

# RREEF America L.L.C.

Form ADV Part 2A  
March 31, 2014

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This Brochure provides information about the qualifications and business practices of RREEF America L.L.C. 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.

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

**Note:** The term registered investment adviser does not imply a certain level of skill or training.

*Passion to Perform*



## Item 2 –Material Changes

### **Describe summary of material changes to the Brochure.**

This disclosure document (“the Brochure”) for RREEF America L.L.C. is dated March 31, 2014.

There are no material changes to note from the last issuance of the Brochure, dated November 5, 2013.

## Item 3 - Table of Contents

Item 1 - Cover Page	1
Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business	4-7
Item 5 - Fees and Compensation	7-12
Item 6 - Performance-Based Fees and Side by Side Management	12
Item 7 - Types of Clients	12-13
Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss	13-18
Item 9 - Disciplinary Information	19
Item 10 - Other Financial Industry Activities and Affiliates	19-22
Item 11 - Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	23-28
Item 12 - Brokerage Practices	28-31
Item 13 - Review of Accounts	31-32
Item 14 - Client Referrals and Other Compensation	32
Item 15 - Custody	32-33
Item 16 - Investment Discretion	33
Item 17 - Voting Client Securities	33-34
Item 18 - Financial Information	35
Item 19 - Requirements for State-Registered Advisers	35
Additional Disclosures	35-36

## Item 4 – Advisory Business

RREEF America L.L.C., a Delaware limited liability company (“Registrant”), is a wholly-owned subsidiary of Deutsche Bank America Holdings Corporation, indirectly owned by Taunus Corporation, of which Deutsche Bank AG is the parent. The Registrant provides real estate investment and advisory services to clients on a discretionary and non-discretionary basis. The Registrant, doing business as Deutsche Asset & Wealth Management (“DeAWM”) Real Estate (formerly known as RREEF Real Estate), has offered its products and services to clients across a range of asset classes and investing styles since 1974.

The Registrant’s advisory services can vary by strategy and/or product type and geographic location.

### **The Registrant Offers the Following Services and Related Investment Strategies**

#### **Real Estate and Infrastructure Securities**

- Seeks to acquire equity investments in publicly and privately traded real estate securities, including Real Estate Investment Trusts (“REITs”) and Real Estate Operating Companies (“REOCs”); and
- Seeks to acquire equity investments in publicly and privately traded securities of infrastructure related companies.

#### **Private Real Estate - Core/Core Plus/Value-Added Investments**

- Seeks to acquire core equity investments in stabilized, income-producing properties employing low to moderate leverage; and
- Seeks to acquire value-add properties requiring redevelopment, repositioning for alternative use, or upgrade employing moderate leverage.

#### **Mezzanine and Structured Debt Investments**

- Seeks to acquire debt and hybrid investments in real estate assets, real estate companies, and commercial mortgage-backed securities;
- In connection with fund investments, may provide transitional finance for lease-up, redevelopment, or new construction on behalf of the fund; and
- Generally employs moderate to high leverage.

#### **Opportunistic Investments**

- Seeks to acquire equity and equity-like investments in real estate-related assets, including distressed properties and loans, corporate and government dispositions, and private growth companies;
- Seeks to capitalize on economic, financial and property market dislocation; and
- May employ significant leverage.

#### **Multi-Asset Real Estate- Related Investments**

- Seeks to acquire a diversified portfolio of (1) high quality, income-producing commercial real estate properties, (2) common and preferred stock of publicly traded REITS and other real estate companies, which we refer to as “real estate securities”, and (3) debt backed principally by real estate, which we refer to as “real estate loans”; and
- May employ moderate leverage.

#### **Energy Efficiency Retrofit Investments**

- Seeks to generate attractive, risk-adjusted returns by funding and managing energy efficiency retrofit projects in buildings and other properties; and
- May employ moderate leverage.

#### **Infrastructure Debt Investments**

- Seeks to generate attractive returns for investors through investments in private infrastructure debt in the primary and secondary markets; and
- Focus on high yield debt investments but has flexibility to invest in investment grade debt subject to meeting required returns on a portfolio basis.
- May employ moderate leverage.

## **Investment Vehicles through which the Investment Strategies are Implemented**

### **I. Real Estate and Infrastructure Securities**

#### **Real Estate and Infrastructure Securities Separate Accounts (includes Global, US, and Global Ex-US)**

The Registrant manages investment advisory accounts on a discretionary basis investing client funds principally in publicly traded real estate securities, including REITs, REOCs, and infrastructure securities. The Registrant may also invest in privately held entities for client accounts.

#### **Commingled Real Estate Securities Funds**

The Registrant serves as an investment manager of investment funds not registered under the Investment Company Act that are privately offered and sold only to certain investors meeting specific eligibility requirements. The Registrant also serves as investment adviser to collective investment funds not registered or required to be registered under Section 3(c)(1) of the Investment Company Act of 1940. These funds primarily invest in publicly traded real estate securities, including REITs, REOCs, and infrastructure securities. The Registrant may also invest in privately held entities for client accounts.

#### **US Registered Investment Companies (Registered under the Investment Company Act of 1940)**

The Registrant serves as a sub-adviser to another registered investment adviser who acts as the primary investment manager to Registered Investment Companies. Pursuant to written investment advisory and/or sub-advisory agreements, The Registrant is responsible for managing the investment operations of each Registered Investment Company and the composition of each fund's holdings of securities and other investments. The Registered Investment Companies principally will invest in publicly traded real estate securities, including REITs, REOCs, and in infrastructure securities.

#### **Investment Funds that are not U.S. Directed Funds**

The Registrant manages investment advisory accounts on a discretionary basis investing client funds principally in publicly traded real estate securities, including REITs, REOCs, and in infrastructure securities. The Registrant may also invest in privately held entities for client accounts.

### **II. Private Real Estate**

#### **Non-Public REITs**

The Registrant provides discretionary investment advisory services to REITs and financing services to REIT investments. The REITs are privately offered and sold only to certain investors meeting specific eligibility requirements. The REITs are organized to qualify as real estate investment trusts under relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"). The REITs will generally invest in commercial real estate properties and are governed by the investment terms and conditions as stated in their offering documents.

#### **Non-Public Commingled Real Estate Vehicles and Separate Accounts**

The Registrant serves as an investment adviser to investment funds not registered under the Investment Company Act that are privately offered and sold only to certain investors meeting specific eligibility requirements. Pursuant to a written advisory agreement, the Registrant is responsible for providing investment advisory, origination, and administrative services to each fund. In addition, the Registrant manages investment advisory accounts for clients on a discretionary and non-discretionary basis. These funds and clients may invest in commercial real estate properties, loans secured by ownership interests in real estate and subordinated real estate debt, equity and mortgage interests in real estate, as well as personal or mixed property connected therewith, joint venture interests, interests in REOCs, limited partnership interests, limited liability company interests, and stock in REITs or Code Section 501(c)(2) or (c)(25) corporations.

### **III. Mezzanine and Structured Debt Investments**

#### **Mezzanine and Structured Debt Investments**

DeAWM Real Estate's Structured Debt Team invests in a variety of real estate related debt strategies to provide attractive risk-adjusted returns to investors. Debt investments include, among others, Transitional Senior Mortgages, B-notes, Mezzanine Loans, Preferred Equity and other real estate backed structured debt instruments. DeAWM Real Estate may make such investments through non-public commingled vehicles.

#### **IV. Opportunistic Investments**

##### **Opportunistic Investments**

DeAWM Real Estate's Opportunistic Investments Group invests opportunistically in real estate and real estate-related assets, including joint ventures, distressed loan portfolios, mezzanine facilities, corporate restructurings, recapitalizations and distressed opportunities and other similar opportunities in Europe, Asia Pacific and the Americas. DeAWM Real Estate may make such investments through non-public commingled vehicles.

#### **V. Multi-Asset Real Estate-Related Investments**

##### **Registered Non-Traded REIT**

The Registrant provides discretionary investment advisory services to a non-exchange traded, perpetual life REIT which, pursuant to the investment terms and conditions stated in its prospectus, invests in a diversified portfolio of commercial real estate properties, real estate securities and real estate loans. Shares of the non-traded REIT are offered to the public pursuant to the prospectus contained in a registration statement Form S-11 filed with the SEC, each of the 50 states, the District of Columbia and Puerto Rico, but is not intended to list its shares of common stock for trading on an exchange or other trading market. The corporation intends to qualify as a real estate investment trust, and does not intend to register as an investment company under the Investment Company Act of 1940

#### **VI. Energy Efficiency Retrofit Investments**

DeAWM Real Estate's Retrofit Team will invest in energy efficiency retrofit projects in buildings and other properties located primarily in the United States and Canada, across a range of building types including commercial, large multi-family residential, large retail, hospitality and municipal/university/school and hospital ("MUSH") and other buildings. DeAWM Real Estate may make such investments through non-public commingled vehicles.

#### **VII. Infrastructure Debt Investments**

The Registrant will provide investment advisory services to one or more pooled investment vehicles not registered under the Investment Company Act that are privately offered and sold only to certain investors meeting specific eligibility requirements. In addition, the Registrant may manage investment advisory accounts for clients on a discretionary and non-discretionary basis.

