

# **Audited Annual Report as at 30 September 2008. DekaLux-Deutschland**

An investment fund subject to Part I of the Luxembourg Law of 20 December 2002 on undertakings for collective investment.

**.Deka**  
Investmentfonds



Deka International S.A.

Finanzgruppe

# Management Report.

October 2008

## Dear Investor,

This Annual Report provides complete information on the performance of the DekaLux-Deutschland fund for the period 1 October 2007 to 30 September 2008 for unit classes TF (A) and TF (T), and from the date of first issue on 29 February 2008 to 30 September 2008 for unit class F (T).

International capital markets went through a very turbulent phase during the reporting period. Continuing uncertainty about the effects of the US real estate and credit crisis led to high risk aversion among investors, who panicked at times in reaction to the ongoing stream of negative reports coming from the financial sector. The burden on the global economy from the credit crisis grew steadily larger. A number of companies revised their earnings forecasts downwards since that time. After mixed movements in 2007, prices drifted significantly lower starting at the beginning of the year, with financial securities, in particular, recording some quite dramatic losses. The situation in the bond markets was also dominated by strong fluctuations. A fear of default led to a massive regrouping by investors shifting their investments into high-quality bonds. As a result, government bonds experienced an overall boom in demand, while corporate bonds suffered from investor restraint.

In this unfavourable environment, DekaLux-Deutschland recorded performance of minus 32.3 per cent for unit classes TF (A) and TF (T), and minus 16.8 per cent for unit class F (T) over the shorter period applicable to this class. With respect to the insolvency of a number of financial institutions that was reported in the media, we would like to point out that investment funds are protected against insolvency. Investment funds consist of segregated assets that are managed for the account of the investors. The assets of an investment fund are held in safekeeping strictly separately from the assets of the capital investment company in blocked securities accounts or blocked accounts in accordance with legal requirements. Under the law, therefore, an investment fund's assets do not form part of the assets available to settle liabilities of the managing investment company. If an investment company were to become insolvent, which has never occurred to date in Germany, this would not affect the fund's assets or, therefore, investor capital. The unit price of the fund can, however, fluctuate due to changes in the value of the securities held in the fund.

In addition, please note that changes to the Contractual Terms of the Investment Fund and other important information are announced for unit holders on the Internet at [www.deka.de](http://www.deka.de). Additional information on the subject of "investment funds" as well as current monthly facts and figures on your funds are also provided there.

Yours sincerely,

Deka International S. A.

The Management



Holger Hildebrandt



Matthias Ewald

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Subscriptions to units cannot be made on the basis of financial reports. Subscriptions to units are only valid if they are based on the newest version of the prospectus in combination with the latest available Annual Report and any subsequent Semi-Annual Report.

The Annual and Semi-Annual Reports are available from the Management Company, the Custodian Bank and the payment agents.

# Development of capital markets.

## Crisis in capital markets

Over the last twelve months, investors experienced one of the most turbulent periods seen in recent decades in financial centres worldwide. Starting with the tense situation in the US real estate sector and the accompanying credit crisis, uncertainty spread to an ever greater number of segments in the financial sector. This was due in part to the increased volume of mortgage backed securities that the capital markets had passed on to international investors in past years. Although these structured credit portfolios provided fairly high returns in the past, understanding of the risks associated with these securities was clearly insufficient. The negative developments in the US real estate market caused asset backed securities like these to lose value rapidly. The need for large write-downs by financial investors around the world caused investor and bank confidence to decrease to such an extent that in the end money market trading was also almost brought to a standstill.

Concerns increased significantly starting as of the beginning of 2008, as the dampening of sentiment indicators was followed by the deterioration of real economic data. The slowdown in growth spread from the US to other regions, and the resulting fear of a global recession led investors to look for more secure forms of investment. At the same time, a number of established financial institutions encountered financial distress after repeated capital measures in the financial sector. The large US investment banks, in particular, were pulled into the downward spiral. Bear Stearns and Merrill Lynch fled to the protective umbrella of JP Morgan Chase, and Bank of America, Morgan Stanley and Goldman Sachs transformed themselves into normal commercial banks after consulting with the US Federal Reserve. The only option left for Lehman Brothers was insolvency. A domino effect then set in, causing the crisis of confidence to strike other banks, which then had to be rescued. In addition, important US financial market participants such as the insurance company AIG and mortgage financing providers Fannie Mae and Freddie Mac were practically nationalised. The shock waves led to panic selling at stock exchanges around the world.

## Nominal central bank rate Eurozone vs. USA



Interbank trading almost came to a halt and central banks used injections of liquidity in an attempt to calm the turbulence. In contrast, government bonds issued by industrialised countries were in high demand as a "safe haven".

## Equity market crisis intensifies

The global credit crisis and its effects were the dominant theme during the reporting year at stock markets, which had been shaken by a series of selling waves, especially after the beginning of the new year. An unprecedented series of bank failures in the US and Europe caused an intensification of the crisis. It became increasingly clear that the magnitude of the turbulence in financial markets would have a strong impact on the real economy. Even a severe global recession was no longer ruled out by market participants. As a result, doubt was cast on current corporate earnings forecasts and massive downward adjustments occurred in stock exchange valuations. Even large-scale government and central bank emergency measures were initially unable to restore confidence between the banks themselves and investors over the long term.

These circumstances led to large losses for investors. Financial securities and sectors sensitive to changes in the economy were especially hard hit around the world by the difficult market situation. Share prices in the commodities sector also retreated significantly, as the pessimistic economic outlook made it likely that the demand and price of commodities, e.g. oil and industrial metals, would also fall. Pharmaceuticals and non-cyclical consumption

(e.g. food), which are considered defensive sectors, proved to be comparatively robust.

In the US, the Dow Jones Industrial Average fell 21.9 per cent over the reporting period. Approximately the same level of losses was recorded by the technology shares in the Nasdaq Composite Index (minus 22.6 per cent) and the broad-based S&P 500 Index (minus 23.6 per cent). Financial shares were among the weakest components of the Dow Jones Index. Citigroup shares alone lost more than half of their market capitalisation (minus 56.1 per cent). The prices of the financial shares in the S&P 500 Index declined by 42.5 per cent. Shares less affected by potential fluctuations in the economy, such as non-cyclical consumption shares (minus 1.4 per cent), performed comparatively well. This included, for example, Wal-Mart Stores (plus 37.2 per cent) and Procter & Gamble (minus 0.9 per cent).

The situation in Europe was also dominated by price losses. Downward pressure was intensified by the knowledge that the banking crisis was not limited to the US, and that European institutions were also encountering massive difficulties. The Dow Jones EURO STOXX 50 Index, which focuses on blue chip shares in the Eurozone, lost 30.7 per cent over the last twelve months. Equity markets fell by 25.8 per cent in Germany, as measured by the DAX 30 Index. This stock exchange barometer fell by 9.2 per cent in September alone. Following the IKB bank, the Hypo Real Estate mortgage bank also encountered difficulties at the end of the reporting period and could only be rescued from insolvency by government assistance.



Japanese equities also recorded losses, with a significant price correction already taking place in Tokyo in the first half of the reporting period. The Nikkei 225 Index lost 32.9 per cent. The last Tankan survey by the Bank of Japan indicated that the business climate for Japanese companies had once again deteriorated significantly, causing fears of recession to arise also in Japan. Gross domestic product for the second quarter of 2008 had already decreased by 0.7 per cent compared to the previous quarter.

### Emerging market shares suffer from fears of recession

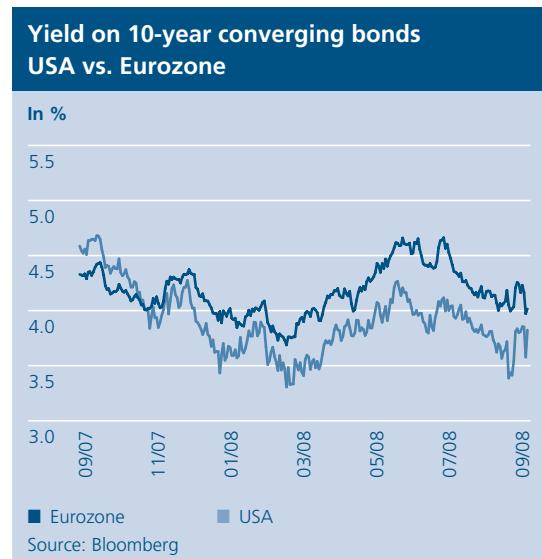
Although the prices of emerging market shares initially remained relatively stable, sentiment darkened significantly in the second half of the reporting period. Investors withdrew a massive amount of liquidity from emerging markets during the course of the financial market crisis, even though these emerging economies were initially spared to some extent from direct losses due to potential bank failures. The high price losses recorded over the year in Asia, for example, primarily reflect expectations of an economic downturn in the established industrial countries. This would in turn affect the emerging country economies due to their concentration on exports. A number of countries highly dependent on raw materials production also suffered from the price correction in the final quarter of the reporting period. Price losses on shares in the energy and commodity sector were therefore among the largest at the end of the period. Prices declined by 33.6 per cent in Hong Kong (Hang Seng Index) and 25.6 per cent in India (Sensex 30 Index). Eastern European shares also recorded very high losses. The markets in Poland, Hungary and the Czech Republic fell between 33.6 and 38.1 per cent. The Russian RTS Index declined by more than 40 per cent, suffering particularly in the final months of the reporting period due to the negative movement of commodity prices. The losses were somewhat milder in South America, where the Brazilian Bovespa Index, for example, declined by 18.1 per cent.

