, in sufficient time, the following applies:

– In the case of a (partially) distributing investment fund, the credit institution maintaining the custody account will, as paying agent, refrain from withholding and refund any investment income tax withheld by the investment company. In this case, the investor will be credited the full amount of the distribution.

– The credit institution maintaining the custody account will refrain from withholding tax on the interim profits, the accrued income equivalent to distributions, and on gains from the sale of the investment fund units contained in the sales proceeds/redemption price.

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

– if the investor submits an appropriate non-assessment certificate in sufficient time (total or partial exemption from withholding/refund of tax withheld will depend on the type of the respective non-assessment certificate),

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

If the exemption form or non-assessment certificate is not submitted, or not submitted in time, the investor will upon request receive from the institution maintaining the custody account a tax statement on the tax and solidarity surcharge withheld and not refunded. The investor may then offset the tax withheld against his personal/corporate tax liability in his (corporate) income tax assessment.

## **2. Non-resident taxpayers**

If a non-resident taxpayer has units of distributing investment funds held in custody by a domestic credit institution (custody arrangement), no tax will be withheld on interest and income equivalent to interest, on gains from the sale of securities, on gains from forward transactions and on foreign dividends, as well as on the interim profits and on the gains from the sale of the investment fund units contained in the sales proceeds/redemption price, provided that the taxpayer submits proof of non-resident status.

If a foreign investor has units of reinvesting investment funds in custody by a domestic credit institution, no tax will be withheld on the interim profits contained in the sales proceeds/

redemption price, on the accrued income equivalent to distributions, as well as on the gains from the sale of the investment fund units, provided that the taxpayer submits proof of non-resident status.

If the institution maintaining the custody account is not aware of the investor's non-resident status, or if such status is not verified in time, the foreign investor must use the reimbursement procedure defined in article 37 (2) of the German Fiscal Code (Abgabenordnung; AO) to apply for a refund of the tax withheld. The tax office having jurisdiction over the business operations of the institution maintaining the custody account will be responsible for processing such a refund application.

## **IV Solidarity surcharge**

A solidarity surcharge of 5.5% is levied on the amount of tax to be withheld in the case of distributions or reinvestment. The solidarity surcharge can be offset against income tax and corporate income tax.

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

## **V Church tax**

Provided that income tax is already being withheld by a domestic institution maintaining the custody account (withholding agent), the church tax attributable will be withheld as a surcharge on the tax withheld at the church tax rate of the religious group to which the church tax payer belongs. For this purpose, the church tax payer may declare his religious affiliation to the withholding agent in a written application. Spouses must also declare in the application the proportion of the investment income attributable to each spouse as related to the total investment income of the spouses, so that the church tax can be apportioned, retained and paid accordingly. If such a proportion is not declared, apportionment will be on a per-capita basis.

The deductibility of the church tax as a special expense is taken into account and used to reduce withholding.

## **VI 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 neither creditable nor 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 withholding.

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

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

ment 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 well as about the income deemed to have accrued but on which no taxes have yet been withheld.

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. Changes thus have a financial impact on those investors who are invested in the investment fund at the time of the change. The tax effects may be either positive or negative.

## **VIII Taxation of interim profits**

Interim profits consist of income from interest received or accrued and of gains from the sale of debt instruments not listed in article 1 (3), sentence 3, no. 1 (a) through (f), InvStG that are included in the sale or redemption price but have not yet been distributed or reinvested by the fund and have therefore not yet become taxable for the investor (somewhat comparable to accrued interest from fixed-rate securities). The interim profits earned from the investment fund are subject to income tax if the units are redeemed or sold by German tax residents. The withholding tax on interim profits is 25% (plus solidarity surcharge and, where applicable, church tax).

Interim profits paid during the purchase of units may be deducted by the individual investor in the year of payment for income tax purposes as negative income if an income adjustment is carried out and this is pointed out both in the publication of the interim profit and within the scope of the tax data to be certified by the professionals. It is taken into account to reduce withholding for the individual investor. If actual interim profits are not published, 6% (pro rata temporis) of the amount paid for the redemption or sale of the investment fund unit must be assessed each year as interim profits. For business investors, the interim profit paid is an integral part of the acquisition costs, which are not to be corrected. Upon redemption or sale of the investment fund unit, the interim profit received forms an integral part of the sales proceeds. A correction should not be made.

## **IX Results 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. For the investors, the amalgamation does not result in the disclosure and taxation of the unrealized gains residing in the units of the transferred investment fund. In principle, both contract-type mutual funds (e.g., Luxembourg FCP) and mutual funds in the corporate legal form (e.g., Luxembourg SICAV) may be merged in a tax-neutral manner. Tax-neutral cross-border mergers are not possible. If investment funds are merged in a non tax-neutral manner, for tax purposes it is considered that there is a redemp-

tion/sale of units for the transferring investment fund and an acquisition of units for the receiving investment fund.

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

The above taxation principles (termed transparent taxation) apply only if all taxation bases are made known as defined by article 5 (1) InvStG (termed the tax notification requirement). This also applies if the investment fund has acquired units of other domestic investment funds, EC investment fund units and foreign investment fund units that are not EC investment fund units (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 ("semi-transparent taxation").

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

#### **XI EU Savings Tax Directive/ Interest Information Regulation**

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

that are largely consistent with the EU Savings Tax Directive.

The general process is that interest payments credited to a natural person resident in another European country or in certain third countries by a German credit institution (acting as the paying agent in this respect) are reported by the German credit institution to the Federal Tax Office and by that office ultimately to the respective foreign tax office of the recipient's country of residence.

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

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

Among others, Luxembourg and Switzerland have undertaken to retain a 20% withholding tax (35% from July 1, 2011) on interest payments. As part of his tax documentation, the investor receives a tax certificate enabling him to have that withholding tax credited in his income tax return.

Alternatively, the individual investor can avoid foreign withholding by authorizing the foreign bank to make voluntary disclosures of his interest payments, allowing the institution to refrain from withholding and instead report the payments to the tax authorities designated in the respective statutes.

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

If the 40% threshold (25% threshold from January 1, 2011) is crossed, the sales proceeds must be reported when fund units are redeemed or sold. In the case of a distributing fund, the EU interest portion contained in any distribution must additionally be reported to the Federal Tax Office. In the case of a reinvesting fund, reports are naturally only filed when fund units are redeemed or sold.

#### **Note:**

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

#### **Legal and tax risk**

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

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



# A. Sales prospectus

## Management and Administration

### 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

Wolfgang Matis  
Chairman  
Managing Director of DWS Investment GmbH  
Frankfurt/Main

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

Heinz-Wilhelm Fesser  
Member of the Board of Directors of  
DWS Investment S.A., Luxembourg

Frank Kuhnke  
Member of the Board of Directors of  
DWS Investment 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

Dorothee Wetzel  
DWS Investment GmbH  
Frankfurt/Main

Jochen Wiesbach  
Managing Director of DWS Finanz-Service 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

Manfred Bauer  
Member of the Management of  
DWS Investment S.A., Luxembourg

Markus Kohlenbach  
Member of the Management of  
DWS Investment S.A., Luxembourg

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

Ralf Rauch  
Member of the Management of  
DWS Investment S.A., Luxembourg

## Fund Manager

DWS Investment GmbH  
Mainzer Landstr. 178–190  
60327 Frankfurt/Main, Germany

## Investment Advisor

Deutsche Bank AG  
Taunusanlage 12  
60325 Frankfurt/Main, Germany

## Custodian and Administrator

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

## Auditor

KPMG Luxembourg 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  
Taunusanlage 12  
60325 Frankfurt/Main, Germany  
and its branches

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

### Spain

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

### Italy

Deutsche Bank S.p.A.  
Piazza del Calendario, 3  
20126 Milano, Italy

Finanza & Futuro Banca S.p.A.  
Piazza del Calendario, 1  
20126 Milano, Italy

Deutsche Bank AG, Milan branch  
Via Santa Margherita, 4  
20121 Milano, Italy

### Switzerland

Deutsche Bank (Suisse) S.A.  
3, Place des Bergues  
1211 Genève, Switzerland

Deutsche Bank (Schweiz) AG  
Bahnhofquai 9/11  
8001 Zürich, Switzerland

Deutsche Bank (Svizzera) S.A.  
Via Ferruccio Pelli 1  
6901 Lugano, Switzerland

### Austria

Deutsche Bank Österreich AG  
Stock-im-Eisen-Platz 3  
1010 Wien, Austria

## 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 key investor documents 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 unitholders in a suitable form by the Management Company.