#### **Client-Imposed Investment Restrictions**

The Registrant manages real estate and infrastructure securities portfolios on behalf of individually managed separate accounts. The Registrant works closely with these clients to understand their individual investment goals and objectives and seeks to recommend investment strategies and vehicles to achieve those goals and objectives. Subject to the Registrant's review and acceptance, these clients may impose reasonable investment restrictions on the Registrant's investment strategies for their accounts.

The Registrant manages private real estate separate accounts whereby the Registrant produces an Annual Strategic Investment Plan ("the Plan") for each account. The Registrant works closely with these clients to understand their individual investment goals and objectives and seeks to recommend investment strategies and vehicles to achieve those goals and objectives. Subject to review and acceptance, the Registrant allows such clients to impose reasonable investment restrictions on the Registrant's investment strategies for their accounts.

With respect to private commingled funds and registered investment companies managed by the Registrant, individual investors generally do not have the ability to impose restrictions on the management of such entities. Further, such fund offerings are not tailored to address the specific investment objectives or circumstances of any individual investor.

## **The Registrant's Assets under Management**

As of December 31, 2013, the Registrant had discretionary assets under management of \$33,127,866,774 USD and non-discretionary assets under management of \$860,467,308 USD.

**NOTE:** The Registrant's assets under management noted above differ from that reported in Item 5F of the Registrant's ADV Part 1 given the inclusion of the value of direct real estate investments within the totals. While these investments generally are not considered securities under the instructions to ADV Part 1, and therefore are not included within the Item 5F assets under management totals, they are considered to be "assets" for which the Registrant provides investment advisory services and hence their value is included within investment advisory fee calculations.

## **Item 5 – Fees and Compensation**

### **Fee Schedules, Account Minimums, and Payment Arrangements**

The Registrant is compensated for its services on a fee-basis, generally in the form of an asset-based management fee that is assessed according to the current fee schedule set forth in the applicable investment management agreement or within the fund offering documents. With respect to separately managed accounts, actual fees, minimum fees, and minimum account size may be negotiated and may vary from the fee schedules (listed below) due to the particular circumstances of the client, additional or differing levels of services provided, or as otherwise agreed to with specific clients.

With respect to commingled private funds, investors will generally be subject to the provisions and requirements detailed in the offering materials, including minimum investment and applicable management fees. In some cases, performance fees may also be charged, subject to federal or local law. Such fees may be negotiable.

The following fee schedules are expressed on an annual basis and assume securities are held in custody with a qualified custodian such as a bank, trust company, or registered broker-dealer.

Products listed below are categorized together if the products have the same fee schedule and minimum annual fee. Products listed below may be managed by the Registrant either directly or through sub-advisory relationships with its affiliated entities.

### **Fee Schedules/Arrangements and Minimums Annual Fees**

- **Real Estate and Infrastructure Securities Separate Accounts**
  - Investment Management Fee:
    - generally 0.85% per annum or lower depending on the size of the account; and
  - Performance-based Fee:
    - generally a combination of a base management fee and a performance fee, with a maximum fee that is generally 1.10% per annum or lower.
- **Commingled Real Estate Securities Vehicles (Domestic and Global)**
  - Investment Management Fee:
    - generally 0.70% per annum or lower depending on the particular fund.
- **Registered Investment Companies (Domestic and Global)**
  - Annual fee between 0.24% and 0.70% of a fund's average daily total managed assets.

- **Non-Public REITs**

- Core/Core Plus REIT

- Investment Management Fee:
      - 0.95% of the aggregate Net Asset Value (NAV) of the REIT
    - Other Fees:
      - The Registrant and affiliates may also receive fees for additional services if approved by a majority of the REIT's independent directors.

- Value Add REIT

- Investment Management Fee:
      - 1.25% of Net Asset Value (NAV) to be paid in accordance to the following terms:
        - 1.05% of NAV paid currently
        - 0.10% of NAV accrued and paid upon the sale of the final asset
        - 0.10% of NAV accrued and paid upon the Fund achieving a 9% IRR from 1/1/2013 through the final disposition of assets.
    - The Registrant and affiliates may also receive fees for additional services if approved by a majority of the REIT's independent directors.

- **Non-Public Real Estate Investments - Commingled Vehicles and Separate Accounts**

- Core/Core Plus, Value Add/Development Strategies fees for separate account management are negotiable depending upon various factors, such as assets under management, the investment strategy of the account, the scope of services to be provided (e.g., discretionary or non-discretionary acquisition, disposition, arranging financing and portfolio management) and other factors. Fees charged to the separate accounts are typically structured to include some or all of the following:
    - An initial fee based on a percentage (e.g., 1%) of assets contributed to the account, which is intended to compensate the Registrant for seeking out appropriate investments, negotiating their terms, and entering into transactions; and an investment management fee, on a fixed rate basis or based on a percentage (e.g., 50-65%) of the appraised value or acquisition cost or a percentage (e.g. 6.5-7%) of the net operating income of real property interests managed on behalf of the account.

- **Mezzanine and Structured Debt Investment Vehicles**

- Incentive Fee, as applicable;
  - Investment Management Fee:
    - 1.25%-1.50% of investors' capital commitment prior to expiration of investment period, or each investor's unreturned capital contribution after the expiration of investment period; or 1.25% per annum with respect to investors who have committed at least \$50 million, which may vary depending on the investment vehicle; or
    - 0.625% per annum on the aggregated uninvested capital commitments and 1.25% per annum on the aggregated investment capital during the investment period, and 1.25% per annum on the aggregate invested capital following the investment period
  - The Registrant may also be entitled to origination, disposition, or "exit" fees as provided in the fund's offering documents.

- **Non-Public Real Estate Opportunistic Investment Vehicles**

- Investment Management Fee:
    - 1.50% of the commitments of the investors until end of investment period; 1.50% of aggregate amount of total unreturned capital; or
    - 1.75% for investors with commitments under 10 million dollars; and
    - An affiliate of the registrant is entitled to receive an incentive fee based upon cash flow allocations provided in the governing documentation.



- **Registered Non-Traded REIT**
  - Advisory Fee comprised of two components:
  - Fixed Component:
    - 1.00% of the Net Asset Value (NAV) for each share class; provided the fee will not be earned and/or accrued until the date on which the combined NAV for both classes of shares has reached \$50,000,000
  - Performance Component:
    - **Performance measurement period:** Annually per calendar year
    - **Hurdle:** Calculated for each class of shares on the basis of the total return of that class, such that for any year in which the total return per share class exceeds 6% per annum
    - **Performance Compensation Earned:** 25% of the excess total return allocable to that class; provided that in no event will the performance fee exceed 10% of the aggregate total return allocable to such class for such year.
- **Energy Efficiency Retrofit Investment Vehicles**
  - Incentive Fee, as applicable;
  - Advisory Fee: 2.0% per annum of aggregate capital commitments, payable quarterly in advance, stepping down after the Stepdown Date to the 1.5% per annum of the total amount of capital funded into projects that are still being actively managed. "Stepdown Date" is defined as the earlier of (x) the end of the commitment period or (y) the date on which a competing partnership first draws down capital.
- **Infrastructure Debt Investments**
  - Base Advisory Fee of 25bps on invested assets throughout the life of the vehicle
  - Subordinated Advisory Fee of 50 bps on invested assets throughout the life of the vehicle
  - Incentive Advisory Fee of 20% on any distributions after equity hits an IRR hurdle of 12% throughout the life of the vehicle
  - Infrastructure Debt Separate Accounts: different separate accounts will have different levels of fees. However, fees charged on separate accounts typically consist of a management fee based on invested capital (0.25% - 0.5%), and possibly performance fees, which are typically 20% of distributions over a hurdle rate which is set at a level dependent on the underlying investment strategy.

As described below, fees may be debited directly or invoiced depending on the product type. Whether fees are paid in advance or in arrears also differs based on the product type.

#### **Real Estate and Infrastructure Securities Separate Accounts**

Management fees are billed in arrears on a monthly or quarterly basis and either invoiced or debited directly from the client account. For a partial quarter, management fees are prorated according to the number of days remaining in the quarter and are based upon the ending net asset value of the portfolio for the quarter.

#### **Commingled Real Estate Securities Vehicles**

Pursuant to a written investment management agreement, the Registrant receives an annualized management fee from the vehicle for its portfolio management and administrative services, and such fees may be calculated as a percentage of the net asset value of the units of each investor and accrued and payable monthly. Fees may be directly debited from the vehicle at the end of each month.

#### **Registered Investment Companies**

As noted above, the Registrant serves as a sub-adviser to Registered Investment Companies. With respect to these arrangements, the Registrant does not calculate or deduct fees from the investment company portfolios. Rather, fees payable to the Registrant are calculated by the primary investment adviser and remitted separately.

**Non-Public REITs**

Management fees are directly debited from the REIT on a monthly basis in arrears in accordance with each investment management agreement. The REITs' Investment Management Agreements have an initial term of six (6) years, but may be terminated by the REITs at any time for cause, or otherwise upon ninety (90) days written notice. The Registrant may terminate the Agreement upon twelve (12) months written notice. If the Investment Management Agreement is terminated, the Registrant will be entitled to all compensation earned through the date of termination, including performance fees.

