



*Passion to Perform*

Deutsche Investment Management Americas Inc.

## Form ADV Part 2A

### March 31, 2012

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This Brochure provides information about the qualifications and business practices of Deutsche Investment Management Americas Inc. ("DIMA"). If you have any questions about the contents of this Brochure, please contact us at the number listed above.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

DIMA is a registered investment adviser. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about DIMA is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Summary of Material Changes

In July 2010, the SEC published “Amendments to Form ADV”, which amended the disclosure document (the “Brochure”) that Deutsche Investment Management Americas Inc. (DIMA) (“we”) must provide to existing and prospective clients under SEC Rules. This Brochure, dated March 31, 2012, is prepared in accordance to those SEC’s rules and requirements.

This Item is used as a placeholder for DIMA to discuss specific material changes that are made to the Brochure and provide clients with a summary of said changes. There are no material changes from the last issuance of the Brochure, dated March 31, 2012 to note.

In the past we have offered or delivered information about our qualification and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. We also will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. In addition, we may further provide other ongoing disclosure information about material changes as necessary.

## Table of Contents

Item 4. Advisory Business	5
Our Firm	6
Assets Under Management	6
Investment Capabilities	6
Wrap and Model Programs	7
Non-U.S. Strategies/Other Arrangements	7
Item 5. Fees and Compensation	7
Fee schedules, account minimums and payment arrangements	7
Registered Investment Companies/Commingled Vehicles/Structured Products	8
Collateral Management of Structured Securities	8
Compensation of Supervised Persons	9
Item 6. Performance-Based Fees and Side by Side Management	10
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	10
Alternatives	11
Cash	14
Equity	15
Fixed Income	20
Associated Material Risks	29
Item 9. Disciplinary Information	38
Item 10. Other Financial Industry Activities and Affiliates	40
Broker-Dealers	41
Investment Companies	41
Investment Advisors	42
Commodity pool operator and Commodity trader advisor	42
Banking Institutions	42
Partnerships	43
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Training	44
Code of Ethics	44
Participation or Interest in Client Transactions	45
Information Barriers	46
Trading with an Affiliate/New Issues	47
Agency Transactions	47
Investment Companies	48
Principal Transactions	48

Portfolio Holdings Disclosure Policy	48
Proprietary account trading and hedging activities	48
ERISA/Electronic Communication Network (ECN)	49
Gifts and Entertainment	49
Item 12. Brokerage Practices	50
Broker Dealer Selection	50
Commission rates	50
Investment and Brokerage Discretion	50
Brokerage Practice Sub-Committee ("BPSC")	51
Allocation of Investments	51
New Equity Issue Allocation	51
Research and Soft Dollar Benefits	51
Directed Brokerage	51
Cross Trades	53
Errors and Corrections	54
Counterparty Risk	54
Order Aggregation	54
Non-Discretionary Accounts	55
Item 13. Review of Accounts	55
Reports to Clients	56
Item 14. Client Referrals and Other Compensation	56
Item 15. Custody	56
Custodian Statements	56
Item 16. Investment Discretion	56
Item 17. Voting Client Securities	57
Item 18. Financial Information	58
Part 2 A – Appendix 1 – Wrap fees programs	58
Additional Disclosures	58
Business Continuity	58
Customer Identification Program	58
Class Action Proceedings	59
Privacy Notice	60
Conditions for Managing Accounts	61

## Item 4 – Advisory Business

### Our Firm

Deutsche Investment Management Americas Inc. (DIMA) is a registered investment adviser with the Securities and Exchange Commission and has been registered since November 1, 1940. DIMA is directly owned by Deutsche Bank Americas Holding Corporation; its indirect owners are Deutsche Bank Americas Holding Corporation, Taunus Corporation and Deutsche Bank AG.

Generally, DIMA provides investment and advisory services to institutional clients on a discretionary basis and from time to time on a non-discretionary basis. DIMA does business in the US through Deutsche Asset Management (DeAM), the asset management arm of Deutsche Bank AG, which provides services under the following brand names:

- “DB Advisors” for the institutional asset management division
- “Deutsche Insurance Asset Management” for the insurance asset management division
- “DWS Investments” for the US retail division

DeAM’s advisory services are tailored according to investment policies and guidelines that are established at the inception of the adviser-client relationship (as amended from time to time) in cooperation with the client. These policies and guidelines, which may include client imposed restrictions on investing in certain securities or types of securities, assist DeAM in making investment decisions for the client as well as cover matters such as the degree of risk that the client wishes to assume, and the types and amounts of securities to make up the portfolio.

Note: The terms DIMA, DeAM, Registrant, we, our and us used throughout this document refer to DIMA.

Our institutional division, DB Advisors, offers a wide degree of advisory services to clients, with capabilities of tailoring investment strategies to meet the individual needs of clients. DeAM utilizes a team-based approach to investment management bringing together expertise in geographic markets, industry sectors, asset classes and investment styles. We leverage this expertise through portfolio construction processes that emphasize exhaustive independent research and rigorous quantitative attribution and risk management. Our global investment platforms offer both depth and breadth. The available investment strategies we offer include Fixed Income, Liability-Driven investing (LDI), Global Commodities and Global Commodity Securities, Liquidity Management, Short Duration as well as Active Equity product solutions.

Our insurance asset management division, Deutsche Insurance Asset Management, offers advisory services focused on helping insurance companies, a segment of large institutional investors, customize their investment program to their unique objectives, needs and constraints. The ultimate goal is to partner with the insurance company client in developing customized investment policies and guidelines that serve as the basis for how we manage their portfolio. Advisory services are performed in partnership with the client and include matters such as: asset liability management; liquidity planning; portfolio risk analyses; and strategic asset allocation that considers regulatory constraints, investment income goals, and tax considerations. These services are performed at the overall client level and accordingly may include a variety of asset classes, however insurance companies are largely invested in fixed income and public equities.

Our Retail division, DWS Investments, serves the evolving needs of financial professionals and their clients. A commitment to excellence in every client interaction is a hallmark of the DWS Investments model. Our objective is simple: To help clients address today’s investment challenges with an eye to the future. DWS Investments provides an array of products, such as mutual funds, closed-end funds, money market funds, and variable insurance portfolios, for retail clients as well as retirement clients.

## Assets Under Management

The Registrant had a total of \$230,423,267,899 discretionary client assets under management and a total of \$10,415,689,374 non-discretionary client assets under management as of December 31, 2011.

## Investment Capabilities

Products listed below may be managed by DIMA either directly or through sub-advisory relationships with affiliated and at times non-affiliated entities. See Item 10 for information regarding certain DeAM arrangements related to its advisory business.

DeAM's policies and practices can vary by strategy and/or product type.

Principal investment strategies and products currently offered by DeAM include:

Alternatives	Fixed Income	Loans
Asset Allocation (Plus Alternatives)	Canada Fixed Income	Equity
Commodities	Climate Change Fixed Income	Emerging Markets Equity
Commodities with Fixed Income	Emerging Markets Fixed Income	Climate Change Equity
Commodity Securities	Fixed Income Multi Product	Equity Index
Global Sector Gold	Global Fixed Income	World Dividend Equity
	Global Inflation Protected Securities	European/Country Specific Equity
Private Equity	Global Short Duration	Global Sector Communications
U.S. Real Estate Equity	Fixed Income Index	Global Small Cap Equity
Global Real Estate Equity	Core Fixed-Income	International Equity
Global Infrastructure	Core Intermediate	Latin America Equity
Direct Real Estate	Core Plus Fixed-Income	Insurance Managed Equity
	Core Short Duration	Healthcare
Cash	U.S. Corporate Investment Grade	U.S. Large Cap Growth
U.S. Cash Prime	U.S. Floating Rate Debt	U.S. Large Cap Value
U.S. Cash Government	U.S. Government	U.S. Market Neutral
U.S. Cash Municipals	Global High Yield	U.S. Mid Cap Growth
U.S. Cash Municipals State-Specific	U.S. High Yield	U.S. Mid Cap Value
	U.S. Mortgage Backed	U.S. Small Cap Growth
Multi-Asset	U.S. Municipals High Yield	U.S. Small Cap Value
	U.S. Municipals Short Term	U.S. Technology
Integrated Global Alpha Platform (Global Tactical Asset Allocation)	U.S. Municipals Intermediate	
Liability Driven Investing	U.S. Municipals Long Term	
Strategic Asset Allocation	U.S. Municipals State Specific	
	U.S. Stable Value U.S. Syndicated	

## Wrap and Model Programs

DeAM and one or more of its affiliated advisers may provide investment advisory services to managed account clients of wrap-fee programs ("Wrap Programs") offered by brokerage and financial service firms ("Sponsors"). For a single "wrap" fee paid to the Sponsors, Sponsors offer DeAM's investment management services to their managed account clients and are primarily responsible for (i) monitoring and evaluating DeAM's performance, (ii) executing client portfolio transactions without an additional commission, except that the client will be charged an added commission if a broker other than the Sponsor (or its affiliate) is used to execute the trades and (iii) providing custodial services for clients' assets. In addition, in certain Wrap Programs, DeAM provides non-discretionary investment advice to the Sponsor and the Sponsor retains investment discretion over its clients' accounts. In such cases, DeAM will provide the Sponsors with a model portfolio identifying specific securities for investment. DeAM will receive a portion of the wrap fee paid by clients to the Sponsor. Such fees are based on assets under management within each Wrap Program. Typically, the minimum size for Wrap Program accounts is \$100,000, but may vary depending on the selected investment discipline for investment and the particular Wrap Program.

The terms of each client's managed account in a Wrap Program is governed by the client's agreement with the Sponsor and disclosure document for each Wrap Program. Wrap Program clients are urged to refer to the appropriate disclosure document and client agreement for more information about the Wrap Program, DeAM's advisory services, fees and contract termination provisions.

The fees for a Wrap Program may result in higher costs than the client would otherwise realize by paying DeAM's standard fees and negotiating separate arrangements for trade execution, custodial and consulting services.

## Non-U.S. Strategies/Other Arrangements

DeAM offers a variety of non-US strategies through its sub-advisory relationships with advisory affiliates located outside the United States. More information regarding the affiliated advisers, including fees applicable thereto, are available in the affiliated advisers' disclosure documents.

Apart from furnishing investment advice to clients, DeAM also provides various investment advisory, consulting, trading, administrative and research support services to its affiliates, pursuant to intercompany agreements.

DeAM may extend, and may negotiate fees with respect to its investment advisory, trading, administrative, and research support services to certain third-party banks, trust companies, insurance companies and other fiduciaries, and may also render investment advice to specific accounts of these banks, trust companies, and other fiduciaries that contract with DeAM. From time to time, DeAM may also provide certain other services such as investment company administrative services and executing broker evaluations and selections.

## Item 5 – Fees and Compensation

### Fee schedules, account minimums and payment arrangements

The general policy of DeAM is to assess client fees according to the current fee schedule of the investment strategy in which they are invested. Actual fees, minimum fees and minimum accounts size may vary depending on the circumstances of a particular client, additional or differing levels of servicing, or as otherwise agreed with specific clients. In some cases performance fees are also charged subject to federal or local law and are negotiable.

Fees are generally based on the combined market value of all securities and cash on the accounting date and are normally payable quarterly or monthly in arrears and as also dictated by



the client's investment management agreement (IMA). DeAM may also enter into performance based fee arrangements with eligible clients.

DeAM may also charge a lower fee depending on the entirety of its or Deutsche Bank's relationship with a particular client.

Our investment management fees are calculated based on the quarter end value of the account, in accordance with the appropriate schedule. DIMA generally does not debit management fees directly from the client account; we render invoices in accordance with fee schedules.

Typically DeAM does not impose multiple advisory fees when an advisory client's assets are invested in an affiliated investment vehicle. Specifically, client holdings of investment companies advised or sub-advised by DeAM and held in a separately managed account are excluded from the basis of DeAM's fee computation. However, when deemed legally permissible, DeAM may charge multiple advisory fees to certain clients such as hedge fund of funds and separately managed accounts investing in Collateralized Debt Obligation Funds ("CDO"), hedge funds or other investment funds managed by DeAM. As a general rule, DeAM does not bill clients custodian charges. Clients will incur additional fees and expenses relating to third-party services, including, but not limited to administration, custodian, transfer agent, and other similar fees.

In addition to paying advisory fees, clients will pay brokerage commissions, mark-ups, mark-downs and/or other commission equivalents related to transactions in their advisory accounts. See item 12 for a discussion on Brokerage Practices.

### Registered Investment Companies/Commingled Vehicles/Structured Products

DeAM acts as investment manager for certain registered investment companies and other commingled vehicles ("Funds"). For registered investment companies, the management fees paid by the Funds are subject to negotiation with the Board of Trustees/Directors of each Fund and the approval of the respective shareholders. DeAM's current investment Management fees range up to 1.50% of aggregate net assets on an annual basis depending on the nature of the Fund, the advisory fee structure, and the size of the Fund's assets. DeAM may have arrangements with certain registered investment companies whereby the base annual investment management fee is subject to upward or downward adjustment on the basis of the investment performance of one or more classes of the Fund's shares as compared with the performance of the S&P 500 Index, and DeAM may establish similar arrangements with other registered investment companies/or and commingled vehicles with respect to other market indices.

Certain funds may utilize fair valuation pricing, in accordance with internal control procedures and coordinated with the Fund's service providers should an event occur warranting fair valuation under the procedures.

DeAM may act as an investment adviser to U.S. and non-U.S. pooled investment vehicles and receive fees for such services at a negotiated rate based on each investment vehicle's particular circumstance. Fees for such services are generally set forth in the offering circular or other relevant offering document.

### Collateral Management of Structured Securities

The fee arrangements for CDOs and CLOs generally are described in the offering circular for each CDO/CLO. The fees are calculated as well as performance fees based on the total portfolio collateral and may include both senior and subordinated components.

An advisory relationship with a client is generally terminable at will by either party. Certain agreements may require a notice period before the termination becomes effective. In addition, some agreements (e.g., in the case of CDO/CLO advisory agreements) may require certain events to occur prior to the termination of the investment advisory relationship. Furthermore, certain agreements may also stipulate that DeAM may not resign as investment advisor until a



successor has been appointed. In the event of termination, investment advisory fees are prorated to the date of termination and, to the extent they have been paid for periods beyond the date of termination, the fees are refunded to the client.

## Compensation of Supervised Persons

Compensation of sales staff can vary by division and types of products offered. For the Institutional Business in DB Advisors and the Insurance division, supervised individuals do not earn commissions; rather they receive a set annual “base” pay, along with an annual bonus that is determined on a variety of factors including profitability of the bank, profitability of the division, and contributions of that individual to the successes of the division.

For DWS Investments, the US Retail Channel, DWS wholesalers market DWS funds to financial advisors, who in turn may recommend that their clients purchase these products. The DWS incentive program (the “Plan”) combines a monthly incentive component with an annual out-performance award potential, based on achieving certain sales and other performance metrics. Under the Plan, DWS Investments Wholesalers will receive a monetary monthly incentive based on the amount of sales generated from their marketing of the funds, and that incentive will differ depending on the product tier of the fund. Each fund is assigned to one of four product tiers - Tier I: cornerstone or capital market compass funds; Tier II: core or baseline funds; Tier III: non-core funds; Tier IV: index or passive funds - taking into consideration, among other things, the following criteria, where applicable:

- The fund’s consistency with DWS Investments’ branding and long-term strategy;
- The fund’s competitive performance;
- The fund’s Morningstar rating;
- The length of time the fund’s Portfolio Managers have managed the fund/strategy;
- Market size for the fund tier;
- The fund’s size, including sales and redemptions of the Fund’s shares.

This information and other factors are presented to a senior management committee comprised of representatives from various groups within DWS Investments, who review on a regular basis the funds assigned to each product tier described above, and may make changes to those assignments periodically. No one factor, whether positive or negative, determines a fund’s placement in a given product tier; all these factors together are considered, and the designation of funds in a particular tier represents management’s judgment based on the above criteria. In addition, management may consider a fund’s profile over the course of several review periods before making a change to its tier assignment. These tier assignments will be posted quarterly to the DWS funds’ Web site at [www.dws-investments.com/EN/wholesaler-compensation.jsp](http://www.dws-investments.com/EN/wholesaler-compensation.jsp), approximately one month after the end of each quarter. DWS Investments Wholesalers receive the highest compensation for Tier I funds, successively less for Tier II (within which there are two payout sub-tiers) and Tier III funds, and the lowest for Tier IV funds. The level of compensation among these product tiers may differ significantly.

In the normal course of business, DWS Investments will from time to time introduce new funds into the DWS family of funds. As a general rule, new funds will be assigned to the product tier that is most appropriate to the type of fund at the time of its launch based on the criteria described above. As described above, the fund tier assignments are reviewed periodically and are subject to change.

The prospect of receiving or the receipt of, additional compensation by a DWS Investments Wholesaler under (“the Plan”) may provide an incentive to favor marketing funds in higher payout tiers over funds in lower payout tiers. (“The Plan”), however, will not change the price that investors pay for shares of a fund. The DWS Investments Compliance Department monitors DWS Investments Wholesaler sales and other activity in an effort to detect unusual activity in the context of the compensation structure under the Plan. However, investors may wish to take the Plan and the product tier of the fund into account when considering purchasing a fund or evaluating any recommendations relating to fund shares.

## Item 6 – Performance-Based Fees and Side by Side

DeAM may charge performance based fees, and DeAM may manage accounts using similar investment strategies that charge a combination of both or either performance-based fees and asset based fees.

DeAM will not determine allocations based upon whether an account has performance-based or other incentive fee arrangements; however, allocations among such accounts and asset based fee paying-only accounts could be viewed as a potential conflict of interest. For example, DeAM may have an incentive to allocate attractive investments to performance-fee accounts over accounts not subject to a performance fee. Performance-based fees may also create an incentive to utilize riskier investments. In addition, due to the method of calculating the performance fees, such fees may be affected by the timing of dispositions and other factors within DIMA's control. The performance fees are computed based on realized and appraised appreciation, and calculations based on appraised value may be higher or lower than the true value of the performance fees due to DeAM.

DeAM has adopted policies and procedures designed to ensure, among other things, clients receive fair and equitable investment allocation over time.

## Item 7 – Types of Clients

DeAM may provide investment advice to many client types including: Banks, Corporations, Governments (US federal and state entities), international public authorities, foundations, endowments, financial institutions, insurance firms, individuals, trusts, investment companies, pension plans, pooled investment vehicles, non-U.S. funds and private investment funds, issuers of collateralized bond and loan obligations and other structured products in the U.S. and abroad. The requirements for opening any account will vary depending on the type of product and type of client.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

DeAM, on behalf of its clients, offers a wide range of investment products and opportunities. Portfolio management teams typically invest in securities that appear to offer the best potential to meet client needs which may include any number of factors such as: yield, value, growth, income, etc. In making their buy and sell decisions, a manager can weigh any number of factors against each other ranging from economic outlook, possible interest rate movements, supply, demand, analyst research, and price. Portfolio management periodically reviews accounts allocations and may adjust them based on current or anticipated market conditions or to manage risk consistent with the account's overall investment strategy. In the course of adjusting these positions, a client would pay transaction costs when the strategy buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs, effect performance, and may mean higher taxes, if you are investing in a taxable strategy. Within each investment strategy there is a team that manages and specializes in the particular asset category being employed. The team may use a variety of quantitative and qualitative techniques in trying to meet a client's investment goals. Irrespective of what strategy client's select, investing in securities involves varying risks, principally the risk of loss. Additional risks include, but are not limited to asset allocation risk, stock market risk, credit risk, interest rate risk, foreign investment risk, and derivative risk.

DeAM may use research that is "bottom up" or focuses on individual companies that it believes have a history of above-average growth, strong competitive positioning, attractive prices relative to potential growth, sound financial strength and effective management, among other factors. Additionally DeAM may use research that is "top down" or considers the economic outlook for various industries as a key indicator while looking for investments that may benefit from changes in the overall business environment. DeAM may also utilize its own individual research and the research it receives from a variety of sources, including Deutsche Bank and third party research

providers when selecting securities. While a general description of each strategy and basic investment risks are represented below and in the appendix, consultation with your sales representative to review a full list of objectives and risks should be completed prior to making any formal investment decision.

## **Alternatives**

### **Strategy: Asset Allocation (Plus Alternatives)**

**Strategy Description:** The strategy is designed to provide access to a diversified portfolio of alternative investment strategies. The strategy invests predominantly in a combination of affiliate funds. Investment strategies may fall into the following categories; absolute return, real return and non-traditional, in addition to employing a blend of alternative investment strategies to help enhance diversification. To maintain the desired allocations, the strategy will be rebalanced periodically.

**Associated Material Risks:** (Note, “associated material risks” are further defined on pages 29-38)

Asset allocation risk	Stock market risk	Foreign investment risk
GTAA risk	Derivatives risk	Interest rate risk
Commodities-related investments risk	Credit risk	Small company risk
Senior loans risk	Focus risk	Short sale risk
Security selection risk	Borrowing risk	Conflict of interest risk
Counterparty risk	ETF risk	Liquidity risk
Prepayment and extension risk	Pricing risk	Tax status risk

### **Strategy: Commodities**

**Strategy Description:** The strategy seeks to provide the benefits of commodities investing with higher returns and lower volatility than otherwise investing in a passive commodity index. This strategy seeks to identify and exploit pricing inefficiencies among listed commodities through tactical positions in individual commodities.

**Associated Material Risks:**

Commodities-related investments risk	Derivatives risk	Security selection risk
Foreign investment risk	Non-diversification risk	Counterparty risk
Inflation-indexed bond risk	Liquidity risk	Pricing risk
Securities lending risk	Tax status risk	

### **Strategy: Commodities with Fixed Income**

**Strategy Description:** The strategy invests in commodity-related securities and commodity-linked derivative instruments backed by a portfolio of fixed income instruments. The investment team seeks to use an active management strategy to improve return potential and decrease risk potential.

**Associated Material Risks:**

Commodities-related investments risk	Derivatives risk	Security selection risk
Credit risk	Interest rate risk	Foreign investment risk
Non-diversification risk	Counterparty risk	Inflation-indexed bond risk
Liquidity risk	Tax status risk	Pricing risk

Securities lending risk

Senior loans risk

Conflict of interest risk

Prepayment and extension risk

### Strategy: Commodity Securities

Strategy Description: The strategy seeks to invest in equity issuers providing a broad exposure to the global commodity universe through exchange-traded commodities, commodity companies and commodity-related securities.

Associated Material Risks:

Commodities-related investments risk

Derivatives risk

Security selection risk

Stock market risk

Foreign investment risk

Non-diversification risk

Counterparty risk

Liquidity risk

Pricing risk

IPO Risk

Securities lending risk

Tax status risk

### Strategy: Global Sector Gold

Strategy Description: The strategy invests the majority of its assets in gold coin and bullion as well as the stocks of global companies engaged in activities related to precious metals. In choosing securities, the investment team seeks companies that mine high-quality metals, use solid fabrication techniques, have strong management teams and maintain a compelling level of un-mined reserves.

Associated Material Risks:

Stock market risk

Small company risk

Foreign investment risk

Medium-sized company risk

Emerging markets risk

Pricing risk

Non-diversification risk

Security selection risk

Securities lending risk

Growth investing risk

IPO risk

Liquidity risk

Restricted Securities risk

Tax status risk

Credit risk

Interest rate risk

Prepayment and extension risk

Concentration risk – gold-related investments

### Strategy: Private Equity

Strategy Description: The strategy seeks to combine rigorous due diligence, management and risk analytics processes to offer a broad range of private equity investment products including primary funds, secondary funds, and co-investments for institutional and high net worth investors worldwide.

Associated Material Risks:

Borrowing risk

Concentration risk

Conflict of interest risk

Counterparty risk

Credit risk

Emerging markets risk

Focus risk

Foreign investment risk

Fund of funds risk

Interest rate risk

Investment style risk

IPO risk

Liquidity risk

Non-diversification risk

Pricing risk

Regional focus risk

Stock market risk

Tax risk

Prepayment and extension risk

### Strategy: U.S. Real Estate Equity

Strategy Description: The strategy looks to invest in real estate securities that management believes will provide superior returns over the long term, particularly in companies with the potential for stock price appreciation and a record of paying dividends. In particular, the strategy will invest in different types of domestic (U.S.) Real Estate Investment Trusts ("REITS") and Real Estate Operating Companies ("REOC").