### Flight to government bonds

The financial market turbulence created great demand for high quality securities in bond markets. In spite of a subsequent inflation-driven upward movement, the overall yields on government bonds issued by industrialised countries declined considerably, particularly given the expected key interest rate reductions that were priced into these securities in

the final months of the period. In contrast, the risk spreads on corporate and emerging-market bonds skyrocketed. Many companies used the subsequent calm phase in the spring to strengthen their capital base through new issues. However, recent turbulence has once again placed the corporate bond sector under considerable pressure and noticeably thinned out trading. The mortgage bond sector also suffered, as a result of the difficulties experienced by the Munich-based real estate financing company Hypo Real Estate. Many banks were no longer willing to provide liquidity, and instead continued their efforts to reduce the risks carried on their balance sheets. Due to the spreading loss of confidence, interbank trading all but dried up and central banks were forced to intervene and provide assistance in an effort to restore stability.

The yield on 10-year Eurozone government bonds fell to a low of 3.7 per cent in March, and then rose again to just under 4.7 per cent due to significant inflationary tendencies before closing the period at 4.0 per cent. On balance, yields moved below their levels at the start of the period, with yield curves somewhat steeper for maturities up to ten years as compared to the beginning of the year. The year-on-year performance of US treasuries was more favourable. This good performance in the US market was mainly due to the massive key interest rate reductions implemented by the US Federal Reserve as it acted decisively to counter emerging economic fears.



After reaching a yield of 4.7 per cent on 10-year US bonds in October 2007, the prices of US government bonds experienced a recovery that extended into March. Yields subsequently rose again during the second half of the reporting period, with 10-

year US treasuries yielding 3.8 per cent as at the end of September 2008. The US yield curve became considerably steeper on balance, due to strong drops in the short maturity segment in particular.

### Euro on a roller coaster ride

The euro made an extremely strong showing against the US dollar all the way into the spring. The exchange rate reached a new record high of USD 1.60 in April, mainly as a result of better economic data on the European side of the Atlantic. This upward trend did not continue, however, during the final months of the period. Instead, in view of the economic slowdown that had also become highly apparent in Europe at the time, sentiment turned around in currency markets and began favouring the US dollar. The euro was once again trading at USD 1.41 at the end of the period, which was especially beneficial to export-oriented companies. After reaching a historical high of just under 170 yen in July, the euro also experienced a correction versus the yen and closed the period at less than 150 yen. Emerging-market currencies exhibited wide bands of fluctuation. As a result of the high level of uncertainty in capital markets, a broad movement towards hard currencies could be observed.

### Commodities undergo a correction after trading at high levels

Prices on commodity exchanges have experienced a roller coaster ride over the last twelve months. Strong upward trends were followed by strong counter-movements, and vice versa. The positive economic growth worldwide at the beginning of the period led to increasing commodity prices, which climbed to new highs in many sectors. The price of oil in particular continued to climb, reaching a new record high of USD 146 per barrel at the beginning of July 2008. The trend then reversed due to the financial crisis and a slowdown in global growth, dropping the price below the USD 100 mark again in September. The economic slowdown also affected most of the industrial metals, which showed significant losses on a year-on-year basis. The situation was more mixed for precious metals. Although a strong upward trend was also followed by a counter-reaction, the latest wave of the credit crisis led to a new increase in the price of gold that once again justifies its reputation as a good investment in times of crisis.

### **Hopes for government assistance**

Although the high risk aversion and mistrust felt by investors will likely continue to affect trading for some time, the assistance measures announced by governments should help to stabilise confidence between the financial institutions themselves and investors. Whether equity markets will quickly turn around and move upwards again after the large price losses that were experienced depends to a great extent on how strongly the economy and, therefore, the profit performance of companies are affected by the financial market crisis. As a result, investors will be closely following the reporting season in the third and fourth quarters of 2008.

Initially, the demand for high quality securities is likely to remain strong in bond markets. As a result of hopes for further key interest rate reductions in the US and Europe, yields on government securities are expected to remain at a low level. The assistance measures that have since been prepared by the industrialised countries are likely to restore confidence in the banking system, so that the yield curve should flatten out once again, starting at the short end.

# DekaLux-Deutschland

## Investment policy.

The objective of the investment policy of DekaLux-Deutschland is to achieve performance in line with the performance of the German equity market. To this end, the assets of the Fund will be invested in accordance with the principle of risk diversification primarily in shares of companies having their registered office in the Federal Republic of Germany.

Units are available in three unit classes, unit classes TF (A), TF (T) and F (T), which differ in terms of utilisation of earnings, and cost. Unit class F (T) was established on 29 February 2008. Please refer to the current Sales Prospectus for further information on the unit classes.

### Market environment

As measured by the DAX 30 Index, the German equity market recorded a significant decrease of 25.8 per cent during the reporting year. After ending calendar year 2007 relatively unaffected by the real estate and banking crisis at a level of more than 8,000 points, the stock exchange barometer recorded a market collapse of around 20 per cent over an unusually short period of time in January. This drop was triggered by weak macroeconomic data from the US, as well as record write-downs and quarterly losses by investment banks, accompanied by the realisation that the credit and banking crisis could last considerably longer and produce consequences more massive than had been assumed to date. As a result, strong risk aversion formed in financial markets, leading to correspondingly high price losses. After a temporary price recovery lasting to the middle of May, equity prices felt the negative effects of an apparently inexorable increase in the price of oil. Key central banks announced a tightening of monetary policy in reaction to the increased inflationary pressures that had resulted from the rise in commodity prices, even though a slowdown of the economy could already be observed. The dramatic events in the US banking market (insolvency of Lehman Brothers, quasi-nationalisation of Fannie Mae, Freddie Mac, and AIG, etc.) and Europe (government assistance to Hypo Real Estate, Fortis, etc.) caused equity prices to collapse once again toward the end of the reporting period.

### Credit crisis depresses German equities

Given indications of a robust global economy, the DekaLux-Deutschland fund maintained a high level of investment during the initial months of the reporting period. An offensive sector strategy was

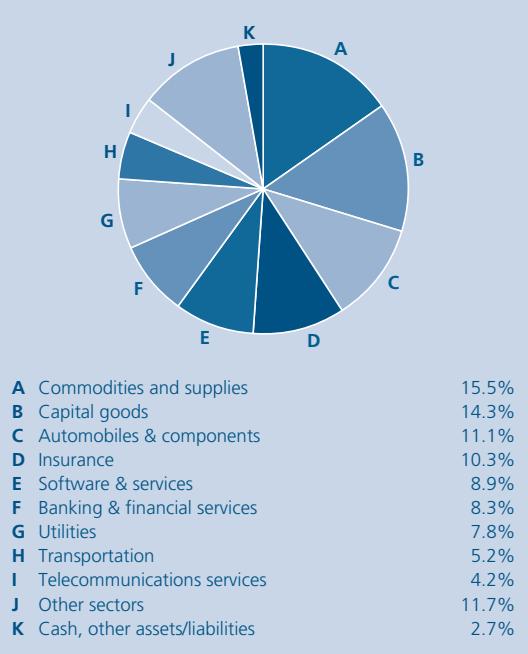
### Key figures DekaLux-Deutschland

	1 year	3 years	5 years
Unit class TF (A)	-32.3%	1.1%	8.6%
Unit class TF (T)	-32.3%	–	–
	29/02/2008 - 30/09/2008		
Unit class F (T)	-16.8%		
TER / TER <sub>incl. PF</sub> **			
Unit class TF (A)	2.17% / 2.17%		
Unit class TF (T)	2.20% / 2.20%		
Unit class F (T)	1.11%		
ISIN			
Unit class TF (A)	LU0062624902		
Unit class TF (T)	LU0265740307		
Unit class F (T)	LU0341018926		

\* p.a. / Calculated according to the BVI method; previous performance is not a reliable indicator of future performance.

\*\* Total Expense Ratio  
(TER <sub>incl. PF</sub> = Total Expense Ratio incl. Performance Fee)

### Fund structure of DekaLux-Deutschland



initially used, with an investment focus on cyclical and consumption-sensitive sectors. Only a relatively small weighting was given to defensive sectors during this period.

The offensive alignment of the Fund that dominated in the first half of the reporting period was replaced by a somewhat more defensive alignment during the remainder of the period. The level of investment was reduced from its initial value of 108 per cent to less than 100 per cent at the end of the reporting year. Fund management also changed the overall growth-oriented sector strategy to a somewhat more defensive selection of sectors during the course of the period. In detail, the automobile, chemicals, primary materials and industrial sectors were reduced, while management increased positions in sectors that were traditionally less cyclic. This included, for example, the telecommunications sector, which was increased from an underweighted to a neutral position relative to the reference index. Ending positions of financial sector shares were reduced compared to the beginning of the reporting period, and practically the entire holdings of Hypo Real Estate were sold during the final month of the reporting period.

In the small and mid cap segment, management added new issues by Hamburger Hafen (logistics) and Centrotherm (renewable energies), among others, to the portfolio during the reporting period. In terms of derivatives, the fund predominantly took short put positions in DAX shares. At the individual security level, the largest positions included Siemens (8.6 per cent), SAP (7.1 per cent) and Allianz (6.8 per cent) as at the reporting date.