**Real Estate Separate Accounts**

Management fees are generally billed in arrears on a monthly or quarterly basis to the client/fund. Fees may be paid directly by the client or approved to be paid from the fund. Fees may also be invoiced and paid directly by the client on a quarterly basis in advance. Prepaid management fees attributable to any period following termination are refunded to the client. For a partial quarter, management fees are prorated according to the number of days remaining in the quarter and are based upon the beginning net asset value of the portfolio of the quarter. Terms of payment are pursuant to individual investment management agreements. Investment advisory contracts are generally terminable by either party upon reasonable notice (i.e., thirty (30) to ninety (90) days).

**Mezzanine and Structured Debt Investment Vehicles**

Management fees are billed directly to and paid by each fund quarterly as defined by the investment management agreement. In addition to the investment advisory fee, pursuant to the agreement the funds may also pay to the Registrant an incentive fee, origination and/or exit fee, as applicable.

**Non-Public Real Estate Opportunistic Investment Vehicles**

Management fees are paid to the Registrant by each fund on a quarterly basis in advance and are reduced by an amount equal to the amount of retained transaction fees received during a quarterly period.

**Registered Non-Traded REIT**

Advisory Fees – Fixed Component are paid to the Registrant on a quarterly basis in arrears. The Fund's Advisory Agreement shall continue in force for a period of one year, subject to an unlimited number of successive one-year renewals upon mutual consent of the parties.

In addition to the above, to the extent an investor is an employee of Deutsche Bank AG or its affiliates (including the Registrant), the Registrant may waive the management fee.

**Energy Efficiency Retrofit Investment Vehicles**

Advisory fees will be billed directly to and paid by each fund quarterly as defined by the advisory agreement. In addition to the advisory fee, pursuant to the agreement the funds may also pay to the Registrant an incentive fee, as applicable.

**Infrastructure Debt Investments**

Advisory fees will typically be billed directly to and paid by each fund quarterly as defined by the relevant advisory agreement. In addition to the advisory fee, pursuant to the mandate, mandates may also pay to the Registrant an incentive fee, as applicable.

Product type	How are fees paid	Frequency	Are fees paid in advance or in arrears	How can clients obtain a refund before the end of billing period
<b>Global Securities Separate Accounts</b>	Client may opt to have fees directly debited from account or invoiced separately	Monthly or Quarterly	Paid in arrears	N/A
<b>Commingled Real Estate Securities Vehicles</b>	Fees are debited from the fund	Monthly	Paid in arrears	N/A
<b>Registered Investment Companies</b>	Registrant does not calculate or debit fees	Per contractual arrangement	Fees are remitted to Registrant by primary investment adviser	N/A
<b>Non-Public Real Estate Investment Trusts (REIT)</b>	Fees are debited directly from the REIT	Monthly	Paid in arrears	N/A
<b>Direct Real Estate Separate Accounts</b>	Clients are invoiced and pay fees separately or approved to be paid by the account	Quarterly	Paid in arrears	N/A
<b>Mezzanine and Structured Debt Investment Vehicles</b>	Fees are debited from the fund	Quarterly	Paid in arrears	N/A
<b>Non-Public Real Estate Opportunistic Investment Vehicles</b>	Fees are debited from the fund	Quarterly	Paid in advance	Prorated portion of fee for remaining days in the quarter is refunded to client.
<b>Registered Non-Traded REIT</b>	Fees are debited from the fund	Monthly	Paid in arrears	N/A
<b>Energy Efficiency Retrofit Investment Vehicles</b>	Fees will be debited from the fund	Quarterly	Paid in arrears	N/A
<b>Infrastructure Debt Investments</b>	Fees will be debited from the fund.	Quarterly	Paid in arrears	N/A

In addition to fees listed above, clients are responsible for paying custodial fees, brokerage commissions (which may include fees to affiliated broker-dealers for agency transactions), mark-ups, mark-downs and/or other commission equivalents related to transactions in their advisory accounts. See Item 12 for further discussion on brokerage practices.

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.

Supervised persons do not earn commissions for the sale of securities or other investment products; DeAWM Real Estate's supervised persons receive a base salary along with an annual discretionary bonus that is based upon a variety of factors including, but not limited to, the profitability of the parent company, profitability of Deutsche Bank's Asset & Wealth Management Division (of which the Registrant is a part), the Registrant's businesses, and contributions of that individual to the success of the division and DeAWM Real Estate-related businesses.

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

In addition to asset-based investment management fees, the Registrant receives performance-based fees for certain pooled investment vehicles and separately managed accounts, which may be managed side-by-side according to the same investment strategy with accounts and/or funds that do not pay such fees. These arrangements may create an incentive for the Registrant to favor its performance-fee accounts when allocating desirable investment opportunities that would otherwise be suitable for non-performance fee accounts managed under the same strategy. Performance based fees may also create an incentive for the Registrant to make investments that are riskier or more speculative than those that might have been made in the absence of such fees. 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 the Registrant's control. The performance fees are computed based on realized and appraised appreciation, and calculations based on appraised values may be higher or lower than the true performance fees due to the Registrant.

In order to manage these potential conflicts, the Registrant has implemented policies and procedures reasonably designed to provide fair and equitable treatment of similarly situated clients. Under these policies and procedures, and consistent with its fiduciary obligations, the Registrant will allocate investment opportunities among client accounts based upon a number of factors that may include, but are not limited to:

- Investment objectives and guidelines;
- Risk tolerance;
- Availability of other investment opportunities; and
- Available cash for investment.

With respect to its global securities strategies, the Registrant will allocate on a pro-rata average price basis to eligible accounts. With respect to direct real estate investments, if in the judgment of the Registrant an investment is equally suitable for more than one client, priority will be given to the client who has waited the longest since making its last investment according to its position on a Rotation Priority List.

## Item 7 – Types of Clients

### Conditions for Opening or Maintaining an Account and Customer Identification Program

As part of the Registrant's Customer Identification and "Know Your Customer" Program, before engaging in a transaction with a prospective client, the Registrant may request certain information and documentation in order to (i) confirm the identity of such client (including beneficial owners or control persons, if any) and (ii) determine whether applicable anti-money laundering or trade sanction laws, rules or regulations would prohibit the Registrant from engaging in the proposed transaction with the customer.

Among other things, the Registrant 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 client or its beneficial owners or control persons appear on such lists.

### Types of Clients

The Registrant provides investment advisory services to collective investment vehicles, which may include private funds not registered under the Investment Company Act, registered investment companies/mutual funds and collective investment funds. With respect to these arrangements, the Registrant views the funds to which it provides investment advice as its clients.

The Registrant also enters into direct engagements to provide investment advisory services to a range of institutional and private clients on a global basis, including:

- Government/public entities;
- International public authorities;
- High Net Worth individuals and family offices;
- Banks or thrift institutions;
- Pension and profit sharing plans, including those covered under the Employee Income Retirement Income Security Act of 1974 ("ERISA");
- Religious organizations;
- Colleges and universities;
- Foundations and endowments;
- Trusts, estates, or charitable organizations; and
- Corporations or business entities.

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

### Methods of Analysis for Real Estate and Infrastructure Securities Separate Accounts, Commingled Real Estate Securities Vehicles, and Registered Investment Companies

The Registrant's security analysis methods include fundamental analysis in addition to the analysis described below. The Registrant's main sources of information include:

- Financial periodicals;
- Inspections of corporate activities;
- Third party research materials, annual reports, prospectuses, and filings with the SEC; and
- Company press releases.

The types of trading used to implement advice given to clients include:

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year); and
- Trading (securities sold within 30 days).

The Registrant seeks and uses information from external real estate professionals to evaluate the holdings of REOCs and REITs in which investments may be made. Its analysis also includes each issuer's management structure, financial structure, and business strategy. Through this analysis, the Registrant seeks to identify issuers that it believes will be the most profitable. The Registrant also considers the effect of the real estate and infrastructure securities markets in general when making investment decisions.

Where consistent with the investment guidelines of an account or fund, the Registrant may engage affiliates that have regional market expertise outside of the Americas, who will act as sub-advisers in Europe, Australia, and

Asia (each, a “Sub-Adviser”), subject to the overall supervision and control of the Registrant. Each Sub-Adviser is an SEC-registered investment adviser under the Advisers Act or is exempt from SEC registration. The Registrant performs its own independent research. The Registrant seeks to identify real estate companies and real estate investments that, in its view, will provide superior returns, focusing on companies and properties that have strong cash flow growth potential and, therefore, the capacity for sustained dividend increases. To find these issuers, the Registrant tracks various property types within those regions.

Methods of Analysis for Non-Public Real Estate Investment Trusts, Real Estate Separate Accounts and Non-Public Real Estate Commingled Funds (including Real Estate Opportunistic Investment Funds):

As REITs are entities organized to acquire, improve, operate, and hold real properties that produce income, the Registrant generally considers the following when making investments for the REITs:

- Cash flow;
- Appreciation prospects;
- Appraisal of value by the Registrant;
- Appraisal of value by third parties;
- Prospects for safety of principal;
- Condition and use of property; and
- Location.

Investments on behalf of separately managed accounts are governed by similar criteria, the details of which are determined through consultations with each individual account owner.

The Registrant is in regular contact with investment and leasing real estate brokers and property owners in major markets through personal visits, investment presentations to sales staffs, and individualized quarterly broker mailings.