#### Associated Material Risks:

Stock market risk	Non-diversification risk	Derivatives risk
Security selection risk	Securities lending risk	
Concentration risk – real estate securities		

### Strategy: Global Real Estate Equity

Strategy Description: The strategy seeking current return, mainly invests in the equity securities of real estate investment trusts ("REITS"), and real estate operating companies ("REOC") listed on recognized stock exchanges around the world, including the U.S.

#### Associated Material Risks:

Stock market risk	Foreign investment risk	Derivatives risk
Pricing risk	Security selection risk	Securities lending risk
Concentration risk – real estate securities		

### Strategy: Global Infrastructure

Strategy Description: The strategy primarily invests in both US and non-US infrastructure securities that have derived their gross income or net profits from ownership, management, construction, operation, utilization or financing of infrastructure assets. These assets can include physical assets, structures, and networks that provide necessary services and operations to society. The strategy can invest in both equity and fixed income securities.

#### Associated Material Risks:

Stock market risk	Security selection risk	Foreign investment risk
Non-diversification risk	Small company risk	Credit risk
Derivatives risk	Concentration risk – infrastructure-related companies	

### Strategy: Direct Real Estate

Strategy Description: The strategy seeks to invest in portfolios of direct real estate properties, individual real estate investment portfolios, limited partnerships, limited liability company interests and shares of real estate investment trusts. It may also seek to invest in real estate and real estate-related assets, including joint ventures, loan portfolios, corporate restructurings, recapitalizations and distressed opportunities and other similar opportunities in Europe, Asia Pacific and the Americas.

#### Associated Material Risks:

Real estate market risk	Interest rate risk	Cash flow risk
Insurance risk	Liquidity risk- property	
Property management operating risk		

## ***Liquidity Management***

### **Strategy: U.S. Cash Prime**

Strategy Description: The strategy seeks a high level of current income consistent with liquidity and the preservation of capital. The strategy invests in high quality, short-term, US dollar denominated money market instruments paying a fixed, variable or floating interest rate. The strategy typically manages the product in accordance with Rule 2a-7 under the Investment Company Act of 1940, as amended.

#### Associated Material Risks:

Money market risk	Interest rate risk	Credit risk
Security selection risk	Repurchase agreement risk	Counterparty risk
Prepayment and extension risk	Concentration risk	Securities lending risk

### **Strategy: U.S. Cash Government**

Strategy Description: The strategy seeks a high level of current income consistent with liquidity and the preservation of capital. The strategy invests in high quality, short-term, US dollar denominated money market instruments issued by the U.S. Government, its agencies or instrumentalities (or in repurchase agreements collateralized by such obligations) paying a fixed, variable or floating interest rate. The strategy typically manages the product in accordance with Rule 2a-7 under the Investment Company Act of 1940, as amended.

#### Associated Material Risks:

Money market risk	Interest rate risk	Security selection risk
Repurchase agreement risk	Counterparty risk	Credit risk
Prepayment and extension risk		

### **Strategy: U.S. Cash Municipals**

Strategy Description: The strategy seeks a high level of current income exempt from federal income taxes consistent with liquidity and the preservation of capital by investing in high quality, short-term, tax-exempt money market instruments. The strategy invests its assets in investments the income from which is excluded from federal income taxes. The strategy may invest in municipal obligations that pay interest that is subject to the federal alternative minimum tax (AMT).

#### Associated Material Risks:

Money market risk	Interest rate risk	Credit risk
Municipal trust receipts risk	Security selection risk	Repurchase agreement risk
Prepayment and extension risk	Concentration risk	Securities lending risk
Tax Risk		

### **Strategy: U.S. Cash Municipals State-Specific**

Strategy Description: The strategy seeks a high level of current income that is exempt from State personal income taxes and federal income taxes. The strategy invests in municipal securities whose income is free from regular federal and State personal income tax. The strategy may invest in securities whose income is subject to the federal alternative minimum tax (AMT).

Associated Material Risks:

Money market risk	Interest rate risk	Credit risk
Security selection risk	Municipal trust receipts risk	Tax risk
Counterparty risk	Prepayment and extension risk	
Focus risk – State municipal securities		

## Equity

### Strategy: Emerging Markets Equity

**Strategy Description:** The strategy seeks long-term growth of capital. The strategy invests in emerging market equities (equities traded mainly in emerging markets or issued by companies that are organized in emerging markets or have more than half of their business there). The strategy typically invests in equities from the US or other developed markets or but may have a portion of its assets in US or emerging market debt securities when portfolio management believes the securities may perform as well as equities.

Associated Material Risks:

Stock market risk	Foreign investment risk	Emerging markets risk
Regional focus risk	Pricing risk	Derivatives risk
Security selection risk	Securities lending risk	Counterparty risk
Credit risk	Growth investing risk	Interest rate risk
Liquidity risk	Prepayment and extension risk	

### Strategy: Climate Change Equity

**Strategy Description:** The strategy invests primarily in common stocks and other equities of US and foreign companies engaged in activities related to climate change. Generally, climate change-related companies are engaged in businesses whose growth is supported by increased environmental regulation, or which are developing and implementing ways of adapting to climate change, reducing environmental pollution, reducing or managing climate impact or increasing energy efficiency.

Associated Material Risks:

Stock market risk	Foreign investment risk	Emerging markets risk
Security selection risk	Derivatives risk	Liquidity risk
Pricing risk	Securities lending risk	
Concentration risk-climate change companies		

### Strategy: Equity Index

**Strategy Description:** The strategy's primary strategy seeks to replicate the performance of a broad market equity index. The strategy gains exposure to the largest stocks in the index in approximately the same proportion they are represented in the index, then gaining exposure to a statistically selected sample of the smaller stocks found in the index. This process is intended to produce a portfolio whose industry weightings, market capitalizations and fundamental characteristics (price-to-book ratios, price-to-earnings ratios, debt-to-asset ratios and dividend yields) closely replicate those of the index. This approach attempts to maximize the strategy's liquidity and returns while minimizing its costs.



Associated Material Risks:

Stock market risk	Indexing risk	Derivatives risk
Securities lending risk	Index risk	

**Strategy: World Dividend Equity**

Strategy Description: The strategy invests primarily in dividend paying stocks, providing income. The strategy will generally invest in multiple countries and will normally invest significantly in securities issued by foreign based companies. Although the strategy may include companies of any size and from any country, it will invest mainly in common stocks of established companies with developed economies.

Associated Material Risks:

Stock market risk	Foreign investment risk	Emerging markets risk
Regional focus risk	Pricing risk	Counterparty risk
Security selection risk	Securities lending risk	Credit risk
Interest rate risk	Liquidity risk	Prepayment and extension risk

**Strategy: European/Country Specific Equity**

Strategy Description: The strategy seeks return through long-term capital appreciation by investment in equity securities of foreign issuers. The strategy can focus on a single country or sector such as middle-market German equities or equities represented by any market cap or issuer in the European Union.

Associated Material Risks:

Foreign investment risk	Stock market risk	Security selection risk
Liquidity risk	Pricing risk	Derivatives risk
Securities lending risk	Counterparty risk	Focus risk

**Strategy: Global Sector Communications**

Strategy Description: The strategy focuses primarily on telecommunications equities. In selecting investments, the investment management team may choose companies engaged in communications research, development, manufacturing and/or the sale of communications services, technology, equipment or products. These include both traditional communications companies and companies that engage in new information-based applications. Portfolio holdings may include common stocks as well as dividend- and interest-paying securities of companies in the communications field.

Associated Material Risks:

Stock market risk	Non-diversification risk	Foreign investment risk
Derivatives risk	Credit risk	Pricing risk
Security selection risk	Securities lending risk	
Concentration risk – communications companies		

### Strategy: Global Small Cap Equity

Strategy Description: The strategy invests primarily in common stocks and other equities of small companies throughout the world. As part of the investment process the strategy may own stocks even if they are outside the small market capitalization range. The strategy may also invest in common stocks, other equities of large companies or in debt securities, and investments in junk bonds or those below the fourth highest rating grade.

#### Associated Material Risks:

Stock market risk	Small company risk	Security selection risk
Securities lending risk	Derivatives risk	Counterparty risk
Liquidity risk	Pricing risk	Foreign investment risk
Emerging markets risk	Credit risk	Growth investing risk
Interest rate risk	Prepayment and extension risk	

### Strategy: Global Thematic Equity

Strategy Description: This strategy is designed to capture shifts in global trends and economic developments. The strategy invests significantly in common stocks of US and foreign companies. The strategy can invest in companies of any size from any country, but invests mainly in established global companies. Rather than selecting stocks on the basis of country or sector allocations, the strategy seeks stocks that fall into one of the strategy's global themes.

#### Associated Material Risks:

Foreign investment risk	Stock market risk	Security selection risk
Liquidity risk	Pricing risk	Derivatives risk
Securities lending risk	Credit risk	Interest rate risk
Counterparty risk		

### Strategy: International Equity

Strategy Description: The strategy seeks long-term growth of capital by investing in foreign equities (equities issued by foreign-based companies and listed on foreign exchanges). In selecting stocks, portfolio management uses a combination of analytic disciplines. In particular, the team looks for industries and companies that are deemed likely to benefit from social, political and economic developments.

#### Associated Material Risks:

Stock market risk	Foreign investment risk	Emerging markets risk
Regional focus risk	Pricing risk	ETF risk
Security selection risk	Derivatives risk	Securities lending risk
Counterparty risk	Liquidity risk	Small company risk

### Strategy: Latin America Equity

Strategy Description: The strategy seeks long term capital appreciation by investing primarily in Latin American common stocks and other Latin America-related equities, such as those issued by a company traded mainly on Latin American markets, issued or guaranteed by a Latin American government or issued by a company with more than half of its business in Latin America. Portfolio management uses quantitative and field research to identify key regional economic and industrial

themes, as well as changes such as privatization, improved inflow of direct foreign investment, and the development of a business environment conducive to investment and growth.

**Associated Material Risks:**

Stock market risk	Foreign investment risk	Regional focus risk
Emerging markets risk	Non-diversification risk	Growth investing risk
Pricing risk	Derivatives risk	Security selection risk
Securities lending risk	Credit risk	Interest rate risk
Prepayment and extension risk	Counterparty risk	Liquidity risk

**Strategy: Insurance Managed Equity**

**Strategy Description:** The strategy attempts to outperform the return of a broad market index on a pre-tax basis by harvesting gains and losses in the portfolio. The strategy seeks long-term capital growth by investing primarily in futures contracts and common stocks of companies whose market capitalizations fall within the normal range of the associated index.

**Associated Material Risks:**

Foreign investment risk	Stock market risk	Security selection risk
Liquidity risk	Pricing risk	Derivatives risk
Securities lending risk	Credit risk	Interest rate risk
Counterparty risk	Indexing risk	

**Strategy: Healthcare**

**Strategy Description:** The strategy invests in common stocks of companies in the health care sector. The management team focuses on biotechnology, pharmaceutical, medical device, life science instrumentation and medical service companies with superior earnings prospects and a solid pipeline of products and services. The team uses large-cap stocks as core portfolio elements, supplemented with mid-cap and small-cap stocks with higher growth potential. This approach is used to help manage risk.

**Associated Material Risks:**

Stock market risk	Foreign investment risk	Growth investing risk
Security selection risk	Small company risk	Securities lending risk
Counterparty risk	IPO risk	Derivatives risk
Pricing risk	Concentration risk – health care companies	

**Strategy: U.S. Large Cap Growth**

**Strategy Description:** The strategy seeks to achieve its investment objective by investing in large US companies. The managers select stocks by thoroughly analyzing long-term economic trends to determine industries that they believe will be the strongest drivers of growth. Research is then conducted to uncover companies within those industries that offer the potential for delivering high and sustainable earnings growth. Stocks are selected based on a careful evaluation of each company.

**Associated Material Risks:**

Stock market risk	Growth investing risk	Security selection risk
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Securities lending risk

Counterparty risk

Liquidity risk

Pricing risk

Focus risk – limited number of securities

### Strategy: U.S. Large Cap Value

Strategy Description: The portfolio's managers use a contrarian value investment strategy to look for stocks from historically sound companies that are temporarily out of favor. Investments are screened based on low valuation ratios and high dividends, creating a portfolio of undervalued, large-company stocks representing many sectors and industries.

Associated Material Risks:

Stock market risk

Security selection risk

Value investing risk

Focus risk

Derivatives risk

Counterparty risk

Liquidity risk

Securities lending risk

Pricing risk

### Strategy: U.S. Market Neutral

Strategy Description: The portfolio management team seeks to provide a long-term absolute return strategy over a long term market cycle. The strategy invests in long and short positions of large US companies and stock selection is based on a dynamic approach that evaluates stocks based on valuation, growth, quality, and sentiment characteristics. The strategy attempts to limit its volatility relative to movements in the overall stock market and provide low correlation to the broad stock market indices.

Associated Material Risks:

Stock market risk

Security selection risk

Short sale risk

Investment style risk

Comparative risk

Pricing risk

Liquidity risk

Counterparty risk

Focus risk

### Strategy: U.S. Mid Cap Growth

Strategy Description: The portfolio management team focuses on mid-cap stocks with superior growth prospects and above-average performance potential. The portfolio management team uses an active investment process to evaluate individual growth prospects and competitive strategies.

Associated Material Risks:

Stock market risk

Medium-sized company risk

Growth investing risk

Security selection risk

Foreign investment risk

Emerging markets risk

Counterparty risk

Liquidity risk

Pricing risk

### Strategy: U.S. Mid Cap Value

Strategy Description: The strategy invests primarily in common stocks of mid-cap companies that the portfolio managers believe are undervalued but have the potential for growth. The managers screen stocks with low price-to-earnings (P/E) ratios - a common measure of how expensive a stock is. The P/E ratio is equal to a stock's market capitalization by its after-tax earnings over a 12-month period - as well as analyzing other factors, in an effort to target companies from a variety of industry sectors that are financially sound and appear to have strong potential for long-term capital appreciation and dividend growth.

Associated Material Risks:

Stock market risk	Security selection risk	Value investing risk
Medium-sized company risk	Focus risk	Foreign investment risk
Emerging markets risk	Pricing risk	Real estate Securities risk
Securities lending risk		

**Strategy: U.S. Small Cap Growth**

Strategy Description: The strategy invests in assets, determined at the time of purchase, in stocks and other securities with equity characteristics of U.S. smaller capitalization companies. The strategy may also invest in other types of equity securities such as preferred stocks or convertible securities. The strategy may invest its assets in the stocks of non-U.S. companies and larger capitalization stocks given market conditions.

Associated Material Risks:

Stock market risk	Small company risk	Foreign investment risk
Emerging markets risk	Pricing risk	Security selection risk
Credit risk	Growth investing risk	Interest rate risk
Liquidity risk	Securities lending risk	Counterparty risk

**Strategy: U.S. Small Cap Value**

Strategy Description: The strategy invests in undervalued common stocks of small U.S. companies, which are companies that are similar in market value to those in the Russell 2000 Index. While the strategy typically invests in US stocks, it could invest a portion of its assets in foreign securities.

Associated Material Risks:

Stock market risk	Security selection risk	Value investing risk
Small company risk	Focus risk	Foreign investment risk
Emerging markets risk	Pricing risk	Securities lending risk

**Strategy: U.S. Technology**

Strategy Description: The strategy invests in common stocks of companies in the technology sector. A company will generally be defined as being in the technology sector if it commits at least half its assets to, or derives at least half its revenues or net income from, that sector. Examples of industries within the technology sector are semiconductors, software, telecom equipment, computer/hardware, IT services, the Internet and health technology. The strategy may invest in companies of any size and may invest in initial public offerings. While the strategy invests mainly in U.S. stocks, it could invest in foreign securities (including emerging markets securities).

Associated Material Risks:

Stock market risk	Small company risk	Foreign investment risk
Emerging markets risk	Pricing risk	Non-diversification risk
Security selection risk	Derivatives risk	Securities lending risk
Counterparty risk	Growth investing risk	IPO risk
Liquidity risk	Restricted Securities risk	Credit risk

Interest rate risk  
Concentration risk – technology companies

Prepayment and extension risk

## **Fixed Income**

### **Strategy: Canada Fixed Income**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in Canadian dollar-denominated investment grade debt securities of Canadian and non-Canadian issuers: government and government agencies, instrumentalities, provincials and municipals, corporate, and asset-backed securities.

Associated Material Risks:

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk

### **Strategy: Climate Change Fixed Income**

**Strategy Description:** The strategy invests primarily in debt of U.S. and foreign companies engaged in activities related to climate change (climate change-related companies). Generally, climate change-related companies are engaged in businesses whose growth is supported by increased environmental regulation, or which are developing and implementing ways of adapting to climate change, reducing environmental pollution, reducing or managing climate impact or increasing energy efficiency.

Associated Material Risks:

Credit risk	Interest rate risk	Foreign investment risk
Emerging markets risk	Security selection risk	Derivatives risk
Counterparty risk	Liquidity risk	Securities lending risk
Prepayment and extension risk	Pricing risk	

### **Strategy: Emerging Markets Fixed Income**

**Strategy Description:** The strategy seeks to provide high current income and long term capital appreciation. The strategy typically invests in high yield bonds or "junk bonds" rated below the fourth highest credit rating and other debt securities issued by governments and corporations in emerging market countries.

Associated Material Risks:

Credit risk	Interest rate risk	Foreign investment risk
Emerging markets risk	Regional focus risk	Derivatives risk
Non-diversification risk	Pricing risk	Securities lending risk
Security selection risk	Counterparty risk	Liquidity risk
Prepayment and extension risk		

### **Strategy: Fixed Income Multi Product**

**Strategy Description:** The strategy seeks high current income and total return. The strategy

employs numerous investment techniques including, but not limited to leverage, U.S. and non U.S. debt, fixed and floating-rate debt of both investment grade and high yield debt of varying maturities. The exact portfolio composition will vary over time as a result of market changes as well as DIMA's view of the portfolio composition that best enables the strategy to achieve its investment objectives.

**Associated Material Risks:**

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk
Prepayment and extension risk		

**Strategy: Global Fixed Income**

**Strategy Description:** The strategy seeks total return by investing primarily in fixed income securities of issuers located outside the United States. The strategy will typically invest in bonds of all maturities issued by governments, agencies and corporations around the world, which may be rated below investment grade.

**Associated Material Risks:**

Credit risk	Interest rate risk	Securities lending risk
Foreign investment risk	Emerging markets risk	Regional focus risk
Non-diversification risk	Pricing risk	Derivatives risk
Security selection risk	Counterparty risk	Liquidity risk
Prepayment and extension risk		

**Strategy: Global Inflation Protected Securities**

**Strategy Description:** The strategy seeks to provide maximum inflated adjusted return. The strategy will typically invest in inflation indexed bonds or other fixed income investments that are linked to the rate of inflation. The strategy can include investments in both U.S. and non U.S.: governments, government agencies, instrumentalities, corporations, and other derivatives related to these types of securities.

**Associated Material Risks:**

Security selection risk	Inflation-indexed bond risk	Credit risk
Interest rate risk	Focus risk	GTAA risk
Derivatives risk	Foreign investment risk	Emerging markets risk
Conflict of interest risk	Counterparty risk	Liquidity risk
Pricing risk	Securities lending risk	Senior loans risk
Commodities-related investments risk	Tax status risk	Stock market risk
Prepayment and extension risk		

**Strategy: Global Short Duration**

**Strategy Description:** The strategy seeks to maximize total return consistent with preservation of capital and prudent investment management. The strategy typically invests in investment grade debt securities of domestic (U.S.) and foreign: government agencies, instrumentalities, corporate, mortgage backed, asset backed, taxable and tax exempt municipal bonds. In keeping with a short



duration strategy, investments are typically in securities that have short to intermediate maturities.

**Associated Material Risks:**

Interest rate risk	Credit risk	Foreign investment risk
Emerging markets risk	Derivatives risk	Security selection risk
Counterparty risk	Liquidity risk	Prepayment and extension risk
Pricing risk	Securities lending risk	

**Strategy: Fixed Income Index**

**Strategy Description:** The strategy seeks to replicate, as closely as possible, the performance of a corresponding fixed income based index, which may represent underlying investments in various fixed income securities such as corporate, government, municipal, or high yield debt of various maturities.

**Associated Material Risks:**

Interest rate risk	Credit risk	Indexing risk
Derivatives risk	Securities lending risk	Index risk
Prepayment and extension risk		

**Strategy: Core Fixed-Income**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in US dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds.

**Associated Material Risks:**

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk
Prepayment and extension risk		

**Strategy: Core Intermediate**

**Strategy Description:** The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in US dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds. In keeping with an intermediate duration strategy, investments are typically in securities that have intermediate maturities.

**Associated Material Risks:**

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk
Prepayment and extension risk		

### Strategy: Core Plus Fixed-Income

Strategy Description: The strategy seeks high total investment return consistent with preservation of capital and prudent investment management by investing for both current income and capital appreciation. The strategy primarily invests in US dollar-denominated investment grade and debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds. It also may invest in below investment-grade debt securities of domestic (US) and foreign issuers: emerging-market government and government agencies, corporate, mortgage backed, asset backed, and taxable municipal bonds.

#### Associated Material Risks:

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk
Prepayment and extension risk		

### Strategy: Core Short Duration

Strategy Description: The strategy seeks high total investment return consistent with preservation of capital and prudent investment management. The strategy typically invests in US dollar-denominated investment grade debt securities of domestic (U.S.) and foreign issuers: government and government agencies, instrumentalities, corporate, mortgage backed, asset backed, and taxable municipal bonds. In keeping with a short duration strategy, investments are typically in securities that have short maturities.

#### Associated Material Risks:

Interest rate risk	Credit risk	Foreign investment risk
Derivatives risk	Security selection risk	Securities lending risk
Counterparty risk	Liquidity risk	Pricing risk
Prepayment and extension risk		

### Strategy: U.S. Corporate Investment Grade

Strategy Description: The strategy seeks high total investment return. The strategy invests in investment grade fixed income securities of U.S. dollar-denominated corporate issuers.

#### Associated Material Risks:

Interest rate risk	Credit risk	Derivatives risk
Security selection risk	Securities lending risk	Counterparty risk
Liquidity risk	Pricing risk	Prepayment and extension risk

### Strategy: U.S. Floating Rate Debt

Strategy Description: The strategy seeks to provide high current income. The strategy typically invests in U.S. adjustable rate loans that have a senior right to payment ("senior loans") and other floating rate debt securities. The senior loans that make up the strategy are typically below investment grade and unsecured leading to higher yield and higher volatility and risk of default.

#### Associated Material Risks:

Credit Risk	Market Risk	Liquidity risk
Pricing risk	Interest rate risk	Security selection risk
Borrowing risk	Derivatives risk	Non-diversification risk
Prepayment and extension risk	Securities lending risk	Conflict of interest risk

**Strategy: U.S. Government**

Strategy Description: The strategy seeks to provide current income, liquidity, and security of principal. The strategy typically invests in securities backed by the full faith and credit of the U.S. Government, including related repurchase agreements, agencies with the explicit guarantee of the U.S. Government, and U.S. Treasury securities. Depending on the implementation of the strategy and needs of a client, the strategy can include debt and mortgage backed securities, including securities that are issued by U.S. government agencies or instrumentalities, but are not backed by the full faith and credit of the U.S. Government.

Associated Material Risks:

Interest rate risk	Derivatives risk	Security selection risk
Credit risk	Liquidity risk	Securities lending risk
Prepayment and extension risk	Pricing risk	

**Strategy: Global High Yield**

Strategy Description: The strategy seeks a high level of current income. The strategy invests primarily in below investment grade debt or "junk" bonds that are below the fourth highest credit rating of United States fixed income securities.

Associated Material Risks:

Credit risk	Interest rate risk	Foreign investment risk
Emerging markets risk	Security selection risk	Derivatives risk
Counterparty risk	Liquidity risk	Securities lending risk
Prepayment and extension risk	Pricing risk	

**Strategy: U.S. High Yield**

Strategy Description: The strategy seeks a high level of current income. The strategy invests primarily in below investment grade or below the fourth highest credit rating of Global fixed income securities.

Associated Material Risks:

Credit risk	Interest rate risk	Security selection risk
Derivatives risk	Counterparty risk	Liquidity risk
Prepayment and extension risk	Pricing risk	Securities lending risk

**Strategy: U.S. Mortgage Backed**

Strategy Description: The strategy seeks income by investing in mortgage backed securities that are issued by one of the United States Government sponsored enterprises, including but not limited to Government National Mortgage Associate (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC).