## Management Company

The fund is managed by DWS Investment S.A., Luxembourg (the "Management Company"), which fulfills the requirements of Chapter 15 of the Law of December 17, 2010, and thus the provisions of Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009, governing management companies.

The Management Company was established on April 15, 1987, with subsequent publication in the Mémorial C taking place on May 4, 1987. Its subscribed and paid-in capital is EUR 30,677,400. The management of the investment fund includes, but is not limited to, those tasks specified in Appendix II of the Law of December 17, 2010.

The Management Company may, in compliance with the regulations of the Luxembourg Law of December 17, 2010, and Directive no. 10-04 of the Commission de Surveillance du Secteur Financier and related circulars if applicable, delegate one or more tasks to third parties under its supervision and control.

### (i) Investment management

The Management Company, under its responsibility and control and at its own expense, has entered into a fund management agreement for the fund with DWS Investment GmbH, Frankfurt/Main, Germany. DWS Investment GmbH is an investment company under German law. The contract may be terminated by any of the parties on three months' notice.

In this respect, fund management shall encompass the day-to-day implementation of the investment policy and direct investment decisions. The designated fund manager may delegate fund management services in whole or in part, under its supervision, control and responsibility, and at its own expense.

The fund manager may also appoint investment advisors at its own expense and under its control and responsibility. The investment advisory function shall in particular encompass analysis and recommendations of suitable investment instruments for the fund's assets. The fund manager

is not bound to the recommendations offered by the investment advisor. Any investment advisors designated by the fund manager are listed under "Management and Administration." The designated investment advisors have the corresponding supervisory approvals.

### (ii) Administration, registrar and transfer agent

The first responsibility of the Management Company, DWS Investment S.A., is to perform central administration functions, in particular fund bookkeeping and net asset value calculation. In addition, DWS Investment S.A. is responsible for the remaining administrative tasks. These include, among other things, the retrospective monitoring of investment limits and restrictions as well as the functions of domiciliary agent and registrar and transfer agent.

With regard to the function as registrar and transfer agent, DWS Investment S.A. has entered into a sub-transfer agent agreement with State Street Bank GmbH in Munich, Germany. Within the scope of this agreement, State Street Bank GmbH in particular assumes the duties of managing the global certificate, which is deposited with Clearstream Banking AG in Frankfurt/Main, Germany.

### (iii) Distribution

DWS Investment S.A. acts as the main distributor.

DWS Investment S.A. may enter into nominee agreements with institutions, i.e., Professionals of the Financial Sector in Luxembourg and/or comparable entities under the laws of other countries, that are under obligation to identify unitholders. The nominee agreements give the respective institutions the right to sell units and be entered as nominees in the register of units. The names of the nominees can be requested from DWS Investment S.A. at any time. The nominee shall accept buy, sell and exchange orders from the investors it works for and arrange for the required changes to be made in the register of units. In this capacity, the nominee is particularly required to take into account any special prerequisites governing the purchase of units. If there are no conflicting practical or legal considerations, an investor who acquired units through a nominee can submit a written declaration to DWS Investment S.A. or the transfer agent demanding that he himself be entered into the register as a unitholder once all necessary proofs of identity have been supplied.

### Custodian

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.

### General risk warnings

Investing in the units involves risks. These can encompass or involve equity or bond market 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 units 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 units, taking into account their personal financial and tax situation and other circumstances, (ii) the information contained in this sales prospectus, and (iii) the fund's investment policy.

**It must be noted that investments made by a fund also contain risks in addition to the opportunities for price increases. The fund's units are securities, the value of which is determined by the price fluctuations of the assets contained in the fund. Accordingly, the value of the units 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

The price or market performance of financial products depends, in particular, on the performance of the capital markets, which in turn are affected by the overall economic situation and the general economic and political framework in individual countries. Irrational factors such as sentiment, opinions and rumors have an effect on general price performance, particularly on an exchange.

### Credit risk

The credit quality (ability and willingness to pay) of the issuer of a security or money market instrument held directly or indirectly by the fund may subsequently decline. This usually leads to price drops in the individual security in excess of the usual market fluctuations.

### Country or transfer risk

A country risk exists when a foreign borrower, despite ability to pay, cannot make payments at all, or not on time, because of the inability or unwillingness of its country of domicile to execute transfers. This means that, for example, payments to which the fund is entitled may not occur, or be in a currency that is no longer convertible due to restrictions on currency exchange.

### Settlement risk

Especially when investing in unlisted securities, there is a risk that settlement via a transfer system is not executed as expected because a payment or delivery did not take place in time or as agreed.

### Legal and tax risk

The legal and tax treatment of funds may change in ways that cannot be predicted or influenced. In the case of a correction with tax consequences that are essentially unfavorable for the investor, changes to the fund's taxation bases for preceding fiscal years made because these bases are found to be incorrect can result in the investor having to bear the tax burden resulting from the correction for preceding fiscal years, even though he may not have held an investment in the investment fund at the time. Conversely, the investor

may fail to benefit from an essentially favorable correction for the current or preceding fiscal years during which he held an investment in the investment fund if the units are redeemed or sold before the correction takes place.

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

#### **Currency risk**

To the extent the fund invests in assets denominated in currencies other than the fund currency, the fund will receive income, repayments and proceeds from such investments in the respective currency. If the value of these currencies falls in relation to the fund currency, the value of the fund's assets is reduced.

#### **Custody risk**

The custody risk describes the risk resulting from the basic possibility that, in the event of insolvency, violation of due diligence or improper conduct on the part of the custodian or any sub-custodian, the fund may, in whole or in part and to its detriment, be deprived of access to the investments held in custody.

#### **Company-specific risk**

The price performance of the securities and money market instruments held directly or indirectly by the fund is also dependent on company-specific factors, for example on the business situation of the issuer. If the company-specific factors deteriorate, the market value of the individual security may significantly and persistently decline, even if the market is performing strongly in general.

#### **Concentration risk**

Additional risks may arise from a concentration of investments in particular assets or markets. The fund then becomes particularly heavily dependent on the performance of these assets or markets.

#### **Risk of changes in interest rates**

Investors should be aware that investing in units 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 fund.

#### **Political risk/Regulatory risk**

The fund may invest abroad. This involves the risk of detrimental international political developments, changes in government policy, taxation and other changes in the legal status.

#### **Inflation risk**

All assets are subject to a risk of devaluation through inflation.

#### **Key individual risk**

The exceptionally positive performance of certain funds during a particular period is also attributable

to the abilities of the individuals acting on behalf of such funds, and therefore to the correct decisions made by their respective fund management. Fund management personnel can change, however. New decision-makers might not be as successful.

#### **Change in the investment policy**

The risk associated with the fund may change in terms of content due to a change in the investment policy within the range of investments permitted for the fund.

#### **Changes to the management regulations; liquidation or merger**

In the management regulations for the fund, the Management Company reserves the right to change the management regulations. In addition, the Management Company may, in accordance with the provisions of the management regulations, liquidate the fund entirely or merge it with another fund. For the investor, this entails the risk that the holding period planned by the investor will not be realized.

#### **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.

#### **Risks connected to derivative transactions**

Buying and selling options, as well as the conclusion of futures contracts or swaps, involves the following risks:

- Price changes in the underlying can cause a decrease in the value of the option or future, and even result in a total loss. Changes in the value of the asset underlying a swap can also result in losses for the fund assets.
- Any necessary back-to-back transactions (closing of position) incur costs.
- The leverage effect of options may alter the value of the fund's assets more strongly than the direct purchase of underlyings would.
- The purchase of options entails the risk that the options are not exercised because the

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

- Futures contracts also entail the risk that the fund assets may make losses due to market prices not having developed as expected at maturity.

#### **Risk connected to the acquisition of units of investment funds**

When investing in units of target funds, it must be taken into consideration that the fund managers of the individual target funds act independently of one another and that therefore multiple target funds may follow investment strategies which are identical or contrary to one another. This can result in a cumulative effect of existing risks, and any opportunities might be offset.

#### **Liquidity risk**

Liquidity risks arise when a particular security is difficult to dispose of. In principle, acquisitions for the 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 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 fund may consequently enter into futures, options and swap transactions or use other derivative techniques that will subject the fund to the risk of a counterparty not fulfilling its obligations under a particular contract.

#### **Investment policy**

The fund's assets shall be invested in compliance with the principle of risk-spreading and within the general investment policy guidelines specified in the "At a glance" section and in accordance with the investment options and restrictions of article 4 of the management regulations – general section.