Acquisitions research, analyses, and negotiations are conducted by teams of experienced officers. The Registrant’s “due diligence period” commences upon identification of a suitable asset. Officers of the Registrant conduct a detailed market study, interview tenants, and review the leases and the property’s financial operating history; all in order to confirm the information provided by the seller. The Registrant generally retains structural and environmental engineers to perform a physical inspection of the property and grounds. Several officers may visit the property during the study period. The purpose of the study period is to verify the preliminary information on which the purchase offer was made.

Investment Strategies and Criteria for the REITs

The REITs’ principal investment objective is to maximize total returns to investors through cash distributions and appreciation in the value of REIT shares. A secondary investment objective is diversification, both geographically and in the number and types of properties acquired. In pursuing these objectives, each REIT’s strategy is to acquire equity or equity-like interests in apartment, industrial, retail and office properties in targeted metropolitan areas within the continental United States. These properties will be managed with a view to current income and sold when the REIT Board concludes that market conditions and property positioning will realize their optimal value.

In all cases, clients should review the applicable offering materials to understand the specific terms, features and risks of a specific REIT offering.

**REIT Core/Core Value Strategy:** May acquire assets with existing debt in place, may replace existing loans (e.g., refinance) and may incur secured or unsecured debt.

**REIT Value Add Strategy:** May incur debt or otherwise leverage its assets or acquire assets with existing debt in place.

In addition, if necessary to preserve its real estate investment trust status under the Code, the REITs may borrow by means of one or more lines of credit or other arrangements with banks or by the placement of debentures or other instruments.

#### Investment Strategies and Criteria for Real Estate Separate Accounts and Non-Public Real Estate Commingled Funds (including Real Estate Opportunistic and Structured Debt Funds)

Real Estate Separate Account strategies are established in consultation with the individual client and vary depending on the contract with the client. Generally, the Registrant will employ the investment strategies described in Item 4 (Advisory Business) for separate accounts and other pooled investment vehicles.

#### Methods of Analysis and Investment Strategies for Energy Efficiency Retrofit Investments

The energy efficiency retrofit investment strategy is to seek to generate attractive, risk-adjusted returns for investors by funding and managing energy efficiency retrofit projects in buildings and other properties located primarily in the United States and Canada. The core of the strategy will be to structure projects through energy service agreements, or “ESAs”, with building owners, under which a periodic return based on building's post-retrofit energy savings is expected to be received.

The Registrant expects to source, develop, build and manage projects by using experienced service providers who will be supervised at all stages of an energy efficiency retrofit investment: Building Pre-profiling, Project Engineering and Development, Construction and Ongoing Active Energy Management.

The Registrant will seek to develop a broad range of relationships with real estate facility management firms, project developers, original equipment manufacturers, independent consultants and other firms as possible origination partners that can be leveraged to create a pipeline of potential project opportunities.

#### Methods of Analysis and Investment Strategies for Infrastructure Debt Investments

The Registrant has developed a process for successful selection, purchase and monitoring of investments. The Registrant expects that it will favor investing in newly originated loans in the primary market as available for purchase from the originator based on its view that such loans will generally offer higher risk-adjusted returns than secondary market investments.

The Registrant has existing relationships with sponsors, banks and other advisors that collectively may provide wide market coverage. The Registrant will screen for investment opportunities that meet a client's or fund's eligibility criteria and then prioritize them on a relative value basis with the aim of constructing an optimal portfolio that maintains compliance with applicable investment guidelines and the purchase criteria.

The Registrant will primarily pursue a hold-to-maturity strategy and seek to manage the portfolio to maximize returns within the constraints of applicable investment guidelines. Investments will be evaluated on a quarterly basis consistent with expected availability of infrastructure obligor financial information.

#### **General Risk Factors to Consider When Investing in Real Estate and Infrastructure Securities**

- Global delegation of accounts carries with it cross-jurisdictional legal and regulatory challenges.
- The risk that a counterparty may default on its obligation to deliver stock or funds. Real Estate and Infrastructure Securities uses Deutsche Asset & Wealth Management's approved broker list. All counterparties must be pre-approved by Deutsche Asset & Wealth Management Credit Risk Management. Limits on exposure are determined by the Credit department. Factors included are the potential credit and settlement risk of each counterparty.
- Performance is highly correlated to the market for commercial and residential real estate. Related risks are fully born by investors.
- The risk that a security may for a period of time not be correctly valued in the opinion of the portfolio manager. Real Estate and Infrastructure Securities portfolio positions consist of instruments/securities for which a readily available market price from a recognized independent pricing service such as Interactive Data Corporation and/or Reuters/Bloomberg is available. These securities portfolios typically do not hold securities where a fair market price is necessary. If at a point in time a portfolio were to



acquire a security that requires a fair market price, that security would be presented to the appropriate pricing committees. Valuing a security in this manner (internally) involves the possibility that another party may believe that the price the Registrant determined is either too high or too low. However, it is always the custodian or fund accountant who makes ultimate determination for the client about price of security rather than the Registrant, so the risk is that the price on the Registrant's records differs from the price at the custodian or fund accountant.

### **General Risk Factors to Consider When Investing in Real Estate Related Assets**

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.

### **Specific Risk Considerations with Respect to REITs Managed by the Registrant**

- While the REITs intend at all times to qualify as "real estate investment trusts" under the provisions of the Internal Revenue Service Tax Code of 1986, as amended ("the Code"), failure in any taxable year to distribute to stockholders at least 90% of their real estate investment trust taxable income will render the REITs subject to tax on their taxable income at regular corporate rates and distributions to stockholders in any non-qualifying year(s) will not be deductible by the REIT;
- Although the REIT's shares are freely transferable, subject to certain restrictions, an investment in the REIT is intended to be long term. No public or private market currently exists for the shares;
- Although the REIT will seek to acquire a diversified portfolio of multi-family, industrial, retail and office properties, such diversification may not exist during the REIT's initial stages and the REIT may not achieve its overall diversification goals; and
- Unlike exchange-listed and other readily tradable securities, real estate assets generally cannot be marked to an established market. The periodic valuation of the REIT's assets will serve as the basis for determining the value of each share of the REIT prior to the time, if any, that there is a public trading market for the shares.

### **Specific Risk Considerations with Respect to Private Real Estate Investments Managed by the Registrant**

- Instead of making investments directly, the Registrant, on behalf of the client, may make investments through partnerships, joint ventures, corporations, companies or other entities. Such investments may involve risks not present in wholly-owned investments, including, for example, the possibility that a co-venturer or partner of the client may have economic or business interests that are inconsistent with those of the client;



- 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 disposition at attractive prices within any given period of time;
- In addition to the risks involved in owning and operating established properties, the real estate development business, including the renovation and rehabilitation of existing properties, involves certain specific risks, including:
  - Construction may not be completed on schedule or within budget, resulting in increased debt service expense and construction costs and potential delays in leasing such properties;
  - There may be delays in obtaining all necessary zoning, land-use, building, occupancy, and other required governmental permits and authorizations; and
  - New or renovated properties may perform below anticipated levels, producing cash flow below budgeted amounts.
- In acquiring property, a buyer faces the risk of acquiring obligations and/or liabilities associated with that property under environmental statutes or regulations. Such environmental obligations and/or liabilities may be unpredictable, and may not be under the control of the buyer. For example, the current owner of a parcel of land may be liable for environmental problems at or emanating from the parcel of land that were caused by a past owner or current operator of the site; and
- To protect the client's real estate assets from liabilities that may arise from any particular investment, the Registrant, on behalf of the client, may acquire and hold title to one or more individual properties through wholly owned subsidiaries, limited partnerships, or other organized entities, as noted above. This investment structure, however, might not guarantee that any loss will be confined to that entity. A parent corporation may be held liable by virtue of actions that may cause it to be deemed an "operator" of a facility or property.

**Specific Risk Considerations with Respect to the Registered Non-Traded REIT Managed by the Registrant**

- The Registered Non-Traded REIT is a newly formed entity. While it will seek to acquire a diversified portfolio of commercial real estate properties, real estate securities and real estate loans, such diversification may not exist during its initial stages and it may not achieve its overall diversification goals;
- Although the Registered Non-Traded REIT's shares are freely transferable, subject to certain restrictions, an investment in the REIT is intended to be long term. There is no current public trading market for shares of its common stock. Redemption of shares by the Non-Traded REIT will likely be the only way to dispose of shares. While there exists a redemption plan to provide stockholders with the opportunity to redeem their shares on a daily basis, redemptions will be subject to available liquidity and other restrictions. As a result, the shares should be considered as having only limited liquidity and at times may be illiquid;
- After the escrow period, the purchase and redemption price for shares of the Registered Non-Traded REIT's common stock will be based on its Net Asset Value (NAV) and will not be based on any public trading market. Valuations and appraisals of real properties and real estate-related assets are estimates of fair value and may not necessarily correspond to realizable value. Because the valuation of properties is inherently subjective, the NAV may not accurately reflect the actual price at which the Non-Traded REIT's assets could be liquidated on any given day; and
- While the Registered Non-Traded REIT intends at all times to qualify as a "real estate investment trust" under the provisions of the Internal Revenue Service Tax Code of 1986, failure in any taxable year to distribute to stockholders at least 90% of their real estate investment trust taxable income will render the REIT subject to tax on their taxable income at regular corporate rates and distributions to stockholders in any non-qualifying year(s) will not be deductible by the REIT.