Given the extremely weak market environment during the reporting year, DekaLux-Deutschland recorded a loss in value of 32.3 per cent (unit classes TF (A) and TF (T)), while the reference index fell by 27.6 per cent. Unit class F (T) declined by 16.8 per cent since its inception on 29 February 2008.

## Performance 01/10/2007 – 30/09/2008

### DekaLux-Deutschland vs. Reference index\*

Index: 28/09/2007 = 100



■ DekaLux-Deutschland TF (A)  
■ Reference index

Fund performance calculated using redemption prices, with distributions reinvested at the redemption price

#### \* Reference index: HDAX Total Return Index in EUR

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# DekaLux-Deutschland

## Asset statement as at 30 September 2008.

Category	Market	Units or currency in 1,000	Holdings 30/09/2008	Purchases/ Additions during the reporting period	Sales/ Disposals	Price	Market value in EUR	% of fund assets
<b>Officially traded securities</b>								
<b>Shares</b>								
ADIDAS AG INHABERAKTIEN <sup>1)</sup>	UNIT	120,600	—	—	EUR	37.4000	4,510,440.00	0.85
AIR BERLIN PLC SHARES (REG.S) <sup>1)</sup>	UNIT	143,000	—	—	EUR	2.9700	424,710.00	0.08
ALLIANZ SE VINK. NAMENSAKTIEN <sup>1)</sup>	UNIT	379,200	400,500	361,300	EUR	95.1600	36,084,672.00	6.83
BASF SE INHABERAKTIEN <sup>1)</sup>	UNIT	670,000	640,000	396,200	EUR	33.6700	22,558,900.00	4.27
BAYER AG INHABERAKTIEN <sup>1)</sup>	UNIT	560,000	668,000	794,500	EUR	51.3100	28,733,600.00	5.44
BAYERISCHE MOTOREN WERKE AG INHABERAKTIEN <sup>1)</sup>	UNIT	401,400	—	—	EUR	27.0500	10,857,870.00	2.06
BEIERSDORF AG INHABERAKTIEN <sup>1)</sup>	UNIT	20,000	—	4,000	EUR	43.6500	873,000.00	0.17
BILFINGER BERGER AG INHABERAKTIEN <sup>1)</sup>	UNIT	152,200	—	—	EUR	38.0000	5,783,600.00	1.10
CELESTIO AG <sup>1)</sup>	UNIT	62,000	—	—	EUR	31.0100	1,922,620.00	0.36
CENTROTHERM PHOTOVOLTAICS AG <sup>1)</sup>	UNIT	42,900	42,900	—	EUR	36.4200	1,562,418.00	0.30
COMMERZBANK AG INHABERAKTIEN <sup>1)</sup>	UNIT	409,600	409,000	475,000	EUR	10.4500	4,280,320.00	0.81
COMPUGROUP HOLDING AG	UNIT	89,700	—	—	EUR	4.4000	394,680.00	0.07
CONERGY AG INHABERAKTIEN <sup>1)</sup>	UNIT	72,590	50,000	—	EUR	6.3200	458,768.80	0.09
CONTINENTAL AG INHABERAKTIEN	UNIT	69,700	69,000	69,000	EUR	70.5000	4,913,850.00	0.93
CROPENERGIES AG INHABERAKTIEN	UNIT	250,000	—	—	EUR	2.4500	612,500.00	0.12
DAIMLER AG NAMENSAKTIEN <sup>1)</sup>	UNIT	803,000	180,000	25,900	EUR	35.2450	28,301,735.00	5.36
DEUTSCHE BANK AG NAMENSAKTIEN <sup>1)</sup>	UNIT	663,650	75,000	—	EUR	49.4500	32,817,492.50	6.22
DEUTSCHE BOERSE AG NAMENSAKTIEN <sup>1)</sup>	UNIT	19,000	—	—	EUR	63.3000	1,202,700.00	0.23
DEUTSCHE LUFTHANSA AG VINK. NAMENSAKTIEN <sup>1)</sup>	UNIT	1,249,769	200,000	—	EUR	14.0000	17,496,766.00	3.31
DEUTSCHE POST AG NAMENSAKTIEN <sup>1)</sup>	UNIT	667,000	—	63,300	EUR	14.4500	9,638,150.00	1.83
DEUTSCHE POSTBANK AG <sup>1)</sup>	UNIT	61,070	61,000	61,000	EUR	27.6100	1,686,142.70	0.32
DEUTSCHE TELEKOM AG NAMENSAKTIEN <sup>1)</sup>	UNIT	2,146,300	2,100,000	2,730,000	EUR	10.3200	22,149,816.00	4.20
DIC ASSET AG <sup>1)</sup>	UNIT	47,180	—	—	EUR	10.6000	500,108.00	0.09
DOUGLAS HOLDING AG INHABERAKTIEN <sup>1)</sup>	UNIT	175,000	—	—	EUR	31.9800	5,596,500.00	1.06
ENVITEC BIOGAS AG <sup>1)</sup>	UNIT	15,900	—	—	EUR	16.7500	266,325.00	0.05
E.ON AG NAMENSAKTIEN <sup>1)</sup>	UNIT	675,000	700,000	366,400	EUR	34.4900	23,280,750.00	4.41
EUROPEAN AERON. DEF. + SPACE CO. EADS <sup>1)</sup>	UNIT	55,000	—	—	EUR	12.1700	669,350.00	0.13
FRESENIUS AG VORZUGSAKTIEN O.ST.	UNIT	139,100	—	—	EUR	50.2300	6,986,993.00	1.32
GAGFAH S.A. <sup>1)</sup>	UNIT	58,300	—	—	EUR	8.5600	499,048.00	0.09
GEA GROUP AG INHABERAKTIEN <sup>1)</sup>	UNIT	280,000	—	—	EUR	13.8900	3,889,200.00	0.74
HAMBURGER HAFEN UND LOGISTIK AG	UNIT	10,000	10,000	—	EUR	40.9900	409,900.00	0.08
HEIDELBERGER DRUCKMASCHINEN AG INHABERAKTIEN <sup>1)</sup>	UNIT	259,000	250,000	250,000	EUR	11.1900	2,898,210.00	0.55
HENKEL KGAA VORZUGSAKTIEN O.ST. <sup>1)</sup>	UNIT	300,000	—	7,200	EUR	26.0000	7,800,000.00	1.48
HUGO BOSS AG VORZUGSAKTIEN <sup>1)</sup>	UNIT	90,000	90,000	90,000	EUR	17.9500	1,615,500.00	0.31
HYPOT REAL ESTATE HOLDING AG	UNIT	300	192,194	291,894	EUR	4.4200	1,326.00	0.00
INFINEON TECHNOLOGIES AG NAMENSAKTIEN <sup>1)</sup>	UNIT	924,600	—	—	EUR	4.1300	3,818,598.00	0.72
KUKA AG INHABERAKTIEN <sup>1)</sup>	UNIT	37,153	—	—	EUR	16.0300	595,562.59	0.11
LINDE AG INHABERAKTIEN <sup>1)</sup>	UNIT	174,550	174,000	194,000	EUR	73.2800	12,791,024.00	2.42
MAN AG INHABERAKTIEN <sup>1)</sup>	UNIT	163,200	—	—	EUR	48.1800	7,862,976.00	1.49
METRO AG INHABERAKTIEN <sup>1)</sup>	UNIT	429,900	429,000	219,000	EUR	35.9900	15,472,101.00	2.93
MLP AG <sup>1)</sup>	UNIT	25,000	—	—	EUR	12.8100	320,250.00	0.06
MTU AERO ENGINES HOLDING AG NAMENSAKTIEN <sup>1)</sup>	UNIT	32,100	—	—	EUR	19.3700	621,777.00	0.12
MUENCHENER RUECKVERS.-GES. AG VINK. NAMENSAKTIEN <sup>1)</sup>	UNIT	171,485	171,000	171,000	EUR	106.8600	18,324,887.10	3.47
PATRIZIA IMMOBILIEN AG NAMENSAKTIEN	UNIT	31,000	—	—	EUR	2.0900	64,790.00	0.01
PORSCHE AUTOMOBIL HOLDING SE VORZUGSAKTIEN O.ST. <sup>1)</sup>	UNIT	65,000	61,000	—	EUR	75.2500	4,891,250.00	0.93
Q-CELLS AG INHABERAKTIEN	UNIT	62,000	—	—	EUR	61.3500	3,803,700.00	0.72
RHEINMETALL AG INHABERAKTIEN <sup>1)</sup>	UNIT	50,500	—	—	EUR	37.0300	1,870,015.00	0.35
RWV AG INHABERAKTIEN <sup>1)</sup>	UNIT	272,000	122,000	138,600	EUR	66.3200	18,039,040.00	3.42
SANOFI-AVENTIS S.A.	UNIT	27,000	—	—	EUR	45.8950	1,239,165.00	0.23
SAP AG INHABERAKTIEN <sup>1)</sup>	UNIT	1,006,450	23,250	—	EUR	37.1500	37,389,617.50	7.08
SCHMACK BIOGAS AG	UNIT	36,000	—	—	EUR	7.1500	257,400.00	0.05
SIEMENS AG NAMENSAKTIEN <sup>1)</sup>	UNIT	692,700	30,000	—	EUR	65.4800	45,357,996.00	8.59
SOFTWARE AG INHABERAKTIEN <sup>1)</sup>	UNIT	235,000	—	—	EUR	38.9500	9,153,250.00	1.73
SYMRISE AG <sup>1)</sup>	UNIT	362,000	100,000	—	EUR	11.7200	4,242,640.00	0.80
THYSSEN KRUPP AG INHABERAKTIEN <sup>1)</sup>	UNIT	520,000	—	12,900	EUR	21.3600	11,107,200.00	2.10
TOGNUM AG NAMENSAKTIEN	UNIT	100,300	100,000	100,000	EUR	13.2300	1,326,969.00	0.25
TUI AG NAMENSAKTIEN <sup>1)</sup>	UNIT	652,800	652,000	652,000	EUR	11.6400	7,598,592.00	1.44
UNICREDIT S.P.A.	UNIT	1,220,000	1,000,000	1,000,000	EUR	2.8300	3,452,600.00	0.65
VOLKSWAGEN AG INHABERAKTIEN	UNIT	35,000	—	203,300	EUR	274.9500	9,623,250.00	1.82
WACKER CHEMIE AG <sup>1)</sup>	UNIT	23,810	—	—	EUR	101.2700	2,411,238.70	0.46
WACKER CONSTRUCTION EQUIPMENT AG	UNIT	50,000	35,000	—	EUR	6.7000	335,000.00	0.06
<b>Total of officially traded securities</b>					EUR	<b>513,648,849.89</b>	<b>97.28</b>	
<b>Total of securities portfolio</b>					EUR	<b>513,648,849.89</b>	<b>97.28</b>	
<b>Derivatives</b>								
( assets marked with minus are sold positions)								
<b>Derivatives on single securities</b>								
Claims/liabilities								
<b>Securities options <sup>2)</sup></b>								
Stock options								
CALL DAIMLERCHRYSLER AG 42.00 12/09	EUX	UNIT	300,000	—	EUR	3.6300	1,089,000.00	0.21
CALL DAIMLERCHRYSLER AG 54.00 12/08	EUX	UNIT	200,000	—	EUR	0.1200	24,000.00	0.00
CALL DAIMLERCHRYSLER AG 56.00 12/08	EUX	UNIT	200,000	—	EUR	0.0800	16,000.00	0.00
CALL MAN AG 76.00 06/09	EUX	UNIT	25,000	—	EUR	0.9000	22,500.00	0.00
CALL MUENCHE.RUECKVERSICHERUNG 110.00 12/09	EUX	UNIT	100,000	—	EUR	14.7200	1,472,000.00	0.28
CALL SAP AG 36.00 12/08	EUX	UNIT	100,000	—	EUR	3.1300	313,000.00	0.06