Associated Material Risks:

Interest rate risk	Credit risk	Security selection risk
Securities lending risk	Counterparty risk	Derivatives risk
Liquidity risk	Pricing risk	Forward commitment risk
Prepayment and extension risk		

**Strategy: U.S. Municipals High Yield**

Strategy Description: The strategy seeks a high level of income exempt from regular federal income tax. The strategy will typically invest in securities issued by municipalities across the United States and in other securities whose income is free from regular federal income tax. While the strategy can invest in investment grade municipal debt, it can also invest in high yield or "junk" bonds which are those rated below the fourth credit grade.

Associated Material Risks:

Interest rate risk	Credit risk	Focus risk
Market risk (municipals)	Counterparty risk	Liquidity risk
Prepayment and extension risk	Pricing risk	
Inverse floating rate Securities risk		

**Strategy: U.S. Municipals Short Term**

Strategy Description: The strategy seeks a high level of income exempt from regular federal income tax, consistent with the preservation of capital. The strategy will typically invest in securities issued by municipalities across the United States and in other securities whose income is free from regular federal income tax. Usually the strategy is limited to investment grade municipal debt and focuses on securities with short maturities.

Associated Material Risks:

Municipal Securities risk	Interest rate risk	Liquidity risk
Credit risk	Tax risk	Derivatives risk
Inverse floating rate Securities risk	Security selection risk	Counterparty risk
Prepayment and extension risk	Pricing risk	
When-issued and delayed delivery securities risk		
Private activity and industrial development bond risk		

**Strategy: U.S. Municipals Intermediate**

Strategy Description: The strategy seeks a high level of income exempt from regular federal income taxes and seeks to limit principal fluctuation. The strategy will typically invest in securities issued by municipalities across the United States and in other securities whose income is free from regular federal income tax. The strategy is limited to investment grade, although investments can concentrate in the fourth credit grade or lower part of the investment grade scale. As the strategy is intermediate, it will typically invest in securities that are between long and short maturities.

Associated Material Risks:

Municipal Securities risk	Interest rate risk	Liquidity risk
Credit risk	Tax risk	Derivatives risk

Inverse floating rate Securities risk	Security selection risk	Counterparty risk
Prepayment and extension risk	Pricing risk	
When-issued and delayed delivery securities risk		
Private activity and industrial development bond risk		

### Strategy: U.S. Municipals Long Term

Strategy Description: The strategy seeks a high level of income exempt from regular federal income tax, consistent with the preservation of capital. The strategy will typically invest in securities issued by municipalities across the United States and in other securities whose income is free from regular federal income tax. The strategy is limited to investment grade, although investments can concentrate in the fourth credit grade or lower part of the investment grade scale. As the strategy is long, it will typically invest in securities that have long maturities.

#### Associated Material Risks:

Municipal securities risk	Interest rate risk	Credit risk
Tax risk	Derivatives risk	Liquidity risk
Security selection risk	Counterparty risk	Pricing risk
Prepayment and extension risk	Inverse floating rate Securities risk	
When-issued and delayed delivery securities risk		
Private activity and industrial development bond risk		

### Strategy: U.S. Municipals State Specific

Strategy Description: The strategy seeks income that is exempt from single state personal and federal income taxes. The strategy will typically invest in securities issued by municipalities in a single state that are exempt from state taxes and whose income is free from regular federal income tax. While the strategy can invest in investment grade single state municipal debt, it can also invest in high yield or "junk" bonds which are those rated below the fourth credit grade.

#### Associated Material Risks:

Interest rate risk	Credit risk	Market risk
Tax risk	Non-diversification risk	Security selection risk
Derivatives risk	Counterparty risk	Liquidity risk
Prepayment and extension risk	Pricing risk	
Inverse floating rate Securities risk	Focus risk – State municipal securities	

### Strategy: U.S. Stable Value

Strategy Description: The strategy seeks preservation of principal value and to provide a relatively stable rate of interest income. The strategy invests in a diversified portfolio of guaranteed investment contracts (GIC's) and fixed income securities. In doing so the strategy will invest money for a specified period of time with an insurance company or bank. The insurance company or bank will then pay a fixed rate of interest for the life of the contract. Please note the "guarantee" applies only to the rate of interest paid while the contract is in effect.

#### Associated Material Risks:

Interest rate risk	Credit risk	Market risk
Counterparty risk	Security selection risk	

### Strategy: U.S. Syndicated Loans

Strategy Description: The strategy seeks high yielding investments through the US syndicated loan market, in addition to investments in U.S. corporate debt securities that are below investment grade or "junk", below the fourth highest rating grade.

Associated Material Risks:

Credit risk	Interest rate risk	Security selection risk
Derivatives risk	Counterparty risk	Liquidity risk
Prepayment and extension risk	Pricing risk	Securities lending risk

### Strategy: Global Tactical Asset Allocation Platform (formerly known as Integrated Global Alpha Platform)

Strategy Description: The strategy seeks to identify and take advantage of mis-pricing in global country equity, country debt, currency and commodity markets. The strategy integrates trade recommendations from quantitative investment models and qualitative fundamental analysts located around the world to seek diversification across multiple investment approaches and geographic perspectives.

Associated Material Risks:

Security selection risk	Inflation-indexed bond risk	Credit risk
Interest rate risk	Focus risk	GTAA risk
Derivatives risk	Foreign investment risk	Emerging markets risk
Conflict of interest risk	Counterparty risk	Liquidity risk
Pricing risk	Securities lending risk	Senior loans risk
Stock market risk	Prepayment and extension risk	Tax status risk
Commodities-related investments risk		

### Strategy: Liability Driven Investing

Strategy Description: The strategy provides a custom approach to strategic asset allocation that seeks to hedge the risk factors inherent in pension liabilities, while providing total return. A custom benchmark is created from a client's projected liabilities and rate of interest. The strategy then seeks to hedge the interest rate and credit risk factors inherent in pension liabilities through fixed income investments, while seeking a specific rate of return in equities. Depending on the client, it can also include alternative asset classes, including but not limited to hedge funds, private equity, real estate, and other complex products.

Associated Material Risks:

Interest rate risk	Credit risk	Liquidity risk
Actuarial risk	Derivatives risk	Counterparty risk

### Strategy: Strategic Asset Allocation

Strategy Description: The strategy seeks to achieve as high a total return as is consistent with its allocation to one or more asset classes over a given period. The strategy will typically invest in other investment companies that in turn, invest in fixed income, equity, and other asset classes (which may include closed end funds, open end mutual funds, or exchange traded funds) some of which may be affiliated with the advisor.

#### Associated Material Risks:

Asset allocation risk	Stock market risk	Small company risk
Growth investing risk	Value investing risk	Foreign investment risk
Credit risk	Interest rate risk	Fund of funds risk
Inflation-indexed bond risk	Derivatives risk	ETF risk
Focus risk	Security selection risk	Short sale risk
Counterparty risk	Borrowing risk	Securities lending risk
Senior loans risk	IPO risk	Conflict of interest risk
Tax status risk	Growth investing risk	Foreign investment risk
Commodities-related investments risk	Credit risk	Interest rate risk
Inflation-indexed bond risk	Fund of funds risk	GTAA risk

#### Associated Material Risks

**Asset allocation risk.** Portfolio management may favor one or more types of investments or assets that underperform other investments, assets, or securities markets as a whole. Anytime portfolio management buys or sells securities in order to adjust the strategy's asset allocation this will increase portfolio turnover and generate transaction costs.

**Borrowing risk.** Borrowing creates leverage. It also adds to any given strategies expenses and at times could effectively force the strategy to sell securities when it otherwise might not want to.

**Cash flow risk.** Direct property management or ownership may relying greater on cash flows than other traditional asset classes. As such situations resulting from improvements or construction may increase debt service expenses and costs, causing delays in leasing properties. There may be delays in obtaining all necessary zoning, land use, building, occupancy, and other required governmental permits and authorizations. New or renovated properties may perform below anticipated levels, producing cash flow below expected or budgeted amounts.

**Commodities-related investments risk.** The commodities-linked derivatives instruments in which the strategy invests tend to be more volatile than many other types of securities and may subject the strategy to special risks that do not apply to all derivatives transactions.

**Concentration risk.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions will have a significant impact on the strategy's performance. In particular, banks and other financial institutions are highly dependent on short-term interest rates and can be adversely affected by downturns in the US and foreign economies or changes in banking regulations.

**Concentration risk – climate change companies.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting climate change companies will have a significant impact on the strategy's performance. In particular, climate change-related companies can be affected by environmental protection regulatory actions, other international political and economic developments, changes in government subsidy levels, environmental conservation practices, changes in taxation and other governmental regulations, and increased costs associated with compliance with environmental or other regulations. Additionally, many companies in these industries are smaller companies that may have limited business lines and financial resources, making them highly vulnerable to business and economic risks.



**Concentration risk – gold-related investments.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting gold-related investments will have a significant impact on the strategy's performance. Prices of gold or other precious metals and minerals-related stocks may move up and down rapidly, and have historically offered lower long-term performance than the stock market as a whole. Gold and other precious metals prices can be influenced by a variety of economic, financial and political factors, especially inflation: when inflation is low or expected to fall, prices tend to be weak.

**Concentration risk – communications companies.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting communications companies in this field will have a significant impact on the strategy's performance.

**Concentration risk – health care companies.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Because the strategy concentrates its investments in companies in the health care sector, it may be vulnerable to setbacks in that industry.

**Concentration risk – infrastructure-related companies.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting infrastructure-related companies will have a significant impact on the strategy's performance. In particular, infrastructure-related companies can be affected by general or local economic conditions and political developments, changes in regulations, environmental problems, casualty losses, and changes in interest rates

**Concentration risk (money market).** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions will have a significant impact on the strategy's performance.

**Concentration risk – real estate.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Given the cyclical nature of the real estate market, changes in national or local economic or market conditions could have an adverse effect on the strategy. In addition changes in the financial condition of tenants, buyers, and sellers of property, competition, fluctuations in lease rates, the length of leases, and in the availability of financing will have a significant impact on the strategy's performance and any applicable lock-up periods.

**Concentration risk – real estate securities.** Any strategy that concentrates in a particular segment of the market will generally be more volatile than a strategy that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting real estate securities, including REITs, will have a significant impact on the strategy's performance. In particular, real estate companies can be affected by the risks associated with direct ownership of real estate, such as general or local economic conditions, increases in property taxes and operating expenses, liability or losses owing to environmental problems, falling rents (whether owing to poor demand, increased competition, overbuilding, or limitations on rents), zoning changes, rising interest rates, and losses from casualty or condemnation. In addition, many real estate companies, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk. Further, REITs are dependent upon management skills and may not be diversified.

**Concentration risk – technology companies.** Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting

technology companies may have a significant impact on the fund's performance. In particular, technology companies are vulnerable to market saturation and rapid product obsolescence. Many technology companies are smaller companies that may have limited business lines and limited financial resources, making them highly vulnerable to business and economic risks.

**Conflict of interest risk.** Affiliates of the Advisor may participate in the primary and secondary market for Senior Loans. Because of limitations imposed by applicable law, the presence of the Advisor's affiliates in the Senior Loan market may restrict the strategy's ability to acquire some Senior Loans, or affect the timing or price of such acquisition.

**Comparative risk.** Although portfolio management attempts to achieve returns for the strategy that exceed those of 3-month US Treasury Bills, investors should be aware that the strategy has higher risks than 3-month US Treasury Bills because, among other differences, Treasury Bills are backed by the full faith and credit of the US have a fixed rate of return, and generally are less volatile than an investment in an equity strategy.

**Counterparty risk.** A financial institution or other counterparty with whom the Advisor does business (such as trading or securities lending), or that underwrites, distributes or guarantees any investments or contracts that the strategy owns or is otherwise exposed to, may decline in financial health and become unable to honor its commitments. This could cause losses for the client or could delay the return or delivery of collateral or other assets to the client.

**Counterparty risk (money market).** A financial institution or other counterparty with whom the Advisor does business, or that underwrites, distributes or guarantees any investments or contracts that the client owns or is otherwise exposed to, may decline in financial health and become unable to honor its commitments, which could lead to losses for the client.

**Credit risk.** The strategy's performance could be hurt if an issuer of a debt security suffers an adverse change in financial condition that results in a payment default, security downgrade or inability to meet a financial obligation. Credit risk is considerably greater for high yield, "junk", or otherwise lower-rated securities.

**Credit risk (money market).** The strategy's performance could be hurt if a money market instrument declines in credit quality or goes into default, or if an issuer does not make timely payments of interest or principal.

For money market instruments that rely on third-party guarantors to support their credit quality, the same risks may apply if the financial condition of the guarantor deteriorates or the guarantor ceases insuring money market instruments. Because guarantors may insure many types of debt obligations, including subprime mortgage bonds and other high-risk bonds, their financial condition could deteriorate as a result of events that have little or no connection to securities owned by the strategy.

Some securities issued by US government agencies or instrumentalities are backed by the full faith and credit of the US government. Others are supported only by the credit of that agency or instrumentality. For this latter group, if there is a potential or actual loss of principal and interest of these securities, the US government might provide financial support, but has no obligation to do so.

**Credit Risk (senior loans).** A strategy purchasing Senior Loans faces the risk that the creditworthiness of the borrower may decline, causing the strategy's interest in a loan to decline. In addition, a borrower may not be able to make timely payments on the interest and principal on the debt obligations it has outstanding. In the event of bankruptcy of a borrower, the strategy could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Loan. Senior loans and other floating rate debt securities that are below investment grade are considered speculative because of the credit risk of the borrowers. Such borrowers may be more likely to default on payments of interest and principal in response to

changes in economic conditions or circumstances. The value of loans made to such borrowers are likely to be more sensitive to adverse news about the borrower, markets or economy. The amount of public information available with respect to Senior Loans may be less extensive than that available for registered or exchange listed securities.

**Derivatives risk.** Risks associated with derivatives include the risk that the derivative is not well correlated with the security, index or currency to which it relates; the risk that derivatives may result in losses or missed opportunities; the risk that the strategy will be unable to sell the derivative because of an illiquid secondary market; the risk that a counterparty is unwilling or unable to meet its obligation; and the risk that the derivative transaction could expose the strategy to the effects of leverage, which could increase the client's exposure to the market and magnify potential losses.

**Emerging markets risk.** Foreign investment risks are greater in emerging markets than in developed markets. Investments in emerging markets are often considered speculative.

**ETF risk.** Because ETFs trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. An ETF is subject to the risks of the assets in which it invests as well as those of the investment thesis it follows. The strategy incurs brokerage costs when it buys and sells shares of an ETF and also bears its proportionate share of the ETF's fees and expenses, which are passed through to ETF shareholders.

**Focus risk.** To the extent that the strategy focuses its investments in particular industries, asset classes or sectors of the economy, any market price movements, regulatory or technological changes, or economic conditions affecting companies in those industries, asset classes or sectors will have a significant impact on the strategy's performance.

**Focus risk – limited number of securities.** To the extent that the strategy invests in a limited number of securities, it will have a relatively large exposure to the risks of each individual security, and may be more volatile than a strategy that invests more broadly.

**Focus risk (municipal).** To the extent that the strategy focuses on investments from a single state, region or sector of the municipal securities market, its performance can be more volatile than that of a strategy that invests more broadly. As an example, factors affecting a state, region or sector such as severe fiscal difficulties, an economic downturn, court rulings, increased expenditures on domestic security or reduced monetary support from the federal government could over time impair a state's, region or sector's ability to repay its obligations.

**Focus risk – State municipal securities.** Because the strategy focuses its investments in state municipal securities, its performance can be more volatile than that of a strategy that invests more broadly, and it has a relatively large exposure to financial stresses affecting the single state it invests in. For example, the State of California relies heavily on income tax revenues and these revenues are likely to drop during economic downturns, but covering any shortfall by increasing taxes could be difficult due to California law regarding the imposition of new taxes. Examples of other factors include the costs and disruption caused by natural disasters, a fiscal crisis brought on by a national or regional economic downturn, and costs of maintaining certain government programs. California could also face severe fiscal difficulties, for example, from an economic downturn, increased costs for domestic security and reduced monetary support from the federal government. Over time, these issues may impair the state's ability to repay its obligations.

**Foreign investment risk.** The strategy faces the risks inherent in foreign investing. Adverse political, economic or social developments could undermine the value of the strategy's investments or prevent the strategy from realizing their full value. Financial reporting standards for companies based in foreign markets differ from those in the US. Additionally, foreign securities markets generally are smaller and less liquid than US markets. To the extent that the strategy invests in non-US dollar denominated foreign securities, changes in currency exchange rates may affect the US dollar value of foreign securities or the income or gain received on these securities.

**Forward commitment risk.** When a strategy engages in when-issued, delayed delivery or forward commitment transactions (e.g. TBAs), the strategy relies on the counterparty to consummate the sale. Failure to do so may result in the strategy missing the opportunity to obtain a price or yield considered to be advantageous. Such transactions may also have the effect of leverage on the strategy and may cause it to be more volatile. Additionally, these transactions may create a higher portfolio turnover rate.

**Fund of funds risk.** Because the strategy invests in underlying funds, the strategy's relative performance is affected by the performance of the underlying funds. Because the strategy may invest in a few underlying funds, the performance of a small number of underlying funds could affect overall performance. The strategy also indirectly pays a portion of the expenses of the underlying funds, which lowers performance. Allocations to underlying funds with higher expenses will cause the overall expenses of the strategy to be higher.

**GTAA risk.** The success of the GTAA strategy depends, in part, on portfolio management's ability to analyze the correlation between various global markets and asset classes. If portfolio management's correlation analysis proves to be incorrect, losses to the fund may be significant and may substantially exceed the intended level of market exposure for the GTAA strategy.

**Growth investing risk.** As a category, growth stocks may underperform value stocks (and the stock market as a whole) over any period of time. Because the prices of growth stocks are based largely on the expectation of future earnings, growth stock prices can decline rapidly and significantly in reaction to negative news about such factors as earnings, the economy, political developments, or other news.

**Index risk.** Because the strategy normally invests its assets in the stocks of companies included in an Index, it cannot alter its Index strategy in response to fluctuations in the market segment represented by the Index.

**Indexing risk.** An index strategy's performance may not exactly replicate the performance of its target index, for several reasons. For example, the strategy incurs fees, administrative expenses and transaction costs that the index itself does not. The strategy may use sampling techniques (investing in a representative selection of securities included in the index rather than all securities in the index), or the composition of its portfolio may diverge from that of the index. Also, while the exposure of the index to its component securities is by definition 100%, the strategy's effective exposure to index securities may be greater or lesser than 100%, and may vary over time. Because an index strategy is designed to maintain a high level of exposure to its target index at all times, it will not take any steps to invest defensively or otherwise reduce the risk of loss during market downturns.

**Inflation-indexed bond risk.** Any rise in interest rates may cause inflation-indexed bonds to decline in price, hurting the strategy's performance. If interest rates rise owing to reasons other than inflation, the strategy's investment in these securities may not be fully protected from the effects of rising interest rates. The performance of any bonds that are indexed to non-US rates of inflation may be higher or lower than those indexed to US inflation rates. The client's actual returns could fail to match the real rate of inflation.

**Insurance risk.** When owning or managing properties there are additional risks that might not present themselves as compared to traditional asset classes. While the properties may in some cases be insured, this is no way an insurance of investment or principal and there are various uninsured and/or uninsurable risks that are present (such as natural disaster) and therefore investment carries greater risk of loss.

**Interest rate risk.** When interest rates rise, prices of debt securities generally decline. The longer the effective maturity of the strategy's debt securities, the more sensitive it will be to interest rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration). In addition as interest rates rise and fall, re-investments in a strategy or in the underlying securities that make up that strategy may not be able to maintain previous yields as

instruments mature and may be unable to find similar returns. (for senior loans: Senior Loans typically have adjustable interest rates. As a result, it is expected that the value of Senior Loans held by the strategy will fluctuate less in response to interest rate changes than will fixed-rate debt securities. This could result in less volatility than would be expected for a strategy that invests primarily in fixed-rate debt securities.) (for inflation indexed bonds: In certain interest rate environments, such as when real interest rates (current actual interest rates) are rising faster than nominal interest rates (meaning a real interest rate plus an expected inflation rate), inflation indexed bonds may experience greater losses than other interest-paying securities of comparable quality and duration.]

**Interest rate risk (money market).** Rising interest rates could cause the value of the strategy's investments to decline. Conversely, any decline in interest rates is likely to cause the strategy's yield to decline, and during periods of unusually low interest rates, the strategy's yield may approach zero. Over time, the total return of a money market securities may not keep pace with inflation, which would result in a net loss of purchasing power for long-term investors.

**Interest rate risk (senior loans).** When interest rates rise, prices of debt securities generally decline. The longer the effective duration of the strategy's debt securities, the more sensitive it will be to interest rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.) Senior Loans typically have adjustable interest rates. As a result, it is expected that the value of Senior Loans held by the strategy will fluctuate less in response to interest rate changes than will fixed-rate debt securities. This could result in less volatility than would be expected for a strategy that invests primarily in fixed-rate debt securities. However, because floating rates on Senior Loans only reset periodically, changes in prevailing interest rates may cause a fluctuation in the securities value. In addition, extreme increases in prevailing interest rates may cause an increase in Senior Loan defaults, which may cause a further decline in the strategy's value. Finally, a decrease in interest rates could adversely affect the income earned by the strategy from its Senior Loans.

**Inverse floating rate securities risk.** The interest payment received on inverse floating rate securities "inverse floaters") generally will decrease when short term interest rates increase. Inverse floaters are derivatives that involve leverage and could magnify the client's gains or losses.

**Investment style risk.** To the extent that the strategy maintains a style-neutral portfolio, either growth or value strategies may outperform the strategy during any time period when one or the other is in favor. To the extent that the strategy favors either growth or value stocks, it may perform less well than if it had remained style-neutral if the style it favors underperforms the overall market.

**IPO risk.** Prices of securities bought in an initial public offering (IPO) may rise and fall rapidly, often because of investor perceptions rather than economic reasons. To the extent a client's investment is relatively small in size, its IPO investments may have a significant impact on its performance since they may represent a larger proportion of the strategy's overall.

**Liquidity risk.** In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price.

**Liquidity risk (property).** In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price. Private real estate investments will generally be illiquid compared to traditional asset classes. The client may be unable to realize its investment objectives by sale or other dispositions at prices within any given period of time.

**Market risk (municipal).** Deteriorating market conditions might cause a general weakness in the market that reduces the prices of securities in that market. Developments in a particular class of debt securities or the stock market could also adversely affect the strategy by reducing the relative attractiveness of debt securities as an investment. Also, to the extent that the strategy emphasizes debt securities from any given state or region, it could be hurt if that state or region



does not do well.

**Market risk (senior loan).** Deteriorating market conditions might cause a general weakness in the market that reduces the overall level of securities prices in that market. In addition, an increase in demand for floating rate loans may adversely affect the rate of interest payable on loans acquired by the strategy, thus reducing client's returns. During periods of limited supply of Senior Loans, the strategy's yield may be lower.

**Medium-sized company risk.** Medium-sized company stocks tend to be more volatile than large company stocks. Medium-sized companies are less widely followed by stock analysts and less information about them is available to investors. Industry-wide reversals may have a greater impact on medium-sized companies, since they lack the financial resources of larger companies. Medium-sized company stocks are typically less liquid than large company stocks.

**Money market risk.** An investment in the strategy is not insured or guaranteed by the FDIC or any other government agency. Although the strategy generally seeks to preserve the value of a client's investment, it isn't guaranteed and a client could lose money. The credit quality of the strategy's holdings can change rapidly in certain markets, and the default of a single holding could cause the value of the client's portfolio to decline. If the client's investment is commingled with other investors, redemptions could have a significant, adverse effect on the portfolio.

**Municipal securities risk.** The strategy will be impacted by events in the municipal securities market. Negative events, such as severe fiscal difficulties, an economic downturn, unfavorable legislation, court rulings or political developments, or reduced monetary support from the federal government, could hurt strategy's performance.

**Municipal trust receipts risk.** The strategy's investment in MTRs is subject to similar risks as other investments in debt obligations, including interest rate risk, credit risk and security selection risk. Additionally, investments in MTRs raise certain tax issues that may not be presented by direct investments in municipal bonds. There is some risk that certain issues could be resolved in a manner that could adversely impact the performance of the strategy.

**Non-diversification risk.** The strategy invests in securities of relatively a few issuers. Thus, the performance of one or a small number of portfolio holdings can affect overall performance.

