

Product Profile	
<i>Fund name</i>	DWS Invest Emerging Yield Plus – FC share class
<i>ISIN</i>	LU0216974195
<i>Investment universe</i>	Fixed Income Emerging Markets
<i>Benchmark</i>	none; indicative: JP Morgan Emerging Local Markets Index (ELMI+)
<i>Base currency</i>	EUR
<i>Earnings</i>	Accumulation
<i>Inception date</i>	04/25/2005
<i>Fund volume</i>	EUR 557.8 m as of 30/11/2005
<i>Management Fee</i>	0.6% p.a.
<i>TER</i>	n.a.
<i>Fund manager</i>	Christian Schiweck
<i>Company</i>	DWS Investments
<i>Internet</i>	www.dws.com
Investor's Profile	
<i>Investment horizon</i>	medium to long-term, more than 5 years
<i>Risk classification</i>	high market risks due to possible interest rate and currency fluctuations as well as credit risk
<i>Return expectation</i>	Ø 300 to 400 basis points above 3-month Euribor over the investment horizon
<i>Loss tolerance</i>	minimisation of the downside risk is to be pursued

TELOS Comment

The *DWS Invest Emerging Yield Plus* is an emerging markets money market-linked fund with opportunities for attractive returns and currency gains, but also having the risks associated with newly industrialising countries (emerging economies). The fund's assets are invested at least by two thirds in fixed-interest and variable-rate securities, as well as in call and put options, currency swaps and especially NDFs (Non-Deliverable Forwards).

The bonds in the portfolio have an average term to maturity of a maximum of 18 month, keeping the interest rate risk low. The average (local) rating of the bonds is within the investment grade range. The employment of derivatives reduces the credit risk, resulting capital gains have tax advantages for German investors. The higher interest rates and the potential for currency appreciation are set against the currency risk.

The country rating model is based on a scoring approach. Its weights are continuously verified and adjusted. The proprietary currency model is the basis for exchange rate forecasts. The quality of these forecasts is to be measured in the future.

The conclusions of the model are discussed within the team and implemented by the responsible fund manager accordingly. This does not yet include an integrated consideration of performance and risk

contributions. However, there is an independent measurement and control of risk, for instance of the Value at Risk (VaR).

The compliance with investment restrictions is monitored on a daily basis. An automated pre-trade check is in preparation. Due to the electronic order routing transmission errors are mitigated as far as possible.

The services of brokers are globally evaluated with the aid of a proprietary scoring model. The order assignment follows the best execution principle.

The investment process is conducted with a sufficient amount of resources, supplementing the research from the Emerging Markets team by trend and technical analyses from the Foreign Exchange team. The fund manager has long-standing and successful investment experience in the emerging markets domain. The team members possess in some cases very far-reaching knowledge on individual countries.

Although the JP Morgan ELMI+ is taken into account as a guideline, the target is a long-term total return. The performance history is still quite short, but the return since inception and until 30/11/2005 lies within the target range of the fund.

The fund *DWS Invest Emerging Yield Plus* is assigned the rating **AA**.

Investment Process

The *DWS Invest Emerging Yield Plus* is managed by *DWS Investment GmbH* (DWS), a subsidiary of Deutsche Bank. *Christian Schiweck* has joint DWS in October 2004 and is responsible for the fund. Together with his team, he built the foundations for the current country rating and currency models which were integrated with the existing investment processes of DWS.

The investment philosophy is based on the inefficiency of markets which only partly reflect up-to-date research on bonds and currencies of emerging economies. The investment strategy is based on significantly higher short-term interest rates compared with industrialised nations and the potential for currency appreciation of individual emerging economies.

The scoring models developed by the Emerging Markets team evaluate the structural environment of different countries and their currencies. The country rating model has a long-term set-up and covers the evaluation of solvency, the economy's financial situation and general circumstance. The

currency model considers fundamental factors, currency flows and technical indicators. The country and currency experts of DWS create exchange rate forecasts for emerging markets based on these models.

The models, having a forecast horizon of 1–3 (currencies) and 6–12 months (countries), are continuously updated and adjusted. The team members meet weekly to discuss and implement possible needs for action regarding the portfolio composition. If necessary, the investment strategy is validated in daily meetings.

A proprietary research database of DWS and DeAM provides macroeconomic analysis of the most prominent industrialised nations. However, the internal research of the team remains the most important source for the evaluation of emerging economies. The analyses are supplemented by country visits and the on-going contacts with issuers.

The fund management routes the orders electronically to the trading desk. Execution is performed immediately observing a best execution policy.

Quality Management

The independent Risk & Control Management department is responsible for the monitoring of investment restrictions as well as for compliance with other legal, regulatory, contractual and internal guidelines. The individual transactions are monitored daily by this team and supported by an IT-system.

Risk ratios are calculated on a daily basis and pro-

vided to the fund management. Several risk limits are established, e.g. for Value at Risk or stress tests. Their compliance is also monitored daily.

In general, the fund management is responsible for compliance with investment restrictions. There will be automatic pre-trade checks in future. Daily, there is an automated control after closing all trades.

Team

The Emerging Markets Fixed Income team was reorganised in October 2004. Some team members have been working together before. The team currently consists of four employees with a different regional focus each. Responsibilities and substitutions are documented in writing.