#### **Use of derivatives**

The fund may – provided an appropriate risk management system is in place – invest in any type of derivative that is derived from assets that may be purchased for the fund or from financial indices, interest rates, exchange rates or currencies. In particular, this includes options, financial futures contracts and swaps, as well as combinations thereof. 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.

### Swaps

The Management Company may conduct the following swap transactions, among others, for the account of the fund within the scope of the investment principles:

- interest rate swaps,
- currency swaps,
- equity swaps,
- total return swaps or
- credit default swaps.

Swap transactions are exchange contracts in which the parties swap the assets or risks underlying the respective transaction.

### Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to conduct a swap transaction, the terms of which are precisely specified, at a certain point in time or within a certain period.

### Credit default swaps

Credit default swaps are credit derivatives that enable the transfer of a volume of potential credit defaults to other parties. As compensation for accepting the credit default risk, the seller of the risk (the protection buyer) pays a premium to its counterparty.

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

### Securitized financial instruments

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

### OTC derivative transactions

The Management Company may conduct both those derivative transactions admitted for trading on an exchange or included in another organized market and over-the-counter (OTC) transactions. It shall include a process for accurate and independent assessment of the value of OTC derivative instruments.

### 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.

The Management Company monitors the fund in compliance with the requirements of Directive

10-04 of the Commission de Surveillance du Secteur Financier ("CSSF") and the Directives issued from time to time by the Luxembourg or European authorities, in particular the CSSF circular 11-512 of May 30, 2011, and the "Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS" from the Committee of European Securities Regulators (CESR/10-788). The Management Company ensures for the fund that the total risk related to derivative financial instruments in accordance with article 42 (3) of the Law of December 17, 2010, does not exceed 100% of the net assets of the fund and that the market risk of the fund therefore does not exceed 200% of the market risk of the reference portfolio that does not contain derivatives.

The risk management approach applied to the respective fund is detailed in the special section of the management regulations for the fund in question.

The Management Company generally strives to ensure that the level of investment of the fund is not increased by more than twice the value of the fund's assets by the use of derivatives (hereinafter "leverage effect"), unless otherwise specified in the special section of the management regulations. Nevertheless, this leverage effect varies, depending on the market conditions and/or changes to positions (e.g., to hedge the fund against unfavorable market movements), so that the target mark may be exceeded, despite constant monitoring by the Management Company.

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 increased commitment can thus 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).

### Potential conflicts of interest

Within the scope of and in compliance with the applicable procedures and measures for conflict management, the Management Company, Management Company Board of Directors, the management, the fund manager, the designated sales agents and persons authorized to carry out the distribution, the Custodian, if applicable the investment advisor, the administrator, the unitholders, as well as all subsidiaries, affiliated companies, representatives or agents of the aforementioned entities and persons ("**Associated Persons**"):

1. conduct among themselves or for the fund financial and banking transactions or other transactions or enter into the corresponding contracts, including those that are directed at the fund's investments in securities or at investments by an Associated Person in a company or undertaking, such investment being a constituent part of the fund's assets, or be involved in such contracts or transactions;

2. for their own accounts or for the accounts of third parties, invest in units, securities or

assets of the same type as the components of the fund and trade in them;

3. in their own names or in the names of third parties, participate in the purchase or sale of securities or other assets in or from the fund via the Management Company or jointly with the Management Company or the Custodian or a subsidiary, an affiliated company, representative or agent of such.

Assets of the fund in the form of liquid assets or securities may be deposited with an Associated Person in accordance with the legal provisions governing the Custodian. Liquid assets of the fund may be invested in certificates of deposit issued by an Associated Person or in bank deposits offered by an Associated Person. Banking or comparable transactions may also be conducted with or through an Associated Person. Companies in the Deutsche Bank Group and/or employees, representatives, affiliated companies or subsidiaries of companies in the Deutsche Bank Group ("DB Group Members") may be counterparties in the Management Company's derivatives transactions or derivatives contracts ("Counterparty"). Furthermore, in some cases a Counterparty may be required to evaluate such derivatives transactions or derivatives contracts. Such evaluations may constitute the basis for calculating the value of particular assets of the fund. The Management Company Board of Directors is aware that DB Group Members may possibly be involved in a conflict of interest if they act as Counterparty and/or provide information of this type. The evaluation will be adjusted and carried out in a manner that is verifiable. However, the Management Company Board of Directors believes that such conflicts can be handled appropriately and assumes that the Counterparty possesses the aptitude and competence to perform such evaluations.

In accordance with the respective terms agreed, DB Group Members may act as directors, sales agents and sub-agents, custodians, fund managers or investment advisors, and may offer to provide financial and banking transactions to the Management Company. The Management Company Board of Directors is aware that conflicts of interest may arise due to the functions that DB Group Members perform in relation to the Management Company. In respect of such eventualities, each DB Group Member has undertaken to endeavor, to a reasonable extent, to resolve such conflicts of interest equitably (with regard to the Members' respective duties and responsibilities), and to ensure that the interests of the Management Company and of the unitholders are not adversely affected. The Management Company Board of Directors believes that DB Group Members possess the required aptitude and competence to perform such duties.

The Management Company Board of Directors believes that the interests of the Management Company might conflict with those of the entities mentioned above. The Management Company has taken reasonable steps to avoid conflicts of interest. In the event of unavoidable conflicts of interest, the Board of Directors of the Management Company will endeavor to resolve such conflicts in favor of the fund.

For the fund, transactions involving the fund assets may be conducted with or between Asso-

ciated Persons, provided that such transactions are in the best interests of the investors.

### **Combating money laundering**

The transfer agent may demand such proof of identity as it deems necessary in order to comply with the laws applicable in Luxembourg for combating money laundering. If there is doubt regarding the identity of the investor or if the transfer agent does not have sufficient details to establish the identity, the transfer agent may demand further information and/or documentation in order to be able to unequivocally establish the identity of the investor. If the investor refuses or fails to submit the requested information and/or documentation, the transfer agent may refuse or delay the transfer to the Company's register of unitholders of the investor's data. The information submitted to the transfer agent is obtained solely to comply with the laws for combating money laundering.

The transfer agent is, in addition, obligated to examine the origin of money collected from a financial institution unless the financial institution in question is subject to a mandatory proof-of-identity procedure that is the equivalent of the proof-of-identity procedure provided for under Luxembourg law. The processing of subscription applications can be suspended until such a time as the transfer agent has properly established the origin of the money.

Initial or subsequent subscription applications for units can also be made indirectly, i.e., via the sales agents. In this case, the transfer agent may dispense with the aforementioned required proof of identity under the following circumstances or under the circumstances deemed to be sufficient in accordance with the money laundering laws applicable in Luxembourg:

- if a subscription application is being processed via a sales agent that is under the supervision of the responsible authorities whose regulations provide for a proof-of-identity procedure for customers that is equivalent to the proof-of-identity procedure provided for under Luxembourg law for combating money laundering, and the sales agent is subject to these regulations;
- if a subscription application is being processed via a sales agent whose parent company is under the supervision of the responsible authorities whose regulations provide for a proof of identity procedure for customers that is equivalent to the proof of identity procedure in accordance with Luxembourg law and serves to combat money laundering, and if the corporate policy or the law applicable to the parent company also imposes the equivalent obligations on its subsidiaries or branches.

In the case of countries that have ratified the recommendations of the Financial Action Task Force (FATF), it is assumed that the respective responsible supervisory authorities in these countries have imposed regulations for implementing proof of identity procedures for customers on physical persons or legal entities operating in the financial sector and that these regulations are the equivalent of the proof of identity procedure required in accordance with Luxembourg law.

The sales agents can provide a nominee service to investors that acquire units through them. Investors may decide at their own discretion whether or not to take up this service, which involves the nominee holding the units in its name for and on behalf of investors; the latter are entitled to demand direct ownership of the units at any time. Notwithstanding the preceding provisions, the investors are free to make investments directly with the Management Company without taking up the nominee service.

### **Data protection**

The personal data of investors provided in the application forms, as well as the other information collected within the scope of the business relationship with the Management Company are recorded, stored, compared, transmitted and otherwise processed and used ("processed") by the Management Company, and/or other entities of DWS Investments, the Custodian and the financial intermediaries of the investors. The data are used for the purposes of account management, examination of money-laundering activities, determination of taxes pursuant to EU Directive 2003/48/EC on the taxation of interest payments and for the development of business relationships.

For these purposes, the data may also be forwarded to businesses appointed by the Management Company in order to support the activities of the Management Company (for example, client communication agents and paying agents).