Category	Market	Units or currency in 1,000	Holdings 30/09/2008	Purchases/ Additions during the reporting period	Sales/ Disposals during the reporting period	Price	Market value in EUR	% of fund assets
CALL SIEMENS AG 78.00 06/09	EUX	UNIT	50,000			EUR 3.2300	161,500.00	0.03
CALL SIEMENS AG 84.00 06/09	EUX	UNIT	100,000			EUR 2.1200	212,000.00	0.04
CALL VOLKSWAGEN AG 210.00 12/08	EUX	UNIT	-25,000			EUR 79.5000	-1,987,500.00	-0.38
PUT ADIDAS AG 36.00 03/09	EUX	UNIT	-50,000			EUR 2.6700	-133,500.00	-0.03
PUT BILFINGER + BERGER BAU-AG 42.00 06/09	EUX	UNIT	-25,000			EUR 9.7900	-244,750.00	-0.05
PUT COMMERZBANK AG 14.00 06/09	EUX	UNIT	-50,000			EUR 5.2200	-261,000.00	-0.05
PUT CONTINENTAL AG 68.00 12/08	EUX	UNIT	-25,000			EUR 12.0000	-300,000.00	-0.06
PUT CONTINENTAL AG 68.00 03/09	EUX	UNIT	-25,000			EUR 12.8800	-322,000.00	-0.06
PUT DEUTSCHE TELEKOM AG 10.00 06/09	EUX	UNIT	-200,000			EUR 1.1100	-222,000.00	-0.04
PUT DEUTSCHE TELEKOM AG 11.50 12/08	EUX	UNIT	-200,000			EUR 1.2900	-258,000.00	-0.05
PUT EUROP.AERON.DEF.+SPEADS 14.00 12/08	EUX	UNIT	-100,000			EUR 2.0800	-208,000.00	-0.04
PUT HYPO REAL ESTATE HLDG 14.00 03/09	EUX	UNIT	-100,000			EUR 10.5200	-1,052,000.00	-0.20
PUT HYPO REAL ESTATE HLDG 16.00 03/09	EUX	UNIT	-49,700			EUR 12.4800	-620,256.00	-0.12
PUT LUFTHANSA AG 15.00 12/08	EUX	UNIT	-400,000			EUR 1.5800	-632,000.00	-0.12
PUT LUFTHANSA AG 16.00 12/08	EUX	UNIT	-400,000			EUR 2.5500	-1,020,000.00	-0.19
PUT LUFTHANSA AG 17.00 12/08	EUX	UNIT	-200,000			EUR 3.1000	-620,000.00	-0.12
PUT MAN AG 60.00 03/09	EUX	UNIT	-25,000			EUR 15.3100	-382,750.00	-0.07
PUT PORSCHE AG 108.00 12/08	EUX	UNIT	-10,000			EUR 30.6900	-306,900.00	-0.06
PUT PORSCHE AG 110.00 12/08	EUX	UNIT	-10,000			EUR 32.6200	-326,200.00	-0.06
PUT SGL CARBON AG 32.00 03/09	EUX	UNIT	-25,000			EUR 6.5700	-164,250.00	-0.03
<b>Total derivatives on single securities</b>						<b>EUR</b>	<b>-5,751,106.00</b>	<b>-1.09</b>
<b>Cash at banks, money market securities and money market funds</b>								
<b>Cash at banks</b>								
EUR balances at the:								
Custodian Bank								
<b>Total of cash at banks</b>						<b>EUR</b>	<b>20,852,233.78</b>	<b>3.95</b>
<b>Total of cash at banks, money market securities and money market funds</b>						<b>EUR</b>	<b>20,852,233.78</b>	<b>3.95</b>
<b>Other liabilities</b>								
Custodian Bank fee								
Management fee								
Taxe d'abonnement								
<b>Total of other liabilities</b>						<b>EUR</b>	<b>-761,474.57</b>	<b>-0.14</b>
<b>Fund assets</b>								
<b>Class TF (A) unit value</b>						<b>EUR</b>	<b>527,988,503.10</b>	<b>100.00 *</b>
<b>Class TF (T) unit value</b>						<b>EUR</b>	<b>68.77</b>	
<b>Class F (T) unit value</b>						<b>EUR</b>	<b>88.35</b>	
<b>Class TF (A) units in circulation</b>						<b>EUR</b>	<b>83.22</b>	
<b>Class TF (T) units in circulation</b>						<b>UNIT</b>	<b>7,632,063</b>	
<b>Class F (T) units in circulation</b>						<b>UNIT</b>	<b>28,535</b>	
<b>Proportion of securities to fund assets (in %)</b>						<b>UNIT</b>	<b>7,000</b>	
<b>Proportion of derivatives to fund assets (in %)</b>								

\*) Differences in percentage values are possible due to rounding.

1) These securities have been transferred in full or in part under securities loans (see list).

2) In the case of future-styled option rights, the premium set-off is carried out by daily equalisation payments (variation margin); in the case of stock-styled option rights, the premium set-off is carried out on conclusion of the transaction. Stock-styled option rights are taken at their market value in the Fund, and future-styled option rights at their unrealised result.

#### Notes on securities loans

The following securities had been transferred under securities loans as at the reporting date:

#### Category

Nominal in units or currency in 1,000	Securities loan market value in EUR limited open-ended	total
ADIDAS AG INHABERAKTIEN	UNIT 67,884	2,538,861.60
AIR BERLIN PLC SHARES (REG.S)	UNIT 143,000	424,710.00
ALLIANZ SE VINK. NAMENSAKTIEN	UNIT 342,500	32,592,300.00
BASF SE INHABERAKTIEN	UNIT 670,000	22,558,900.00
BAYER AG INHABERAKTIEN	UNIT 560,000	28,733,600.00
BAYERISCHE MOTOREN WERKE AG INHABERAKTIEN	UNIT 401,400	10,857,870.00
BEIERSDORF AG INHABERAKTIEN	UNIT 20,000	873,000.00
BILFINGER BERGER AG INHABERAKTIEN	UNIT 17,801	676,438.00
CELESTIO AG	UNIT 40,858	1,267,006.58
CENTROTERM PHOTOVOLTAICS AG	UNIT 3	109.26
COMMERZBANK AG INHABERAKTIEN	UNIT 399,000	4,169,550.00
CONERGY AG INHABERAKTIEN	UNIT 72,000	455,040.00
DAIMLER AG NAMENSAKTIEN	UNIT 790,000	27,843,550.00
DEUTSCHE BANK AG NAMENSAKTIEN	UNIT 515,000	25,466,750.00
DEUTSCHE BOERSE AG NAMENSAKTIEN	UNIT 14,394	911,140.20
DEUTSCHE LUFTHANSA AG VINK. NAMENSAKTIEN	UNIT 999,888	13,998,432.00
DEUTSCHE POST AG NAMENSAKTIEN	UNIT 559,500	8,084,775.00
DEUTSCHE POSTBANK AG	UNIT 61,070	1,686,142.70
DEUTSCHE TELEKOM AG NAMENSAKTIEN	UNIT 2,146,300	22,149,816.00
DIC ASSET AG	UNIT 20,000	212,000.00
DOUGLAS HOLDING AG INHABERAKTIEN	UNIT 27,026	864,291.48
ENVITEC BIOGAS AG	UNIT 15,000	251,250.00