**Prepayment and extension risk.** When interest rates fall, issuers of high interest debt obligations may pay off the debts earlier than expected (prepayment risk), and the strategy may have to reinvest the proceeds at lower yields.

When interest rates rise, issuers of lower interest debt obligations may pay off the debts later than expected (extension risk), thus keeping the strategy's assets tied up in lower interest debt obligations. Prepayments could also create capital gains tax liability in some instances. Any unexpected behavior in interest rates could increase the volatility of the strategy's yield and could hurt performance.

**Pricing risk.** If market conditions make it difficult to value some investments, the Advisor may internally value these investments using more subjective methods, such as fair value pricing. In such cases, the value determined for an investment could be different than the value realized upon such investment's sale.

**Private activity and industrial development bond risk.** The payment of principal and interest on these bonds is generally dependent solely on the ability of the facility's user to meet its financial obligations and the pledge, if any, of property financed as security for such payment.

**Property management operating risk.** Ownership or management of real estate, can be subject to general or local economic conditions, increases in property taxes, operating expenses, liability or losses owing to environmental problems, falling rents (whether owing to poor demand, increased competition, overbuilding, or limitations on rents), zoning changes, rising interest rates,

and losses from casualty or condemnation. In addition, promulgation and enforcement of government regulations, including rules relating to zoning, land use, and environmental protection may lead to increased costs and/or greater investment risk.

**Real estate market risk.** Investments in real estate related assets are subject to various risks, including without limitation, the cyclical nature of the real estate market and changes in national or local economic or market conditions, the financial condition of tenants, buyers, and sellers of properties, changes in supply of, or demand for, properties in an area, various forms of competition, fluctuations in lease rates, changes in interest rates and in the availability, cost, and terms of financing, promulgation and enforcement of governmental regulations, including rules relating to zoning, land use, and environmental protection, changes in real estate tax rates, energy prices, and other operating expenses, changes in applicable laws and increased governmental regulation and various uninsured or uninsurable risks and losses.

The marketability and value of a client's investments, and the revenues generated by such properties, will depend on these and other factors, which are beyond the control of the client and the Registrant. Investing, including investing in real estate related assets, involves risk of loss that clients should be prepared to bear.

**Real estate securities risk.** The value of real estate securities in general, and REITs in particular, are subject to the same risks as direct investments and will depend on the value of the underlying properties or the underlying loans or interest. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. REITs may be more volatile and/or more illiquid than other types of equity securities.

**Regional focus risk.** Focusing on a single country or few countries, or regions, involves increased currency, political, regulatory and other risks. To the extent the strategy focuses its investments, market swings in such a targeted country or region will be likely to have a greater effect on performance than they would in a more geographically diversified strategy.

**Repurchase agreement risk.** If the party that sells the securities to the strategy defaults on its obligation to repurchase them at the agreed-upon time and price, the client could lose money.

**Restricted securities risk.** The fund may purchase securities that are subject to legal or contractual restriction on resale ("restricted securities"). The fund may be unable to sell a restricted security and it may be more difficult to determine a market value for a restricted security. This investment practice, therefore, could increase the level of illiquidity of the fund.

**Securities lending risk.** Any decline in the value of a portfolio security that occurs while the security is out on loan is borne by the client, and will adversely affect performance. Also, there may be delays in recovery of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while holding the security.

**Security selection risk (money market).** Although short-term securities are relatively stable investments, it is possible that the securities in which the strategy invests will not perform as expected. This could cause the client's returns to lag behind those of similar money market investments.

**Security selection risk (non-money market).** The securities in the client's portfolio may decline in value. Portfolio management could be wrong in its analysis of municipalities, industries, companies, economic trends, the relative attractiveness of different securities or other matters.

**Senior loans risk.** Senior Loans are not rated by a rating agency, registered with the Securities and Exchange Commission or any state securities commission or listed on any national securities exchange. Therefore, there may be less publicly available information about them than for registered or exchange-listed securities. Also, because portfolio management relies mainly on its



own evaluation of the creditworthiness of borrowers, the strategy is particularly dependent on portfolio management's analytical abilities. Senior Loans involve other risks described elsewhere in this prospectus, including conflict of interest risk, credit risk, interest rate risk, liquidity risk, and prepayment and extension risk.

**Short sale risk.** If the strategy sells a security short and subsequently has to buy the security back at a higher price, the client will lose money on the transaction. Any loss will be increased by the amount of compensation, interest or dividends and transaction costs the strategy must pay to a lender of the security. The amount the client could lose on a short sale is theoretically unlimited (as compared to a long position, where the maximum loss is the amount invested). The use of short sales, which has the effect of leveraging, could increase the exposure of the client to the market, increase losses and increase the volatility of returns.

**Small company risk.** Small company stocks tend to be more volatile than large company stocks. Small companies are less widely followed by stock analysts and less information about them is available to investors. Industry-wide reversals may have a greater impact on small companies, since they lack the financial resources of larger companies. Small company stocks are typically less liquid than large company stocks.

**Stock market risk.** When stock prices fall, you should expect the value of your investment to fall as well. Stock prices can be hurt by poor management on the part of the stock's issuer, shrinking product demand and other business risks. These may affect single companies as well as groups of companies. In addition, movements in financial markets may adversely affect a stock's price, regardless of how well the company performs. (for regional strategy's: To the extent that the strategy invests in a particular geographic region or market sector, client's performance will be affected by that region's general performance.) (for particular market sector or market size strategy: To the extent the strategy invests in a particular capitalization or market sector, the client's performance may be proportionately affected by that segment's general performance.)

**Tax risk.** Income from municipal securities held by the strategy could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a securities issuer. In addition, a portion of the client's otherwise exempt-interest income may be taxable, if subject to the federal AMT.

**Tax status risk.** Income from certain commodity-linked derivatives does not constitute "qualifying income" to the client. If such income were not to constitute qualifying income, the client might be subject to additional taxes.

**Tracking error risk.** There are several reasons why the strategy's performance will differ substantially from an Index:

- Unlike any Index, the strategy incurs fees and expenses and transaction costs in trading stocks.
- The strategy's portfolio composition is not identical to the composition of the Index.
- The timing and magnitude of inflows from an investor could create balances of un-invested cash. Conversely, the timing and magnitude of outflows could require ready reserves of un-invested cash. Either situation would likely cause the strategy's performance to deviate from that of the "fully invested" Index which does not include a cash component

**Value investing risk.** As a category, value stocks may underperform growth stocks (and the stock market as a whole) over any period of time. In addition, value stocks selected for investment by portfolio management may not perform as anticipated.

**When-issued and delayed delivery securities risk.** The strategy may purchase or sell a security at a future date for a predetermined price. The market value of the securities may change before delivery.

## Item 9 – Disciplinary Information

Initiated Date: 8/19/2003

Resolution Date: 8/19/2003

Regulatory Body Initiating Case: Securities and Exchange Commission (“SEC”)

Description:

The SEC alleged that Deutsche Asset Management Inc, (“DAMI”) which merged into DIMA on December 31, 2006, violated section 206(2) of the Investment Advisers Act of 1940. The SEC alleged DeAM voted client proxies in connection with a contested merger without first disclosing the circumstances of its investment banking affiliates work on the proposed merger and the fact that this affiliate had intervened in the voting process.

Resolution Details:

On July 1, 2003, DAMI submitted an offer of settlement to the SEC which was accepted by the SEC on August 19, 2003. In the offer of settlement, solely for the purpose of the proceeding and any other action in which the SEC is a party and without admitting or denying the findings set forth in the administrative order. As a result of the finding, DAMI consented to an entry of a cease and desist order a censure, and the payment of a \$750,000 civil monetary penalty.

Initiated Date: 9/28/2006

Resolution Date: 9/28/2006

Regulatory Body Initiating Case: Securities and Exchange Commission (“SEC”)

Description:

The SEC alleged that Deutsche Asset Management Inc, (“DAMI”) which merged into DIMA on December 31, 2006, failed to disclose potential conflicts of interest to the fund boards and to shareholders relation to Scudder Distributors, Inc’s use of certain funds’ brokerage commission to reduce revenue sharing costs to broker-dealer firms with whom it had arrangements to market and distribute Scudder fund shares.

Resolution Details:

DIMA and Scudder were ordered to pay jointly and severally, disgorgement, prejudgment interest and civil penalties in the total of \$ 19,329,729. \$17,800,000 of the settlement is to be distributed to the fund listed in the SEC order based upon the amount of brokerage commission from each fund used to satisfy revenue sharing agreements with broker-dealers who sold fund shares.

Initiated Date: 21/21//2006

Resolution Date: 12/21/2006

Regulatory Body Initiating Case: Securities and Exchange Commission (SEC)

New York Attorney General (“NYAG”)

Illinois Securities Department (“ISD”)

Description:

The SEC alleged that Deutsche Asset Management Inc, ("DAMI") which merged into DIMA on December 31, 2006 serves as investment advisor to the DWS Funds. The SEC, NYAG and ISD alleged DIMA and DAMI breached their fiduciary duty to certain DWS Funds by failing to effectively limit trading activity in DWS Funds. The state and federal regulators also alleged that DIMA and DAMI breached their fiduciary duty to certain DWS funds by entering into market timing arrangement with investors.

Resolution Details:

The SEC ordered DIMA and DAMI and Scudder Distributors Inc. to pay disgorgement, prejudice, and a civil penalty in the amount of \$19,329,729. DIMA, DAMI and Scudder Distributors Inc, agreed to pay the fine and perform various undertakings.

The NYAG ordered DIMA and DAMI to pay jointly and severally, \$102.3 million in disgorgement. The entire amount is to be distributed to the affected DWS Scudder funds. DIMA and DAMI were also ordered to pay \$20 million in a civil penalty.

The ISD ordered DIMA and DAMI to pay jointly and severally, \$2 million to the ISD audit and \$4 million to the ISD investors education fund.

Initiated Date: 12/13/2007

Resolution Date: 12/13/2007

Regulatory Body Initiating Case: Seoul Central District Court, Seoul, South Korea

Description:

In the HangKang Restructuring funds (The "Funds") civil suit filed with the Seoul Central District court, the fund alleged DIMA made investments in the FD Tech and Nextern in breach of investment guidelines. In addition, the suit also alleged that DIMA did not conduct sufficient due diligence and fundamental research on FD Tech and Nextern while making investments.

Resolution Details:

The Seoul Central District court ordered DIMA to pay KRW18,624,447,786 to the fund in restitution for losses in FD Tech and Nextern as a result of investment guideline breaches and insufficient due diligence and fundamental research.

## Item 10 - Other Financial Industry Activities and Affiliates

The individuals below are management persons of DIMA and are registered as registered representatives of DWS Investments Distributors Inc, a registered broker-dealer.

- Cynthia Nestle
- Christine Rosner
- Alban Miranda

DIMA is registered with the National Futures Association (NFA) as a Commodity Trading Advisor and Commodity Pool Operator and has associated management person(s) as listed below with the NFA.

- John Nolan

Described below are related persons that DeAM has arrangements with that may be considered material to its advisory business. Employees of DeAM may be authorized to act on behalf of one or more of these entities. Additionally, employees of DeAM's related persons may be authorized to act on behalf of DeAM. DeAM may utilize, suggest or recommend other services of any of its affiliates. The services involved will depend upon the services offered by the affiliate. The arrangements between DeAM and its affiliates may involve revenue sharing or joint compensation based upon each entity's activities for the client.

DeAM is owned by Deutsche Bank AG, a multi-national financial services company. Therefore, DeAM is affiliated with a variety of entities that provide, and/or engage in commercial banking, insurance, brokerage, investment banking, financial advisory, broker-dealer activities (including sales and trading), hedge funds, real estate and private equity investing, in addition to the provision of investment management services to institutional and individual investors. Since Deutsche Bank AG, its affiliates, directors, officers, and employees (the "Firm") are engaged in businesses and have interests other than managing asset management accounts, such other activities involve real, potential or apparent conflicts of interests in engaging in these activities outside of investment management, these parties may act in their own interest or in the interests of third parties other than DeAM's clients. These interests and activities include potential advisory, transactional and financial activities and other interests in securities and companies that may be directly or indirectly purchased or sold by DeAM for its clients' advisory accounts. These are considerations of which advisory clients should be aware and which may cause conflicts that could be to the disadvantage of DeAM's advisory clients. Present and future activities of the Firm in addition to those described herein may also result in conflicts of interest that may be disadvantageous to DeAM's clients.

DeAM has established a variety of policies, procedures and disclosures designed to address conflicts of interest arising between advisory accounts and the Firm's businesses. It is DeAM's policy that DeAM personnel involved in decision making for advisory accounts must act in the best interests of their advisory clients and generally (but not exclusively) without knowledge of the interests of proprietary trading and other operations of the Firm and/or personnel of the Firm. Where advisory personnel do know of conflicts or potential conflicts among advisory accounts or between advisory accounts and the Firm and/or personnel of the Firm, it is DeAM's policy to disclose involving conflicts related persons, their existence in general form through this Form ADV or directly to clients. A discussion concerning additional conflicts of interest involving related persons is set out in item 11 – Participation or Interest in Client Transactions.

DeAM acts as a fiduciary with respect to its asset management activities and owes its clients a duty of undivided loyalty. As a fiduciary, DeAM is required to act solely in the best interests of the clients whose assets it manages. On occasion, other entities within the Firm may have engagements and responsibilities which could give the appearance of a conflict with DeAM's duty

of loyalty. To minimize these conflicts, as a general matter, DeAM employees associated with the investment process (including portfolio managers, research analysts and traders) have no contact with employees of the Firm outside of DeAM regarding specific clients, business matters or initiatives, unless permissible by internal procedures, or approved by DeAM Compliance.

With respect to certain non-US strategies, DeAM may delegate such services to affiliates outside the US. Apart from furnishing investment advice to clients, DeAM also provides various investment advisory, consulting, trading, administrative and research support services to its affiliates pursuant to intercompany agreement.

## Broker-Dealers

DeAM has arrangements with the following related persons that are broker dealers and may utilize their services to effect securities transactions for clients.

Deutsche Bank Securities Inc. ("DBSI"), New York, NY, is a registered broker dealer under the US Securities Exchange Act of 1934 (the "Securities Exchange Act"), and is a member of the New York Stock Exchange and other principal exchanges in the United States.

DBSI may also act as a custodian of securities, in most cases as a directed custodian without investment discretion. Should DBSI be selected as custodian by trustees of a U.S. employee benefit plans for which DeAM acts as an investment adviser, DBSI will act as such custodian in the manner contemplated by Regulation 404b-1 of the Department of Labor and will have no investment authority over any assets of the plans concerned.

DBSI may also provide "transition management" services to entities introduced to it by DeAM in circumstances where DeAM may or may not be the legacy or destination investment manager.

DWS Investments Distributors, Inc. is a registered broker-dealer under the Securities Exchange Act and is a principal underwriter for the DWS Funds supporting the DeAM retail distribution channel. It is also a registered broker dealer supporting the DeAM institutional distribution channel, Absolute Return Strategies.

## Investment Companies

DeAM acts in an advisory or sub-advisory capacity to a variety of US and non-US investment companies for which DeAM or an affiliate acts as adviser, manager or distributor. In connection with these investment companies, certain DeAM employees may serve as directors, trustees or officers. Arrangements with respect to the sale of US registered investment companies are disclosed in each mutual fund's prospectus in accordance with the disclosure requirements under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The sale and distribution of other pooled investment vehicles not subject to the Investment Company Act is made in accordance with applicable law.

Although not required to be disclosed, at the request of The European Equity Fund, Inc., The New Germany Fund Inc. and The Central Europe and Russia Fund Inc. (the "Germany Funds"), listed below are those persons who are associated persons of DIMA who have responsibility for providing or supervising the provision of certain administrative services provided to the Germany Funds:

John Millette, Secretary

Doug Beck, President and Chief Executive Officer

Rainer Vermehren, Vice President and Lead Portfolio Manager

Rita Rubin, Chief Legal Officer

Alexis Kuchinsky, Chief Compliance Officer

Paul H. Schubert, Chief Financial Officer and Treasurer

John Caruso, Anti-Money Laundering Compliance Officer

## Investment Advisers

With respect to arrangements with a related person who is another investment adviser, DeAM has investment advisory affiliates in Australia, England, Germany, Hong Kong, Ireland, Italy, Japan, Singapore, Canada, Luxembourg, Poland and the United States. The following DeAM investment advisory affiliates are registered with the SEC as investment advisers: Deutsche Bank Securities Inc., Deutsche Asset Management International GmbH, DB Investment Managers, Inc., Deutsche Investments Australia Limited, Deutsche Investment Management Americas Inc., Deutsche Asset Management (Japan) Limited, Deutsche Asset Management (Asia) Limited, Deutsche Asset Management (Hong Kong) Limited and Deutsche Alternative Asset Management (Global) Limited.

The following DeAM investment advisory affiliates are not registered with the SEC as investment advisers: Deutsche Asset Management Canada LTD, Deutsche Investments (Luxembourg) S.A., Deutsche Bank Trust Company Americas, Gordon Knott, Harvest Fund Management, Deutsche Asset Management (UK) Limited, Deutsche Asset Management (Korea) Limited and Deutsche Asset Management (Asia) Limited.

DeAM may have co-advisory, sub-advisory, or participating affiliate relationships with affiliated advisers as required for proper management of particular client accounts and in accordance with applicable law. In addition, DeAM may participate in sub-advisory, co-advisory or other joint projects related to investment companies with institutions not a part of the Deutsche Bank group of affiliates provided such relationships comply with applicable law.

## Commodity pool operator and Commodity trader advisor

With respect to arrangements with a related person who is a commodity pool operator ("CPO"), commodity trading advisor ("CTA") or futures commission merchant ("FCM"), DeAM has affiliates registered with the Commodity Futures Trading Commission as an FCM, and/or as a CPO and/or CTA including but not limited to DB Capital Advisers Inc., DB Investment Managers, Inc and Deutsche Bank Securities Inc. To the extent permitted by law and applicable regulations, DeAM may utilize its affiliates as FCM, CPO or CTA in connection with DeAM's purchase or sale of futures on behalf of certain of its clients and such FCM, CPO or CTA affiliates may receive remuneration for such services.

## Banking Institutions

The following banking institutions are related persons of DeAM:

DWS Trust Company ("DWSTC") is a New Hampshire trust company. DWSTC is the trustee as well as sponsor and/or investment adviser to private investment funds including funds exempt from the Investment Company Act of 1940 under Sections 3(c)(1), 3(c)(3), 3(c)(7) and 3(c)(11). DWSTC also provides trustee and/or custodial services to various IRAs, profit sharing plans, pension plans and other retirement plans.

DB UK Bank Limited London, England, is a merchant bank whose business includes commercial banking, securities underwriting and corporate financial advice.

Deutsche Bank AG is a publicly traded international commercial and investment banking concern listed on the Frankfurt and New York Stock Exchanges and is the indirect parent of DeAM and its affiliates.



Deutsche Bank AG London Branch is a branch office of DB AG, a bank recognized by the Bank of England, and may be selected as a foreign custodian by the United States trustees of employee benefit plans in which DeAM or its related persons may act as investment adviser.

Deutsche Bank AG New York Branch, New York, NY is a branch office of Deutsche Bank AG.

Deutsche Bank Trust Company Americas ("DBTCA"), a New York chartered bank and member of the Federal Reserve, may act as a custodian of securities and it may be selected as custodian or securities lending agent by entities to which DeAM or its affiliates serves as investment adviser. In addition, DBTCA sponsors and acts as investment adviser to collective investment funds, including funds exempt from the Investment Company Act under Section 3(c) (11) thereof, and other private investment funds.

Deutsche Bank AG Cayman Branch is a branch office of Deutsche Bank AG and serves as a qualified custodian in holding securities on behalf of RREEF.

## Partnerships

From time to time, DeAM or its affiliates may act as general partner, managing member or other controlling entity in private investment vehicles that may invest in securities, commodities, real estate or other investments in which DeAM's client may be solicited to invest. Absent specific authority, DeAM does not exercise any discretionary authority with respect to client decisions to invest in such vehicles.

Below is the biographical information for the supervisors of the individual from Deutsche Asset Management Investmentgesellschaft mbH involved in generating advice that may be used by US clients.

Mr. Georg Schuh is Managing Director of Deutsche Asset Management (DeAM) Frankfurt. He joined DeAM in 1999. Prior to joining Deutsche Bank, Mr. Schuh was Portfolio Manager at Allianz Asset Management. Mr. Schuh has held various positions while DeAM including Senior Portfolio Manager, Chief Strategist Fixed Income and Currencies DB's Private Banking Division and Co-Head of Fixed Income. In August of 2005, Mr. Schuh was appointed the Board of Managing Directors of Deutsche Asset Management Frankfurt. Mr. Schuh was born in 1966 and has a Masters degree in Business Administration from the University of Regensburg and Grande Ecole in France (ECS Marseille).

Below is the biographical information for the supervision of the individuals from DWS Investment GmbH involved in generating advice that may be used by US clients.

Mr. Udo Rosendahl is a Managing Director and Head of European Large Caps. Mr. Rosendahl joined DWS in 1989, managing various European country funds. After becoming a senior fund manager since 1995, he was appointed head of European large caps in July 2002. Prior to his career at DWS, Mr. Rosendahl worked in the credit research department of Deutsche Bank, Paderborn (1984 to 1986) and in the asset management department for high net worth clients of Deutsche Bank in Bremen and Hamburg (1986 to 1988); and at Deutsche Bank offices in Geneva and Zürich he was in charge of equity research with focus on European companies. Mr. Rosendahl was born in 1962 and completed the bank training program at Deutsche Bank AG, Paderborn.

Mr. Volker Dosch is a Managing Director, Fund Manager of US and global equity funds, Head of US Equities, Deputy Head of Fund Management International Equities; and Head of Sector-Funds. Mr. Dosch joined DeAM in 1989. Mr. Dosch was born in 1962 and received a Master's degree in economics from the University of Frankfurt, Germany.

Mr. Henning Gebhardt is a CFA, Managing Director, Head of German Equities and European Small & Mid Caps (retail and institutional), and fund manager for German equities. Mr Gebhardt joined DWS' international equity team in 1996. After having responsibilities for Asian, Japanese



and Emerging Market funds he moved to the European equity team in 2000. He took over responsibility for some German equity funds. Since August 2002, he has headed the European Small and Mid Cap team. Mr. Gebhardt was born in 1967 and received a Master's degree in Business Administration from University Goettingen.

Mr. Thomas Gerhardt is a Managing Director and Head of emerging markets equity. Mr. Gerhardt joined DeAM in 1994 and previously worked as an assistant auditor at KPMG for a year. Mr. Gerhardt was born in 1964 and received a Master's degree in business administration from Johann-Wolfgang-Goethe University in Frankfurt Germany.

Mr. Klaus Kaldemorgen is a Managing Director, Global Head of Equities and member of the Asset Management Global Operating Committee; Spokesman of the Board of DWS Investment GmbH and Board Member of Deutsche Asset Management International GmbH. Mr. Kaldemorgan joined DeAM in 1982 as fund manager for international bonds; moved to international equities in 1983 and became head of international equities in 1991. In 2003 was appointed Board Member of DWS Investment GmbH and Head of Equities responsible for all equity fund management. In July 2005 became European Chief Investment Officer for Equities and in December 2005 was appointed to the Asset Management Global Operating Committee. In 2006 was named Global Head of Equities. Mr. Kaledmorgan was born in 1953 and received a Master's degree in economics from Johannes-Gutenberg University.

Dr. Asoka Wöhrmann is a Managing Director and the Global Head of Fixed Income DWS, based in Frankfurt, Germany. Dr. Wöhrmann joined the Company as fund manager for international bonds in October 1998. He built up Asset FX and became Head of Foreign Exchange in 2001. In 2006 he was appointed Global Head of Foreign Exchange and in 2007 Head of Absolute Return Strategies. Dr. Wöhrmann was appointed Global Head of Fixed Income DWS and Member of the Board DWS Investment GmbH in 2009. Previously he spent one year as teaching and research fellow at the Technical University of Vienna, Austria and 4 years at the University of Magdeburg. Dr. Wöhrmann, born in 1965 and received his MSc in Economics from University of Bielefeld and holds a PhD in Economics from Otto-von-Guericke-University of Magdeburg.

## Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

### Code of Ethics

The DeAM Code of Ethics ("Code") imposes restrictions on the ability of its employees who are "Access Persons" as defined in the Investment Advisers Act to invest in securities that may be recommended or traded in DeAM client accounts. The Code currently applies to most securities transactions (including transactions in equity or debt securities, municipal bonds, exchange-traded securities, securities indices, derivatives of securities and similar instruments) and certain mutual fund transactions (including transactions in open-end and closed end mutual funds, excluding money market funds and other mutual funds specifically designed for short-term investment). The Code applies to all securities and specified mutual fund transactions in which employees have direct or indirect beneficial interest, influence and/or control.

Generally, the Code classifies employees based on whether they are investment personnel involved in the investment management and trading activity of clients' assets (including portfolio managers, research analysts and traders) and imposes the greatest level of restriction on those most centrally involved in that process.

Pursuant to the Code, employees are required to pre-clear all of their personal securities transactions in securities that are not exempt from the Code. Employees must also receive prior approval before purchasing any securities in a private placement. Further, employees must receive prior approval to serve on a board of a publicly traded company or to engage in certain

other outside activities that may conflict with DeAM's obligations to its clients. Finally, employees may not purchase a security pursuant to an initial public offering. The purchase or sale of securities of certain open-end mutual funds is not subject to pre-clearance. Trading in direct obligations of the US Government is not subject to the Code.

The Code imposes a 30-day holding period between purchases and sales, or sales and purchases in the same securities and certain mutual funds with certain exceptions (such as transactions in mutual funds subject to periodic purchase plans and other exceptions specifically granted by DeAM Compliance). The Code also imposes specific blackout period restrictions on securities that apply to certain employees. For example, as a general matter, Access Persons may not knowingly engage in a transaction of a security on the same day as it is known that DeAM is transacting that security for a client account, and Investment Personnel (defined as those involved in the investment decision-making and trading process) may not knowingly purchase or sell a security within seven days before and after a transaction of that security in a client account if he/she manages or provides advice to that client account.

All employees are subject to reporting obligations, including filing a quarterly personal securities transaction report (which provides information with regard to all securities and certain mutual fund transactions that are required to be reported, if any, effected during the previous quarter for their own accounts and any accounts over which they have direct or indirect beneficial interest, influence and/or control). Employees are also required to disclose their securities and mutual fund accounts to the Firm upon hire and annually confirm the information.

Any employee who violates the Code may be subject to disciplinary actions, including possible dismissal. In addition, any securities transactions executed in violation of the Code, such as short-term trading or trading during blackout periods, may subject the employee to sanctions, ranging from warnings to trading privilege suspensions, including but not limited to, unwinding the trade and/or disgorging the profits as well as additional disciplinary action. Violations and suspected violations of criminal laws will be reported to the appropriate authorities as required by applicable laws and regulations.

DeAM's clients and/or prospective clients may obtain a copy of its Code of Ethics upon request by calling their client service representative.

## Participation or Interest in Client Transactions

DeAM is owned by Deutsche Bank AG, a multi-national financial services company and therefore is affiliated with a variety of entities of the Firm disclosed in item 10 that provide multiple financial services in addition to the provisions of investment management services to institutional and individual investors. Such other activities as previously disclosed in item 10, involve real, potential or apparent conflicts of interests.

With respect to certain managed investment strategies, trade execution, as well as certain "downstream" functions including, but not limited to, trade matching and settlement, investment accounting, reconciliations, corporate actions, and performance measurement are provided through the Frankfurt location and performed by DeAM's Frankfurt-based trading platform. In providing these services, the Frankfurt location, and/or DeAM affiliate entities will have access to certain information about client accounts. DeAM, its affiliate or both, will be subject to European and German regulations in the local regulations of the adviser.

DeAM has entered into and may in the future enter into arrangements with affiliates and third party service providers to perform various compliance, administrative, back-office and other services on behalf of, and relating to client accounts. Such affiliates and service providers may be located in the US or in non-US jurisdictions. Accordingly, certain information about client accounts may be shared with such affiliates and third party service providers in connection with these functions. DeAM delegates middle and back office functions to an affiliate that delegates middle and back office functions to State Street Bank and Trust Company.

The Firm is a major participant in global financial markets and it acts as an investor, investment banker, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent and principal in the global fixed income, currency, commodity, equity and other markets in which DeAM's advisory accounts directly and indirectly invest. As permitted by and in conformity with applicable laws and regulations, DeAM's advisory accounts will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which the Firm performs or seeks to perform banking or other services. Additionally, it is likely that DeAM's advisory accounts will undertake transactions in securities in which the Firm makes a market or otherwise has direct or indirect interests. DeAM makes decisions for its clients in accordance with its fiduciary obligations as manager of its advisory accounts. As noted below, however, certain activities of the Firm may have a negative or detrimental effect on advisory accounts of DeAM.

DeAM may take investment positions in securities in which other clients or related persons within the Firm have different investment positions. There may be instances in which DeAM is purchasing or selling for its client accounts, or pursuing an outcome in the context of a workout or restructuring with respect to, securities in which the Firm is undertaking the same or differing strategy in other businesses or other client accounts. Prices, availability, liquidity and terms of the investments may be negatively impacted by the Firm's activities and the transactions for DeAM's clients may, as result, be less favorable. The investment results for DeAM's clients may differ from the results achieved by the Firm and other clients of the Firm. In addition, results among DeAM clients may differ.

For a summary of the restriction of the flow of certain information between DeAM and other parts of the Firm, please see "Information Barriers" below. As noted, DeAM makes decisions for its clients in accordance with its fiduciary obligations as manager of its advisory accounts independent of what decisions may be made by or in other parts of the Firm. The DeAM Americas Investment Risk Oversight Committee is responsible for monitoring investment performance of client accounts on a regular basis and performing an annual product review. See Item 12 for more details.

The investment activities of the Firm may limit the investment opportunities for DeAM's client accounts. This may occur in certain regulated industries, private equity markets, emerging markets, and in certain futures and derivative transactions where restrictions may be imposed upon the aggregate amount of investment by affiliated investors. DeAM may voluntarily limit transactions for client accounts or limit the amount of voting securities purchased for client accounts, or waive voting rights for certain securities held in client accounts, which may limit positions, in order to avoid circumstances which, in the view of DeAM, would require aggregation of such client account positions with investments elsewhere in the Firm that would approach or exceed certain ownership thresholds.

DeAM may have portfolio managers who manage long/short accounts alongside long-only accounts. For example, DeAM may buy on behalf of a client account a security for which DeAM may establish a short position on behalf of another client account. The subsequent short sale may result in impairment of the price of the security held long in the client account. Conversely, DeAM may on behalf of a client account establish a short position in the same security which it may purchase on behalf of another client account. The subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure.

DeAM may engage in security transactions with brokers who coincidentally sell shares of registered investment companies advised by DeAM, provided that it reasonably believes that the broker will provide best execution. However, there are no quid pro quo arrangements or agreements in place with these brokers. However, trading with these brokers may raise the appearance of a conflict of interest.

## Information Barriers

The Firm may come into possession of confidential, material non-public information particularly in connection with its commercial and investment banking activities. The Firm, including DeAM, has

internal procedures in place intended to limit the potential flow of any such non-public information.

Should DeAM come into any material, non-public information, DeAM has procedures that prohibit trading activities based on such information by DeAM for its clients and by DeAM employees. DeAM may not use material, non-public information obtained from any division of the Firm when making investment decisions for its clients. As a result of these procedures and prohibitions, client accounts may be precluded from purchasing or selling certain securities, which could have a detrimental effect on one or more client accounts. There may be instances in which senior management of DeAM, not involved in the investment process, may be privy to material, non-public information about transactions or securities due to discussions with senior personnel from other departments within the Firm. However, when in possession of material, non-public information, senior management may not participate or use that information to influence trading decisions or securities; nor may they pass that information along to personnel within DeAM involved in the investment process (e.g., portfolio managers, research analysts and traders) for use in investment activities.

There may also be periods during which DeAM may not initiate or recommend certain types of transactions, disseminate research or may otherwise restrict or limit its advice given to clients in certain securities issued by or related to companies that the Firm is performing banking or other services, or companies in which the Firm has a proprietary position. As a result, client accounts may be precluded from purchasing or selling certain securities, which could have a detrimental effect on one or more client accounts.

#### Trading with an Affiliate/New Issues

The only compensation received by DeAM for effecting securities transactions for clients is its advisory fees. Related persons of DeAM may receive brokerage commissions, commission equivalents, spread and other fees in connection with brokerage services provided. See Item 12 for more details

DeAM may purchase, on behalf of its clients, securities in which an affiliate of DeAM serves as lead underwriter or co-manager of an underwriting syndicate or member of an underwriting syndicate. In these cases, the purchase is generally made from a party unaffiliated with DeAM, but DeAM's affiliate may nevertheless benefit from such transactions, including in circumstances where the syndicate of which DeAM's affiliate is a member is experiencing difficulty in effectuating the distribution of the new issues. While DeAM acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest, even though the transactions is effectuated in compliance with applicable regulations (see "Agency Transactions," "Investment Companies," and "Principal Transactions" below). DeAM may have a potentially conflicting, division of responsibilities to both parties to a cross transaction. Additionally, regulatory or other government requirements applicable to DeAM's related persons may restrict DeAM from investing in or disposing of certain securities for its clients on a temporary or on-going basis.

This may affect potential returns on clients' accounts and a client not advised by DeAM may not be subject to some of these restrictions.

DeAM clients may utilize custodians unaffiliated with DeAM and such custodians may, in turn, hire affiliates of DeAM as sub-custodians in certain jurisdictions. In such circumstances, DeAM affiliates may effect certain transactions on behalf of DeAM clients (e.g., foreign exchange transactions, corporate actions). These circumstances may give rise to the appearance of conflicts of interest. DeAM has developed policies and procedures to monitor such circumstances. In the event a DeAM client hires its own custodian, DeAM will work with such client to avoid conflicts of interest in connection with its custodian engaging DeAM affiliates as sub-custodians.

#### Agency Transactions

DeAM is a related person of various broker-dealers through which it may effect agency

transactions. DeAM has procedures reasonably designed to ensure that agency transactions executed with these related broker-dealers acting as agent comply with applicable law and regulations. If any client portfolio transaction is executed with related broker-dealers, the broker-dealers may charge a commission in connection with these transactions; however, the commissions do not exceed the usual and customary commission that the broker-dealers would charge their own customers. As a general matter, DeAM can execute agency transactions on behalf of clients with related broker-dealers only if DeAM has determined in good faith that the client will receive best execution in the transaction, and only in compliance with applicable law and regulations, DeAM's policies and procedures, and in accordance with the consent of clients to these kinds of transactions. Executing transactions with affiliates of DeAM may present conflicts of interest, including that DeAM affiliates will earn fees with regard to such transactions. See Item 12 Directed/Restricted Brokerage for a discussion of "restricted Brokerage".

## Investment Companies

For registered investment company clients, agency and underwriting transactions with affiliated broker-dealers will be executed only pursuant to procedures adopted by the Boards of Trustees/Directors of such companies under Rule 17e-1 and Rule 10f-3 under the Investment Company Act.

## Principal Transactions

DeAM generally may not cause its clients to enter into principal transactions with related persons. Under limited circumstances DeAM may enter into a principal transaction provided the transaction is in accordance with Section 206(3) of the Investment Advisers Act. All such transactions must receive client consent for each transaction, are effected on arms' length terms and, with respect to commissions paid, are generally competitive with those paid to non-related broker dealers.

## Portfolio Holdings Disclosure Policy

As investment advisers, Asset Management ("AM") and each sub-adviser have a responsibility to their clients and investors not to disclose non-public portfolio holdings information unless such disclosure is consistent with relevant laws and regulations and with the fiduciary duties AM and each sub-adviser owe to their clients.

DeAM may make non-public portfolio holdings information available to certain clients upon request and in accordance with DeAM's portfolio holdings disclosure policy. Clients should contact their account representative in the event they would like more information regarding non-public portfolio holdings information.

## Proprietary account trading and hedging activities

In accordance with Firm policy, DeAM may invest and manage its own proprietary capital by investing in a variety of securities and other instruments. Proprietary capital investments will include investing in certain products and strategies managed by DeAM for its clients. The market risks of these investments may be hedged, while market risks of client assets may not be so hedged. Hedging activities may include purchasing instruments or using investment strategies such as short selling, futures (or options on futures) trading or employing other derivative techniques. Portfolio management and trading of the proprietary capital as well as any associated hedging activity is undertaken in accordance with DeAM policies and procedures. Proprietary capital may not perform the same as similarly managed client accounts for a variety of reasons, including regulatory restrictions on the type and amount of securities in which the proprietary capital may be invested, differential credit and financing terms, as well as any hedging transactions. While DeAM acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest or could potentially disadvantage its clients.



## ERISA/Electronic Communication Network (ECN)

The firm and its affiliates may elect to utilize Electronic Communication Network (ECN) to execute trades. While Deutsche Bank may maintain an ownership interest in one or more of the ECNs listed below, in no case does such interest currently exceed 10%. The following ("ECNs") are currently used.

BIDS Trader	Instinet
Bloomberg BBT - used to trade MBS with multiple Dealers	ITG Channel
Bloomberg FX dealing for currency transactions	ITG Triton
Bloomberg Tradebook	Lehman Live.com: Tender Track
BNY ConvergeX	Liquidnet
Boom via Bloomberg	LMS - via Bloomberg
CanDEAL	MarketAxess
FIX	Pipeline
FX ALL	RediPlus
FX Connect	TradeWeb

## Gifts and Entertainment

DeAM has policies and procedures in place, including the DeAM Code of Ethics, which prohibit DeAM employees from accepting gifts, entertainment and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. Additionally, DeAM employees may not offer gifts, entertainment or other things of material value that could be viewed as attempting to unduly influence the decision making or objectivity of any client or other business partner. In general, the policies dictate that giving and receiving of gifts or participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment is deemed excessive or extravagant. The policies impose specific restrictions and require DeAM Compliance approval of certain gifts and entertainment.

In general, the policy permits employees to accept gifts having a nominal value (e.g., promotional items) which must be logged. Reporting and approval requirements and restrictions apply in the case of entertainment offered to or to be provided by DeAM. DeAM's policy also sets forth parameters with respect to entertainment-related expenses.

Additional restrictions regarding gifts and entertainment apply to DeAM employees who are registered representatives or other associates of DeAM's affiliated broker-dealers.

## Item 12 – Brokerage Practices

### Broker Dealer Selection

When selecting a broker-dealer for client transactions, DeAM will take into account numerous factors including: price of the financial instrument, transaction costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of that order. The best possible result for a particular transaction will be determined by the relative importance given by DeAM to these factors, which will in turn result in the choice of a specific benchmark, trading strategy, an executing broker or execution venue. In determining the relative importance of these factors, DeAM will take into account the following criteria:

- the characteristics of the client order;
- the characteristics of the financial instruments or products involved;
- the current market circumstances;
- the characteristics of the execution venues involved.

Although DeAM would ordinarily assume that the price of the financial instrument and the overall transaction cost to have a high degree of importance relative to the other specified factors, its precise importance in the context of any given order will depend upon the criteria specified above and may also be affected by any specific instructions or restriction given to DeAM.

In conjunction with achieving best execution, DeAM has a Credit Department which is responsible for assessing and managing counterparty risk for all transactions undertaken on behalf of DeAM's clients. DeAM has established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. It attempts to maintain exposure, for both credit and settlement risk, within levels that, in DeAM's judgment, are prudent with regard to the counterparty's financial resources. For certain transactions involving extended settlements, the Credit Department is heavily involved in the negotiation of special agreements with certain broker-dealers.

In less-developed markets, there may well be a higher level of counterparty risk because broker-dealers may not be as well capitalized. In addition, there is often more limited and less reliable information about counterparties' financial condition, less regulatory supervision of securities markets, market policies that may require payment before delivery of securities, less automated clearance and settlement conditions, the uncertain enforceability of legal obligations, greater market volatility, and increased levels of sovereign and currency risk. In these markets, the effort to attain best execution may also tend to increase counterparty risk, and DeAM will attempt to balance these factors when selecting a broker-dealer to execute client transactions.

### Commission rates

The trading desk utilizes a schedule of commission rates that have been negotiated with the broker-dealers utilized by DeAM. The schedule delineates the commission rates negotiated with the broker-dealer by country and by types of trades.

### Investment and Brokerage Discretion

Generally, DeAM is retained on a discretionary basis for client accounts and DeAM determines which securities should be bought or sold, the total amount to be bought or sold for the account, the broker or dealer ("broker") through which the securities are executed, and the commission rates, if any, at which transactions are effected for those accounts. From time to time, a client may also retain DeAM on a non-discretionary basis, explicitly requiring that portfolio transactions be discussed in advance.



## Brokerage Practice Sub-Committee ("BPSC")

The BPSC is a sub-committee of the DeAM Americas Investment Risk Oversight Committee. The BPSC has been charged with responsibilities to ensure the fulfilment of DeAM's fiduciary responsibilities regarding trading practices and brokerage relationships, through the monitoring of such relationships.

The responsibilities of the BPSC include, but are not limited to, the following:

- Approval and monitoring of best execution practices;
- Review, approval and monitoring of brokers and counterparties;
- Approval and monitoring of commission allocations and brokerage usage;
- Approval and monitoring of trade allocation policies and practices;
- Review of trade errors and Commission Sharing Arrangement (CSA)
- Approval of soft dollar agreements.

## Allocation of Investments

DeAM has policies and procedures reasonably designed to ensure that all clients are treated fairly and equitably. Under these procedures DeAM will allocate securities purchased or sold among clients' accounts in a manner that DeAM determines appropriate. DeAM has a fiduciary duty to ensure that trades are allocated fairly and equitably among clients over time. DeAM may make allocations based upon a number of factors that may include, but not limited to, investment objectives and guidelines, risk tolerance, availability of other investment opportunities and available cash for investment. DeAM will not determine allocations based upon whether the account has performance-based or other incentive fee arrangements; however, allocations among such accounts and asset based fee paying-only accounts could be viewed as a potential conflict of interest. Transactions made among accounts, including those accounts that DeAM may receive a performance based fee or other incentive fee, are subject to the overall standard of DeAM seeking to achieve best execution.

## New Equity Issue Allocation

DeAM seeks to achieve fair and equitable treatment of all client accounts with respect to the allocation of new issues. Shares of a new issue received by DeAM represent an investment opportunity that DeAM strives to make available to all eligible clients. However, due to the limited availability of new issues, DeAM has adopted procedures regarding the allocation of the new issues among clients. To ensure that client accounts are treated in a fair and equitable manner, and that allocations do not unfairly advantage or disadvantage any one client, allocations for IPO's are performed on a pro-rata basis with consideration given to product suitability. All eligible participating accounts within a given strategy will receive an allocation based on assets under management. All participating accounts are pre-approved by DeAM Compliance. Some strategies may participate in more IPO's due to the nature of the strategy. In addition, if an IPO reaches a predetermined price level once it begins to trade, the strategy may decide to sell its shares regardless of the time period held. Any deviations to the applicable allocation methodologies must be approved by DeAM Compliance.

## Research and Soft Dollar Benefits

While DeAM seeks to achieve best execution, except when directed by a client to utilize a particular broker, DeAM at times pays commissions on behalf of its clients that may be higher than those obtainable from other brokers in reliance on Section 28(e) of the Securities Exchange Act of 1934 (as amended). DeAM may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage and research services provided by the broker. DeAM has the incentive to execute transactions with, and pay commissions to, the broker(s) who provide it with brokerage and research services. When client brokerage commissions are used, DeAM receives an inherent benefit because it does not have to produce or pay for the research, products, or services on its

own. In accordance with Section 28(e), DeAM will determine in good faith that the value of any services received is reasonable in relation to the commission paid, either in terms of the particular transaction or DeAM's overall responsibilities to its clients. In some cases, brokerage products or services obtained with client commissions may have a mixed use and thus, only partially eligible under Section 28(e). In such cases, DeAM will make a reasonable allocation of the cost of the product or services according to its usage. In making such determination, DeAM faces an inherent conflict of interest; however, DeAM shall use its good faith judgment in making such mixed-use allocation decisions.

DeAM may enter into Commission Sharing Arrangements (CSA) for third-party research in order to obtain best execution and optimal research. In this regard, DeAM will direct client trades to a particular executing broker-dealer with the instruction that the broker dealer execute the transaction and allocate a portion of the commission to a research provider (either directly or through a CSA pool to be paid at a later time. DeAM business has governing process in place for instructing an executing broker-dealer to allocate a portion of the trades' commission to a research provider in order to receive best execution when receiving third party research.

DeAM may also execute transactions with broker-dealers in order to obtain research and brokerage services from third parties (i.e., "third party research"). Additionally, DeAM may execute transactions through broker-dealers in order to obtain research services provided by the executing broker-dealers (i.e., "proprietary research") and to obtain proprietary brokerage services. With respect to brokerage service arrangements, DeAM will execute, in reliance on Section 28(e) of the Exchange Act, transactions through broker-dealers in order to obtain brokerage services in the form of software and/or hardware that is used in connection with executing trades. Typically, this computer software and/or hardware is used by DeAM to facilitate trading activity with certain broker-dealers. DeAM will monitor regulatory developments and market practice in the use of client commissions to obtain brokerage and research services, whether proprietary or third party.

Research provided by brokers may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and measurement and analysis of corporate responsibility issues. These research services are typically received in the form of written reports, telephone contacts and personal meetings with security analysts. Research services may also be provided in the form of access to various computer software and associated hardware, and meetings arranged with corporate and industry representatives.

If DeAM uses a particular broker (whether the broker was selected by DeAM or by a client that has directed DeAM to use that broker) to execute securities transactions for a client account that also provides research to DeAM, the research received by DeAM in this manner will from time to time be used in servicing any or all of DeAM's clients accounts, including client accounts that did not generate the credits used to obtain the research.

DeAM may enter into agreements with various vendors who provide platforms for DeAM to gain electronic access to various participating broker-dealers. These broker-dealers may include certain affiliates of DeAM. DeAM will use these platforms to effect trades in equity and fixed income securities through such broker-dealers as well as to obtain data, research and other information provided by such broker-dealers. In general DeAM does not pay fees to the vendor in connection with the licensing agreement entered into between the vendor and DeAM. The various broker-dealers pay the vendors to participate on the platforms.

## Directed Brokerage

Clients may limit DeAM's authority by prohibiting or by limiting the purchasing of certain securities or industry groups. In addition, a client may further limit DeAM's authority by (i) requiring that all or a portion of the client's transactions be executed through the client's designated broker-dealer ("Designated Broker") and/or (ii) restricting DeAM from executing the client's transactions through

a particular broker-dealer.

In situations where a client directs or restricts brokerage for their accounts ("Directed/Restricted Brokerage"), because the client has placed limitations on the selection of broker-dealers to execute Directed/Restricted Brokerage, DeAM may be unable to obtain "best execution" for such trades. Similarly, where a client directs DeAM to use a particular counterparty for swaps, OTC options, etc., DeAM may be unable to obtain best execution for such trades. Furthermore, Directed/Restricted Brokerage may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may trade after the aggregated trades and/or directed trades for other DeAM clients. As a result, such clients may have to pay higher commissions or receive less favorable net prices than would be the case if the clients had participated in the aggregated trading order. DeAM were authorized to choose the broker through which to execute transactions for such client accounts.

Where clients have directed brokerage for their account and maintain that DeAM remains subject to best execution, DeAM may aggregate those directed trades along with trades executed for other client accounts through the broker-dealer DeAM believes to offer the best execution for such transaction and, thereafter, instruct such broker-dealer to "step-out" or allocate a portion of the trades to the client's Designated Broker for billing and settlement.

In agreeing to satisfy a client's directions to execute transactions for its account through Designated Brokers, DeAM understands that it is the client's responsibility to ensure that: (i) all services provided by the Designated Brokers (a) will be provided solely to the client's account and any beneficiaries of the account, (b) are proper and permissible expenses of the account, and may properly be provided in consideration for brokerage commissions or other remuneration paid to the Designated Brokers, (ii) using the Designated Brokers in the manner directed is in the best interest of the client's account and any beneficiaries of the account, taking into consideration the services provided by the Designated Brokers, (iii) its directions will not conflict with any obligations persons acting for the client's account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations persons acting for the account may have to obtain the most favorable price and execution for the account and its beneficiaries; and (iv) persons acting for the client's account have requisite power and authority to provide the directions on behalf of the account and have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under applicable law or instruments governing the account.