### **Legal status of investors**

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

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

### **Bearer units represented by global certificates**

The Management Company may resolve to issue bearer units that are represented by one or several global certificates.

These global certificates are issued in the name of the Management Company and deposited with the clearing agents. The transferability of the bearer units represented by a global certificate is subject to the respectively applicable laws, and to the regulations and procedures of the clearing agent undertaking the transfer. Investors receive the bearer units represented by a global certificate when they are posted to the securities accounts of their financial intermediaries, which in turn are held directly or indirectly with the clearing agents. Such bearer units represented by a global certificate are

transferable according to and in compliance with the provisions contained in this sales prospectus, the regulations that apply on the respective exchange and/or the regulations of the respective clearing agent. Unitholders that do not participate in such a system can transfer bearer units represented by a global certificate only via a financial intermediary participating in the settlement system of the corresponding clearing agent.

Payments of distributions for bearer units represented by global certificates take place by way of credits to the accounts at the relevant clearing agent of the financial intermediaries of the unitholders.

### **Calculation of the NAV per unit**

In order to calculate the net asset value (NAV) per unit, the value of the assets belonging to the fund less its liabilities is calculated on each valuation date and the result is divided by the number of units outstanding.

Particulars on the calculation of the NAV per unit 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 unit 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 unit that deviates from this specification will be published in appropriate newspapers, as well as on the Internet at [www.dws.lu](http://www.dws.lu).

### **Issue of units**

Fund units are issued on each valuation date at their net asset value plus the initial sales charge payable by the purchaser for the benefit of the Management Company. The initial sales charge may be retained in whole or in part by intermediaries as remuneration for sales services. Where units are issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

Fund units may also be issued as fractional units, with up to three places after the decimal point. Unit fractions are rounded up or down to the nearest thousandth. Such rounding may be to the benefit of either the respective unitholder or the fund.

Newly subscribed units are only issued to the investor upon receipt of payment by the Custodian or the approved correspondent banks. From a bookkeeping standpoint, however, the corresponding units are already taken into account in the calculation of the net asset value on the value date following the corresponding securities settlement, and can be canceled until receipt of payment. Insofar as an investor's units must be canceled due to failure to pay or delayed payment of these units, it is possible for the fund to incur a loss in value.

The Management Company is authorized to issue new units continuously. Nevertheless, the Management Company reserves the right to suspend or permanently discontinue the issue

of units. In this instance, payments already made will be reimbursed immediately. Unitholders will be informed immediately of the suspension and resumption of the issue of units.

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

An example of calculating the issue price is presented below:

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

### Rejection of subscription applications

The Management Company reserves the right to reject subscription applications for units, in whole or in part, at its own discretion and without specifying a reason.

The Management Company further reserves the right to retain any potential excess subscription amounts until final settlement. If an application is rejected in whole or in part, the subscription amount or the corresponding balance is paid back without interest to the first-named applicant, at the risk of the person(s) entitled thereto, immediately following the decision to reject the application.

### Redemption of units

Fund units are redeemed on each valuation date at their net asset value less the redemption fee payable by the unitholder. A redemption fee is not charged at this time. Where units are redeemed in countries where stamp duties or other charges apply, the redemption price decreases accordingly.

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

Units can be returned to the Management Company and via the paying agents. Any other payments to unitholders 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 units outstanding on the reference date		<u>10,000.00</u>
Net asset value per unit	EUR	100.00
- Redemption fee (e.g., 2.5%)	EUR	2.50
Redemption price	EUR	<u>97.50</u>

The Management Company may, at its sole discretion, restrict or prohibit the ownership of units of the fund by unauthorized persons ("Unauthorized Persons"). Unauthorized Persons are private individuals, partnerships or corporations that are not authorized, at the sole discretion of the Board of Directors, to subscribe or hold units of the fund or, where applicable, of a particular sub-fund or of a particular unit class (i) if, in the opinion of the Board of Directors, such a unitholding might be detrimental to the fund, (ii) if this might result in the violation of laws or regulations applicable within or outside of Luxembourg, (iii) if this might result in the fund suffering adverse tax, legal or financial consequences that it otherwise would not have faced, or (iv) if the aforementioned persons or companies do not meet the prerequisites set for investors as regards the acquisition of the units.

The Management Company may require unitholders to provide any information or documents that it deems necessary in order to be able to determine whether the beneficial owner of the units is (i) an Unauthorized Person, (ii) a U.S. person or (iii) a person that holds units but does not meet the necessary prerequisites.

If the Management Company receives knowledge at any time that units are being held beneficially by persons identified under (i), (ii) and (iii) above (irrespective of whether they are sole or joint owners) and if the relevant person does not respond appropriately to a request by the Management Company to sell its units and to provide proof of such sale to the Management Company within 30 calendar days following issuance by the Management Company of such a request, the Management Company may, at its own discretion, forcibly redeem the units at the redemption price. Such forced redemption takes place, in accordance with the terms and conditions applicable for the units, immediately following the close of business on the date indicated by the Management Company in its corresponding notice to the Unauthorized Person, and such investors are no longer considered owners of these units.

### Market timing

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.

### Late trading

Late trading occurs when an order is accepted after the close of the relevant acceptance deadlines on the respective valuation date, but is executed at that same day's price based on the net asset value. The practice of late trading is not permitted as it violates the conditions of the sales prospectus of the fund, under which the price at which an order placed after the order acceptance limit is executed is based on the next valid net asset value per unit.

### Publication of the issue and redemption prices

The current issue and redemption prices and all other information for unitholders 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 in the "At a glance" summary below.

The specified costs are listed in the annual reports.

The Management Company usually passes on some of its management fee to intermediaries. This is paid as remuneration for sales services performed on an agency basis. This may constitute a substantial amount. The annual report contains additional information on this. The Management Company does not receive any reimbursement of the fees and expense reimbursements payable to the Custodian and third parties out of the fund's assets. Valuable benefits offered by brokers and traders, which the Company uses in the interests of investors, shall not be affected (see the sections entitled "Buy and sell orders for securities and financial instruments" and "Commission sharing").

In addition to the aforementioned costs, the investor may incur additional costs that are connected to the tasks and services of local sales agents, paying agents or similar agents. These costs shall not be borne by the fund's assets, but directly by the investor.

### 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 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 Management Company generally submits buy and sell orders for securities and financial

instruments directly to brokers and traders for the account of the fund. The Management Company concludes agreements with these brokers and traders under customary market conditions that comply with first-rate execution standards. When selecting the broker or trader, the Management Company takes into account all relevant factors, such as the credit rating of the broker or trader and the quality of the market information, the analyses, as well as the execution capacities provided.

Moreover, the Management Company currently concludes agreements in which it can take advantage of and utilize valuable benefits offered by brokers and traders. These services, which the Management Company is entitled to retain (for more information, see the provision in the management regulations – special section – that deals with fees and reimbursement of expenses), include services provided by the brokers and traders directly and those provided by third parties. These services may include the following, for example: particular advice regarding the advisability of trading an asset or its valuation, analyses and consultation services, economic and political analyses, portfolio analyses (including valuation and performance measurement), market analyses, market and price information systems, information services, computer hardware and software, or any and all other means of gathering information in the scope in which they are used to support the investment decision process and the performance of the services owed by the Management Company in respect of the investments of the investment fund. That means brokerage services may not be limited to general analysis, but may also include special services such as Reuters and Bloomberg. Agreements with brokers and traders may include the condition that traders and brokers are to transfer to third parties immediately or later a portion of the commissions paid for the purchase or sale of assets; said commissions shall be provided by the Management Company for the services previously specified.

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

The goods and services received within the scope of soft-dollar agreements shall exclude travel, accommodations, entertainment, general administrative goods and services, general office equipment and office space, membership fees, employee salaries and direct cash payments.

#### **Commission sharing**

The Management Company may conclude agreements as defined in the “Buy and sell orders

for securities and financial instruments” section above with select brokers under which the respective broker transfers, either immediately or after a time delay, portions of the payments it receives under the relevant agreement from the Management Company for the purchase or sale of assets to third parties that will provide research or analytical services to the Management Company. The services under these so-called “commission-sharing agreements” are used by the Management Company for the purpose of managing the investment fund. To clarify: the Management Company shall use these services as specified in and only in accordance with the conditions set out in the “Buy and sell orders for securities and financial instruments” section.