### **Specific Risk Considerations with Respect to Energy Efficiency Retrofit Investments Managed by the Registrant**

The strategy and projects being pursued by the investment strategy involve a high degree of risk. The possibility of partial or total loss of capital exists and investors must be prepared to bear capital losses that could result from the retrofit projects. The risks associated with the investment strategy, include, but are not limited to, the following:

- the strategy is dependent on the investment team and certain third party service providers, and the team has no prior experience with the investment strategy in the context of a pooled investment vehicle;
- the involvement and benefits of the DB Platform may be limited;
- marketplace acceptance of ESA transactions and documentation may be limited;
- strategy is dependent on origination partners for project origination, and the Partnership faces potential challenges in sourcing commercial building projects;
- the project activities present building owner, construction, operational and technical, catastrophic and force majeure risks;
- the overall marketplace opportunity for retrofit projects (generally, and of the type being pursued pursuant to the strategy) is difficult to assess;
- there may be significant competition for project opportunities;
- energy savings will be the primary source of payment under the ESAs and, therefore, there is risk to fully recouping the cost of a project or receiving any return at all;
- there may be risks associated with an early termination of an ESA and the sale of a project;
- the overall performance may be adversely affected if projects are concentrated by location or building owner;
- the contemplated use of leverage presents certain risks; and
- the strategy presents certain important and complicated tax, accounting and regulatory risks.

### **Specific Risk Considerations with Respect to Infrastructure Debt Investments Managed by the Registrant**

The infrastructure debt strategy involves a high degree of risk. The possibility of partial or total loss of capital exists and investors must be prepared to bear capital losses that could result from the strategy. The risks associated with investing in infrastructure debt, include, but are not limited to, the following:

- The assets to be acquired are primarily non-investment grade private loans of obligors operating economic infrastructure businesses and are generally considered to be speculative in nature and for a variety of reasons may become a defaulted obligation;
- Investing in debt associated with infrastructure assets involve many factors beyond the reasonable control of the Registrant;
- Infrastructure finance loans are complex and limited in liquidity;
- Infrastructure debt obligors, or the infrastructure assets they own or control, may be subject to statutory and regulatory requirements, including those imposed by zoning, environmental, safety and labor;
- Infrastructure obligors are reliant on licenses, concessions, leases or contracts, which are typically complex and subject to regulation by a great number of governmental or regulatory authorities;
- Infrastructure assets are subject to operational risks which may adversely affect operation of the asset/obligor;
- Infrastructure providers are subject to the risk of payment default;
- Investment in infrastructure debt related to undeveloped land (greenfield assets) may not produce income until the project is operational;
- Infrastructure obligors may depend upon prevailing market prices for commodities; and
- Infrastructure assets are associated with construction, environmental, catastrophic and sovereign risks.

## Item 9 – Disciplinary Information

None to report.

## Item 10 – Other Financial Industry Activities and Affiliates

The Registrant has arrangements that are material to its advisory business or its clients with one or more related persons who are:

- Broker-dealers;
- Investment Companies and other pooled investment vehicles;
- Other investment advisers;
- Registered municipal advisers;
- Futures commission merchants, commodity pool operators and commodity trading advisers;
- Banking or thrift institutions;
- Insurance companies or agencies; and
- Entities that create or package limited partnerships.

On April 23, 2002, the Registrant was acquired by DB Americas Holding Corp., which is a wholly-owned subsidiary of Deutsche Bank AG, a publicly-traded German bank (NYSE: DB). Deutsche Bank AG is a major global banking institution with many affiliates. Deutsche Bank AG and its affiliates are engaged in a wide range of financial services, including investment management, mutual funds, retail, private and commercial banking, investment banking and insurance.

Described below are certain affiliates with which the Registrant has or may have arrangements that are material to its advisory business. Employees of the Registrant may be authorized to act on behalf one or more of these entities. Additionally, employees of the Registrant's related persons may be authorized to act on behalf of the Registrant. The Registrant 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 the Registrant and its affiliates may involve revenue sharing or joint compensation based upon each entity's activities for the client.

When the Registrant enters into transactions or arrangements with one of the related persons listed below, this may create certain potential conflicts of interest, including, but not limited to:

- The Registrant may have an incentive to negotiate terms that are less favorable than those available in an arm's length transaction;
- With respect to such transactions, the Registrant may have certain incentives to direct purchase and sale transactions to an affiliate – and thus generate transactional revenue for that affiliate - when another broker-dealer or counterparty may be able to provide comparable execution quality; and
- The Registrant may have an incentive to enter into arrangements for services with a related person when an unaffiliated party might be equally or better equipped to perform such services and/or might provide more favorable terms.

With respect to transactions or other arrangements that the Registrant may enter into with a related person, consistent with its fiduciary obligations, it generally seeks to address such conflicts by:

- Eliminating them where possible (i.e., the Registrant will not enter into or will otherwise prohibit such arrangements with an affiliate);
- Mitigating and managing them through various means, such as:
  - Policies and procedures requiring the Registrant to confirm that the client is receiving terms comparable to those available in an arm's length transaction; or

- To otherwise demonstrate that engaging with an affiliate is being done to satisfy the Registrant's fiduciary obligations to its clients (e.g., the Registrant engages in a transaction with an affiliate on behalf of a client in order to achieve best execution); and/or
- Disclosing them to clients via this Brochure or other disclosure document.

In addition, on a regular basis the Registrant seeks to identify potential conflicts of interest with respect to its current business activities and the various means by which it deals with them. Where possible, the Registrant seeks to manage and mitigate such conflicts by developing responsive policies, procedures, and practices. Where this is not possible, the Registrant seeks to disclose material information to existing and prospective clients so that, in light of these potential conflicts of interest, they can make informed decisions about whether to enter into, or to continue, an investment advisory arrangement with the Registrant.

### **Broker-Dealers**

DeAWM Real Estate has material arrangements with the following related persons that are US-registered 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"). It is also a member of the New York Stock Exchange and other principal exchanges in the United States as well as the Financial Industry Regulatory Authority ("FINRA").

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 the Registrant 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.

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

### **Investment Advisers**

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

Although the following DeAWM Real Estate investment advisory affiliates are not registered with the SEC as investment advisers, they are registered with their local regulators: Deutsche Asset Management (Australia) Limited, Deutsche Asset Management Canada LTD, Deutsche Asset Management (Korea) Limited, Deutsche Alternative Asset Management (UK) Limited, Deutsche Securities Inc. and DWS Investment S.A.

The Registrant may have co-advisory, sub-advisory, or participating affiliate relationships with affiliated advisers as required for management of particular client accounts and in accordance with applicable law. In addition, The Registrant 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.

## **Investment Companies and Other Pooled Vehicles**

The Registrant acts in an advisory or sub-advisory capacity to a variety of US and non-US investment companies for which the Registrant or an affiliate acts as adviser, manager or distributor. In connection with these investment companies, certain DeAWM Real Estate employees may serve as directors, trustees or officers. Arrangements with respect to the sale of US registered investment company securities 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.

## **Banking Institutions**

The following banking institutions are related persons of the Registrant:

- 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 the Registrant 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 the Registrant or its related persons may act as investment adviser.
- Deutsche Bank National Trust Company ("DBNTC"), a nationally chartered bank and member of the Federal Reserve, acts as investment adviser and trustee 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.
- Deutsche Bank AG Hong Kong Branch is a branch office of Deutsche Bank AG.

DeAWM Real Estate clients may utilize custodians unaffiliated with DeAWM Real Estate who may, in turn, hire affiliates of DeAWM Real Estate as sub-custodians in certain jurisdictions. In these circumstances, DeAWM Real Estate affiliates may execute certain transactions on behalf of DeAWM Real Estate clients (e.g., foreign exchange transactions, corporate actions), but, in these instances, only accordance with applicable federal and/or state laws or exemptions thereof. These circumstances may give rise to the appearance of conflicts of interest. DeAWM Real Estate has developed policies and procedures to monitor such circumstances. In the event a DeAWM Real Estate client hires its own custodian, DeAWM Real Estate will work with the client to avoid conflicts of interest in connection with its custodian engaging a DeAWM Real Estate affiliate as sub-custodian.

## **Private Investment Funds**

The Registrant serves as the investment manager and investment adviser of RREEF Real Estate Securities Commingled Fund, LLC (the "RREEF Commingled Fund"), a Delaware limited liability company. The RREEF Commingled Fund is an investment fund not registered under the Investment Company Act that is privately offered and sold only to certain investors meeting the fund's investor eligibility requirements. All investors are furnished relevant information (including information relating to affiliate compensation, conflicts of interest and restrictions) and are parties to the fund's governing documents, including an agreement of limited liability and a subscription agreement.

The Registrant serves as the adviser of US Mother Fund (the "Okasan Fund") and North America REIT Mother Fund (the "Okasan Fund II"), which are Japanese securities investment trusts. The Okasan Fund and the Okasan Fund II are investment funds not registered under the Investment Company Act that are privately offered and sold only to certain investors meeting the funds' investor eligibility requirements. All investors are furnished relevant information (including information relating to affiliate compensation, conflicts of interest and restrictions) and are parties to certain documents and agreements relating to the funds, including a subscription agreement.

The Registrant serves as delegated fund manager to DWS Invest RREEF Global Real Estate Securities Fund and the DWS Invest Global Infrastructure Fund. These Funds are Société d'Investissement à Capital Variable, SICAV, (Investment Company with variable capital) under Luxembourg law. These Funds adhere to the UCITS III guidelines, which are fund parameters recognized by many regulators across Europe.

