

Fund Data

Investment Policy

European fixed income fund focusing on European government bonds. Additional investments in corporate bonds, covered bonds and Emerging Markets bonds are possible as well. Flexible currency management and utilization of the European currency exchange markets and the interest rate convergence. Active management of maturities and duration.

Portfolio Management's Comment

The bond markets were up in December. With yield curves flattening, long-term bonds did particularly well. 30-year Bunds rose by more than 10%. Fund management significantly increased the average maturity of the securities in the Fund during the month. This was achieved mainly by buying favorably-priced futures on 10- and 30-year German government bonds. This position was then lowered again at a profit at the end of the month. Countries from the Euro periphery that had suffered during 2011 made a positive contribution to performance. The indices for Spanish, Belgian and Irish government bonds were up 6% to 7% for the month. However, Greek and Hungarian government bonds continued to fall. Uncertainties on the capital markets remain high, so Fund management only increased positions in the periphery in the very short maturity segment, primarily through the purchase of Italian government bonds with residual maturities of less than one year. The rating structure reflects our conservative investment approach.

Portfolio Manager

Ralf Schreyer
(DWS Investment GmbH)

Ratings

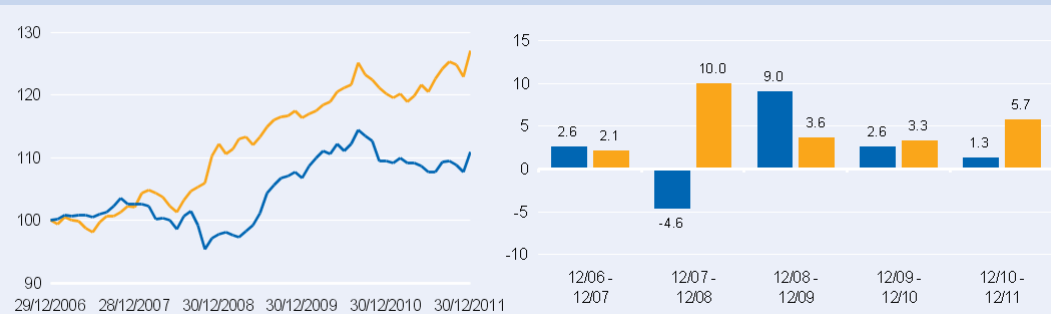
Morningstar Overall Rating™: **AAA**

FERI Fund Rating: **(C)**

Lipper Leaders: **(2)(3)(4)(4)**

Performance

Performance (in EUR)



■ Fund ■ Benchmark*

*Benchmark: BarCap Pan-European Agg. ab 1.2.10 (v. Citigroup Europe WGBI)

Calculation of performance is based on the time-weighted return and excludes front-end fees. Individual costs such as fees, commissions and other charges have not been included in this presentation and would have an adverse impact on returns if they were included. Past performance is not a reliable indicator of future returns.

Cumulative Performance (in %)

	1 m	1 y	3 y	5 y	s. Launch	Ytd.	3 y Ø	5 y Ø	2008	2009	2010	2011
EUR	2.9	1.3	13.3	10.9	319.6	1.3	4.3	2.1	-4.6	9.0	2.6	1.3
BM IN EUR	3.3	5.7	13.2	27.1	425.6	5.7	4.2	4.9	10.0	3.6	3.3	5.7

Further Characteristics (3 years)

Volatility	4.22%	Maximum Drawdown	-5.81%	VAR (99%/10 days)	1.49%
Sharpe Ratio	0.81	Information Ratio	0.01	Correlation Coefficient	0.64
Alpha	1.45%	Beta	0.66	Tracking Error	3.54%

Portfolio Analysis

Portfolio Breakdown

	(in % of fundvolume)
Government bonds	34.4
Agencies	20.8
Covered Bonds	18.1
Financial bonds	6.1
Emerging markets sovereigns	4.6
Asset back - / Mortgage back securities	4.4
Emerging markets corporates	3.4
Corporate Bonds	0.1
Other Securities	1.5

Gross weighting, not adjusted for any positions in derivatives.

Breakdown by Issuer

	(in % of bond holdings)
AAA	45.1
AA	23.2
A	21.2
BBB	6.2
BB	3.2
Others	1.2

Investment Ratio

	(in % of fundvolume)
Bonds	89.3
Investment funds	4.1
Cash and other assets	6.6
Future Long	43.5
Short Call	-0.6

Gross weighting, not adjusted for any positions in derivatives.

Portfolio Analysis

Breakdown by Currency	(in % of fundvolume)
Euro	75.9
Pound sterling	12.0
Norwegian krone	4.8
Swiss franc	2.6
Swedish krona	1.8
Polish zloty	1.5
Romanian leu - new	1.2
Turkish lira - new -	0.3
Danish krone	0.1
Hungarian forint	-0.2

Incl. forward exchange transactions, negative and positive figures reflect expected currency developments.