#### **Regular savings or withdrawal plans**

Regular savings or withdrawal plans are offered in certain countries in which the fund may be offered for sale to the public. Additional information about these plans is available from the Management Company and from the respective sales agents in the countries of distribution of each fund.

#### **Fund liquidation/ Changes to the management regulations**

The Management Company may liquidate the fund or change the management regulations at any time. Particulars are provided in the management regulations.

#### **Taxes**

Pursuant to articles 174-176 of the Law of December 17, 2010, 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.

The tax treatment of fund income at investor level is dependent on the individual tax regulations applicable to the investor. To gain information about individual taxation at investor level (especially non-resident investors), a tax advisor should be consulted.

#### **EU taxation of interest payments (EU 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 units 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 35% from July 1, 2011.

The individual affected can instead explicitly authorize the Luxembourg paying agent to dis-

close 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.

#### **Selling restrictions**

The units of this investment fund that have been issued may be offered for sale or sold to the public only in countries where such an offer or such a sale is permissible. Unless the 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 units, nor may the prospectus be used for the purpose of soliciting the purchase of investment fund units.

The information contained herein and the units 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, units will not be offered or sold in the United States or to or for the account of U.S. persons. Subsequent transfers of units 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 units 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 units of the fund sold to investors in countries where the fund's units may be offered for sale to the public.



## Investor Profiles

The definitions of the following investor profiles were created based on the premise of normally functioning markets. Further risks may arise in each case in the event of unforeseeable market situations and market disturbances due to non-functioning markets.

### **“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.

### **“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.

### **“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.

### **“Risk-tolerant” Investor Profile**

The fund is intended for the risk-tolerant investor who, in seeking investments that offer targeted opportunities to maximize returns, 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.

## GLOBAL EMERGING MARKETS BALANCE PORTFOLIO AT A GLANCE

### Investment objective and investment policy

The objective of the investment policy of the fund Global Emerging Markets Balance Portfolio is to achieve the greatest possible capital growth in euro.

The fund may acquire equities, equity rights, interest-bearing securities, convertible bonds, warrant-linked bonds, warrants, dividend-right certificates, index certificates, financial instruments certificated in securities, as well as derivatives on these. The fund may also invest in money market instruments and bank balances.

The fund's assets shall be invested in securities and derivatives based on these of issuers, or whose underlying is an issuer, which are themselves an emerging market, or have their registered office in an emerging market, or conduct their principal business activity in emerging markets or which, as holding companies, primarily hold interests in companies that are registered in an emerging market.

Emerging-market countries are defined as all those countries considered by the International Monetary Fund, the World Bank or the International Finance Corporation (IFC) as non-developed industrialized countries at the time of the investment.

The emerging-market countries with the most important equity markets for the fund are primarily those in Asia, the Middle East, Eastern Europe and South America. These include, especially but not exclusively, Argentina, Brazil, Chile, China, Columbia, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Poland, Romania, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela.

Up to 70% of the fund's assets may be invested in equities, other equity rights, equity index certificates, equity funds and in financial instruments and derivatives on these securities.

Up to 100% of the fund's assets may be invested in interest-bearing securities, convertible bonds, warrant-linked bonds, warrants and dividend-right certificates, as well as in financial instruments and derivatives on these securities.

Up to 49% of the fund's assets may be invested in money market instruments and bank balances.

In extreme market situations and market developments, which may manifest themselves in the form of unnaturally high market fluctuations, restricted tradability of securities or significantly widened bid-ask spreads, up to 100% of the fund's assets may be invested in securities and derivatives based on these of issuers, or whose underlying is an issuer, which are not themselves an emerging market, or do not have their registered office in an emerging market, or do not conduct their principal business activity in emerging markets or which, as holding companies, do not primarily hold interests in companies that are registered in an emerging market.

Up to 10% of the fund's assets may be invested in certificates based on commodities, commodities indices, precious metals and precious metals indices, as well as in structured financial products and funds. Investment in the certificates listed here is only permitted if they are 1:1 certificates.

Investment in commodity and precious metal funds is subject to the investment limit set out in **article 4 B. (h)** of the general section of the management regulations.

Up to 10% of the fund's assets may be invested in open-ended real estate funds and open-ended hedge funds, as well as in hedge fund certificates. Investment in the hedge fund certificates is, however, only permitted if they are 1:1 certificates.

Investment in open real estate funds as well as in open hedge funds and hedge fund certificates is subject to the investment limit set out in **article 4 B. (h)** of the general section of the management regulations.

Furthermore, investments in open hedge funds are only permitted provided that these are subject to prudential supervision comparable to supervision by the Luxembourg supervisory authority and provided sufficient trading opportunities and sufficient liquidity are available.

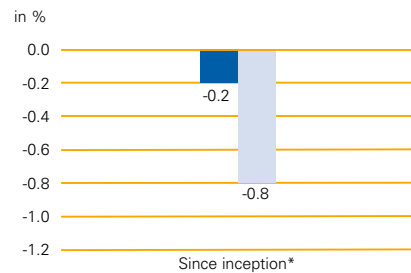
Investment in the securities mentioned above can also be conducted through Global Depository Receipts (GDRs) listed on recognized exchanges and markets, or through American Depository Receipts (ADRs) issued by top-rated international financial institutions.

Forward currency transactions, call or put options on currencies, currency swaps and currency futures, which are denominated in currencies of emerging-market countries, are used as derivatives.

In addition, the derivative financial instruments include options, forward contracts, futures contracts on financial instruments and options on such contracts, as well as privately negotiated swap contracts on any type of financial instrument such as swaps, forward starting swaps, inflation swaps, swaptions, constant maturity swaps or credit default swaps.

Where investments are exposed to the risks of currencies that are subject to transfer restrictions, derivative financial instruments may be used that are based on such currencies and which provide for delivery and payment in freely convertible currencies (e.g., so-called non-deliverable forward agreements – NDFs). Given the investment policy, which also provides for investment in secondary currencies and in currencies that are not freely convertible, currency risks may occur in the fund. These risks include, in the short term, the tendency of exchange rates to undergo unpredictable and sudden changes and, in the longer term, the fund management incorrectly forecasting trends in exchange rate developments. Using currencies that are not freely convertible entails a higher exchange-rate risk than using freely convertible currencies.

## GLOBAL EMERGING MARKETS BALANCE PORTFOLIO R vs. benchmark Performance at a glance



\* Launched on March 9, 2011

**Global Emerging Markets Balance Portfolio R**  
**Benchmark 10% JPM Cash, 15% JPM EMBI Glob. Div., 15% JPM GBI-EM, 10% JPM CEMBI, 40% MSCI EM, 10% HFRX Glob. HF**

Data on euro basis

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

As of: March 31, 2011

## GLOBAL EMERGING MARKETS BALANCE PORTFOLIO AT A GLANCE (CONTINUED)

Non-deliverable forwards (NDFs) are forward currency transactions, which can be used to hedge the exchange rate between a freely convertible currency and a currency that is not freely convertible. The following is stipulated in the NDF agreement:

- a certain amount in one of the two currencies
- the forward price (NDF price)
- the maturity date
- the direction (purchase or sale)

Unlike with a normal forward transaction, only a compensatory payment is made in the freely convertible currency on the maturity date. The amount of the compensatory payment is calculated from the difference between the agreed NDF price and the reference price (price on the maturity date). Depending on the price performance, the compensatory payment is either made to the purchaser or the seller of the NDF.

If investments are effected in countries that do not yet possess a regulated market, these securities shall be considered as unlisted financial instruments.

In addition, the fund assets may be invested in all other permissible assets.

### Investments in the emerging markets

**Investing in assets from the emerging markets generally entails a greater risk (such as legal, economic and political risks) than investing in assets from industrialized countries.**

**Emerging markets are defined as markets that are in a state of transition and are therefore potentially exposed to rapid political change and economic declines. In recent years there have been profound political, economic and social changes in several emerging-market countries. In some cases, political decisions have led to serious economic and social tensions, and some of these countries have experienced both political and economic instability. Political or economic instability can influence investor confidence, which in turn can negatively affect exchange rates, security prices or other assets from the emerging markets.**

**Exchange rates and the prices of securities and other assets from emerging markets are often extremely volatile. Causes of volatility include interest rates, changes in the supply and demand structure, external forces affecting the market (especially in connection with important trading partners), trade-related, tax-related and monetary policies, governmental policies as well as international political and economic events.**

**In most cases, the securities markets in the emerging markets are still in their primary stage of development. This may result in risks and methods (such as increased volatility) that usually do not occur in more developed securities markets and which may negatively influence securities listed on the exchanges of these countries. Moreover, the markets in emerging-market countries are frequently characterized by insufficient liquidity in the form of trading volumes that are too low for some of the listed securities.**

**It is important to note that in times of economic stagnation, the exchange rates, securities and other assets from emerging markets are more likely to be sold in favor of other types of investment that carry a smaller risk, and may thus lose value.**

### Risk management

The relative value-at-risk (VaR) approach is used to limit market risk for the fund.