## Cross Trades

DeAM may affect agency cross transactions for advisory accounts in which a DeAM affiliated broker/dealer acts as broker for both the advisory account and other party to the transaction. Such transactions may result in commissions being paid to the DeAM affiliated broker. DeAM may have a potentially conflicting division of loyalties and responsibilities to both parties in an agency cross transaction.

DeAM may affect cross transactions directly between advisory accounts, provided that: such transactions are consistent with the investment objectives and policies of such accounts (for mutual funds, consistent with the funds' Rule 17e-1 procedures); are, in the view of the respective portfolio managers, favorable to both sides of transactions; and are otherwise executed in accordance with applicable laws, rules and regulation. In addition, such transactions may only be undertaken if no commissions are paid to any affiliate of DeAM. Cross transactions between managed accounts, however, may result in the incurrence by such accounts of custodial fees, taxes or other related expenses.

DeAM will only consider engaging in cross transactions to the extent permitted by applicable law and will, to the extent required by law, obtain the necessary client consents. Clients may revoke their consent for agency cross transactions at any time.

## Errors and Corrections

In accordance with its policy, any error that affects a DeAM client account must be resolved promptly and fairly, and in accordance with legal/regulatory restrictions and guidelines. All errors caused by DeAM must be reimbursed regardless of the amount. All errors are reported on a regular basis to DeAM management and/or DeAM Compliance.

## Counterparty Risk

Counterparty risk is the risk that a broker-dealer will not be able to complete a client's transaction, whether due to financial difficulties or otherwise, which may result in opportunity cost and/or loss of principal. While DeAM cannot guarantee the creditworthiness of brokers and counterparties, DeAM has a Credit Department which is responsible for assessing and managing counterparty risk for all transactions undertaken on behalf of DeAM's clients. DeAM has established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. It attempts to maintain exposure, for both credit and settlement risk, within levels that, in DeAM's judgment, are prudent with regard to the counterparty's financial resources. For certain transactions involving extended settlements, the Credit Department is heavily involved in the negotiation of special agreements with certain broker-dealers.

In less-developed markets, there may well be a higher level of counterparty risk because broker-dealers may not be as well capitalized. In addition, there is often more limited and less reliable information about counterparties' financial condition, less regulatory supervision of securities markets, market policies that may require payment before delivery of securities, less automated clearance and settlement conditions, the uncertain enforceability of legal obligations, greater market volatility, and increased levels of sovereign and currency risk. In these markets, the effort to attain best execution may also tend to increase counterparty risk, and DeAM will attempt to balance these factors when selecting a broker-dealer to execute client transactions.

## Order Aggregation

DeAM may, to the extent appropriate, permissible and/or feasible, aggregate multiple client orders for the purchase or sale of the same security on a trading desk in order to achieve best execution with the broker and allocate such transactions on a pro rata or other reasonable basis.

Generally, the amount of securities to be purchased or sold for each account participating in the aggregate order is designated prior to trade execution, except in situations of simultaneous trades, where trade orders and trade execution occur simultaneously, then the allocation must be made immediately after purchase according to pre-determined methodologies or procedures.

Any aggregated order that is not completely filled will typically be allocated on a pro rata basis to all accounts participating in the order promptly following execution. When an aggregated order is executed at more than one price over the course of a day, the executed transactions are allocated so that each account receives the weighted average execution price per broker and bears its pro rata share of the commissions, fees and charges, to the extent reasonably practicable. In instances in which an additional order is received for the same security prior to the completion of the aggregated order, at the discretion of the trader DeAM will close out the remainder of the aggregated order and place a new order.

Certain orders (e.g., small orders for exchanged traded equity securities) may be auto-routed to an electronic trading network for execution and as such may not be aggregated with other orders. There may be instances in which other DeAM client orders for the same security are being placed through a broker and, in those instances, the auto-routed and the direct orders may theoretically compete against each other in the market. Prices and availability of a security may differ depending on whether an order was auto-routed or aggregated, and this may result in certain client accounts receiving more or less favorable prices than the other client accounts in contemporaneous trades.

To the extent orders remain unfilled following allocation, the unfilled amount may be combined with subsequent orders in the security, if any, for allocation of subsequent transactions. If an order extends beyond a trading day, the same procedure is applied at the end of each trading day in respect of all trades entered into during the day. When DeAM determines that pro rata allocation is not appropriate under a particular circumstance, the allocation may be made based on other factors that DeAM deems fair and equitable to all clients.

Certain affiliated advisers of DeAM may utilize the DeAM trading desk to facilitate the routing and execution of their client orders. In such cases, the DeAM trading desk will execute these client orders along with DeAM client orders in the manner described above so as to treat all client accounts in a fair and equitable manner.

Research generated internally by DeAM's shared research analysts are generally made available throughout DeAM through its proprietary research sharing system prior to dissemination to any particular portfolio management team. Research analysts specific to particular portfolio management teams, however, may make their research available to their particular teams prior to disseminating the research through DeAM's proprietary research sharing system and those teams may have the opportunity to act upon that research prior to the rest of DeAM.

DeAM may participate in Model Programs where it provides a model portfolio to various Sponsors and the Sponsors and/or their clients maintain investment management and trading discretion. In such Model Programs, DeAM will release the Model (and any changes to the Model) to the Sponsors after the close of trading on the day DeAM effects such Model (or Model changes) for its discretionary clients; provided, however, if DeAM has not completed trading the Model (or changes to the Model) for its discretionary clients by the close of trading on such day, DeAM will provide the Model (or Model changes) after completion of the trades for its discretionary clients. DeAM will release the Models (or changes to the Model) to all Sponsors pursuant to the above-described timing in a manner that does not intentionally favor or disadvantage any particular Sponsor.

In the future, DeAM may develop other allocation policies regarding model programs designed to provide fair and equitable treatment to all clients.

### Non-Discretionary Accounts

DeAM provides non-discretionary investment advice to certain clients, requiring client consent prior to trading on behalf of such clients. In certain cases, depending on the time elapsed between DeAM seeking and receiving consent to purchase or dispose of an investment, such clients may not participate or receive the benefits of trading in the aggregate with other DeAM clients or may lose an investment or disposition opportunity altogether. In cases where clients receive non-discretionary advice and do not participate in an aggregated trade order, such clients' order will be traded after the aggregated order is completed and therefore DeAM may be unable to obtain "best execution" for those trades.

## Item 13 – Review of Accounts

Regular reviews of accounts in each strategy vary in frequency and are tailored to the specific facts and circumstances applicable to the various investment strategies. On an ongoing basis portfolio managers review accounts to ensure investments are appropriate and DeAM Compliance uses various monitoring systems to check for adherence to guidelines, restrictions and other regulatory requirements.

Traders perform daily trade reviews to ensure that records are accurate and complete. Daily trade reviews are also completed by the portfolio managers who review and verify that orders were executed in accordance with the trading instructions. DeAM has policies and procedures in place to address trade errors and the Brokerage Practice Sub-Committee (as described under Item 12) receives monthly reports on all trading errors.



DeAM has policies and procedures in place to address guideline breaches. The DeAM Americas Investment Risk Oversight Committee (membership disclosed under Item 10) is responsible for monitoring investment performance of client accounts on a regular basis and performing an annual product review.

In addition to the aforementioned trade reviews, institutional account reviews are also performed at least annually by DeAM Client Service. DeAM may actively participate in a client's Board and Investment Committee presentations as well as provide regular performance reviews to the client.

## Reports to Clients

The nature and frequency of reports to clients is primarily determined by the particular needs of the client, as negotiated with the client. Written client account reports are generally sent to clients on at least a quarterly basis and generally include holdings in the account with relevant transactions. Clients are also advised in writing or via telephone conversation of any material investment changes in their portfolio and per the individual client's requirements.

## Item 14 – Client Referrals and Other Referrals

DeAM and/or its affiliates may compensate affiliates or non-affiliates for client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act. The compensation paid to any such entity will typically consist of a payment stated as a percentage of the advisory fee. Employees of DeAM and/or its affiliates and/or third parties who refer or help solicit investment advisory clients may also be compensated based on a percentage of the investment advisory fee charged to that client. When required under the law, the policies and procedures require regulatory disclosure of the compensation arrangement between DeAM and the non-affiliated referring DeAM entity.

DeAM and/or its affiliates may be referred advisory clients by unaffiliated consultants that are retained by existing or prospective clients. These consultants may advise existing or prospective clients whether to engage or retain the services of DeAM as investment advisor. Additionally, while payments are not made in connection with any advisory client referral such as the consultants, DeAM may make payments to investment consultants in order to attend industry-wide conferences sponsored by these consultants.

## Item 15 – Custody

### Custodian Statements

Clients of the adviser typically receive statements from their account custodians at least quarterly. Clients are encouraged to compare statements received from DeAM with statements received from client account custodians. Clients that are not receiving statements from their account custodians at least quarterly are asked to contact their client service representative.

Certain clients invested in our pool investment vehicles and certain commingled vehicles, rely on the pooled fund exemption under Advisers Act Rule 206(4)-2 and do not receive quarterly statements from their custodian.

## Item 16 – Discretion

Generally, DeAM is retained on a discretionary basis for client accounts, however, from time to time a client may retain DeAM on a non-discretionary basis, explicitly requiring that portfolio transactions be discussed in advance.

DeAM is typically authorized to supervise and direct the investment and reinvestment of assets in an account, with full authority and at its discretion, subject to Client's investment policy or guidelines. DeAM's advisory services are tailored according to investment policies and guidelines that are established at the inception of the adviser-client relationship (as amended from time to time) in cooperation with the client. These policies and guidelines, which may include imposed restriction on investing in certain securities or types of securities assist DeAM in making investment decisions for the client as well as cover matters such as the degree of risk that the client wishes to assume, and the types and amounts of securities to make up the portfolio.

As may be negotiated with each client, DeAM may delegate investment management authority for all or a portion of a client's accounts to an affiliate, including affiliates that may be outside the United States. The accounts that have been delegated will be managed in accordance with the investment policies of the affiliate. More information regarding the affiliated advisers, including applicable fees, is available in the affiliated advisers' disclosure documents.

## Item 17 – Voting Client Securities

DeAM is deemed to have proxy voting responsibility for an advisory account unless expressly precluded or prohibited by the terms of the client's investment management agreement or as otherwise agree to in writing by DeAM.

DeAM has adopted a proxy voting policy and procedure (collectively, the "Proxy Voting Policy"), including specific proxy voting guidelines (the "Guidelines"- see Attachment A), that set forth the general principles DeAM uses to determine how to vote proxies on securities in client accounts for which DeAM has proxy voting responsibility. DeAM believes that the Proxy Voting Policy is reasonably designed to ensure that client proxies are voted in the best economic interests of clients and to ensure that material conflicts of interest are avoided and/or resolved in a manner consistent with DeAM's fiduciary duties under applicable law.

The Guidelines set forth standard voting positions on a comprehensive list of common proxy voting matters. Guidelines are monitored and periodically updated based on considerations of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments, among other considerations.

To avoid any conflicts, under normal circumstances, DeAM will vote proxies in accordance with the Guidelines. Any client proxy vote that is not addressed by specific client instructions, is not covered by the Guidelines, or is one in which DeAM believes that voting in accordance with the Guidelines may not be in the best economic interests of clients, will be evaluated and voted in accordance with the Proxy Voting Policy. In such circumstances, DeAM shall vote those proxies in accordance with what it, in good faith, determines to be the best economic interests of clients. Before voting any proxy not covered by the Guidelines, however, DeAM (through its Conflicts of Interest Management Sub-Committee) will investigate whether there are any material conflicts of interest in connection with the particular vote. The Conflicts of Interest Management Sub-Committee will review, for example, whether DeAM has any known potential conflict of interest that can be reasonably determined, with the relevant issuer as well as whether any Proxy Voting Sub-Committee (PVSC) member may have a conflict of interest personally. In the event that the Conflicts of Interest Management Sub-Committee determines that there is a material conflict of interest, DeAM will either follow the proxy voting recommendations of an independent third party or will obtain proxy voting instructions from affected clients. Notwithstanding these policies and procedures, proxy voting decisions executed by DeAM may match the voting interests of clients or businesses of DeAM and its affiliates. DeAM's proxy voting decisions, however, are made independent of the interests of such clients or businesses of DeAM and its affiliates and are made in accordance with its fiduciary responsibilities.

Clients of DIMA can obtain a copy of its Proxy Voting Policy and Guidelines, or information about how DeAM voted proxies with respect to securities held in their account, by calling their client service representative.



DeAM is deemed to have proxy voting responsibility for an advisory account unless expressly precluded or prohibited by the terms of the client's investment management agreement or as otherwise agree to in writing by DeAM.

It is the custodian's fiduciary responsibility to send clients proxy materials. If a client precludes DeAM from voting proxies on their behalf, the client has the authority to contact the custodian and instruct the custodian to send their proxy voting material directly to a voting agent they have selected to vote proxies on their behalf.

Clients may direct DeAM to vote certain proxies.

### ***Registered Investment Companies/Commingled Vehicles***

DeAM has proxy voting responsibility for the securities held in the registered investment companies and other commingled vehicles advised by DeAM.

## **Item 18– Financial Information**

Not applicable

## **Part 2A – Appendix 1 Wrap Fees Program**

Not applicable

## **Additional Disclosures**

### **Business Continuity**

DeAM is committed to protecting its staff and ensuring the continuity of critical DeAM businesses and functions in order to protect the Deutsche Bank franchise, mitigate risk, safeguard revenues and sustain both stable financial markets and customer confidence.

It is DeAM's policy that every unit of DeAM develops, implements, tests and maintains appropriate, comprehensive and verifiable Business Continuity and Disaster Recovery strategies and plans in compliance with the goals and planning assumptions as defined by the policy.

### **Customer Identification Program**

As part of our Customer Identification or "Know Your Customer" Program, before engaging in a transaction with a prospective customer, DeAM may request certain information and documentation from the prospective customer in order to (a) confirm the identity of such customer (and such customer's beneficial owners or control persons, if any) and (b) ascertain whether applicable anti-money laundering or trade sanction laws, rules or regulations prohibit us from engaging in the proposed transaction with such customer. Among other things, DeAM may check lists maintained by governmental agencies, including the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), to determine whether the prospective customer (or such customer's beneficial owners or control persons, if any) appear on such lists. DeAM will also take reasonable steps in accordance with applicable identity theft prevention laws to detect, prevent, and mitigate risks associated with identity theft in connection with the opening of certain accounts or certain existing accounts and information or documentation collected in relation to such accounts.

Similarly, as part of our Customer Identification or "Know Your Customer" Program, DeAM will take reasonable steps to prevent payments to gambling businesses in connection with applicable rules regarding unlawful Internet gambling through client relationships.

## Class Action Proceedings

Except as otherwise addressed in DeAM Policy or Procedure, or as specifically agreed to by DeAM (e.g. DeAM-sponsored funds), DeAM does not act on behalf of client accounts (including sub-advised accounts) in any legal proceeding involving assets maintained in (and/or transactions effected for) the account. "Legal proceedings" include, but are not limited to, class actions, insolvency filings, SIPC filings and settlement filings. If DeAM receives documentation relating to such a legal proceeding DeAM will forward the documentation to the client and/or its trustee/custodian of record.

## Privacy Notice

DeAM collects information about clients from account application forms and other written and verbal information they provide to DeAM. DeAM uses this information to process the client's requests and transactions (for example, to provide them with additional information about services provided, to open an account for the client or to process a transaction). In order to service the client account and effect transactions, DeAM may provide the client personal information to firms that assist DeAM in servicing the client account, such as third party administrators, custodians and broker-dealers. DeAM also may provide the client name and address to one of its agents for the purpose of mailing account statement and other information about DeAM's products and services to the client. We require these outside firms, organizations and individuals to protect the confidentiality of the client information and to use the information only for the purpose for which the disclosure is made. We do not provide customer names and addresses to outside firms, organizations or individuals except in furtherance of our business relationship clients, or as otherwise required or permitted by the law.

DeAM will only share information about clients with those employees who will be working with us to provide our products and services to our clients. We maintain physical, electronic and procedural safeguards to protect our client's personal information.

We never sell customer lists or individual client information. We consider privacy fundamental to our client relationships and adhere to the policies and practices described below to protect current and former clients' information. Internal policies are in place to protect confidentiality, while allowing client needs to be served. Only individuals who need to do so in carrying out their job responsibilities may access client information. We maintain physical, electronic and procedural safeguards that comply with federal and state standards to protect confidentiality. These safeguards extend to all forms of interaction with us, including the Internet.

In the normal course of business, clients give us non-public personal information on applications and other forms, on our websites, and through transactions with us or our affiliates. Examples of the non-public personal information collected are name, address, Social Security number and transaction and balance information. To be able to serve our clients, certain of this client information is shared with affiliated and non-affiliated third party service providers such as transfer agents, custodians, and broker-dealers to assist us in processing transactions and servicing your account with us.

We may also disclose non-public personal information to other parties as required or permitted by law. For example, we are required or we may provide information to government entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain circumstances, to law enforcement authorities, or any time we believe is necessary to protect the firm.

Governmental rules have broadened the scope of DeAM's obligations to aid in the fight against money laundering and terrorist financing; these rules call for an active involvement of both asset management firms and their clients.

For new and existing customer accounts, DeAM currently has a legal obligation to ask our customers questions regarding their identities, addresses, source of funds and, if necessary, legal

representatives, authorized signatories, beneficial owners or control structures and collect requisite documentation to substantiate the information. Also, enhanced anti-money laundering requirements require that should any of the above personal or institutional information change, our clients would be obliged to immediately notify DeAM of the change(s) and provide DeAM with relevant documentation to verify these changes.

### Conditions for Managing Accounts

DeAM has a legal obligation to ask customers questions regarding their identities, addresses, source of funds and, if necessary, legal representatives, authorized signatories or companies/associations which they belong and collect requisite documentation to substantiate the information. Also, regulations require that should any of the above personal information change our clients would be obliged to immediately notify us of the change(s).



# Proxy Voting Policy and Guidelines - DeAM

*Passion to Perform*

## **I. INTRODUCTION**

AM has adopted and implemented the following policies and procedures, which it believes are reasonably designed to ensure that proxies are voted in the best economic interest of clients, in accordance with its fiduciary duties and local regulation. These Proxy Voting Policies, Procedures and Guidelines shall apply to all accounts managed by US domiciled advisers and to all US client accounts managed by non US regional offices. Non US regional offices are required to maintain procedures and to vote proxies as may be required by law on behalf of their non US clients. In addition, AM's proxy policies reflect the fiduciary standards and responsibilities for ERISA accounts.

The attached guidelines represent a set of global recommendations that were determined by the Global Proxy Voting Sub-Committee ("the GPVSC"). These guidelines were developed to provide AM with a comprehensive list of recommendations that represent how AM will generally vote proxies for its clients. The recommendations derived from the application of these guidelines are not intended to influence the various AM legal entities either directly or indirectly by parent or affiliated companies. In addition, the organizational structures and documents of the various AM legal entities allows, where necessary or appropriate, the execution by individual AM subsidiaries of the proxy voting rights independently of any DB parent or affiliated company. This applies in particular to non U.S. fund management companies. The individuals that make proxy voting decisions are also free to act independently, subject to the normal and customary supervision by the management/boards of these AM legal entities.

## **II. AM'S PROXY VOTING RESPONSIBILITIES**

Proxy votes are the property of AM's advisory clients.<sup>1</sup> As such, AM's authority and responsibility to vote such proxies depend upon its contractual relationships with its clients. AM has delegated responsibility for effecting its advisory clients' proxy votes to Institutional Shareholder Services ("ISS"), an independent third-party proxy voting specialist. ISS votes AM's advisory clients' proxies in accordance with AM's proxy guidelines or AM's specific instructions. Where a client has given specific instructions as to how a proxy should be voted, AM will notify ISS to carry out those instructions. Where no specific instruction exists, AM will follow the procedures in voting the proxies set forth in this document. Certain Taft-Hartley clients may direct AM to have ISS vote their proxies in accordance with Taft Hartley voting Guidelines

Clients may in certain instances contract with their custodial agent and notify AM that they wish to engage in securities lending transactions. In such cases, it is the responsibility of the custodian to deduct the number of shares that are on loan so that they do not get voted twice.

## **III. POLICIES**

### ***1. Proxy voting activities are conducted in the best economic interest of clients***

AM has adopted the following policies and procedures to ensure that proxies are voted in accordance with the best economic interest of its clients, as determined by AM in good faith after appropriate review.

### ***2. The Global Proxy Voting Sub-Committee***

The Global Proxy Voting Sub-Committee (the "GPVSC") is an internal working group established by the applicable AM's Investment Risk Oversight Committee pursuant to a written charter. The GPVSC is responsible for overseeing AM's proxy voting activities, including:

<sup>1</sup> For purposes of these Policies and Procedures, "clients" refers to persons or entities: for which AM serves as investment adviser or sub-adviser; for which AM votes proxies; and that have an economic or beneficial ownership interest in the portfolio securities of issuers soliciting such proxies.

- (i) adopting, monitoring and updating guidelines, attached as Exhibit A (the “Guidelines”), that provide how AM will generally vote proxies pertaining to a comprehensive list of common proxy voting matters;
- (ii) voting proxies where (A) the issues are not covered by specific client instruction or the Guidelines; (B) the Guidelines specify that the issues are to be determined on a case-by-case basis; or (C) where an exception to the Guidelines may be in the best economic interest of AM’s clients; and
- (iii) monitoring the Proxy Vendor Oversight’s proxy voting activities (see below).

AM’s Proxy Vendor Oversight, a function of AM’s Operations Group, is responsible for coordinating with ISS to administer AM’s proxy voting process and for voting proxies in accordance with any specific client instructions or, if there are none, the Guidelines, and overseeing ISS’ proxy responsibilities in this regard.

### **3. *Availability of Proxy Voting Policies and Procedures and proxy voting record***

Copies of these Policies and Procedures, as they may be updated from time to time, are made available to clients as required by law and otherwise at AM’s discretion. Clients may also obtain information on how their proxies were voted by AM as required by law and otherwise at AM’s discretion; however, AM must not selectively disclose its investment company clients’ proxy voting records. The Proxy Vendor Oversight will make proxy voting reports available to advisory clients upon request. The investment companies’ proxy voting records will be disclosed to shareholders by means of publicly-available annual filings of each company’s proxy voting record for 12-month periods ended June 30 (see “Recordkeeping” below), if so required by relevant law.

## **IV. PROCEDURES**

The key aspects of AM’s proxy voting process are as follows:

### **1. *The GPVSC’s Proxy Voting Guidelines***

The Guidelines set forth the GPVSC’s standard voting positions on a comprehensive list of common proxy voting matters. The GPVSC has developed, and continues to update the Guidelines based on consideration of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments.

The GPVSC will review the Guidelines as necessary to support the best economic interests of AM’s clients and, in any event, at least annually. The GPVSC will make changes to the Guidelines, whether as a result of the annual review or otherwise, taking solely into account the best economic interests of clients. Before changing the Guidelines, the GPVSC will thoroughly review and evaluate the proposed change and the reasons therefore, and the GPVSC Chair will ask GPVSC members whether anyone outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as a AM advisory client has requested or attempted to influence the proposed change and whether any member has a conflict of interest with respect to the proposed change. If any such matter is reported to the GPVSC Chair, the Chair will promptly notify the Conflicts of Interest Management Sub-Committee (see below) and will defer the approval, if possible. Lastly, the GPVSC will fully document its rationale for approving any change to the Guidelines.

The Guidelines may reflect a voting position that differs from the actual practices of the public company(ies) within the Deutsche Bank organization or of the investment companies for which AM or an affiliate serves as investment adviser or sponsor. Investment companies, particularly closed-end investment companies, are different from traditional operating companies. These differences may call for differences in voting positions on the same matter. Further, the manner in which AM votes investment company proxies may differ from proposals for which a AM-advised or sponsored investment company solicits proxies from its shareholders. As reflected in the Guidelines, proxies solicited by closed-end (and open-end) investment companies are generally voted in accordance with the pre-determined guidelines of ISS. See Section IV.3.B.



Funds (“Underlying Funds”) in which Topiary Fund Management Fund of Funds (each, a “Fund”) invest, may from time to time seek to revise their investment terms (i.e. liquidity, fees, etc.) or investment structure. In such event, the Underlying Funds may require approval/consent from its investors to effect the relevant changes. Topiary Fund Management has adopted Proxy Voting Procedures which outline the process for these approvals.