Category		Nominal in units or currency in 1,000	Securities loan market value in EUR limited	Securities loan market value in EUR open-ended	total
E.ON AG NAMENSAKTIEN	UNIT	660,000	22,763,400.00		
EUROP. AERON. DEF. + SPACE CO. EADS	UNIT	55,000	669,350.00		
GAGFAH S.A.	UNIT	36,455	312,054.80		
GEA GROUP AG INHABERAKTIEN	UNIT	46,996	652,774.44		
HEIDELBERGER DRUCKMASCHINEN AG INHABERAKTIEN	UNIT	238,000	2,663,220.00		
HENKEL KGAA VORZUGSAKTIEN O.ST.	UNIT	195,054	5,071,404.00		
HUGO BOSS AG VORZUGSAKTIEN	UNIT	89,215	1,601,409.25		
INFINEON TECHNOLOGIES AG NAMENSAKTIEN	UNIT	759,584	3,137,081.00		
KUKA AG INHABERAKTIEN	UNIT	36,000	577,080.00		
LINDE AG INHABERAKTIEN	UNIT	174,550	12,791,024.00		
MAN AG INHABERAKTIEN	UNIT	150,454	7,248,873.72		
METRO AG INHABERAKTIEN	UNIT	375,879	13,527,885.21		
MLP AG	UNIT	25,000	320,250.00		
MTU AERO ENGINES HOLDING AG NAMENSAKTIEN	UNIT	32,100	621,777.00		
MUENCHENER RUECKVERS.-GES. AG VINK. NAMENSAKTIEN	UNIT	171,485	18,324,887.10		
PORSCHE AUTOMOBIL HOLDING SE VORZUGSAKT IEN O.ST.	UNIT	51,000	3,837,750.00		
RHEINMETALL AG INHABERAKTIEN	UNIT	19,381	717,678.43		
RWE AG INHABERAKTIEN	UNIT	272,000	18,039,040.00		
SAP AG INHABERAKTIEN	UNIT	627,875	23,325,556.25		
SIEMENS AG NAMENSAKTIEN	UNIT	690,701	45,227,101.48		
SOFTWARE AG INHABERAKTIEN	UNIT	2,630	102,438.50		
SYMRISE AG	UNIT	65,718	770,214.96		
THYSSEN KRUPP AG INHABERAKTIEN	UNIT	64,886	1,385,964.96		
THYSSEN KRUPP AG INHABERAKTIEN	UNIT	450,886	9,630,924.96		
TUI AG NAMENSAKTIEN	UNIT	652,000	7,589,280.00		
WACKER CHEMIE AG	UNIT	8,365	847,123.55		
<b>Total value of securities outstanding under securities loans:</b>	<b>EUR</b>	<b>1,385,964.96</b>	<b>406,985,112.39</b>	<b>408,371,077.35</b>	

#### Securities prices or market rates

The assets of the Investment Fund have been valued on the basis of the following prices/market rates:

Foreign and domestic shares, certificates and derivatives: as at 30/09/2008

All other assets: as at 30/09/2008

#### Market code

#### Futures markets

EUX European Exchange Deutschland

Transactions concluded during the reporting period that no longer appear in the asset statement:

Purchases and sales of securities, investment units and promissory note loans (market allocation as at the reporting date):

Category	Units or currency in 1,000	Purchases or additions	Sales or disposals
<b>Officially traded securities</b>			
<b>Shares</b>			
EPCOS AG NAMENSAKTIEN	UNIT	–	445,000
TECHEM AG Z.VERKAUF EINGER. INH.AKTIEN	UNIT	–	55,000
<b>Total of securities portfolio</b>			
<b>Shares</b>			
DEPFA BANK PLC	UNIT	–	140,000
<b>Unlisted securities</b>			
<b>Other securities</b>			
DIC ASSET AG SUBSCRIPTION RIGHTS EM. 11/2007	UNIT	47,180	47,180
HYP REAL ESTATE HOLDING AG TEILRECHTE 10/2007	UNIT	26,585	26,585

## Statement of changes in net assets

	EUR
Fund assets at the beginning of the financial year	877,263,610.78
Cash inflow	208,468,520.01
Cash outflow	-293,834,537.87
Cash inflow/outflow (net)	-85,366,017.86
Earnings distribution	-84,225.90
Earnings equalisation	42,013,313.32
Ordinary earnings surplus	-4,162,122.57
Net realised profit (incl. earnings equalisation) *)	26,285,875.11
Net change in unrealised profits *)	-327,961,929.78
<b>Fund assets at the end of the financial year</b>	<b>527,988,503.10</b>

## Statement of movement in units

Number of class TF (A) units in circulation at the beginning of the financial year	8,529,055
Number of class TF (A) units issued during the period	2,290,842
Number of class TF (A) units redeemed during the period	3,187,834
<b>Number of class TF (A) units in circulation at the end of the financial year</b>	<b>7,632,063</b>

Number of class TF (T) units in circulation at the beginning of the financial year	81,860
Number of class TF (T) units issued during the period	60,253
Number of class TF (T) units redeemed during the period	113,578
<b>Number of class TF (T) units in circulation at the end of the financial year</b>	<b>28,535</b>

Number of class F (T) units in circulation at the beginning of the reporting period	0
Number of class F (T) units issued during the period	7,000
Number of class F (T) units redeemed during the period	0
<b>Number of class F (T) units in circulation at the end of the reporting period</b>	<b>7,000</b>

Past values are no indicator of future values.

## Profit and loss account

for the period from 01/10/2007 – 30/09/2008 (including earnings equalisation)

	EUR
<b>Income</b>	
Dividends	8,677,931.24
Interest from liquidity investments	828,355.92
Income from security loans	595,701.56
Other income	615,104.40
Ordinary earnings equalisation	-449,716.42
<b>Total income</b>	<b>10,267,376.70</b>
<b>Expenses</b>	
Management fee	8,913,955.57
Distribution commission	5,184,581.03
Custodian Bank fee **)	730,068.47
<i>Taxe d'abonnement</i>	331,240.14
Other expenses	86,659.42
Ordinary expense equalisation	-817,005.36
<b>Ordinary expense equalisation</b>	<b>14,429,499.27</b>
<b>Ordinary expenditure surplus</b>	<b>-4,162,122.57</b>
Net realised profit *)	68,666,477.37
Extraordinary earnings equalisation	-42,380,602.26
<b>Net realised profit (incl. earnings equalisation)</b>	<b>26,285,875.11</b>
<b>Earnings surplus</b>	<b>22,123,752.54</b>
Net change in unrealised profits *)	-327,961,929.78
<b>Profit for the financial year</b>	<b>-305,838,177.24</b>

In accordance with Art. 15 of the Basic Regulation in combination with Art. 5 of the Special Regulation, the distribution for unit class TF (A) is EUR 0.11 per unit. The distribution will be performed on 20 November 2008.

The above expenses for unit class TF (A) expressed as a ratio to average fund assets (Total Expense Ratio (TER)) are 2.17%.

The above expenses for unit class TF (T) expressed as a ratio to average fund assets (Total Expense Ratio (TER)) are 2.20%.

The above expenses for unit class F (T) expressed as a ratio to average Fund assets (Total Expense Ratio (TER)) are 1.11%.

No performance fees were charged to the Fund during the reporting period.

Units in unit classes TF (A) and TF (T) are issued at unit value. No issuing surcharge is added. The sales offices receive a distribution commission from the Fund for unit classes TF (A) and TF (T).

\*)Profit breakdown:

Net realised profit from: securities, financial futures and options trading

Net change in unrealised profits from: securities, options and financial futures trading

\*\*)This amount includes value-added tax of 12%, which has been payable on 20% of the Custodian Bank fee since 1 April 2007.

## Notes to the Annual Report.

The unit value is denominated in the currency of the Fund ("Fund currency"). It is calculated by the Management Company, or a third party that it engages, under the supervision of the Custodian Bank on every day that is a dealing day in Luxembourg and Frankfurt am Main ("valuation date").

The calculation is performed by dividing the net assets of the Fund at the time (Fund assets less liabilities) by the number of units in circulation on the valuation date.