In addition to the provisions in the general section of the management regulations, the potential market risk of the fund is measured with the aid of a reference portfolio (benchmark) that does not contain derivatives.

The benchmark is a portfolio that does not gain leverage by using derivatives. The respective benchmark for the fund Global Emerging Markets Balance Portfolio invests relatively equally in corporate equities and interest-bearing and money market securities from emerging markets in USD. If required, the exact composition of the benchmark can be requested from the Management Company.

### The unit classes

Various unit classes can be set up. All unit classes of the fund are invested collectively in line with the investment objectives of the fund, but they may vary particularly in terms of their fee structures, their minimum investment amounts required for initial and subsequent subscriptions, their currencies, their distribution policies, the requirements to be fulfilled by investors, or other special characteristics such as currency hedging. The net asset value per unit is calculated separately for each issued unit class of the fund. The fund does not maintain a separate portfolio for its individual unit classes. In the case of currency-hedged unit classes and unit classes that establish an additional currency position against a currency basket, the fund may become subject to obligations arising from currency hedging transactions or from currency positions entered into for one particular unit class.

The different characteristics of the individual unit classes are described in detail in "The fund at a glance".

## GLOBAL EMERGING MARKETS BALANCE PORTFOLIO AT A GLANCE (CONTINUED)

The Management Company reserves the right to offer only one or certain classes of units for purchase by investors in certain jurisdictions in order to comply with the laws, traditions or business practices applicable there. The Management Company further reserves the right to establish principles to apply to certain investor categories or transactions with respect to the acquisition of certain unit classes.

Euro, U.S. dollar and Swiss franc unit classes are offered for the fund.

Units of unit classes with the "I" designator are reserved exclusively for institutional investors in accordance with article 174 (2) of the Law of December 17, 2010. The Management Company reserves the right to buy back units from investors at the redemption price insofar as investors do not meet this requirement.

Investors in units of the U.S. dollar and Swiss franc unit classes should note that the net asset value per unit of the individual U.S. dollar and Swiss franc classes is calculated in euro, the fund currency, and then expressed in U.S. dollars or Swiss francs using the EUR/USD or EUR/CHF exchange rate at the time of the calculation of the net asset value per unit.

For the unit classes that are denominated in U.S. dollars and Swiss francs and for which the fund currency differs from the currency of the respective unit class, the base currency risk is hedged. The hedging transaction serves to reduce the risk of the unit class arising from exchange rate fluctuations between the currency of the hedged unit class and the fund currency.

If the currency of the unit class matches the fund currency, the hedging transaction serves to reduce the risk of the hedged unit class arising from exchange rate fluctuations between the currency of the hedged unit class and the individual underlying currencies to which the hedged class is exposed via the fund's assets (hedging of the portfolio).

In certain circumstances, currency risks cannot be hedged or can only be partly hedged (e.g. for unit classes with a low volume or small residual currency positions in the fund) or hedging may not be completely effective (some currencies cannot, for example, be traded at all times or must be determined as approximate values with reference to another currency). Furthermore, exchange rate fluctuations that are not systematically hedged can arise due to the time delay in the necessary processing and posting steps within the scope of hedging or investment in other unit classes.

<b>ISIN</b>	Unit class R	LU0455866771
	Unit class I	LU0575334395
	Unit class RNUSD	LU0688782688
	Unit class IUSD	LU0688782761
	Unit class RNCHF	LU0688783900
	Unit class ICHF	LU0688785780
<b>Security code</b>	Unit class R	DWS0YW
	Unit class I	DWS02F
	Unit class RNUSD	DWS080
	Unit class IUSD	DWS081
	Unit class RNCHF	DWS082
	Unit class ICHF	DWS083
<b>Fund currency</b>	EUR	
<b>Inception date</b>	Unit classes R and I: March 9, 2011 Unit classes RNUSD and IUSD Unit classes RNCHF and ICHF The inception date will be set by the management. The sales prospectus and the key investor documents will be updated accordingly.	
<b>Date/Phase of initial subscription</b>	Unit classes R and I: February 21, 2011 – March 8, 2011 Unit classes RNUSD and IUSD Unit classes RNCHF and ICHF The initial subscription date will be set by the management. The sales prospectus and the key investor documents will be updated accordingly.	
<b>Initial issue price</b>	Unit class R:	EUR 103.50 (incl. initial sales charge)
	Unit class I:	EUR 100.00 (incl. initial sales charge)
	Unit class RNUSD:	USD 100.00 (no initial sales charge)
	Unit class IUSD:	USD 100.00 (no initial sales charge)
	Unit class RNCHF:	CHF 100.00 (no initial sales charge)
	Unit class ICHF:	CHF 100.00 (no initial sales charge)

## GLOBAL EMERGING MARKETS BALANCE PORTFOLIO AT A GLANCE (CONTINUED)

<b>Calculation of the NAV per unit</b>	Each bank business day in Luxembourg and Frankfurt/Main. A bank business day is any day (excluding Saturdays and Sundays) on which commercial banks are open and payments are processed in Luxembourg and Frankfurt/Main, Germany.
<b>Initial sales charge</b> (payable by the unitholder)	Unit class R: Up to 3.5% Unit classes I, RNUSD IUSD, RNCHF and ICHF: 0%
<b>Redemption fee</b> (payable by the unitholder)	Up to 2.5%; currently 0%
<b>Distribution policy</b>	Distribution
<b>All-in fee</b> (payable by the fund)	Unit class R: Up to 1.65% p.a. (plus performance-based fee*) Unit class I: Up to 1.15% p.a. (plus performance-based fee*) Unit classes RNUSD and RNCHF: Up to 1.8% p.a. (plus performance-based fee*) Unit classes IUSD and ICHF: Up to 1.15% p.a. (plus performance-based fee*)
<b>Order acceptance</b>	All orders are submitted on the basis of an unknown net asset value per unit. 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 unit on the next valuation date. Orders received after <b>1:30 PM CET</b> are processed on the basis of the net asset value per unit on the valuation date immediately following that valuation date.
<b>Issue of fractional units</b>	Fund units may also be issued as fractional units, with up to three places after the decimal point. Fractional units entitle the bearer to participate in any distributions on a pro-rata basis.
<b>Value date</b>	In a purchase, the equivalent value is charged two bank business days after issue of the units. The equivalent value is credited two bank business days after redemption of the units.
<b>Maturity date</b>	No fixed maturity
<b>Guarantee</b>	No
<b>Taxe d'abonnement</b> (payable by the fund)	0.01% p.a. (Unit classes I, IUSD and ICHF) 0.05% p.a. (Unit classes R, RNUSD and RNCHF)
<b>Investor Profile</b>	Risk-tolerant
<b>Publication date of filing of the management regulations in the Mémorial</b>	
<b>General section</b>	October 31, 2011
<b>Special section</b>	January 23, 2012
<b>Entry into force of the management regulations</b>	
<b>General section</b>	October 1, 2011
<b>Special section</b>	November 15, 2011

\* A performance-based fee will also be charged. The performance-based fee is one quarter of the amount by which the performance of the fund exceeds the return of 10% JPM Cash Index USD, 15% JPM EMBI Global Div. USD, 15% JPM GBI-EM, 10% JPM CEMBI, 40% MSCI Emerging Markets in USD, 10% HFRX Global HF Index – all converted to euro.  
The performance-based fee may not exceed 1.5% p.a.

A performance-based fee may be payable even if the fund's performance is negative, as long as the fund outperforms the benchmark. The performance-based fee is calculated daily and settled semi-annually. In accordance with the result of the daily comparison, any performance-based fee incurred is deferred in the fund. If the performance of the units during any fiscal six-month period falls short of the benchmark, any performance-based fee amounts already deferred in that fiscal six-month period shall be eliminated in accordance with the daily comparison. If recorded performance exceeds the benchmark in the course of the fiscal six-month period, the amount of the deferred performance-based fee existing at the end of the fiscal six-month period may be withdrawn. There is no requirement to make up for a negative performance in a subsequent accounting period.

Due to its composition and the techniques applied by its fund management, the investment fund is subject to markedly **increased volatility** which means that the price per unit may be subject to **significant fluctuations** downward or upward, even within short periods of time.