## **2. *Specific proxy voting decisions made by the GPVSC***

The Proxy Vendor Oversight will refer to the GPVSC all proxy proposals (i) that are not covered by specific client instructions or the Guidelines; or (ii) that, according to the Guidelines, should be evaluated and voted on a case-by-case basis.

Additionally, if, the Proxy Vendor Oversight, the GPVSC Chair or any member of the GPVSC, a portfolio manager, a research analyst or a sub-adviser believes that voting a particular proxy in accordance with the Guidelines may not be in the best economic interests of clients, that individual may bring the matter to the attention of the GPVSC Chair and/or the Proxy Vendor Oversight.<sup>2</sup>

If the Proxy Vendor Oversight refers a proxy proposal to the GPVSC or the GPVSC determines that voting a particular proxy in accordance with the Guidelines is not in the best economic interests of clients, the GPVSC will evaluate and vote the proxy, subject to the procedures below regarding conflicts.

The GPVSC endeavors to hold meetings to decide how to vote particular proxies sufficiently before the voting deadline so that the procedures below regarding conflicts can be completed before the GPVSC’s voting determination.

## **3. *Certain proxy votes may not be cast***

In some cases, the GPVSC may determine that it is in the best economic interests of its clients not to vote certain proxies. If the conditions below are met with regard to a proxy proposal, AM will abstain from voting:

- Neither the Guidelines nor specific client instructions cover an issue;
- ISS does not make a recommendation on the issue;
- The GPVSC cannot convene on the proxy proposal at issue to make a determination as to what would be in the client’s best interest. (This could happen, for example, if the Conflicts of Interest Management Sub-committee found that there was a material conflict or if despite all best efforts being made, the GPVSC quorum requirement could not be met).

In addition, it is AM’s policy not to vote proxies of issuers subject to laws of those jurisdictions that impose restrictions upon selling shares after proxies are voted, in order to preserve liquidity. In other cases, it may not be possible to vote certain proxies, despite good faith efforts to do so. For example, some jurisdictions do not provide adequate notice to shareholders so that proxies may be voted on a timely basis. Voting rights on securities that have been loaned to third-parties transfer to those third-parties, with loan termination often being the only way to attempt to vote proxies on the loaned securities. Lastly, the GPVSC may determine that the costs to the client(s) associated with voting a particular proxy or group of proxies outweighs the economic benefits expected from voting the proxy or group of proxies.

The Proxy Vendor Oversight will coordinate with the GPVSC Chair regarding any specific proxies and any categories of proxies that will not or cannot be voted. The reasons for not voting any proxy shall be documented.

<sup>2</sup> The Proxy Vendor Oversight generally monitors upcoming proxy solicitations for heightened attention from the press or the industry and for novel or unusual proposals or circumstances, which may prompt the Proxy Vendor Oversight to bring the solicitation to the attention of the GPVSC Chair. AM portfolio managers, AM research analysts and sub-advisers also may bring a particular proxy vote to the attention of the GPVSC Chair, as a result of their ongoing monitoring of portfolio securities held by advisory clients and/or their review of the periodic proxy voting record reports that the GPVSC Chair distributes to AM portfolio managers and AM research analysts.

#### 4. *Conflict of Interest Procedures*

##### A. Procedures to Address Conflicts of Interest and Improper Influence

*Overriding Principle.* In the limited circumstances where the GPVSC votes proxies,<sup>3</sup> the GPVSC will vote those proxies in accordance with what it, in good faith, determines to be the best economic interests of AM's clients.<sup>4</sup>

*Independence of the GPVSC.* As a matter of Compliance policy, the GPVSC and the Proxy Vendor Oversight are structured to be independent from other parts of Deutsche Bank. Members of the GPVSC and the employee responsible for Proxy Vendor Oversight are employees of AM. As such, they may not be subject to the supervision or control of any employees of Deutsche Bank Corporate and Investment Banking division ("CIB"). Their compensation cannot be based upon their contribution to any business activity outside of AM without prior approval of Legal and Compliance. They can have no contact with employees of Deutsche Bank outside of the Private Client and Asset Management division ("PCAM") regarding specific clients, business matters or initiatives without the prior approval of Legal and Compliance. They furthermore may not discuss proxy votes with any person outside of AM (and within AM only on a need to know basis).

*Conflict Review Procedures.* There will be a committee (the "Conflicts of Interest Management Sub-Committee") established within AM that will monitor for potential material conflicts of interest in connection with proxy proposals that are to be evaluated by the GPVSC. Promptly upon a determination that a vote shall be presented to the GPVSC, the GPVSC Chair shall notify the Conflicts of Interest Management Sub-Committee. The Conflicts of Interest Management Sub-Committee shall promptly collect and review any information deemed reasonably appropriate to evaluate, in its reasonable judgment, if AM or any person participating in the proxy voting process has, or has the appearance of, a material conflict of interest. For the purposes of this policy, a conflict of interest shall be considered "material" to the extent that a reasonable person could expect the conflict to influence, or appear to influence, the GPVSC's decision on the particular vote at issue. GPVSC should provide the Conflicts of Interest Management Sub-Committee a reasonable amount of time (no less than 24 hours) to perform all necessary and appropriate reviews. To the extent that a conflicts review can not be sufficiently completed by the Conflicts of Interest Management Sub-Committee the proxies will be voted in accordance with the standard guidelines.

The information considered by the Conflicts of Interest Management Sub-Committee may include without limitation information regarding (i) AM client relationships; (ii) any relevant personal conflict known by the Conflicts of Interest Management Sub-Committee or brought to the attention of that sub-committee; (iii) and any communications with members of the GPVSC (or anyone participating or providing information to the GPVSC) and any person outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as a AM advisory client regarding the vote at issue. In the context of any determination, the Conflicts of Interest Management Sub-Committee may consult with, and shall be entitled to rely upon, all applicable outside experts, including legal counsel.

Upon completion of the investigation, the Conflicts of Interest Management Sub-Committee will document its findings and conclusions. If the Conflicts of Interest Management Sub-Committee determines that (i) AM has a material conflict of interest that would prevent it from deciding how to vote the proxies concerned without further client consent or (ii) certain individuals should be recused from participating in the proxy vote at issue, the Conflicts of Interest Management Sub-Committee will so inform the GPVSC chair.

If notified that AM has a material conflict of interest as described above, the GPVSC chair will obtain instructions as to how the proxies should be voted either from (i) if time permits, the effected clients, or (ii) in accordance with the standard guidelines. If notified that certain individuals should be recused from the proxy vote at issue, the GPVSC Chair shall do so in accordance with the procedures set forth below.

<sup>3</sup> As mentioned above, the GPVSC votes proxies (i) where neither a specific client instruction nor a Guideline directs how the proxy should be voted, (ii) where the Guidelines specify that an issue is to be determined on a case by case basis or (iii) where voting in accordance with the Guidelines may not be in the best economic interests of clients.

<sup>4</sup> The Proxy Vendor Oversight, who serves as the non-voting secretary of the GPVSC, may receive routine calls from proxy solicitors and other parties interested in a particular proxy vote. Any contact that attempts to exert improper pressure or influence shall be reported to the Conflicts of Interest Management Sub-Committee.

Note: Any AM employee who becomes aware of a potential, material conflict of interest in respect of any proxy vote to be made on behalf of clients shall notify Compliance. Compliance shall call a meeting of the conflict review committee to evaluate such conflict and determine a recommended course of action.

*Procedures to be followed by the GPVSC.* At the beginning of any discussion regarding how to vote any proxy, the GPVSC Chair (or his or her delegate) will inquire as to whether any GPVSC member (whether voting or ex officio) or any person participating in the proxy voting process has a personal conflict of interest or has actual knowledge of an actual or apparent conflict that has not been reported to the Conflicts of Interest Management Sub-Committee.

The GPVSC Chair also will inquire of these same parties whether they have actual knowledge regarding whether any director, officer or employee outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as a AM advisory client, has: (i) requested that AM, the Proxy Vendor Oversight (or any member thereof) or a GPVSC member vote a particular proxy in a certain manner; (ii) attempted to influence AM, the Proxy Vendor Oversight (or any member thereof), a GPVSC member or any other person in connection with proxy voting activities; or (iii) otherwise communicated with a GPVSC member or any other person participating or providing information to the GPVSC regarding the particular proxy vote at issue, and which incident has not yet been reported to the Conflicts of Interest Management Sub-Committee.

If any such incidents are reported to the GPVSC Chair, the Chair will promptly notify the Conflicts of Interest Management Sub-Committee and, if possible, will delay the vote until the Conflicts of Interest Management Sub-Committee can complete the conflicts report. If a delay is not possible, the Conflicts of Interest Management Sub-Committee will instruct the GPVSC whether anyone should be recused from the proxy voting process, or whether AM should vote the proxy in accordance with the standard guidelines, seek instructions as to how to vote the proxy at issue from ISS or, if time permits, the effected clients. These inquiries and discussions will be properly reflected in the GPVSC's minutes.

*Duty to Report.* Any AM employee, including any GPVSC member (whether voting or ex officio), that is aware of any actual or apparent conflict of interest relevant to, or any attempt by any person outside of the AM organization (but within Deutsche Bank and its affiliates) or any entity that identifies itself as a AM advisory client to influence, how AM votes its proxies has a duty to disclose the existence of the situation to the GPVSC Chair (or his or her designee) and the details of the matter to the Conflicts of Interest Management Sub-Committee. In the case of any person participating in the deliberations on a specific vote, such disclosure should be made before engaging in any activities or participating in any discussion pertaining to that vote.

*Recusal of Members.* The GPVSC will recuse from participating in a specific proxy vote any GPVSC members (whether voting or ex officio) and/or any other person who (i) are personally involved in a material conflict of interest; or (ii) who, as determined by the Conflicts of Interest Management Sub-Committee, have actual knowledge of a circumstance or fact that could effect their independent judgment, in respect of such vote. The GPVSC will also exclude from consideration the views of any person (whether requested or volunteered) if the GPVSC or any member thereof knows, or if the Conflicts of Interest Management Sub-Committee has determined, that such other person has a material conflict of interest with respect to the particular proxy, or has attempted to influence the vote in any manner prohibited by these policies.

If, after excluding all relevant GPVSC voting members pursuant to the paragraph above, there are three or more GPVSC voting members remaining, those remaining GPVSC members will determine how to vote the proxy in accordance with these Policies and Procedures. If there are fewer than three GPVSC voting members remaining, the GPVSC Chair will vote the proxy in accordance with the standard guidelines, will obtain instructions as to how to have the proxy voted from, if time permits, the effected clients and otherwise from ISS.

B. Investment Companies and Affiliated Public Companies

*Investment Companies.* As reflected in the Guidelines, all proxies solicited by open-end and closed-end investment companies are voted in accordance with the pre-determined guidelines of ISS, unless the investment company client directs AM to vote differently on a specific proxy or specific categories of proxies. However, regarding investment companies for which AM or an affiliate serves as investment adviser or principal underwriter, such proxies are voted in the same proportion as the vote of all other shareholders (i.e., “mirror” or “echo” voting). Master fund proxies solicited from feeder funds are voted in accordance with applicable provisions of Section 12 of the Investment Company Act of 1940.

Subject to participation agreements with certain Exchange Traded Funds (“ETF”) issuers that have received exemptive orders from the U.S. Securities and Exchange Commission allowing investing DWS funds to exceed the limits set forth in Section 12(d)(1)(A) and (B) of the Investment Company Act of 1940, DeAM will echo vote proxies for ETFs in which Deutsche Bank holds more than 25% of outstanding voting shares globally when required to do so by participation agreements and SEC orders.

*Affiliated Public Companies.* For proxies solicited by non-investment company issuers of or within the Deutsche Bank organization, e.g., Deutsche bank itself, these proxies will be voted in the same proportion as the vote of other shareholders (i.e., “mirror” or “echo” voting).

Note: With respect to the Central Cash Management Fund (registered under the Investment Company Act of 1940), the Fund is not required to engage in echo voting and the investment adviser will use these Guidelines, and may determine, with respect to the Central Cash Management Fund, to vote contrary to the positions in the Guidelines, consistent with the Fund’s best interest.

#### C. Other Procedures That Limit Conflicts of Interest

AM and other entities in the Deutsche Bank organization have adopted a number of policies, procedures and internal controls that are designed to avoid various conflicts of interest, including those that may arise in connection with proxy voting, including but not limited to:

- Code of Business Conduct and Ethics - DB Group;
- Conflicts of Interest Policy - DB Group;
- Information Sharing Procedures – DeAM;
- Code of Ethics- DeAM; and
- Code of Professional Conduct - US.

The GPVSC expects that these policies, procedures and internal controls will greatly reduce the chance that the GPVSC (or, its members) would be involved in, aware of or influenced by, an actual or apparent conflict of interest.

#### V. **RECORDKEEPING**

At a minimum, the following types of records must be properly maintained and readily accessible in order to evidence compliance with this policy.

- AM will maintain a record of each vote cast by AM that includes among other things, company name, meeting date, proposals presented, vote cast and shares voted.
- The Proxy Vendor Oversight maintains records for each of the proxy ballots it votes. Specifically, the records include, but are not limited to:
  - The proxy statement (and any additional solicitation materials) and relevant portions of annual statements.
  - Any additional information considered in the voting process that may be obtained from an issuing company, its agents or proxy research firms.
  - Analyst worksheets created for stock option plan and share increase analyses.
  - Proxy Edge print-screen of actual vote election.

- AM will retain these Policies and Procedures and the Guidelines; will maintain records of client requests for proxy voting information; and will retain any documents the Proxy Vendor Oversight or the GPVSC prepared that were material to making a voting decision or that memorialized the basis for a proxy voting decision.
- The GPVSC also will create and maintain appropriate records documenting its compliance with these Policies and Procedures, including records of its deliberations and decisions regarding conflicts of interest and their resolution.
- With respect to AM's investment company clients, ISS will create and maintain records of each company's proxy voting record for 12-month periods ended June 30. AM will compile the following information for each matter relating to a portfolio security considered *at any shareholder meeting held during the period covered by the report and with respect to which the company was entitled to vote*:
  - The name of the issuer of the portfolio security;
  - The exchange ticker symbol of the portfolio security (if symbol is available through reasonably practicable means);
  - The Council on Uniform Securities Identification Procedures number for the portfolio security (if the number is available through reasonably practicable means);
  - The shareholder meeting date;
  - A brief identification of the matter voted on;
  - Whether the matter was proposed by the issuer or by a security holder;
  - Whether the company cast its vote on the matter;
  - How the company cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding election of directors); and
  - Whether the company cast its vote for or against management.

Note: This list is intended to provide guidance only in terms of the records that must be maintained in accordance with this policy. In addition, please note that records must be maintained in accordance with the applicable Records Management Policy - US.

With respect to electronically stored records, "properly maintained" is defined as complete, authentic (unalterable) usable and backed-up. At a minimum, records should be retained for a period of not less than six years (or longer, if necessary to comply with applicable regulatory requirements), the first three years in an appropriate AM office.

## **VI. THE GPVSC'S OVERSIGHT ROLE**

In addition to adopting the Guidelines and making proxy voting decisions on matters referred to it as set forth above, the GPVSC will monitor the proxy voting process by reviewing summary proxy information presented by ISS. The GPVSC will use this review process to determine, among other things, whether any changes should be made to the Guidelines. This review will take place at least quarterly and will be documented in the GPVSC's minutes.

**Attachment A – Global Proxy Voting Guidelines**

**Deutsche Asset Management  
Global Proxy Voting Guidelines**

As Amended March 2012





# Table of contents

- I Board Of Directors And Executives
  - A Election Of Directors
  - B Classified Boards Of Directors
  - C Board And Committee Independence
  - D Liability And Indemnification Of Directors
  - E Qualifications Of Directors
  - F Removal Of Directors And Filling Of Vacancies
  - G Proposals To Fix The Size Of The Board
  - H Proposals to Restrict Chief Executive Officer’s Service on Multiple Boards
  - I Proposals to Restrict Supervisory Board Members Service on Multiple Boards
  - J Proposals to Establish Audit Committees
- II Capital Structure
  - A Authorization Of Additional Shares
  - B Authorization Of “Blank Check” Preferred Stock
  - C Stock Splits/Reverse Stock Splits
  - D Dual Class/Supervoting Stock
  - E Large Block Issuance
  - F Recapitalization Into A Single Class Of Stock
  - G Share Repurchases
  - H Reductions In Par Value
- III Corporate Governance Issues
  - A Confidential Voting
  - B Cumulative Voting
  - C Supermajority Voting Requirements
  - D Shareholder Right To Vote
- IV Compensation
  - A Establishment of a Remuneration Committee
  - B Executive And Director Stock Option Plans
  - C Employee Stock Option/Purchase Plans
  - D Golden Parachutes
  - E Proposals To Limit Benefits Or Executive Compensation
  - F Option Expensing

- G Management board election and motion
- H Remuneration (variable pay)
- I Long-term incentive plans
- J Shareholder Proposals Concerning “Pay For Superior Performance”
- K Executive Compensation Advisory
- V Anti-Takeover Related Issues
  - A Shareholder Rights Plans (“Poison Pills”)
  - B Reincorporation
  - C Fair-Price Proposals
  - D Exemption From State Takeover Laws
  - E Non-Financial Effects Of Takeover Bids
- VI Mergers & Acquisitions
- VII Environmental, Social& Governance Issues
  - A Principles for Responsible Investment (“PRI”)
  - B ESG Issues
  - C Labor & Human Rights
  - D Diversity & Equality
  - E Health & Safety
  - F Government/Military
  - G Tobacco
- VIII Miscellaneous Items
  - A Ratification Of Auditors
  - B Limitation Of Non-Audit Services Provided By Independent Auditor
  - C Audit Firm Rotation
  - D Transaction Of Other Business
  - E Motions To Adjourn The Meeting
  - F Bundled Proposals
  - G Change Of Company Name
  - H Proposals Related To The Annual Meeting
  - I Reimbursement Of Expenses Incurred From Candidate Nomination
  - J Investment Company Proxies
  - K International Proxy Voting

These Guidelines may reflect a voting position that differs from the actual practices of the public company (ies) within the Deutsche Bank organization or of the investment companies for which AM or an affiliate serves as investment adviser or sponsor.

NOTE: Because of the unique structure and regulatory scheme applicable to closed-end investment companies, the voting guidelines (particularly those related to governance issues) generally will be inapplicable to holdings of closed-end investment companies. As a result, determinations on the appropriate voting recommendation for closed-end investment company shares will be made on a case-by-case basis.

## **I. Board of Directors and Executives**

### **A. Election of Directors**

Routine: AM Policy is to vote “for” the uncontested election of directors. Votes for a director in an uncontested election will be withheld in cases where a director has shown an inability to perform his/her duties in the best interests of the shareholders.

Proxy contest: In a proxy contest involving election of directors, a case-by-case voting decision will be made based upon analysis of the issues involved and the merits of the incumbent and dissident slates of directors. AM will incorporate the decisions of a third party proxy research vendor, currently, Institutional Shareholder Services (“ISS”) subject to review by the Proxy Voting Sub-Committee (GPVSC) as set forth in the AM’s Proxy Voting Policies and Procedures.

Rationale: The large majority of corporate directors fulfill their fiduciary obligation and in most cases support for management’s nominees is warranted. As the issues relevant to a contested election differ in each instance, those cases must be addressed as they arise.

### **B. Classified Boards of Directors**

AM policy is to vote against proposals to classify the board and for proposals to repeal classified boards and elect directors annually.

Rationale: Directors should be held accountable on an annual basis. By entrenching the incumbent board, a classified board may be used as an anti-takeover device to the detriment of the shareholders in a hostile take-over situation.

### **C. Board and Committee Independence**

AM policy is to vote:

1. “For” proposals that require that a certain percentage (majority up to 66 2/3%) of members of a board of directors be comprised of independent or unaffiliated directors.
2. “For” proposals that require all members of a company's compensation, audit, nominating, or other similar committees be comprised of independent or unaffiliated directors.
3. “Against” shareholder proposals to require the addition of special interest, or constituency, representatives to boards of directors.
4. “For” separation of the Chairman and CEO positions.

5. “Against” proposals that require a company to appoint a Chairman who is an independent director.

Rationale: Board independence is a cornerstone of effective governance and accountability. A board that is sufficiently independent from management assures that shareholders' interests are adequately represented. However, the Chairman of the board must have sufficient involvement in and experience with the operations of the company to perform the functions required of that position and lead the company.

No director qualifies as 'independent' unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company).

Whether a director is in fact not "independent" will depend on the laws and regulations of the primary market for the security and the exchanges, if any, on which the security trades.

***D. Liability and Indemnification of Directors***

AM policy is to vote “for” management proposals to limit directors' liability and to broaden the indemnification of directors, unless broader indemnification or limitations on directors' liability would effect shareholders' interests in pending litigation.

Rationale: While shareholders want directors and officers to be responsible for their actions, it is not in the best interests of the shareholders for them to be risk averse. If the risk of personal liability is too great, companies may not be able to find capable directors willing to serve. We support expanding coverage only for actions taken in good faith and not for serious violations of fiduciary obligation or negligence.

***E. Qualifications of Directors***

AM policy is to follow management's recommended vote on either management or shareholder proposals that set retirement ages for directors or require specific levels of stock ownership by directors.

Rationale: As a general rule, the board of directors, and not the shareholders, is most qualified to establish qualification policies.

***F. Removal of Directors and Filling of Vacancies***

AM policy is to vote “against” proposals that include provisions that directors may be removed only for cause or proposals that include provisions that only continuing directors may fill board vacancies.

Rationale: Differing state statutes permit removal of directors with or without cause. Removal of directors for cause usually requires proof of self-dealing, fraud or misappropriation of corporate assets, limiting shareholders' ability to remove directors except under extreme circumstances. Removal without cause requires no such showing.

Allowing only incumbent directors to fill vacancies can serve as an anti-takeover device, precluding shareholders from filling the board until the next regular election.

***G. Proposals to Fix the Size of the Board***

AM policy is to vote:

1. “For” proposals to fix the size of the board unless: (a) no specific reason for the proposed change is given; or (b) the proposal is part of a package of takeover defenses.
2. “Against” proposals allowing management to fix the size of the board without shareholder approval.

Rationale: Absent danger of anti-takeover use, companies should be granted a reasonable amount of flexibility in fixing the size of its board.

#### ***H. Proposals to Restrict Chief Executive Officer's Service on Multiple Boards***

AM policy is to vote "For" proposals to restrict a Chief Executive Officer from serving on more than three outside boards of directors.

Rationale: Chief Executive Officer must have sufficient time to ensure that shareholders' interests are represented adequately.

Note: A director's service on multiple closed-end fund boards within a fund complex are treated as service on a single Board for the purpose of the proxy voting guidelines.

#### ***I. Proposals to Restrict Supervisory Board Members Service on Multiple Boards (For FFT Securities)***

AM policy is to vote "for" proposals to restrict a Supervisory Board Member from serving on more than five supervisory boards.

Rationale: We consider a strong, independent and knowledgeable supervisory board as important counter-balance to executive management to ensure that the interests of shareholders are fully reflected by the company.

Full information should be disclosed in the annual reports and accounts to allow all shareholders to judge the success of the supervisory board controlling their company.

Supervisory Board Member must have sufficient time to ensure that shareholders' interests are represented adequately.

Note: A director's service on multiple closed-end fund boards within a fund complex are treated as service on a single Board for the purpose of the proxy voting guidelines.

#### ***J. Proposals to Establish Audit Committees (For FFT and U.S. Securities)***

AM policy is to vote "for" proposals that require the establishment of audit committees.

Rationale: The audit committee should deal with accounting and risk management related questions, verifies the independence of the auditor with due regard to possible conflicts of interest. It also should determine the procedure of the audit process.

## **II. Capital Structure**

#### ***A. Authorization of Additional Shares (For U.S. Securities)***

AM policy is to vote "for" proposals to increase the authorization of existing classes of stock that do not exceed a 3:1 ratio of shares authorized to shares outstanding for a large cap company, and do not exceed a 4:1 ratio of shares authorized to shares outstanding for a small-midcap company (companies having a market capitalization under one billion U.S. dollars.).

Rationale: While companies need an adequate number of shares in order to carry on business, increases requested for general financial flexibility must be limited to protect shareholders from their potential use as an anti-takeover device. Requested increases for specifically designated, reasonable business purposes (stock split, merger, etc.) will be considered in light of those purposes and the number of shares required.