The members of the investment teams have long-

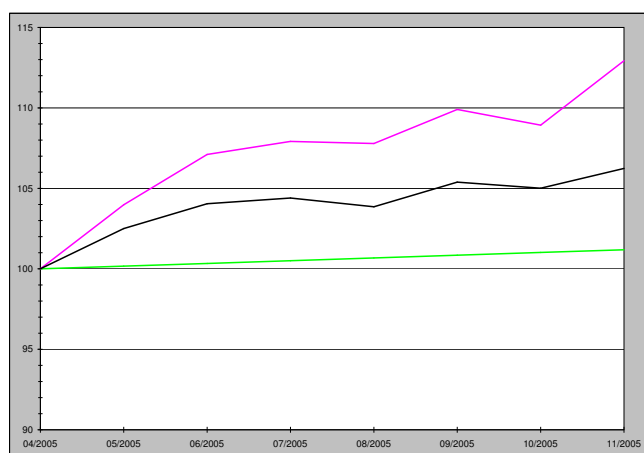
standing and successful investment experience in the emerging markets area. Individual team members have received several awards for their achievements and fund's performance. All team members have university degrees in economics and some can draw on very deep knowledge of individual countries.

Investment Characteristics

<i>Important external factors</i>	<i>Important control factors</i>
Country risk	Currency weighting
Currencies	Country allocation
Economic environment	Liquidity allocation
Commodity prices	Credit standing
Short term interest rates (level)	Asset selection

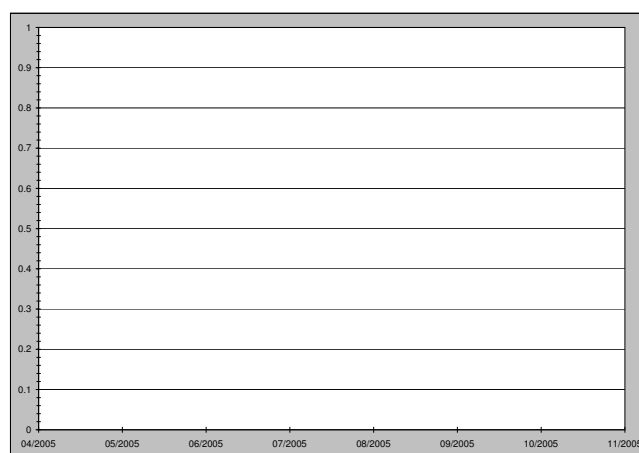
Product History

Performance



— Fund — Benchmark — Money Market

Sharpe Ratio



— 1 Year

<i>Statistics as of 11/2005</i>	<i>1 Year</i>	<i>2 Years</i>	<i>3 Years</i>	<i>5 Years</i>	<i>7 Years</i>	<i>10 Years</i>
Performance (annualised)	—	—	—	—	—	—
Volatility (annualised)	—	—	—	—	—	—
Sharpe Ratio	—	—	—	—	—	—
Best monthly result	—	—	—	—	—	—
Worst monthly result	—	—	—	—	—	—
Median of monthly results	—	—	—	—	—	—
Best 12-month result	—	—	—	—	—	—
Worst 12-month result	—	—	—	—	—	—
Median of 12-month results	—	—	—	—	—	—
Maximum loss period	—	—	—	—	—	—
Maximum loss	—	—	—	—	—	—

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Explanations

TELOS Rating Scale

AAA	The fund complies with <i>highest</i> quality standards
AA	The fund complies with <i>very high</i> quality standards
A	The fund complies with <i>high</i> quality standards
N	The fund does currently <i>not</i> comply with the TELOS quality standards
+ / -	further differentiate within a rating level

The **Product Profile** contains general information on the fund, the investment firm, and the responsible fund manager.

The **Investor's Profile** enables the investor to quickly match his or her expectations with the "official" classification of the product by the investment firm.

The **TELOS Comment** section summarises the main insights of the rating and constitutes an important supplement to the rating grade. The subsequent sections contain descriptive information on the investment process, the quality management, and the responsible team.

The **Investment Characteristics** lists – from the point of view of the fund management – the most important external determinants influencing the performance of the fund, as well as the essential factors employed for its control.

The **Product History** presents – by means of graphs and tables – the development of the fund in comparison with the money market and a benchmark (where appropriate) in respect of performance and risk criteria. All calculations are based on month-end data. Fund data and benchmark data are provided by the investment firm.

The *performance* of the fund is calculated based on reinvested prices: profit distributions are being invested in new shares of the fund immediately. Thereby, the performance of distributing and non-distributing funds is mutually comparable. This approach corresponds to the "BVI method" of performance calculation, advocated by the association of the German investment fund industry.

If the fund management is guided by a *benchmark*, the performance of the latter is shown as well. Otherwise, a suitable comparative index is chosen for il-

lustration purposes – in agreement with the investment firm.

As a measure for the *money market*, the 1-month *LIBID* deposit rate in the fund's base currency is used, calculated via $LIBID = LIBOR - 0.125\%$. For periods before 1999, the respective DEM interest rates are used as a predecessor to EUR. Data source: British Bankers' Association; *LIBID(OR)* = London Interbank Bid (Offered) Rate.

The *Sharpe Ratio* provides information about the "excess return" of the fund with regard to a risk-free financial investment – here represented by the money market – as a proportion of the total risk taken:

$$Sharpe\ Ratio = \frac{fund\ return - money\ market\ return}{fund\ volatility}$$

The *volatility* employed here is the annualised standard deviation of the monthly returns.

The *median of monthly results* is characterised by the fact that half of all monthly returns occurring in the observed period are either at least or at most as large as this value. As a result, this measure is less sensitive to "outlier results" than, for instance, the mean (average) value of monthly returns.

In an analogous way, the *median of 12-month results* should be interpreted.

The *longest loss period* is the number of months needed by the fund in order to recover losses by reaching or exceeding a level that had been achieved previously in the period under consideration. If this level could not be reached again, the end of the period is decisive.

Accordingly, the *maximum loss amount* is the largest loss which the fund suffered in the period under consideration – starting from the highest value reached earlier during this period.

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