**Investment in units of target funds**

Investment in target funds may lead to duplicate costs, and particularly duplicate management fees, since fees are incurred at the level of the fund as well as at the level of a target fund.

If the fund's assets are invested in units of another fund that is managed directly or indirectly by the same management company or by another company that is affiliated with it by virtue of joint management or control, or by material direct or indirect unitholding, the management company or the other company will not charge to

the fund's assets any fees for the acquisition or redemption of units of such other funds.

If the fund invests in units of target funds launched or managed by companies other than those named above, it must be taken into account that additional initial sales charges and redemption fees are charged to its assets if necessary.

**Fiscal year/Annual financial statements**

The fiscal year begins on October 1 and ends on September 30 of each year, and for the first time on September 30, 2011.

The first audited annual report will be prepared for September 30, 2011.

**Exchanges and markets**

The Management Company has no knowledge of the investment fund's units being traded on an exchange or regulated market.

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

## B. Management regulations – general section

The contractual rights and obligations of the Management Company, the Custodian and the unitholders 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 ("fund assets") and managed on the basis of the principle of risk-spreading for the collective account of the investors ("unitholders"). Unitholders have an interest in the fund's assets in proportion to the number of units they hold. The assets constituting the fund's assets are in principle held by the Custodian.
2. The reciprocal rights and obligations of the unitholders, 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 unit, the unitholder 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 unitholders. 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 of December 17, 2010, 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 unitholders.

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 unitholders.
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 regularly 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 regularly and 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 to an exchange or for trading in another regulated market that operates regularly and 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 units of Undertakings for Collective Investment in Transferable Securities as defined by EU Directive 2009/65/EC and/or other collective invest-

ment undertakings as defined by the first and second indent of article 1 (2) of EU Directive 2009/65/EC, 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 provided for 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 unitholders in the other collective investment undertakings is equivalent to that provided for unitholders 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 EU Directive 2009/65/EC;
  - 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 units 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 of 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

- investments in securities or money market instruments; and/or
  - deposits made with; and/or
  - exposures arising from OTC derivative transactions undertaken with a single 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 units 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 units 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 toward 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 17, 2010, or EU Directive 2009/65/EC, 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 units 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 units, 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 policy 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), (i) and (k). Where these limits are exceeded, article 49 of the Law of December 17, 2010, 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 units at the request of unitholders in the country where the subsidiary is located, and do so exclusively on behalf of the investment company or investment companies.
- m) Notwithstanding the investments 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 unitholders.

### 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) The fund may lend securities held in its portfolio, either directly or via a standard-

ized securities lending system organized by a recognized securities clearing system or via a securities lending system organized by a financial institution, provided that the financial institution is subject to prudential rules considered by CSSF as equivalent to those laid down in Community law and that it specializes in these types of transactions. Such operations must be conducted in compliance with CSSF circular 08/356 or a circular that amends or replaces it.

#### **Synthetic securities lending**

In addition to the regulations on the aforementioned securities lending, securities lending may also be conducted synthetically ("synthetic securities lending"). In a synthetic securities loan, a security contained in the fund is sold to a counterparty at the current market price. This sale is, however, subject to the condition that the fund simultaneously receives from the counterparty a securitized unleveraged option giving the fund the right to demand delivery at a later date of securities of the same kind, quality and quantity as the sold securities. The price of the option (the "option price") is equal to the current market price received from the sale of the securities less (a) the securities lending fee, (b) the income (e.g., dividends, interest payments, corporate actions) from the securities that can be demanded back upon exercise of the option and (c) the exercise price associated with the option. The option will be exercised at the exercise price during the term of the option. If the security underlying the synthetic securities loan is to be sold during the term of the option in order to implement the investment strategy, such a sale may also be executed by selling the option at the then prevailing market price less the exercise price.

- 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 NAV per unit**

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

The NAV per unit is calculated by dividing the net assets of the fund by the number of units 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 units contained in the fund are valued at the most recent available redemption price that has been determined.
2. An income adjustment 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 unit

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 unit**

The Management Company has the right to suspend the calculation of the NAV per unit if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking into consideration the interests of the unitholders, 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 or at the corresponding regulated market 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 unit in an orderly manner.

Investors who have applied for redemption of units will be informed promptly of the suspension and will then be notified immediately once the calculation of the net asset value per unit is resumed. After resumption, investors will receive the redemption price that is then current.

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

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

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

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

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 units, or may buy back units at the redemption price, if such action should appear necessary in consideration of the interests of the unitholders or the public, or to protect the fund or the unitholders. 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 units will be published in a Luxembourg daily newspaper

and, where applicable, in the countries of distribution.

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

1. The Management Company has the right to suspend the redemption of units under exceptional circumstances that make a suspension appear necessary and justified in the interests of the unitholders.
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 units 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 Management Company decides whether to distribute or reinvest income. In the case of a distribution, the Management Company 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 17, 2010. Distributions are paid out based on the number of units in issue on the distribution date. Distributions may be paid entirely or partly in the form of bonus units. Any remaining fractions of units may be paid out in cash or credited. Distributions not claimed within the deadlines stipulated in article 16 shall lapse in favor of the fund.
2. The Management Company 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, key investor document and management regulations, as well as the annual and semiannual reports, are available free of charge to unitholders at the registered offices of the Management Company and all paying agents.

#### **Article 14 Liquidation 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 liquidated at any time by the Management Company, unless otherwise provided for in the special section of the management regulations. The Management Company may decide to liquidate the fund if such liquidation appears necessary or expedient in consideration of the interests of unitholders, for protection of the interests of the Management Company, or in the interest of the investment policy.
3. Liquidation of the fund is mandatory in the cases provided for by law.
4. The Management Company shall publish any such liquidation 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 units shall cease when the fund is liquidated. Units 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 units 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 unitholders of the fund according to their entitlement. The net proceeds of liquidation not collected by unitholders 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 unitholders entitled to them, where such amounts will be forfeited if not claimed by the statutory deadline.

7. Neither the unitholders nor their heirs or legal successors may apply for liquidation or division of the fund.

#### **Article 15 Merger**

1. The fund may be incorporated into another fund (merger) by the Management Company.
2. The merger will be published in a Luxembourg daily newspaper and in accordance with the regulations of each country of distribution.
3. Notwithstanding provisions that stipulate otherwise in individual cases, the merger is executed by means of a liquidation of the fund that is being incorporated and a simultaneous takeover of all of the assets by the receiving fund in accordance with the law. In contrast to a fund liquidation (article 14), however, the investors in the fund being incorporated receive units of the receiving fund, the number of which is based on the ratio of the net asset values per unit 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, unitholders of the fund have the option of leaving the fund involved within one month of publication by the Management Company of the merger by redeeming their units 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 unitholders 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 unitholders and the Management Company. The management regulations are filed with the District Court in Luxembourg. Any legal disputes between unitholders, 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 units of the fund sold to investors in countries where the fund's units may be offered for sale to the public.

# Management regulations – special section

For the fund with the name Global Emerging Markets Balance Portfolio, the following provisions shall apply in addition to the terms contained in the general section of the management regulations.

## Article 18 Investment policy

The objective of the investment policy of the fund Global Emerging Markets Balance Portfolio is to achieve the greatest possible capital growth in euro.

The fund may acquire equities, equity rights, interest-bearing securities, convertible bonds, warrant-linked bonds, warrants, dividend-right certificates, index certificates, financial instruments certificated in securities, as well as derivatives on these. The fund may also invest in money market instruments and bank balances.

The fund's assets shall be invested in securities and derivatives based on these of issuers, or whose underlying is an issuer, which are themselves an emerging market, or have their registered office in an emerging market, or conduct their principal business activity in emerging markets or which, as holding companies, primarily hold interests in companies that are registered in an emerging market.

Emerging-market countries are defined as all those countries considered by the International Monetary Fund, the World Bank or the International Finance Corporation (IFC) as non-developed industrialized countries at the time of the investment.

The emerging-market countries with the most important equity markets for the fund are primarily those in Asia, the Middle East, Eastern Europe and South America. These include, especially but not exclusively, Argentina, Brazil, Chile, China, India, Indonesia, Columbia, Korea, Malaysia, Mexico, Poland, Romania, Russia, South Africa, Taiwan, Thailand, Turkey, Hungary and Venezuela.

Up to 70% of the fund's assets may be invested in equities, other equity rights, equity index certificates, equity funds and in financial instruments and derivatives on these securities.