Breakdown by Country (Bonds)	(in % of fundvolume)
Germany	31.2
Italy	16.9
Spain	14.4
Supranational	5.2
Great Britain	3.8
Sweden	3.6
France	3.2
Eurozone	2.9
Hungary	2.4
Netherlands	2.1
Other Countries	7.8

Gross weighting, not adjusted for any positions in derivatives.

Principal Holdings (Bonds)	(in % of fundvolume)
European Investment Bank 08/19.05.17 MTN	5.2
DEPFA ACS BANK 05/15.02.12 ÖPF Reg S	4.9
Germany 08/04.07.18	4.2
KfW 05/23.02.35 MTN	4.0
Italy 11/14.09.12 S.12MO	3.8
German Postal Pensions 05/18.01.21 Cl.C	3.6
Spain 02/30.07.12	2.7
Italy C.T.Z. 10/29.02.12	2.6
EUROHYPO, Luxembourg 03/17.06.13 MTN	2.5
Germany 11/26.02.16	2.4
Total	35.9

Gross weighting, not adjusted for any positions in derivatives and certificates.

Key Figures regarding the Fund's Assets

Yield (in %)	4.8	Current Interest Rate (in %)	3.1	Maturity (in years)	5.7
Duration (in years)	5.2	Modified Duration	5.0		

Fund Data

Management Company	DWS Investment S.A.	Front-end Load	3.00%	ISIN Code	LU0003549028
Investor profile	Income-oriented	All-in-Fee	0.850%*	German Sec. Code	971 050
Fund Currency	EUR	Total Expense Ratio as at 31/12/2010	0.840%	Earnings	Distribution
Assets	775.5 Mio. EUR	plus performance-related fee	0.000%	Accumulated returns	--
Launch Date	16/11/1987	Perf.-rel. Fee from Lending Prof.	0.079%	Interim Gains	1.31 EUR
Fiscal Year End	31/12/2011			EU Interim Profit	1.57 EUR
Management Location	Germany	*plus performance-related fee		Redemption Price	50.06 EUR
				Issue Price	51.56 EUR

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Note

Figures subject to audit. The current sales prospectus which is legally binding for the purchase of fund units is available from your financial consultant or DWS. The sales prospectus contains detailed information about risk. Evaluations made in this report may change at any time without prior announcement. These statements are based on our assessment of the current legal and tax information.

Opportunities

- Equity funds: market, sector and company-specific price increases
- Bond funds: decline in yields or price increases on the bond markets and/or a decrease in spreads on higher-interest securities
- Currency-exchange gains, if applicable

Risks

- Equity funds: market, sector and company-specific price decreases
- Bond funds: increase in yields or price decreases on the bond markets and/or an increase in spreads on higher-interest securities
- Country risk, issuer, counterparty creditworthiness and default risk
- Use of derivative financial instruments, if applicable
- Currency-exchange risks, if applicable
- The unit price may at any time fall below the purchase price at which the customer acquired the unit.

Investor profile: Income-oriented

The Fund is designed for income-oriented investors seeking higher returns through interest income and from possible capital gains. Return expectations are offset by only moderate equity, interest rate and currency risk, as well as minor default risks. Loss of capital is thus improbable in the medium to long term.

Please note that the information from Morningstar, FERI and Lipper Leaders relates to the previous month.

Morningstar Overall Rating TM

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Lipper Leaders

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Lipper Leaders Rating System - Ratings from 1 (lowest) to 5 (highest)

First digit = Total Return; second digit = Consistent Return; third digit = Preservation; fourth digit = Expense

General information

When the custodian sets the price on the last trading day of the month there can be a difference of up to ten hours between the times at which the fund price and the benchmark are calculated. In the event of strong market movements during this period, this may result in the over- or understatement of the Fund's performance relative to the benchmark at the end of the month (this is referred to as the "pricing effect").

The information contained in this document does not constitute investment advice and is merely a brief summary of key aspects of the fund. Full details of the fund can be found in the simplified or full sales prospectus, supplemented in each case by the most recent audited annual report and the most recent half-year report, if this report is more recent than the most recently available annual report. These documents constitute the sole binding basis for the purchase of fund units. They are available free of charge in either electronic or printed form from your advisor, from DWS Investment GmbH, Mainzer Landstrasse 178-190, 60327 Frankfurt am Main, Germany, or - where Luxembourg-based funds are involved - from DWS Investment S.A., 2, Boulevard Konrad Adenauer, 1115 Luxembourg.

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Calculation of performance is based on the time-weighted return (BVI method) and excludes initial charges. Individual costs such as fees, commissions and other charges have not been included in this presentation and would have an adverse impact on returns if they were included. Past performance is not a reliable indicator of future returns.

Legal Disclaimer



Further information on taxation can be found in the full sales prospectus.

The units issued under this fund may only be offered for purchase or sold in jurisdictions in which such offer or sale is permitted. The units in this fund are not allowed to be offered for purchase or sold either in the US or to or for the account of US citizens or US persons domiciled in the US.

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