#### ***B. Authorization of "Blank Check" Preferred Stock (For U.S. Securities)***

AM policy is to vote:

1. “Against” proposals to create blank check preferred stock or to increase the number of authorized shares of blank check preferred stock unless the company expressly states that the stock will not be used for anti-takeover purposes and will not be issued without shareholder approval.
2. “For” proposals mandating shareholder approval of blank check stock placement.

Rationale: Shareholders should be permitted to monitor the issuance of classes of preferred stock in which the board of directors is given unfettered discretion to set voting, dividend, conversion and other rights for the shares issued.

**C. *Stock Splits/Reverse Stock Splits***

AM policy is to vote “for” stock splits if a legitimate business purpose is set forth and the split is in the shareholders' best interests. A vote is cast “for” a reverse stock split only if the number of shares authorized is reduced in the same proportion as the reverse split or if the effective increase in authorized shares (relative to outstanding shares) complies with the proxy guidelines for common stock increases (see, Section II.A, above.)

Rationale: Generally, stock splits do not detrimentally effect shareholders. Reverse stock splits, however, may have the same result as an increase in authorized shares and should be analyzed accordingly.

**D. *Dual Class/Supervoting Stock***

AM policy is to vote “against” proposals to create or authorize additional shares of super-voting stock or stock with unequal voting rights.

Rationale: The “one share, one vote” principal ensures that no shareholder maintains a voting interest exceeding their equity interest in the company.

**E. *Large Block Issuance (For U.S. Securities)***

AM policy is to address large block issuances of stock on a case-by-case basis, incorporating the recommendation of an independent third party proxy research firm (currently ISS) subject to review by the GPVSC as set forth in AM’s Proxy Policies and Procedures.

Additionally, AM supports proposals requiring shareholder approval of large block issuances.

Rationale: Stock issuances must be reviewed in light of the business circumstances leading to the request and the potential impact on shareholder value.

**F. *Recapitalization into a Single Class of Stock***

AM policy is to vote “for” recapitalization plans to provide for a single class of common stock, provided the terms are fair, with no class of stock being unduly disadvantaged.

Rationale: Consolidation of multiple classes of stock is a business decision that may be left to the board and/management if there is no adverse effect on shareholders.

**G. *Share Repurchases***

AM policy is to vote “for” share repurchase plans provided all shareholders are able to participate on equal terms.



Rationale: Buybacks are generally considered beneficial to shareholders because they tend to increase returns to the remaining shareholders.

#### ***H. Reductions in Par Value***

AM policy is to vote “for” proposals to reduce par value, provided a legitimate business purpose is stated (e.g., the reduction of corporate tax responsibility.)

Rationale: Usually, adjustments to par value are a routine financial decision with no substantial impact on shareholders.

### **III. Corporate Governance Issues**

#### ***A. Confidential Voting***

AM policy is to vote “for” proposals to provide for confidential voting and independent tabulation of voting results and to vote “against” proposals to repeal such provisions.

Rationale: Confidential voting protects the privacy rights of all shareholders. This is particularly important for employee-shareholders or shareholders with business or other affiliations with the company, who may be vulnerable to coercion or retaliation when opposing management. Confidential voting does not interfere with the ability of corporations to communicate with all shareholders, nor does it prohibit shareholders from making their views known directly to management.

#### ***B. Cumulative Voting (For U.S. Securities)***

AM policy is to vote “against” shareholder proposals requesting cumulative voting and “for” management proposals to eliminate it. The protections afforded shareholders by cumulative voting are not necessary when a company has a history of good performance and does not have a concentrated ownership interest. Accordingly, a vote is cast “against” cumulative voting and “for” proposals to eliminate it if:

- a) The company has a five year return on investment greater than the relevant industry index,
- b) All directors and executive officers as a group beneficially own less than 10% of the outstanding stock, *and*
- c) No shareholder (or voting block) beneficially owns 15% or more of the company.

Thus, failure of any one of the three criteria results in a vote for cumulative voting in accordance with the general policy.

Rationale: Cumulative voting is a tool that should be used to ensure that holders of a significant number of shares may have board representation; however, the presence of other safeguards may make their use unnecessary.

#### ***C. Supermajority Voting Requirements***

AM policy is to vote “against” management proposals to require a supermajority vote to amend the charter or bylaws and to vote “for” shareholder proposals to modify or rescind existing supermajority requirements.

\*Exception made when company holds a controlling position and seeks to lower threshold to maintain control and/or make changes to corporate by-laws.

Rationale: Supermajority voting provisions violate the democratic principle that a simple majority should carry the vote. Setting supermajority requirements may make it difficult or impossible for shareholders to remove egregious by-law or charter provisions. Occasionally, a company with a significant insider held position might attempt to lower a supermajority threshold to make it easier for management to approve provisions that may be detrimental to shareholders. In that case, it may not be in the shareholders interests to lower the supermajority provision.

#### ***D. Shareholder Right to Vote***

AM policy is to vote “against” proposals that restrict the right of shareholders to call special meetings, amend the bylaws, or act by written consent. Policy is to vote “for” proposals that remove such restrictions.

Rationale: Any reasonable means whereby shareholders can make their views known to management or effect the governance process should be supported.

### **IV. Compensation**

Annual Incentive Plans or Bonus Plans are often submitted to shareholders for approval. These plans typically award cash to executives based on company performance. Deutsche Bank believes that the responsibility for executive compensation decisions rest with the board of directors and/or the compensation committee, and its policy is not to second-guess the board’s award of cash compensation amounts to executives unless a particular award or series of awards is deemed excessive. If stock options are awarded as part of these bonus or incentive plans, the provisions must meet Deutsche Bank’s criteria regarding stock option plans, or similar stock-based incentive compensation schemes, as set forth below.

#### ***A. Establishment of a Remuneration Committee (For FFT Securities)***

AM policy is to vote “for” proposals that require the establishment of a remuneration committee.

Rationale: Corporations should disclose in each annual report or proxy statement their policies on remuneration. Essential details regarding executive remuneration including share options, long-term incentive plans and bonuses, should be disclosed in the annual report, so that investors can judge whether corporate pay policies and practices meet the standard.

The remuneration committee shall not comprise any board members and should be sensitive to the wider scene on executive pay. It should ensure that performance-based elements of executive pay are designed to align the interests of shareholders.

#### ***B. Executive and Director Stock Option Plans***

AM policy is to vote “for” stock option plans that meet the following criteria:

- (1) The resulting dilution of existing shares is less than (a) 15 percent of outstanding shares for large capital corporations or (b) 20 percent of outstanding shares for small-mid capital companies (companies having a market capitalization under one billion U.S. dollars.)
- (2) The transfer of equity resulting from granting options at less than FMV is no greater than 3% of the over-all market capitalization of large capital corporations, or 5% of market cap for small-mid capital companies.
- (3) The plan does not contain express repricing provisions and, in the absence of an express statement that options will not be repriced; the company does not have a history of repricing options.
- (4) The plan does not grant options on super-voting stock.

AM will support performance-based option proposals as long as a) they do not mandate that all options granted by the company must be performance based, and b) only certain high-level executives are subject to receive the performance based options.

AM will support proposals to eliminate the payment of outside director pensions.

Rationale: Determining the cost to the company and to shareholders of stock-based incentive plans raises significant issues not encountered with cash-based compensation plans. These include the potential dilution of existing shareholders' voting power, the transfer of equity out of the company resulting from the grant and execution of options at less than FMV and the authority to reprice or replace underwater options. Our stock option plan analysis model seeks to allow reasonable levels of flexibility for a company yet still protect shareholders from the negative impact of excessive stock compensation. Acknowledging that small mid-capital corporations often rely more heavily on stock option plans as their main source of executive compensation and may not be able to compete with their large capital competitors with cash compensation, we provide slightly more flexibility for those companies.

### ***C. Employee Stock Option/Purchase Plans***

AM policy is to vote for employee stock purchase plans (ESPP's) when the plan complies with Internal Revenue Code 423, allowing non-management employees to purchase stock at 85% of FMV.

AM policy is to vote "for" employee stock option plans (ESOPs) provided they meet the standards for stock option plans in general. However, when computing dilution and transfer of equity, ESOPs are considered independently from executive and director option plans.

Rationale: ESOPs and ESPP's encourage rank-and-file employees to acquire an ownership stake in the companies they work for and have been shown to promote employee loyalty and improve productivity.

### ***D. Golden Parachutes***

AM policy is to vote "for" proposals to require shareholder approval of golden parachutes and for proposals that would limit golden parachutes to no more than three times base compensation. Policy is to vote "against" more restrictive shareholder proposals to limit golden parachutes.

Rationale: In setting a reasonable limitation, AM considers that an effective parachute should be less attractive than continued employment and that the IRS has opined that amounts greater than three times annual salary, are excessive.

### ***E. Proposals to Limit Benefits or Executive Compensation***

AM policy is to vote "against"

1. Proposals to limit benefits, pensions or compensation and
2. Proposals that request or require disclosure of executive compensation greater than the disclosure required by Securities and Exchange Commission (SEC) regulations.

Rationale: Levels of compensation and benefits are generally considered to be day-to-day operations of the company, and are best left unrestricted by arbitrary limitations proposed by shareholders.

### ***F. Option Expensing***

AM policy is to support proposals requesting companies to expense stock options.

Rationale: Although companies can choose to expense options voluntarily, the Financial Accounting Standards Board (FASB) does not yet require it, instead allowing companies to disclose the theoretical value of options as a footnote. Because the expensing of stock options lowers earnings, most companies elect not to do so. Given the fact that options have become an integral component of compensation and their exercise results in a transfer of shareholder value, AM agrees that their value should not be ignored and treated as “no cost” compensation. The expensing of stock options would promote more modest and appropriate use of stock options in executive compensation plans and present a more accurate picture of company operational earnings.

**G. Management board election and motion (For FFT Securities)**

AM policy is to vote “against”:

- the election of board members with positions on either remuneration or audit committees;
- the election of supervisory board members with too many supervisory board mandates;
- “automatic” election of former board members into the supervisory board.

Rationale: Management as an entity, and each of its members, are responsible for all actions of the company, and are - subject to applicable laws and regulations - accountable to the shareholders as a whole for their actions.

Sufficient information should be disclosed in the annual company report and account to allow shareholders to judge the success of the company.

**H. Remuneration (variable pay): (For FFT Securities)**

**Executive remuneration for Management Board**

AM policy is to vote “for” remuneration for Management Board that is transparent and linked to results.

Rationale: Executive compensation should motivate management and align the interests of management with the shareholders. The focus should be on criteria that prevent excessive remuneration; but enable the company to hire and retain first-class professionals.

Shareholder interests are normally best served when management is remunerated to optimise long-term returns. Criteria should include suitable measurements like return on capital employed or economic value added.

Interests should generally also be correctly aligned when management own shares in the company – even more so if these shares represent a substantial portion of their own wealth.

Its disclosure shall differentiate between fixed pay, variable (performance related) pay and long-term incentives, including stock option plans with valuation ranges as well as pension and any other significant arrangements.

**Executive remuneration for Supervisory Board**

AM policy is to vote “for” remuneration for Supervisory Board that is at least 50% in fixed form.

Rationale: It would normally be preferable if performance linked compensation were not based on dividend payments, but linked to suitable result based parameters. Consulting and procurement services should also be published in the company report.

**I. Long-term incentive plans (For FFT Securities)**

AM policy is to vote “for” long-term incentive plans for members of a management board that reward for above average company performance.

Rationale: Incentive plans will normally be supported if they:

- directly align the interests of members of management boards with those of shareholders;

- establish challenging performance criteria to reward only above average performance;
- measure performance by total shareholder return in relation to the market or a range of comparable companies;
- are long-term in nature and encourage long-term ownership of the shares once exercised through minimum holding periods;
- do not allow a repricing of the exercise price in stock option plans.

**J.        *Shareholder Proposals Concerning “Pay for Superior Performance”***

AM policy is to address pay for superior performance proposals on a case-by-case basis, incorporating the recommendation of an independent third party proxy research firm (currently ISS) subject to review by the GPVSC as set forth in AM’s Proxy Policies and Procedures.

Rationale: While AM agrees that compensation issues are better left to the discretion of management, they appreciate the need to monitor for excessive compensation practices on a case by case basis. If, after a review of the ISS metrics, AM is comfortable with ISS’s applying this calculation and will vote according to their recommendation.

**K.        *Executive Compensation Advisory***

AM policy is to follow management’s recommended vote on shareholder proposals to propose an advisory resolution seeking to ratify the compensation of the company’s named executive officers (NEOs) on an annual basis.

Rationale: AM believes that controls exist within senior management and corporate compensation committees, ensuring fair compensation to executives. This might allow shareholders to require approval for all levels of management’s compensation.

**V.        *Anti-Takeover Related Issues***

**A.        *Shareholder Rights Plans (“Poison Pills”)***

AM policy is to vote “for” proposals to require shareholder ratification of poison pills or that request boards to redeem poison pills, and to vote “against” the adoption of poison pills if they are submitted for shareholder ratification.

Rationale: Poison pills are the most prevalent form of corporate takeover defenses and can be (and usually are) adopted without shareholder review or consent. The potential cost of poison pills to shareholders during an attempted takeover outweighs the benefits.

**B.        *Reincorporation***

AM policy is to examine reincorporation proposals on a case-by-case basis. The voting decision is based on: (1) differences in state law between the existing state of incorporation and the proposed state of incorporation; and (2) differences between the existing and the proposed charter/bylaws/articles of incorporation and their effect on shareholder rights. If changes resulting from the proposed reincorporation violate the corporate governance principles set forth in these guidelines, the reincorporation will be deemed contrary to shareholder’s interests and a vote cast “against.”

Rationale: Reincorporations can be properly analyzed only by looking at the advantages and disadvantages to their shareholders. Care must be taken that anti-takeover protection is not the sole or primary result of a proposed change.

### **C. *Fair-Price Proposals***

AM policy is to vote “for” management fair-price proposals, provided that: (1) the proposal applies only to two-tier offers; (2) the proposal sets an objective fair-price test based on the highest price that the acquirer has paid for a company's shares; (3) the supermajority requirement for bids that fail the fair-price test is no higher than two-thirds of the outstanding shares; (4) the proposal contains no other anti-takeover provisions or provisions that restrict shareholders rights.

A vote is cast for shareholder proposals that would modify or repeal existing fair-price requirements that do not meet these standards.

Rationale: While fair price provisions may be used as anti-takeover devices, if adequate provisions are included, they provide some protection to shareholders who have some say in their application and the ability to reject those protections if desired.

### **D. *Exemption from state takeover laws***

AM policy is to vote “for” shareholder proposals to opt out of state takeover laws and to vote “against” management proposals requesting to opt out of state takeover laws.

Rationale: Control share statutes, enacted at the state level, may harm long-term share value by entrenching management. They also unfairly deny certain shares their inherent voting rights.

### **E. *Non-financial Effects of Takeover Bids***

Policy is to vote “against” shareholder proposals to require consideration of non-financial effects of merger or acquisition proposals.

Rationale: Non-financial effects may often be subjective and are secondary to AM’s stated purpose of acting in its client’s best economic interest.

## **VI. Mergers & Acquisitions**

Evaluation of mergers, acquisitions and other special corporate transactions (i.e., takeovers, spin-offs, sales of assets, reorganizations, restructurings and recapitalizations) are performed on a case-by-case basis incorporating information from an independent proxy research source (currently ISS.) Additional resources including portfolio management and research analysts may be considered as set forth in AM’s Policies and Procedures.

## **VII. Environmental, Social & Governance Issues**

Environmental, social and governance issues (“ESG”) are becoming increasingly important to corporate success. We incorporate ESG considerations into both our investment decisions and our proxy voting decisions – particularly if the financial performance of the company could be impacted. Companies or states that seriously contravene internationally accepted ethical principles will be subject to heightened scrutiny.



#### **A. *Principles for Responsible Investment***

AM policy is to actively engage with companies on ESG issues and participate in ESG initiatives. In this context, AM (a) votes “for increased disclosure on ESG issues; (b) is willing to participate in the development of policy, regulation and standard setting (such as promoting and protecting shareholder rights); (c) could support shareholder initiatives and also file shareholder resolutions with long term ESG considerations and improved ESG disclosure, when applicable; (d) could support standardized ESG reporting and issues to be integrated within annual financial reports; and (e) on a case by case basis, will generally follow management's recommended vote on other matters related to ESG issues.

Rationale: ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

#### **B. *ESG Issues***

AM policy is to vote in line with the CERES recommendation on Environmental matters covered under the CERES Principles, and Social and Sustainability issues not specifically addressed elsewhere in the Guidelines. AM will rely on ISS to identify shareholder proposals addressing CERES Principles and proxies will be voted in accordance with ISS's predetermined voting guidelines on CERES Principles.

Any matter that is to be voted on, consented to or approved by the voting members, may take place in person, telephonically or via other electronic means. In addition, voting members may act in writing, including without limitation, via e-mail.

Rationale: Deutsche Asset Management supports the CERES Principles and as such generally votes proxies in line with the CERES recommendation.

#### **C. *Labor & Human Rights***

AM policy is to vote “against” adopting global codes of conduct or workplace standards exceeding those mandated by law.

Rationale: Additional requirements beyond those mandated by law are deemed unnecessary and potentially burdensome to companies

#### **D. *Diversity & Equality***

1. AM policy is to vote “against” shareholder proposals to force equal employment opportunity, affirmative action or board diversity.

Rationale: Compliance with State and Federal legislation along with information made available through filings with the EEOC provides sufficient assurance that companies act responsibly and make information public.

2. AM policy is also to vote “against” proposals to adopt the Mac Bride Principles. The Mac Bride Principles promote fair employment, specifically regarding religious discrimination.

Rationale: Compliance with the Fair Employment Act of 1989 makes adoption of the Mac Bride Principles redundant. Their adoption could potentially lead to charges of reverse discrimination.

#### **E. *Health & Safety***

1. AM policy is to vote “against” adopting a pharmaceutical price restraint policy or reporting pricing policy changes.

Rationale: Pricing is an integral part of business for pharmaceutical companies and should not be dictated by shareholders (particularly pursuant to an arbitrary formula.) Disclosing pricing policies may also jeopardize a company's competitive position in the marketplace.

2. AM policy is to vote "against" shareholder proposals to control the use or labeling of and reporting on genetically engineered products.

Rationale: Additional requirements beyond those mandated by law are deemed unnecessary and potentially burdensome to companies.

#### ***F. Government/Military***

1. AM policy is to vote against shareholder proposals regarding the production or sale of military arms or nuclear or space-based weapons, including proposals seeking to dictate a company's interaction with a particular foreign country or agency.

Rationale: Generally, management is in a better position to determine what products or industries a company can and should participate in. Regulation of the production or distribution of military supplies is, or should be, a matter of government policy.

2. AM policy is to vote "against" shareholder proposals regarding political contributions and donations.

Rationale: The Board of Directors and Management, not shareholders, should evaluate and determine the recipients of any contributions made by the company.

3. AM policy is to vote "against" shareholder proposals regarding charitable contributions and donations.

Rationale: The Board of Directors and Management, not shareholders, should evaluate and determine the recipients of any contributions made by the company.

#### ***G. Tobacco***

1. AM policy is to vote "against" shareholder proposals requesting additional standards or reporting requirements for tobacco companies as well as "against" requesting companies to report on the intentional manipulation of nicotine content.

Rationale: Where a tobacco company's actions meet the requirements of legal and industry standards, imposing additional burdens may detrimentally effect a company's ability to compete. The disclosure of nicotine content information could affect the company's rights in any pending or future litigation.

2. Shareholder requests to spin-off or restructure tobacco businesses will be opposed.

Rationale: These decisions are more appropriately left to the Board and management, and not to shareholder mandate.

### **VIII. Miscellaneous Items**

#### ***A. Ratification of Auditors***

AM policy is to vote "for" a) the management recommended selection of auditors and b) proposals to require shareholder approval of auditors.

Rationale: Absent evidence that auditors have not performed their duties adequately, support for management's nomination is warranted.

***B. Limitation of non-audit services provided by independent auditor***

AM policy is to support proposals limiting non-audit fees to 50% of the aggregate annual fees earned by the firm retained as a company's independent auditor.

Rationale: In the wake of financial reporting problems and alleged audit failures at a number of companies, AM supports the general principle that companies should retain separate firms for audit and consulting services to avoid potential conflicts of interest. However, given the protections afforded by the recently enacted Sarbanes-Oxley Act of 2002 (which requires Audit Committee pre-approval for non-audit services and prohibits auditors from providing specific types of services), and the fact that some non-audit services are legitimate audit-related services, complete separation of audit and consulting fees may not be warranted. A reasonable limitation is appropriate to help ensure auditor independence and it is reasonable to expect that audit fees exceed non-audit fees.

***C. Audit firm rotation***

AM policy is to support proposals seeking audit firm rotation unless the rotation period sought is less than five years.

Rationale: While the Sarbanes-Oxley Act mandates that the lead audit partner be switched every five years, AM believes that rotation of the actual audit firm would provide an even stronger system of checks and balances on the audit function.

***D. Transaction of Other Business***

AM policy is to vote against “transaction of other business” proposals.

Rationale: This is a routine item to allow shareholders to raise other issues and discuss them at the meeting. As the nature of these issues may not be disclosed prior to the meeting, we recommend a vote against these proposals. This protects shareholders voting by proxy (and not physically present at a meeting) from having action taken at the meeting that they did not receive proper notification of or sufficient opportunity to consider.

***E. Motions to Adjourn the Meeting***

AM Policy is to vote against proposals to adjourn the meeting.

Rationale: Management may seek authority to adjourn the meeting if a favorable outcome is not secured. Shareholders should already have had enough information to make a decision. Once votes have been cast, there is no justification for management to continue spending time and money to press shareholders for support.

***F. Bundled Proposals***

AM policy is to vote against bundled proposals if any bundled issue would require a vote against it if proposed individually.

Rationale: Shareholders should not be forced to “take the good with the bad” in cases where the proposals could reasonably have been submitted separately.

***G. Change of Company Name***

AM policy is to support management on proposals to change the company name.

Rationale: This is generally considered a business decision for a company.

#### ***H. Proposals Related to the Annual Meeting***

AM Policy is to vote in favor of management for proposals related to the conduct of the annual meeting (meeting time, place, etc.)

Rationale: These are considered routine administrative proposals.

#### ***I. Reimbursement of Expenses Incurred from Candidate Nomination***

AM policy is to follow management's recommended vote on shareholder proposals related to the amending of company bylaws to provide for the reimbursement of reasonable expenses incurred in connection with nominating one or more candidates in a contested election of directors to the corporation's board of directors.

Rationale: Corporations should not be liable for costs associated with shareholder proposals for directors.

#### ***J. Investment Company Proxies***

Proxies solicited by investment companies are voted in accordance with the recommendations of an independent third party, currently ISS. However, regarding investment companies for which AM or an affiliate serves as investment adviser or principal underwriter, such proxies are voted in the same proportion as the vote of all other shareholders. Proxies solicited by master funds from feeder funds will be voted in accordance with applicable provisions of Section 12 of the Investment Company Act of 1940.

Investment companies, particularly closed-end investment companies, are different from traditional operating companies. These differences may call for differences in voting positions on the same matter. For example, AM could vote "for" staggered boards of closed-end investment companies, although AM generally votes "against" staggered boards for operating companies. Further, the manner in which AM votes investment company proxies may differ from proposals for which a AM-advised investment company solicits proxies from its shareholders. As reflected in the Guidelines, proxies solicited by closed-end (and open-end) investment companies are voted in accordance with the pre-determined guidelines of an independent third-party.

Subject to participation agreements with certain Exchange Traded Funds ("ETF") issuers that have received exemptive orders from the U.S. Securities and Exchange Commission allowing investing DWS funds to exceed the limits set forth in Section 12(d)(1)(A) and (B) of the Investment Company Act of 1940, DeAM will echo vote proxies for ETFs in which Deutsche Bank holds more than 25% of outstanding voting shares globally when required to do so by participation agreements and SEC orders.

Note: With respect to the Central Cash Management Fund (registered under the Investment Company Act of 1940), the Fund is not required to engage in echo voting and the investment adviser will use these Guidelines, and may determine, with respect to the Central Cash Management Fund, to vote contrary to the positions in the Guidelines, consistent with the Fund's best interest.

#### ***K. International Proxy Voting***

The above guidelines pertain to issuers organized in the United States, Canada and Germany. Proxies solicited by other issuers are voted in accordance with international guidelines or the recommendation of ISS and in accordance with applicable law and regulation.