Up to 100% of the fund's assets may be invested in interest-bearing securities, convertible bonds, warrant-linked bonds, warrants and dividend-right certificates, as well as in financial instruments and derivatives on these securities.

Up to 49% of the fund's assets may be invested in money market instruments and bank balances.

In extreme market situations and market developments, which may manifest themselves in the form or unnaturally high market fluctuations, restricted tradability of securities or significantly widened bid-ask spreads, up to 100% of the fund's assets may be invested in securities and derivatives based on these of issuers, or whose underlying is an issuer, which are not themselves an emerging market, or do not have their registered office in an emerging market, or do not conduct their principal business activity in emerging markets or which, as holding

companies, do not primarily hold interests in companies that are registered in an emerging market.

Up to 10% of the fund's assets may be invested in certificates based on commodities, commodities indices, precious metals and precious metals indices, as well as in structured financial products and funds. Investment in the certificates listed here is only permitted if they are 1:1 certificates.

Investment in commodity and precious metal funds is subject to the investment limit set out in **article 4 B. (h)** of the general section of the management regulations.

Up to 10% of the fund's assets may be invested in open-ended real estate funds and open-ended hedge funds, as well as in hedge fund certificates. Investment in the hedge fund certificates is, however, only permitted if they are 1:1 certificates.

Investment in open real estate funds as well as in open hedge funds and hedge fund certificates is subject to the investment limit set out in **article 4 B. (h)** of the general section of the management regulations.

Furthermore, investments in open hedge funds are only permitted provided that these are subject to prudential supervision comparable to supervision by the Luxembourg supervisory authority and provided sufficient trading opportunities and sufficient liquidity are available.

Investment in the securities mentioned above can also be conducted through Global Depositary Receipts (GDRs) listed on recognized exchanges and markets, or through American Depositary Receipts (ADRs) issued by top-rated international financial institutions.

Forward currency transactions, call or put options on currencies, currency swaps and currency futures, which are denominated in currencies of emerging-market countries, are used as derivatives.

In addition, the derivative financial instruments include options, forward contracts, futures contracts on financial instruments and options on such contracts, as well as privately negotiated swap contracts on any type of financial instrument such as swaps, forward starting swaps, inflation swaps, swaptions, constant maturity swaps or credit default swaps.

Where investments are exposed to the risks of currencies that are subject to transfer restrictions, derivative financial instruments may be used that are based on such currencies and which provide for delivery and payment in freely convertible currencies (e.g., so-called non-deliverable forward agreements – NDFs). Given the investment policy, which also provides for investment in secondary currencies and in currencies that are not freely convertible, currency risks may occur in the fund. These risks include, in the short term, the tendency of exchange rates to undergo unpredictable and sudden changes and, in the longer term, the fund management incorrectly forecasting trends in exchange rate developments. Using currencies that are not freely convertible entails a higher exchange-rate risk than using freely convertible currencies.

Non-deliverable forwards (NDFs) are forward currency transactions, which can be used to hedge the exchange rate between a freely convertible currency and a currency that is not freely convertible. The following is stipulated in the NDF agreement:

- a certain amount in one of the two currencies;
- the forward price (NDF price);
- the maturity date;
- the direction (purchase or sale)

Unlike with a normal forward transaction, only a compensatory payment is made in the freely convertible currency on the maturity date. The amount of the compensatory payment is calculated from the difference between the agreed NDF price and the reference price (price on the maturity date). Depending on the price performance, the compensatory payment is either made to the purchaser or the seller of the NDF.

If investments are effected in countries that do not yet possess a regulated market, these securities shall be considered as unlisted financial instruments.

In addition, the fund assets may be invested in all other permissible assets.

## Risk management

The relative value-at-risk (VaR) approach is used to limit market risk for the fund. In addition to the provisions in the general section of the management regulations, the potential market risk of the fund is measured with the aid of a reference portfolio (benchmark) that does not contain derivatives.

The benchmark is a portfolio that does not gain leverage by using derivatives. The respective benchmark for the fund Global Emerging Markets Balance Portfolio invests relatively equally in corporate equities and interest-bearing and money market securities from emerging markets in USD.

## Article 19 Fund currency, issue and redemption prices, fractional units

1. The currency of the fund is the euro.
2. The issue price is the net asset value per unit plus an initial sales charge of up to 3.5% (unit class R) or 0% (unit classes I, RNUSD, IUSD, RNCHF and ICHF) of the net asset value per unit for the benefit of the Management Company. The Management Company may pass on the initial sales charge to intermediaries as remuneration for sales services. Alternatively, the initial sales charge may also be retained in whole or in part by intermediaries. The issue price may be increased by fees or other costs that are charged in the respective countries of distribution. Fractions of units may be issued. If fractional units are issued, the sales prospectus will specify the exact number of places after the decimal point to which the fractions are rounded. Fractional units entitle

the bearer to participate in any distributions on a pro-rata basis.

3. The redemption price is the net asset value per unit less a redemption fee of up to 2.5% of the net asset value per unit for the benefit of the Management Company. Whether or not, and in what amount, a redemption fee is charged 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.

#### **Article 20 Costs and services received**

The fund shall pay an all-in fee of up to 1.65% p.a. (unit class R), 1.15% p.a. (unit classes I, IUSD and ICHF) or 1.8% p.a. (unit classes RNUSD and RNCHF) of the net assets of the fund based on the NAV per unit calculated on the valuation date. 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 fund at the end of each month. Aside from the all-in fee, the following costs may be charged to the fund:

- all of the taxes charged to the assets of the fund and to the fund itself (especially the *taxe 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 unitholders 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;
- costs for informing the fund investors by means of a durable medium, with the exception of costs for informing the investors in the case of a fund merger and in the case of measures related to accounting errors in determining the NAV or when contravening investment limits.

The Management Company shall also receive a performance-based fee. The performance-based fee is  $\frac{1}{4}$  of the amount by which the performance of the fund exceeds the return of 10% JPM Cash Index USD, 15% JPM EMBI Global Div. USD, 15% JPM GBI-EM, 10% JPM CEMBI, 40% MSCI Emerging Markets in USD, 10% HFRX Global HF Index – all converted to euro.

The performance-based fee may not exceed 1.5% p.a.

A performance-based fee may be payable even if the fund's performance is negative, as long as the fund outperforms the benchmark. The performance-based fee is calculated daily and settled semiannually. In accordance with the result of the daily comparison, any performance-based fee incurred is deferred in the fund. If the performance of the units during any fiscal six-month period falls short of the benchmark, any performance-based fee amounts already deferred

in that fiscal six-month period shall be eliminated in accordance with the daily comparison. If recorded performance exceeds the benchmark in the course of the fiscal six-month period, the amount of the deferred performance-based fee existing at the end of the fiscal six-month period may be withdrawn. There is no requirement to make up for a negative performance in a subsequent accounting period.

The Management Company usually passes on some of its management fee to intermediaries. This is paid as remuneration for sales services performed on an agency basis. This may constitute a substantial amount.

In addition, the Management Company may receive up to one half of the income from the conclusion of securities lending transactions (including synthetic securities lending transactions) for the account of the fund as a flat fee.

With regard to trading activity for the investment fund, the Management Company is entitled to make use of valuable benefits that are offered by brokers and traders and that are used by the Management Company to make investment decisions in the interests of the unitholders. These services include direct services offered by brokers and traders themselves, such as research and financial analyses, and indirect services such as market and price information systems.

#### **Investment in units of target funds**

Investment in target funds may lead to duplicate costs, and particularly duplicate management fees, since fees are incurred at the level of the fund as well as at the level of a target fund.

If the fund's assets are invested in units of another fund that is managed directly or indirectly by the same management company or by another company that is affiliated with it by virtue of joint management or control, or by material direct or indirect unitholding, the management company or the other company will not charge to the fund's assets any fees for the acquisition or redemption of units of such other funds.

If the fund invests in units of target funds launched or managed by companies other than those named above, it must be taken into account that additional initial sales charges and redemption fees are charged to its assets if necessary.

#### **Article 21 Fiscal year**

The fiscal year begins on October 1 and ends on September 30 of each year, and for the first time on September 30, 2011.

#### **Article 22 Term of the fund**

The term of the fund is not limited.

#### **Article 23 Custodian**

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



**DWS Investment S.A.**

2, Boulevard Konrad Adenauer  
1115 Luxembourg, Luxembourg

Tel.: +352 4 21 01-1

Fax: +352 4 21 01-900

[www.dws.lu](http://www.dws.lu)