

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27919; 812-13383]

DWS Advisor Funds, et al.; Notice of Application

July 31, 2007

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application to supercede an existing order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the “Act”) granting an exemption from section 12(d)(1)(G)(i)(II) of the Act.

Summary of Application: Applicants request an order to supercede an existing order that permits funds of funds relying on section 12(d)(1)(G) of the Act to invest in securities and other financial instruments, to include investments in certain other registered investment companies and to add new applicants.

Applicants: DWS Investments Trust (formerly Morgan Grenfell Investment Trust) (“Original Trust”); DWS Advisor Funds; DWS Allocation Series; DWS Blue Chip Fund; DWS Communications Fund, Inc.; DWS Equity Partners Fund, Inc.; DWS Equity Trust; DWS Global/International Fund, Inc.; DWS High Income Series; DWS Income Trust; DWS Institutional Funds; DWS International Fund, Inc.; DWS Investment Trust; DWS Investments VIT Funds; DWS Investors Funds, Inc.; DWS Money Funds; DWS Money Market Trust; DWS Mutual Funds, Inc.; DWS Portfolio Trust; DWS Securities Trust; DWS Strategic Income Fund; DWS Target Fund; DWS Technology Fund; DWS U.S. Government Securities Fund; DWS Value Builder Fund, Inc.; DWS Value Equity Trust; DWS Value Series, Inc.; DWS Variable Series I and DWS Variable Series II (collectively the “New Funds”) and Deutsche Investment

Management Americas, Inc. (“DIMA,” together with the New Funds, the “New Applicants”) (collectively with the Original Trust, the “Applicants”).

Filing Dates: The application was filed on May 9, 2007 and amended on July 24, 2007.

Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 24, 2007 and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest, the reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

Address: Secretary, Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicants, Deutsche Investment Management Americas, Inc., Two International Place, Boston, Massachusetts 02110.

For Further Information Contact: Deepak T. Pai, Senior Counsel at (202) 551-6876, or Nadya Roytblat, Assistant Director, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee from the Commission’s Public Reference Branch, 100 F Street, NE, Washington, DC 20549-0102 (telephone (202) 551-5850).

Applicants' Representations:

1. The Original Trust, which is registered under the Act as an open-end management investment company and organized as a Massachusetts business trust, received an order (“Existing Order”) permitting certain series of the Original Trust that operate as “funds of funds” in reliance on section 12(d)(1)(G) of the Act to invest directly in other securities and financial instruments (“Other Investments”).<sup>1</sup> The Existing Order excluded shares of any registered investment companies outside of the Original Trust’s group of investment companies from Other Investments.

2. Each New Trust is organized as a Massachusetts business trust or a Maryland corporation and is registered as an open-end management investment company under the Act. DIMA, an investment adviser registered under the Investment Advisers Act of 1940, serves as investment adviser to the New Funds and to the Original Trust.

3. Applicants request that the relief also apply to any other existing or future registered open-end management investment company or series thereof advised by DIMA or any entity controlling, controlled by, or under common control with DIMA (“Upper Tier Funds”). Any registered open-end management investment company (or series thereof) whose shares are purchased by an Upper Tier Fund, and which is part of the same group of investment companies, as defined in section 12(d)(1)(G)(ii) of the Act, as the Upper Tier Fund is referred to as “DWS Underlying Fund.”<sup>2</sup>

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<sup>1</sup> Morgan Grenfell Investment Trust et al., Investment Company Act Release Nos. 25063 (July 13, 2001) (notice) and 25105 (August 9, 2001) (order).

<sup>2</sup> All existing Upper Tier Funds and DWS Underlying Funds currently intending to rely on the requested order are named as applicants, and any other entity that relies on the order in the future will do so only in accordance with the terms and conditions of the application.

4. Applicants propose that, in addition to DWS Underlying Funds and Other Investments, Upper Tier Funds be permitted to invest in securities of “Unaffiliated ETFs” either within the limits of sections 12(d)(1)(A) and (B) of the Act or in excess of those limits in reliance on exemptive orders obtained by such “Unaffiliated ETFs.” "Unaffiliated ETFs" are open-end management investment companies or unit investment trusts registered under the Act that operate as exchange-traded funds and are not part of the same group of investment companies as the Upper Tier Fund.

Applicants’ Legal Analysis:

1. Section 12(d)(1)(A) of the Act provides that no registered investment company ("acquiring company") may acquire securities of another investment company ("acquired company") if such securities represent more than 3% of the acquired company's outstanding voting stock or more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) the acquiring company and the acquired company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales

loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Securities Exchange Act of 1934 or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G). Applicants state that the proposed arrangement would comply with the provisions of section 12(d)(1)(G), but for the fact that an Upper Tier Fund's investments will include shares of one or more DWS Underlying Funds as well as Other Investments and Unaffiliated ETFs.

3. Section 12(d)(1)(J) of the Act provides that the Commission may exempt persons or transactions from any provision of section 12(d)(1) if, and to the extent that, the exemption is consistent with the public interest and the protection of investors. Applicants request an order under section 12(d)(1)(J) exempting them from section 12(d)(1)(G)(i)(II). Applicant state that investments in securities of Unaffiliated ETFs in excess of the limits of sections 12(d)(1)(A) and (B) would be subject to all of the terms and conditions contained in exemptive orders obtained by such Unaffiliated ETFs. Applicants therefore assert that the ability of each Upper Tier Fund to invest in securities of Unaffiliated ETFs would not give rise to any of the concerns that the prohibitions of sections 12(d)(1)(A) and (B) or the requirements of section 12(d)(1)(G) were designed to address.

Applicants' Conditions:

Applicants agree that any order granting the requested relief will supercede the Existing Order and will be subject to the following conditions:

1. Applicants will comply with all provisions of section 12(d)(1)(G) of the Act, except for section 12(d)(1)(G)(i)(II) to the extent that it restricts an Upper Tier Fund from investing in Other Investments and Unaffiliated ETFs, as described in the application.

2. Before approving any advisory contract under section 15 of the Act, the board of directors or trustees of each Upper Tier Fund, including a majority of the disinterested board members, will find that the advisory fees, if any, charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any DWS Underlying Fund's or Unaffiliated ETF's advisory contract. Such finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Upper Tier Fund.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon  
Deputy Secretary