The Registrant acts as investment adviser of RREEF Structured Debt Fund, LLC, a Delaware limited liability company (the "Fund"). The Fund is an investment fund not registered under the Investment Company Act that is privately offered and sold only to certain investors meeting the fund's investor eligibility requirements. The Fund invests in real estate related debt instruments, including senior mortgages on transitional properties, B-notes, mezzanine debt, preferred equity, and other real estate debt instruments, and the Fund may also invest in participations in any of the foregoing.

The Registrant serves as investment adviser of RREEF Global Opportunities Fund II, LLC ("Fund II"), a Delaware limited liability company. Fund II is a private investment fund not registered under the Investment Company Act that is privately offered and sold only to certain investors meeting Fund II's investor eligibility requirements and invests globally in opportunistic investments in real estate-related assets. All investors are furnished relevant information (including information relating to affiliate compensation, conflicts of interest and restrictions), are parties to Fund II's governing documents and all affiliate transactions are approved by Fund II's advisory committee which is comprised of representatives of the Fund II investors.

This Brochure, including the description of the terms or investment practices of the private investment funds managed or advised by the Registrant, is not meant to be, nor shall it be construed as, an offer or solicitation of an offer for the purchase or sale of any of the private investment funds described.



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

## Code of Ethics

The Deutsche Asset & Wealth Management Code of Ethics ("Ethics Code"), to which RREEF America L.L.C.'s employees are subject, 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 DeAWM Real Estate client accounts. The Ethics 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 Ethics 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 Ethics 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 Ethics Code, employees are required to pre-clear all of their personal securities transactions in securities that are not exempt from the Ethics Code. Employees must also receive prior approval before purchasing any securities in a private placement or in a limited offering. 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 DeAWM Real Estate'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 Ethics Code.

Additionally, RREEF America L.L.C.'s employees may not acquire or sell any Real Estate Securities in any personal employee or employee-related account without prior written approval. Real Estate Securities include all publicly-traded securities issued by any Real Estate Investment Trust ("REIT") or Real Estate Operating Company ("REOC"), as well as publicly traded securities issued by companies primarily engaged in the ownership, construction, management or sale of residential, commercial or industrial real estate that are included within the DeAWM Real Estate Securities Investment Team investment universe. These companies may include real estate master limited partnerships and real estate brokers and developers.

The Ethics Code imposes a thirty (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 DeAWM Compliance). The Ethics 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 DeAWM Real Estate 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 upon hire and annually confirm the information. Additionally, employees are required to acknowledge annually that they have received and read the Code of Ethics.

Any employee who violates the Ethics Code may be subject to disciplinary actions, including possible dismissal. Violations are reported to the Chief Compliance Officer. In addition, any securities transactions executed in violation of the Ethics 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.

DeAWM Real Estate's existing and prospective clients may obtain a copy of its Ethics Code upon request by calling their client service representative.

### **Gifts and Entertainment**

DeAWM Real Estate has policies and procedures in place, including the DeAWM Code of Ethics, that prohibit DeAWM Real Estate employees from accepting gifts, entertainment, and other things of material value that may create a conflict of interest or the appearance of a conflict of interest. In addition, DeAWM Real Estate 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, clients' agents, or other business partner. In general, these policies dictate that giving and receiving of gifts and participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment is deemed excessive or extravagant. These policies impose specific restrictions and require Compliance approval of certain gifts and entertainment.

In general, the policy permits employees to accept gifts of 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 DeAWM Real Estate. DeAWM Real Estate's policy also sets forth parameters with respect to entertainment-related expenses.

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

### **Participation or Interest in Client Transactions**

RREEF America L.L.C. is owned by Deutsche Bank AG ("the Firm"), a multi-national financial services company. Therefore, the Registrant 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 this Firm is engaged in businesses and has interests other than managing its clients' investment advisory accounts, such other activities involve real, potential or apparent conflicts of interests. 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 DeAWM Real Estate for its clients' advisory accounts. 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 DeAWM Real Estate's clients.

DeAWM Real Estate 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 DeAWM Real Estate's policy that DeAWM Real Estate 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 between advisory accounts or between advisory accounts and the Firm and/or personnel of the Firm, it is DeAWM Real Estate's policy to disclose their existence in general form through this Form ADV Part 2A or equivalent.

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 performed by DeAWM Real Estate's Frankfurt-based trading platform. In providing these services, the Frankfurt-based affiliate entities will have access to certain information about client accounts. DeAWM Real Estate, its affiliates or both, are subject to European and German regulations in



addition to regulations in the local regulations of the advisor. In addition, certain DeAWM Real Estate affiliates may provide financing to the Registrant's clients with respect to certain direct real-estate transactions

DeAWM Real Estate 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. These 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 these affiliates and third party service providers in connection with these functions. Refer to the Privacy Notice section on page 30.

DeAWM Real Estate acts as a fiduciary with respect to its asset management activities and owes its clients a duty of undivided loyalty. As a fiduciary, DeAWM Real Estate 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 that could create the appearance of a conflict with DeAWM Real Estate's duty of loyalty. To minimize these conflicts, as a general matter DeAWM Real Estate employees associated with the investment process (including portfolio managers, research analysts and traders) have no contact with employees of the Firm outside of DeAWM Real Estate regarding specific clients, business matters or initiatives, unless permitted by internal procedures, or approved by business management and DeAWM Compliance.

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 DeAWM Real Estate's advisory accounts directly and indirectly invest. As permitted by and in conformity with applicable laws and regulations, DeAWM Real Estate'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 DeAWM Real Estate's advisory accounts will undertake transactions in securities in which the Firm makes a market or otherwise has direct or indirect interests. DeAWM Real Estate 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 (including those undertaken by affiliates) may have a negative or detrimental effect on DeAWM Real Estate's advisory client accounts.

DeAWM Real Estate may take investment positions in issuers in which other clients or related persons within the Firm have different investment positions. There may be instances in which DeAWM Real Estate 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 DeAWM Real Estate's clients may, as result, be less favorable. The investment results for DeAWM Real Estate's clients may differ from the results achieved by the Firm and other clients of the Firm. In addition, results among DeAWM Real Estate clients may differ.

For a summary of the restriction of the flow of certain information between DeAWM Real Estate and other parts of the Firm, please see "Information Barriers" below. As noted, DeAWM Real Estate makes decisions for its clients in accordance with its fiduciary obligations as manager of its advisory accounts independent of what decisions made by or in other parts of the Firm.

The investment activities of the Firm may limit the investment opportunities for DeAWM Real Estate'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. DeAWM Real Estate 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 in order to avoid circumstances which, in the view of DeAWM Real Estate, would require aggregation of such client account positions held elsewhere in the Firm.

### **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 DeAWM Real Estate, has internal procedures in place intended to prevent the potential flow of any such non-public information.

Should DeAWM Real Estate come into possession of material, non-public information, DeAWM Real Estate has procedures that prohibit trading activities based on such information by DeAWM Real Estate for its clients and by DeAWM Real Estate employees. DeAWM Real Estate may not use material, non-public information when making investment decisions for its clients. These procedures and prohibitions may preclude client accounts 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 DeAWM Real Estate, 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 DeAWM Real Estate 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 DeAWM Real Estate 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 for which 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 DeAWM Real Estate for effecting securities transactions for clients is its advisory fees. Related persons of DeAWM Real Estate may receive brokerage commissions, commission equivalents, spread and other fees in connection with brokerage services provided. See Item 12 for more details.

On behalf of client accounts, DeAWM Real Estate may purchase securities in which an affiliate of DeAWM Real Estate 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 DeAWM Real Estate, but DeAWM Real Estate's affiliate may nevertheless benefit from the transactions, including in circumstances in which the syndicate (of which DeAWM Real Estate's affiliate is a member) is experiencing difficulty in distributing the new issue securities. While DeAWM Real Estate acts solely in the best interests of the clients, these circumstances may give rise to the appearance of a conflict of interest, even though the transactions are effectuated in compliance with applicable regulations (see "Agency Transactions," "Investment Companies," and "Principal Transactions" below). DeAWM Real Estate may have a potentially conflicting division of responsibilities to both parties to a cross transaction. Additionally, regulatory or other government requirements applicable to DeAWM Real Estate's related persons may restrict DeAWM Real Estate 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 DeAWM Real Estate may not be subject to some of these restrictions.

### **Agency Transactions**

DeAWM Real Estate is a related person of various broker-dealers through which it may execute agency transactions. DeAWM Real Estate has established policies and procedures reasonably designed to ensure that agency transactions executed with these related broker-dealers 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 to other customers. As a general matter, DeAWM Real Estate can execute agency transactions on behalf of clients with related broker-dealers only if DeAWM Real Estate has determined in good faith that the client will receive best execution in the transaction, and only in compliance with applicable law and regulations, DeAWM Real Estate's policies and procedures, and with the consent of clients to these kinds of transactions. Executing transactions with affiliates of DeAWM Real Estate may present conflicts of interest, including that DeAWM Real Estate 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 Directors of such companies under Rule 17e-1 and Rule 10f-3 under the Investment Company Act.