The value of the net assets of the Fund is calculated according to the following principles:

- a) The value of assets that are listed or traded on a stock exchange or other regulated market is set equal to the last available quotation, unless provided otherwise below.
- b) If an asset is not listed or traded on a stock exchange or other regulated market, or an asset is listed or traded on a stock exchange or other regulated market but the quotation does not appropriately reflect the actual market value, the value of the asset is set equal to a conservative estimate of the expected sales price, unless provided otherwise below.
- c) Units in a UCITS or UCI are valued at the last redemption price that was set and could have been realised.
- d) The value of cash on hand or bank deposits, deposit certificates and outstanding receivables, prepaid expenses, cash dividends, and interest declared or accrued but not yet received is equal to the full amount of the item less an appropriate discount if it is likely that the amount cannot be fully paid or received.
- e) The realisable value of futures and options traded on a stock exchange or other regulated market is calculated using the last available trading price.
- f) The realisable value of futures, forwards, and options that are not traded on a stock exchange or other regulated market, and of futures and options that are traded on a stock exchange or other regulated market, but for which liquidation was not possible on the valuation date, corresponds to their net realisable value as determined on a consistent basis according to Supervisory Board guidelines for all of the various types of contracts.

g) Swaps are valued at their market value.

h) All other securities or assets are valued at an appropriate market value as determined in good faith using a procedure established by the Supervisory Board.

i) The value of all assets and liabilities not denominated in the Fund currency is converted to this currency using the last available exchange rate. If such exchange rates are not available, the exchange rate shall be determined in good faith using a procedure established by the Supervisory Board.

j) At its sole discretion, the Management Company may allow other valuation methods if it considers this important for appropriate valuation of an asset in the Fund with respect to its expected realisable value.

k) If the Management Company considers that the unit value determined on a certain valuation date does not reflect the actual value of a unit of the Fund, or if significant movements have taken place on the stock markets and/or markets concerned, the Management Company may decide to update the unit value that same day. Under these circumstances, all requests for subscription and redemption received for this valuation date shall be honoured at the unit value as updated in accordance with the principle of good faith.

The Management Company receives a fee from the Fund for its central administration and investment management services as a management company (-management fee") that is paid monthly in arrears based on the average net assets of the Fund during the month in question.

The Management Company also receives an annual distribution commission for the benefit of the sales offices from the portion of the net assets of the Fund attributable to unit classes TF (T) and TF (A) that is calculated based on the value of this portion of the net assets of the Fund on the last business day of each month and paid monthly in arrears.

The Management Company may receive a performance fee, calculated on a daily basis, for managing the Fund assets attributable to the units in unit classes TF (T) and TF (A), provided that the performance of the Fund before costs (management fee, distribution commission and Custodian Bank fee) exceeds the performance of a benchmark index. The HDAX Total Return Index in EUR is used as the benchmark index. The performance fee equals 25.00% of the outperformance, and also applies when the benchmark index and unit value show negative performance, as long as the unit value exceeds the benchmark index. In the determination of management performance for the calculation of the performance fee, the index and Fund values are determined so that they correspond as closely as possible in terms of time. The respective financial year of the Fund is used as the calculation period. Any outperformance or underperformance of the Fund is not carried forward. The performance fee existing at and deferred to the end of the financial year can be taken from the assets of the Fund. The Management Company is at liberty to charge a lower fee. If one or all of the reference indices is cancelled, the Management Company will specify another comparable index or indices to take the place of the indices that were cancelled. In addition, any fees or costs relating to the use of the above benchmark index may be charged to the Fund.

In addition, the Management Company may receive up to half of the income from security loan transactions executed for the account of the Fund as a lump-sum payment for costs related to the preparation and performance of such security loan transactions.

The Custodian Bank is entitled to receive from the Fund the following fees as agreed with the Management Company:

- a) a fee for its activities as Custodian Bank, paid monthly in arrears based on the average net assets of the Fund during the month in question;
- b) processing fees equal to normal Luxembourg banking fees for each transaction performed for the account of the Fund;

The tax on the Fund assets (*taxe d'abonnement*, currently 0.05% p.a.) is calculated and paid quarterly in arrears based on the value of the assets of the Fund.

Other costs chargeable to the Fund under Article 16 of the Basic Regulation shall be paid by the Fund.

For unit class TF (A), it is intended that the Company should, as a rule, distribute to investors the interest, dividends and income from loan and sale and repurchase agreements not earmarked to cover costs. Ordinary net income and realised price gains may be distributed. Unrealised price gains and other assets may also be distributed, provided that the net assets of the Fund do not fall below the minimum limit of EUR 1.25 million as a result of the distribution. Gains on sales and other income can also be distributed. The managers of the Management Company decide each year, taking into account economic factors and exigencies, if and to what extent a distribution should be made.

No provision has been made for distributions for units in unit classes TF (T) and F (T). The portion of the net income of the Fund, capital gains and other nonrecurrent income attributable to unit classes TF (T) and F (T) are capitalised and reinvested in the Fund.

#### Notes to the Annual Report

	<b>Management fee</b>	<b>Distribution commission</b>	<b>Custodian Bank fee</b>
	up to 2.00% p.a.	up to 1.50% p.a.	up to 0.24% p.a.
	currently	currently	currently
DekaLux-Deutschland TF (A)	1.25% p.a.	0.72% p.a.	0.10% p.a.
DekaLux-Deutschland TF (T)	1.25% p.a.	0.72% p.a.	0.10% p.a.
DekaLux-Deutschland F (T)	1.75% p.a.	none	0.10% p.a.

# Auditor's report.

To the unit holders of  
**DekaLux-Deutschland**

We have audited the attached annual financial statements of DekaLux-Deutschland, including the statement of net Fund assets, securities portfolio and other assets as at 30 September 2008, the profit and loss account and statement of changes in net Fund assets for the financial year ended on this date, as well as a summary of significant accounting principles and other notes to the statements, in accordance with the instructions given to us by the Supervisory Board of Deka International S.A.

## **Responsibility of the Supervisory Board of the Management Company for the annual financial statements**

The preparation and true and fair presentation of these annual financial statements in accordance with Luxembourg law and regulations concerning the preparation and presentation of annual financial statements are the responsibility of the Supervisory Board of the Management Company. This responsibility comprises the development, implementation and maintenance of the internal control system for the preparation and true and fair presentation of the annual financial statements such that these are free from material misstatements, whether resulting from inaccuracies or violations, the selection and application of appropriate accounting principles, and the specification of appropriate accounting-related estimates.

## **Responsibility of the auditor**

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as implemented by the "Institut des Réviseurs d'Entreprises". The standards require that we comply with professional duties and principles, and plan and perform the audit such that material misstatements affecting the presentation of the annual financial statements are detected with reasonable assurance.

An annual financial statement audit includes the performance of audit procedures to obtain audit evidence for the figures and information contained in the annual financial statements. The choice of these audit procedures is the auditor's responsibility, as is the assessment of the risk that the annual financial statements contain material misstatements due to inaccuracies or violations. When performing this risk assessment, the auditor takes into account the internal control system established for the preparation and true and fair presentation of the annual financial statements in order to determine audit measures appropriate under these circumstances, but not to express an opinion on the effectiveness of the internal control system.

An annual financial statement audit also includes an assessment of the appropriateness of the accounting principles used and the estimates made by the Supervisory Board of the Management Company, as well as an evaluation of the overall presentation of the annual financial statements.

In our opinion, the audit evidence obtained provides a satisfactory and suitable basis for our audit opinion.

### **Audit opinion**

In our opinion, the annual financial statements provide a true and fair view of the net assets and financial position of the DekaLux-Deutschland fund as at 30 September 2008 as well as the results of operations and change in net Fund assets for the financial year ended on this date in accordance with Luxembourg law and regulations applicable to the preparation and presentation of annual financial statements.

### **Other**

Although we reviewed the supplementary disclosures contained in the Annual Report within the framework of our audit, these were not the subject of special audit procedures in accordance with the principles above. Our audit opinion therefore does not relate to these disclosures. We did not feel the need to make any comments based on these disclosures as part of the overall presentation of the Annual Report.

Luxembourg, 2 January 2009

PricewaterhouseCoopers S.à r.l.

Réviseur d'entreprises

represented by

(Rückel)

Réviseur d'entreprises

# Taxation of income.

## 1. General taxation framework

As a rule, the income of German and foreign investment funds is taxed at the level of the investor, while the investment fund itself is exempt from taxation. The tax treatment of income from investment units therefore follows the principle of transparency, with the investor generally being taxed as if he himself had directly received the income earned by the investment fund (transparency principle). There are, however, a number of areas where fund investments deviate from this general principle. For example, certain income and gains are not recognised at the level of the investor until investment units are redeemed. Negative income earned by an investment fund is offset against positive income of the same type. Negative income not fully offset in this way may not be claimed by the investor, but must instead be carried forward at the level of the investment fund and offset against income of the same type in subsequent financial years.

Taxation of the investor is only triggered by distribution or reinvestment of income (current income) or the redemption of investment units. Such taxation is based in detail on the provisions of the German Investment Tax Act (InvStG) in combination with general tax law. The tax consequences of investing in an investment fund are essentially independent of whether the investment fund is German or foreign, which means that the discussion below applies equally to both. Any differences in taxation are noted at the appropriate location.

The discussion also applies to funds of funds, that is, investment funds that invest their capital predominantly, or in part, in other investment funds. There is nothing special that the investor must be aware of with fund-of-funds investments, since the investment company provides the information required for taxation in the same form as for other investment funds.

## 2. Legal situation on and before 31 December 2008

### 2.1 Taxation of current income from investment funds

#### 2.1.1 Income types and utilisation of earnings

An investment fund may invest in different types of assets in accordance with its investment policy and contractual terms. Based on the transparency principle, the different types of income earned from these investments may not all be assigned to the same category, e.g. dividends, but must be recognised separately in accordance with the rules of German tax law. An investment fund could, for example, earn interest, income equivalent to interest, dividends and gains on the disposal of assets. Income is calculated according to the provisions of tax law, in particular, the German Investment Tax Act (InvStG), so that it generally differs from the amounts actually distributed or the amounts shown as distributed and reinvested in the Annual Report. The tax treatment of income at the level of the investor depends on how the investment fund utilises its earnings, that is, whether the earnings are fully reinvested or fully or partially distributed. The Sales Prospectus or Annual Report of your investment fund shows how it utilises earnings. One must also differentiate between income attributable to private and business investors. If the amount distributed by the investment fund exceeds the income calculated according to tax law, then the excess is treated for tax purposes as a distribution of capital that is tax-exempt for the investor and reduces the acquisition costs of the investment units as calculated for tax purposes.