## **Principal Transactions**

DeAWM Real Estate generally may not cause its clients to enter into principal transactions with related persons. In limited circumstances, DeAWM Real Estate 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 prior to the completion of the transaction, be effected on arm's length terms, and the commissions paid must be competitive with those that would be paid to a non-affiliated broker-dealer.

## **Cross Trades**

Although not typical, the Registrant may effect agency cross transactions for advisory accounts in which a Registrant's 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 Registrant's affiliated broker. The Registrant may have a potentially conflicting division of loyalties and responsibilities to both parties in an agency cross transaction.

The Registrant may effect cross transactions directly between advisory accounts, provided that (a) such transactions are consistent with the investment objectives and policies of such accounts, (b) for mutual funds, consistent with the funds' Rule 17e-1 procedures, (c) are, in the view of the respective portfolio managers, favorable to both sides of transactions and (d) 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 the Registrant. Cross transactions between managed accounts, however, may result in the incurrence by such accounts of custodial fees, taxes or other related expenses.

The Registrant 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. A client may revoke their consent for agency cross transactions at any time.

## **Portfolio Holdings Disclosure Policy**

DeAWM Real Estate is prohibited from disclosing non-public portfolios holdings information unless such disclosure is consistent with anti-fraud provisions of the federal securities laws and its fiduciary duty.

DeAWM Real Estate makes non-public portfolio holdings information available to certain clients upon request provided certain conditions are satisfied including complying with DeAWM Real Estate'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, DeAWM Real Estate 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 DeAWM Real Estate 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 DeAWM Real Estate policies and procedures. Proprietary capital may not perform the same as similarly managed client accounts for a variety of reasons, including, but not limited to, 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 DeAWM Real Estate 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.

## Electronic Communication Networks

The Firm and its affiliates may elect to utilize Electronic Communication Networks (ECNs) 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
- Bloomberg BBT - used to trade MBS with multiple Dealers
- Bloomberg FX dealing for currency transactions
- Bloomberg Tradebook
- BNY ConvergeX
- Boom via Bloomberg
- CanDEAL
- FIX
- FX ALL
- FX Connect
- Instinet
- ITG Channel
- ITG Triton
- Lehman Live.com: Tender Track
- Liquidnet
- LMS - via Bloomberg
- MarketAxess
- Pipeline
- RediPlus
- TradeWeb

## Item 12 – Brokerage Practices

### Broker Dealer Selection

When selecting a broker-dealer for client transactions, DeAWM Real Estate considers 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 DeAWM Real Estate to these factors, which will in turn result in the choice of a specific benchmark, trading strategy, and executing broker or execution venue. In determining the relative importance of these factors, DeAWM Real Estate will consider the following factors:

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

While the price of the financial instrument and the overall transaction cost are generally the most important factors, their 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 DeAWM Real Estate.

Consistent with its best execution obligations, DeAWM Real Estate maintains a Credit Department that is responsible for assessing and managing counterparty risk for all transactions undertaken on behalf of DeAWM Real Estate's clients. DeAWM Real Estate has established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. It seeks to maintain exposures within levels that are prudent relative to the counterparty's financial resources for both credit and settlement risk. 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 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.

### **Commission Rates**

DeAWM Real Estate's trading desk utilizes a schedule of commission rates that have been negotiated with approved broker-dealers. The schedule delineates the commission rates negotiated with the broker-dealer by country and by types of trades.

The Brokerage Practice Sub-Committee, which rolls up to the Americas Investment Risk Oversight Committee, is responsible for overseeing and monitoring overall trading practices and brokerage relationships. As part of its review, the Committee will review trade execution quality and commission costs no less than quarterly.

### **Research and Soft Dollar Benefits**

DeAWM Real Estate may use a particular broker (whether the broker was selected by DeAWM Real Estate or by a client that has directed DeAWM Real Estate to use that broker) to execute securities transactions for a client account where that broker-dealer also provides research to DeAWM Real Estate. The research received by DeAWM Real Estate in this manner will from time to time be used in servicing any or all of DeAWM Real Estate's client accounts, including client accounts that did not pay the commissions used to obtain the research.

While DeAWM Real Estate seeks to achieve best execution, in reliance on Section 28(e) of the Securities Exchange Act of 1934 (as amended), it may pay commissions on behalf of its clients that are higher than those assessed by other brokers in recognition of the value of research and other services provided by the broker. Consistent with its best execution obligations, DeAWM Real Estate has the incentive to execute transactions with, and pay commissions to, the broker(s) who provide it with superior brokerage and research services. When client brokerage commissions are used, DeAWM Real Estate 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), DeAWM Real Estate must 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 DeAWM Real Estate's overall responsibilities to its clients. In some cases, brokerage products or services obtained with client commissions may have a mixed use and thus, are only partially eligible under Section 28(e). In these cases, DeAWM Real Estate will make a reasonable allocation of the cost of the product or services according to its usage. In making such determination, DeAWM Real Estate faces an inherent conflict of interest; however, DeAWM Real Estate uses its good faith judgment in making such mixed-use cost allocation decisions.

DeAWM Real Estate may enter into Commission Sharing Arrangements (CSAs) for third-party research in order to obtain best execution and access to valuable research services. In this regard, DeAWM Real Estate 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. With respect to these arrangements, DeAWM Real Estate has established policies and procedures that govern allocations to research providers in order to ensure best execution.

DeAWM Real Estate may execute transactions with broker-dealers in order to obtain research and brokerage services from third parties (i.e., "third party research"). In addition, DeAWM Real Estate 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, DeAWM Real Estate 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 to be used in connection with executing trades. Typically, DeAWM Real Estate uses this computer software and/or hardware to facilitate trading activity with certain broker-dealers. DeAWM Real Estate monitors 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 in person 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.

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

Clients may limit DeAWM Real Estate'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 DeAWM Real Estate from executing the client's transactions through a particular broker-dealer. In situations in which 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, DeAWM Real Estate may be unable to obtain best execution for such trades. Similarly, where a client directs DeAWM Real Estate to use a particular counterparty for swaps, OTC options, etc., DeAWM Real Estate may be unable to obtain best execution for such trades. Further, client orders subject to Directed/Restricted Brokerage may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may trade after aggregated trades and/or directed trades effected for other DeAWM Real Estate clients. As a result, these clients may pay higher commissions or receive less favorable net prices than would have otherwise been the case had the clients participated in the aggregated trading order.

Where clients have directed brokerage in place for their account and DeAWM Real Estate remains subject to best execution obligations, DeAWM Real Estate may aggregate those directed orders along with orders executed on behalf of other client accounts through the broker-dealer DeAWM Real Estate believes to offer the best execution for such transaction and, thereafter, instruct that 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 follow a client's instruction to execute transactions for its account through a Designated Broker, DeAWM Real Estate understands that the client is responsible for ensuring that all services provided by the Designated Brokers are:

- provided solely to the client's account and any beneficiaries of the account and are proper and permissible expenses of the account; and
- provided in consideration for brokerage commissions or other remuneration to be paid.

With respect to such arrangements, clients are responsible for determining whether they are 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. Further, such arrangements must not conflict with any obligations that persons acting on behalf of the client's account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations those persons may have to obtain the most favorable price and execution for the account and its beneficiaries. Persons acting for the client's account must have the requisite power and authority to provide the directions on behalf of the account and must 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.

### **Order Aggregation**

Consistent with its best execution obligations, DeAWM Real Estate will generally aggregate multiple client orders for the purchase or sale of the same security on a trading desk and allocate such transactions on a pro rata or other fair and equitable basis.

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

Any aggregated order that is not completely filled will generally be allocated on a pro rata basis to all accounts participating in the order. 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 DeAWM Real Estate will close out the remainder of the aggregated order and place a new order.

Certain orders (e.g., small orders for exchange traded equity securities) may be auto-routed to an electronic trading network for execution and therefore will not be aggregated with other orders. There may be instances in which other DeAWM Real Estate client orders for the same security are being placed through a broker. In those instances, the auto-routed and the direct orders may potentially 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 DeAWM Real Estate determines that pro rata allocation is not appropriate under a particular circumstance, the allocation may be made based on other factors that DeAWM Real Estate deems fair and equitable to all clients.

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

### **Errors and Corrections**

In accordance with its policy, any error that affects a DeAWM Real Estate client account must be resolved promptly and fairly, and in accordance with legal/regulatory restrictions and guidelines. All errors caused by DeAWM Real Estate which result in a loss to a client account must be reimbursed regardless of the amount. With respect to certain errors, DeAWM Real Estate may determine the amount of such reimbursement by offsetting losses against gains resulting from such errors to the extent permitted by policies and procedures and applicable law. All errors are reported on a regular basis to DeAWM Real Estate management and/or Compliance.

## **Item 13 – Review of Accounts**

All accounts are under regular review by the Registrant's investment management team, including portfolio managers, research analysts, and traders. Each strategy has a separate investment committee that undertakes a formal review of applicable accounts on a periodic basis.

### **Reports Provided to Clients**

#### Real Estate and Infrastructure Securities Accounts

No less than quarterly, clients receive written reports analyzing current portfolio holdings and account performance. These reports will also contain the Registrant's investment outlook.

#### Non-Public REITs and Real Estate Separate Accounts

Investors in each of the REITs and separate accounts receive written performance reports on a quarterly basis summarizing operations, provide unit valuations, and include quarterly operating statements and statements of financial condition. Where required by the applicable documents, separate account clients receive an audited report that includes a review of each real estate asset and financial data on each, including complete financial statements certified by an independent Certified Public Accountant.