#### 2.1.2 Foreign withholding tax

In some cases, withholding tax that is deducted from foreign income in the country of origin can be deducted as income-related expenses at the level of the investment fund. Alternatively, the investment company can report foreign withholding taxes in its tax bases so that the investor can credit them against his personal tax liability or deduct them from his income. In some cases, an investor is able to credit withholding taxes against his personal tax liability even though the country where the investment fund invested does not actually deduct withholding tax (notional withholding tax). In such cases, the investor is only permitted to credit the

reported notional withholding tax. Notional withholding tax may not be deducted from the investor's income.

In the Meilicke case, the European Court of Justice declared on 6 March 2007 that parts of German corporation tax law generally applicable up to the year 2000 were contrary to European law relating to direct investments in shares. For one thing, the law placed at a disadvantage persons who were subject to income tax in Germany and received dividends from companies domiciled in another Member State. It also made it more difficult for these companies to raise capital in Germany. Under the prevailing imputation system in Germany, only corporation tax on German dividends, not foreign corporation tax on foreign dividends, could be credited against an investor's personal tax liability. The European Court of Justice decided that holders of foreign securities must be retroactively compensated for the resulting disadvantages they incurred. The procedural situation under German law remains unclear for direct investments, and for fund investments in particular. To safeguard your rights, it may therefore be advisable to seek advice from a tax consultant.

### 2.1.3 Publication of tax bases

The investment company publishes the tax bases applicable to the taxation of investors in the electronic German Federal Gazette (*Bundesanzeiger*), together with professional certification that the information disclosed was calculated in accordance with the rules of German tax law.

### 2.1.4 Taxation of units held as personal assets

The time at which an investor must recognise income earned by an investment fund for tax purposes depends on how the investment fund utilises its earnings. If earnings are reinvested, the investor must report distribution-equivalent income – i.e. certain earnings not used by the investment fund for distribution – for tax purposes in the calendar year in which the financial year of the investment fund ends. Since the investor must pay taxes on income that he actually does not receive, "deemed accrual" is the term used in this connection. As a rule, in the case of full distribution the investor is subject to tax on the distributed earnings, and in the case of a partial distribution he is subject to tax on both the distributed earnings and the distribution-equivalent income. In both cases, an investor

subject to taxation in Germany must recognise this income for tax purposes in the year of accrual.

As a rule, both distributed earnings and distribution-equivalent income are fully taxable unless rules exist that explicitly exempt certain income from taxation. For example, investors only have to pay tax on one half of their dividend income (half-income method). In the calculation of investment income, a savings allowance (*Sparerfreibetrag*) of EUR 750 (joint assessment: EUR 1,500) and an income-related expenses allowance (*Werbungskostenpauschbetrag*) of EUR 51 (joint assessment: EUR 102) are deducted to reduce the tax liability of an investor with unlimited tax liability in Germany, provided a higher claim is not being made for income-related expenses. An investor is not subject to tax on realised and unrealised gains on securities and futures transactions earned by the Investment Fund.

### 2.1.5 Taxation of units held as business assets

A business investor with unlimited tax liability in Germany who calculates profits using the cash method of accounting must recognise distributed earnings and distribution-equivalent income for tax purposes at the same time as a private investor. If profits are calculated using the accrual method of accounting, the investor must recognise distribution-equivalent income at the end of the financial year of the investment fund and distributed earnings at the time of accrual. The general statutory provisions relating to the preparation of tax balance sheets apply in this regard.

As a rule, distributed earnings and distribution-equivalent income are both fully taxable for the business investor unless rules exist that explicitly exempt certain income from taxation. For example, domestic and foreign dividend income and distributed realised gains on disposals of shares are 95 per cent tax exempt for investors subject to corporation tax. This is not the case for such income received from investment units, which financial institutions, in particular, allocate to their trading portfolios.

## 2.2 Redemption of investment units

The redemption of investment units is treated as a sale for tax purposes, that is, the investor realises a gain or loss on disposal.

### **2.2.1 Taxation of units held as personal assets**

With the exception of interim profits, realised gains and losses on the redemption of investment units are tax exempt for units held for more than one year. If the holding period is shorter, the gains and losses are included in income from personal disposals. These gains remain tax exempt as long as less than EUR 600 in total gains is earned during the calendar year. If this exemption limit is exceeded, all of the gains become fully taxable. Losses may be offset up to the amount of the gains earned by the investor in the same calendar year. Losses that are not offset are used to decrease the income from personal disposals earned by the investor in the immediately preceding calendar year or subsequent calendar years.

The interim profit deemed to be included in the redemption price is also subject to taxation. The interim profit is equal to the interest and income equivalent to interest that has accrued to the investment fund since the last distribution or reinvestment date and has not yet become taxable as a result of a distribution or reinvestment. The interim profit is calculated by the investment company on each valuation date and published together with the redemption price. This information is also provided on the investor's contract note by custodian banks in Germany. The interim profit paid at the time of purchase is included in an investor's negative investment income, which can be offset against other positive investment income. The interim profit received when investment units are redeemed is included in positive investment income.

The law does not require hedge funds to calculate or publish interim profit. If an investment company decides to do so, it can voluntarily calculate and publish the interim profit for hedge funds.

If investment units are bought and sold within the period of one year, the investor must calculate the taxable gain or loss on disposal himself. The gain or loss in this case is the sale price less acquisition costs and income-related expenses. In addition, interim profit must be deducted from both the acquisition costs and sale price. Distribution-equivalent income must also be deducted from the gain or loss on disposal calculated in this way in order to avoid double taxation.

### **2.2.2 Taxation of units held as business assets**

As a rule, when investment units are redeemed, the taxable gain or loss on disposal is equal to the redemption price less acquisition costs.

Stock-related profit includes dividends, gains and losses on the disposal of shares, and increases and decreases in the value of shares that have not been distributed or reinvested. The investment company publishes the stock-related profit as a percentage of the redemption price, so that the investor must calculate the absolute value of the stock-related profit both at the time of acquisition and redemption of the investment units by multiplying this percentage by the redemption price applicable at the time. The difference between the absolute stock-related profit at the time of redemption and acquisition therefore represents the portion of the stock-related profit applicable to the holding period, and tells the investor what portion of the increase or decrease in the value of his investment units is attributable to shares. The stock-related profit for the holding period that is included in the gain or loss on disposal of investment units is 95 per cent tax exempt for investors subject to corporation tax and 50 per cent tax exempt for investors subject to income tax.

DTT profit consists of income and profit or loss that is tax exempt under a double taxation treaty between the source country and Germany and has not been distributed or reinvested. The DTT profit applicable to the holding period that is included in the gain or loss on disposal of investment units is tax exempt for business investors. The investment company publishes the DTT profit separately and in the same form as the stock-related profit.

Business investors must capitalise the investment units at acquisition cost and, if applicable, any ancillary acquisition costs. If the investment company reinvests earnings during the period when the investment units are held, the distribution-equivalent income must be recognised off the balance sheet and an adjustment item formed on the asset side of the balance sheet. When the investment units are redeemed, they must be derecognised through profit or loss and the adjustment item reversed in order to avoid double taxation of the distribution-equivalent income. The stock-related profit for the holding period must also be accounted for off the balance sheet.

### **2.3 German investment income tax**

As a rule, investment companies and German custodian banks must withhold and pay investment income tax and interest income tax for investors. The amounts withheld and paid represent only tax prepayments that the investor can credit against his personal tax liability, and do not satisfactorily discharge the investment income tax and interest income tax owing. German investment companies and German custodian banks provide the investor with a tax certificate for the withheld tax that he must submit to the revenue office in respect of his tax assessment. German custodian banks will not withhold investment income tax or interest income tax if a non-assessment certificate or valid exemption application has been submitted. No interest income tax will be withheld if an investor provides proof of non-residency for tax purposes. If an exemption application is submitted, the amount of income exempted is limited to the amount in the exemption application. Investors subject to unlimited taxation in Germany may provide their banks with exemption applications, the total amount of which is up to a maximum of EUR 801 (savings allowance of EUR 750 plus an income-related expenses allowance of EUR 51). In the case of joint assessment, the maximum total amount is EUR 1,602 (savings allowance of EUR 1,500 plus an income-related expenses allowance of EUR 102). Exemption applications, non-assessment certificates and proof of non-residency for tax purposes must be provided to the custodian bank in timely fashion. Timely fashion means before the end of the investment fund's financial year in the case of reinvestment, before the distribution in the case of distributing investment funds, and before the redemption when investment units are redeemed.

If the investment units are not held in a German securities account and coupons are submitted to a German payment agent, exemption applications and non-assessment certificates cannot be taken into account.

Foreign investors can only receive a credit or refund of withheld investment income tax and interest income tax under an applicable double taxation treaty between Germany and their country of residence. Refunds are provided by the German Federal Tax Office (*Bundeszentralamt*).