#### Registered Non-Traded REIT

Stockholders will receive an annual report directly which will include:

- Financial statements certified by an independent Certified Public Accountant;
- Ratio of the costs of raising capital during the year to the capital raised; the aggregate amount of advisory fees and the aggregate amount of any other fees paid to our advisor and any affiliate of our advisor by us or third parties doing business with us during the year;
- Total operating expenses for the year, stated as a percentage of our average invested assets and as a percentage of our net income;
- A report from the independent directors that our policies are in the best interest of our stockholders and the basis for such determination; and
- A separate report containing full disclosure of all material terms, factors and circumstances surrounding any and all transactions involving us and our advisor, a director or any affiliate thereof during the year, which report the independent directors are specifically charged with a duty to examine and to comment on regarding the fairness of the transactions.

Quarterly and other reports and documents concerning investment in the Registered Non-Traded REIT will also be made available to stockholders.

#### Energy Efficiency Retrofit Investment Vehicles

Quarterly reporting to investors consisting of written performance reports summarizing operations and include quarterly operating statements and statements of financial condition.

#### Infrastructure Debt Investments

Quarterly reporting to investors consisting of market commentary, portfolio commentary and financial statements.

## Item 14 – Client Referrals and Other Compensation

DeAWM Real Estate and/or its affiliates, including the Registrant, may compensate affiliates and non-affiliates for client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act. When required by law, the Registrant's policies and procedures require regulatory disclosure of the compensation arrangement between DeAWM Real Estate and such parties. Employees of DeAWM Real Estate and/or its affiliates and/or third parties who refer or solicit investment advisory clients may also be compensated based on a percentage of the investment advisory fees charged to that client. DeAWM Real Estate has established policies and procedures in order to deal with potential conflicts of interests related to these arrangements.

Unaffiliated investment consultants retained by existing and prospective clients may refer advisory clients to DeAWM Real Estate and/or its affiliates. While DeAWM Real Estate does not make payments to these consultants in connection with these referrals, it may make payments to them in order to attend industry-wide conferences that they may sponsor.

## Item 15 – Custody

The Registrant may be deemed to have custody of client assets because of its ability to directly debit investment advisory fees, because assets are maintained with a related person as the qualified custodian, or as a result of limited discretionary authority over certain client assets (i.e., the ability to take possession of client funds and/or securities).



In these cases, the Registrant's clients generally receive statements from the qualified custodian at least quarterly. Clients are encouraged to review these statements carefully and compare statements received from the Registrant with statements received from the qualified custodian. Comparing statements may allow clients to determine whether account transactions are proper. Clients who are not receiving statements from their account custodian at least quarterly, where applicable, are instructed to contact their client service representative.

Investors invested in pooled investment vehicles will receive audited financial statements prepared by an independent public accountant on an annual basis in lieu of quarterly custodial statements.

## Item 16 – Investment Discretion

Generally, the Registrant provides investment management services on a discretionary basis for client accounts and the Registrant determines which investments, including direct real estate assets, should be bought or sold, the total amount to be bought or sold for the account, etc. From time to time, a client may retain the Registrant on a non-discretionary basis, explicitly requiring that portfolio transactions and investments be discussed and consented to in advance. Prior to assuming discretionary or non-discretionary authority, the Registrant enters into an investment advisory agreement with the client.

The Registrant is guided by investment policies and guidelines that are established at the inception of the adviser-client relationship (as amended from time to time) in consultation with the client. These guidelines assist the Registrant 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 that will make up the portfolio.

The Registrant 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 but are still subject to the Registrant's supervision. Clients may contact the Registrant for a copy of the affiliate's Form ADV, or other disclosure documents, for additional information.

## Item 17 – Voting Client Securities

DeAWM Real Estate 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 agreed to in writing by DeAWM Real Estate.

DeAWM Real Estate has adopted a proxy voting policy and procedure (collectively, the "Proxy Voting Policy"), including specific proxy voting guidelines (the "Guidelines"), that set forth the general principles DeAWM Real Estate uses to determine how to vote proxies for issuers in client accounts for which DeAWM Real Estate has proxy voting responsibility. 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 DeAWM Real Estate's fiduciary obligations.

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.

In order to prevent potential conflicts of interest, DeAWM Real Estate will generally 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 DeAWM Real Estate 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, DeAWM Real Estate will 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, DeAWM Real Estate (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 DeAWM Real Estate 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 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, DeAWM Real Estate 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 DeAWM Real Estate may match the voting interests of clients or businesses of DeAWM Real Estate and its affiliates. DeAWM Real Estate's proxy voting decisions, however, are made independent of the interests of such clients or businesses of DeAWM Real Estate and its affiliates and are made in accordance with its fiduciary responsibilities.

DeAWM Real Estate's clients can obtain a copy of its Proxy Voting Policy and Guidelines, or information about how DeAWM Real Estate voted proxies with respect to securities held in their account, by calling their client service representative.

It is the custodian's responsibility to send proxy materials to clients. If a client does not authorize DeAWM Real Estate to vote proxies on its behalf, the client has the authority to contact the custodian and instruct the custodian to send proxy voting materials directly to the client or to a voting agent it has selected. Clients may also direct DeAWM Real Estate in writing to vote certain proxies held directly for their accounts by contacting their client service representative.

### **Environmental, Social and Governance Issues**

DeAWM Real Estate may incorporate Environmental, Social and Governance issues ("ESG") considerations into both investment and proxy voting decisions, particularly if the financial performance of a company in which DeAWM Real Estate invests in on behalf of clients could be impacted. Companies or jurisdictions in which DeAWM Real Estate is considering such investment that seriously contravene internationally accepted ethical principles, may be subject to heightened scrutiny.

The relevant Chief Investment Officers and/or Business Heads of DeAWM Real Estate may implement such controls regarding socially responsible investment as may be deemed appropriate with the ultimate investment decision being placed with portfolio management, with approval as necessary by the relevant Chief Investment Officer, Chief Operating Officer or their designees, as applicable. Portfolio management decisions must always be made in the first instance in the best interest of our clients. Determinations regarding socially responsible investing are complex and will be made on a case-by-case basis.

DeAWM Real Estate Portfolio Management may consider reputational impact to our prospective clients, or how such prospective clients might view these issues in making investment decisions. Portfolio management, however, may not consider reputational impact to DeAWM Real Estate or the Bank for existing mandates or clients. Furthermore, the application of socially responsible investment considerations may differ greatly based on the region, type, and preferences of a particular client or account and business line.

In addition, DeAWM Real Estate may be required to comply with controls regarding socially responsible investment implemented by affiliates of DeAWM Real Estate representing other businesses within the Deutsche Bank Group with respect to certain prospective investments. Such controls or requirements implemented by DeAWM Real Estate's affiliates will apply solely to prospective investments and will not impact existing investments made by DeAWM Real Estate on behalf of its clients at the time such Deutsche Bank Group ESG-related controls or requirements are effective.

All ESG related materials that are made available to the public or communications to the press or/media must be approved in accordance with existing Deutsche Asset & Wealth Management Policies and Procedures.

## Item 18 – Financial Information

This section is not applicable.

## Item 19 – Requirements for State-Registered Advisers

This section is not applicable.

## Additional Disclosures

### Business Continuity

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

The Registrant requires every business unit to develop, implement, test, 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.

### Legal Proceedings

Except as otherwise addressed in the Registrant's Policy or Procedure, or as specifically agreed to by the Registrant (e.g., Registrant-sponsored funds), the Registrant 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 the Registrant receives documentation relating to such a legal proceeding, the Registrant will forward the documentation to the client and/or its trustee/custodian of record.

### Privacy Notice

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

The Registrant will only share information about clients with those persons who will be working with it and its affiliates to provide products and services to clients and to manage the Registrant's relationship. The Registrant maintains physical, electronic, and procedural safeguards to protect our clients' personal information.

The Registrant does not sell customer lists or individual client information. The Registrant considers privacy fundamental to its client relationships and adheres to the policies and practices described below to protect current and former clients' information. Internal policies are in place to protect confidentiality while also allowing client needs to be served. Only individuals who have a business need to know in carrying out their job responsibilities may access client information. The Registrant maintains physical, electronic, and procedural

safeguards that comply with federal and state standards to protect confidentiality. These safeguards extend to all forms of interaction with the Registrant, including the Internet.

In the normal course of business, clients give the Registrant non-public personal information on applications and other forms, on the Registrant's websites, and through transactions with the Registrant or affiliates. Examples of the non-public personal information collected are: name, address, Social Security number, and transaction and balance information. To be able to service client accounts, certain client information is shared with affiliated and non-affiliated third party service providers such as transfer agents, custodians, and broker-dealers to assist the Registrant in processing transactions and servicing client accounts with the Registrant. In addition, the Registrant may disclose all of the information it collects to companies that perform marketing services on its behalf to other financial institutions with which the Registrant has joint marketing agreements or to organizations that collect information for the purpose of evaluating a variety of factors, including energy efficiency and environmental impact. The organizations described above that receive client information may only use it for the purpose designated by the companies listed in the first paragraph of this Privacy Statement.

The Registrant may also disclose non-public personal information about clients to other parties as required or permitted by law. For example, the Registrant is required or it 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 at any time it believes it is necessary to protect the Firm.

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