In addition to investment income tax and interest income tax, German custodian banks must also withhold and pay a solidarity surcharge equal to 5.5 per cent of these taxes. No further reference to

the solidarity surcharge is made in applicable sections of the discussion below.

#### **2.3.1 German investment funds**

German investment companies must withhold and pay a 25 per cent investment income tax on German dividends both when distributing and reinvesting earnings. German custodian banks withhold a 30 per cent interest income tax on interest and income equivalent to interest for distributing and reinvesting investment funds. If the investment units are not held by a German custodian bank and coupons are submitted to a German payment agent, the interest income tax increases to 35 per cent. German investment companies must withhold interest income tax on interest and income equivalent to interest when earnings are reinvested.

The custodian bank must withhold and pay interest income tax of 30 per cent on the interim profit when investment units held in a German securities account are redeemed. The tax base is reduced by negative interim profit from the purchase of investment units in the same calendar year and negative accrued interest (accrued interest account). If investment units that are not held by a German custodian bank are redeemed at a custodian bank in Germany, the interest income tax withheld increases to 35 per cent.

#### **2.3.2 Foreign investment funds**

Foreign investment companies do not withhold and pay investment income tax or interest income tax to the German revenue office. However, German custodian banks do withhold interest income tax of 30 per cent on interest and income equivalent to interest for investment funds that fully or partially distribute earnings. If the investment units are not held by a German custodian bank and coupons are submitted to a German payment agent, the interest income tax withheld increases to 35 per cent.

If investment units are redeemed at a German custodian bank, the bank must withhold and pay interest income tax of 30 per cent on the interim profit. The tax base is reduced by negative interim profit from the purchase of investment units in the same calendar year and negative accrued interest (accrued interest account).

A German custodian bank must also withhold and pay interest income tax of 30 per cent on the total

income deemed to have accrued to the investor after 31 December 1993 that has not yet been subject to German investment income tax. If investment units have been held at one and the same German custodian bank without interruption since being acquired, the tax base for interest income tax consists only of the portion of the distribution-equivalent income accumulated during the holding period. The accumulated distribution-equivalent income is calculated by the investment company and published on each valuation date together with the redemption price. If the investment units have not been held by a German custodian bank and are redeemed at a German payment agent, the interest income tax increases to 35 per cent of the interim profit and accumulated distribution-equivalent income.

#### **2.4 EU Savings Tax Directive (German Interest Information Regulation)**

Certain interest and income equivalent to interest that is paid or credited to a natural person in another European country outside Germany who is subject to unlimited tax liability in Germany must be reported to the German revenue authorities by the foreign custodian bank or payment agent. Belgium, Luxembourg, Austria and the included non-Member States deduct withholding tax instead of reporting such income. The investor receives a tax certificate indicating the amount of tax withheld. The withheld tax is credited against German income tax, or, if the withheld tax exceeds the income tax payable, a tax refund is obtainable for any tax withheld in excess of the income tax payable. The investor may avoid the deduction of taxes by authorising the custodian bank to make voluntary disclosures. This allows the bank to report the income to the German revenue authorities instead of deducting taxes.

German payment agents are required to forward information on such payments of interest and income equivalent to interest made to foreign natural persons via the German Federal Tax Office to the foreign revenue office at the person's place of residence. A report is made when investment units are redeemed or disposed of and the portion representing interest and income equivalent to interest exceeds 40 per cent of the redemption price.

Distributed interest and interest income is not reported to the revenue office at the person's place of residence if, according to the investment fund's contractual terms, the fund holds no more than 15 per cent of its investments in assets that generate interest and income equivalent to interest as

defined in the German Interest Information Regulation. Please refer to the Annual Report to determine whether this applies to your investment fund.

#### **3. Legal situation starting as of 1 January 2009 (flat-rate withholding tax)**

Starting as of 1 January 2009, investment income earned by private investors in Germany will be subject to a flat-rate withholding tax (*Abgeltungsteuer*) of 25 per cent as a special form of investment income tax. In addition to the flat-rate withholding tax, a solidarity surcharge equal to 5.5 per cent of the flat-rate withholding tax and any applicable church tax of 8 or 9 per cent, depending on the investor's religion or religious denomination, must also be withheld and paid. Church tax will, however, only be withheld and paid for the investor if a church tax application for the investor is submitted to the payment agent by 31 December of the previous year at the latest. If church tax is not withheld for an investor who is subject to church tax because the church tax application was not submitted on time, the investor must allow his entire investment income to be assessed for income tax purposes. No further reference to the solidarity surcharge or church tax is made in applicable sections of the discussion below.

As a rule, the German flat-rate withholding tax satisfactorily discharges the tax liability for private investors. As a result, the private investor is not required to disclose in his income tax return income for which flat-rate withholding tax has been paid. The scope of the income subject to taxation, that is, the tax base for the flat-rate withholding tax, has been expanded considerably and in addition to interest and dividends now also includes, for example, gains on the disposal of shares and pensions.

Income such as interest and dividends is subject to the flat-rate withholding tax if the income accrues to the investor after 31 December 2008. Realised gains and losses are subject to the flat-rate withholding tax if the assets were acquired after 31 December 2008. This applies both to assets acquired by an investment fund and the gains or losses earned by the investor on the disposal of investment units. In the case of investment income not related to investment units, there are some transitional provisions that differ from those for investment units.

If the time that an asset was acquired cannot be determined unambiguously, the statutory method

of deemed order of use is observed, under which the first security acquired is deemed to be the first sold. This applies both to the assets held by the investment fund as well as the investment units held by the investor, e.g. when the units are held in collective safekeeping.

### **3.1 Taxation of current income from investment funds**

#### **3.1.1 Income types and utilisation of earnings**

An investment fund may invest in different types of assets in accordance with its investment policy and contractual terms. Based on the transparency principle, the different types of income earned from these investments may not all be assigned to the same category, e.g. dividends, but must be recognised separately in accordance with the rules of German tax law. An investment fund could, for example, earn interest, income equivalent to interest, dividends and gains on the disposal of assets. Income is calculated according to the provisions of tax law, in particular, the German Investment Tax Act (InvStG), so that it generally differs from the amounts actually distributed or the amounts shown as distributed and reinvested in the Annual Report. The tax treatment of income at the level of the investor depends on how the investment fund utilises its earnings, that is, whether the earnings are fully reinvested or fully or partially distributed. The Sales Prospectus or Annual Report of your investment fund shows how it utilises earnings. One must also differentiate between income attributable to private and business investors. If the amount distributed by the investment fund exceeds the income calculated according to tax law, then the excess is treated for tax purposes as a distribution of capital that is tax-exempt for the investor and reduces the acquisition costs of the investment units as calculated for tax purposes.

#### **3.1.2 Foreign withholding tax**

In some cases, withholding tax that is deducted from foreign income in the country of origin can be deducted as income-related expenses at the level of the investment fund. Alternatively, the investment company can report foreign withholding taxes in its tax bases so that the investor can directly credit them against his tax payable or deduct them from his income. In some cases, an investor is able to credit withholding taxes against his personal tax lia-

bility even though the country where the investment fund invested does not actually deduct withholding tax (notional withholding tax). In such cases, the investor is only permitted to credit the reported notional withholding tax. Notional withholding tax may not be deducted from the investor's income.

In the Meilicke case, the European Court of Justice declared on 6 March 2007 that parts of German corporation tax law generally applicable up to the year 2000 were contrary to European law relating to direct investments in shares. For one thing, the law placed at a disadvantage persons who were subject to income tax in Germany and received dividends from companies domiciled in another Member State. It also made it more difficult for these companies to raise capital in Germany. Under the prevailing imputation system in Germany, only corporation tax on German dividends, not foreign corporation tax on foreign dividends, could be credited against an investor's personal tax liability. The European Court of Justice decided that holders of foreign securities must be retroactively compensated for the resulting disadvantages they incurred. The procedural situation under German law remains unclear for direct investments, and for fund investments in particular. To safeguard your rights, it may therefore be advisable to seek advice from a tax consultant.

#### **3.1.3 Publication of tax bases**

The investment company publishes the tax bases applicable to the taxation of investors in the electronic German Federal Gazette (*Bundesanzeiger*), together with professional certification that the information disclosed was calculated in accordance with the rules of German tax law.

#### **3.1.4 Taxation of units held as personal assets**

The time at which an investor must recognise income earned by an investment fund for tax purposes depends on how the investment fund utilises its earnings. If earnings are reinvested, the investor must report distribution-equivalent income – i.e. certain earnings not used by the investment fund for distribution – for tax purposes in the calendar year in which the financial year of the investment fund ends. Since the investor must pay taxes on income that he actually does not receive, "deemed accrual" is the term used in this connection. As a rule, in the case of full distribution the investor is

subject to tax on the distributed earnings, and in the case of a partial distribution he is subject to tax on both the distributed earnings and the distribution-equivalent income. In both cases, an investor subject to taxation in Germany must recognise this income for tax purposes in the year of accrual.

As a rule, both distributed earnings and distribution-equivalent income are fully taxable unless rules exist that explicitly exempt certain income from taxation. In the calculation of investment income, a savings allowance of EUR 801 (joint assessment: EUR 1,602) is deducted as income-related expenses for investors with unlimited tax liability in Germany. The income-related expenses actually incurred by the investor (e.g. securities account fees) cannot be deducted. The investor is not subject to taxation on gains on the disposal of securities and from futures transactions until the gains are distributed or the investment units are redeemed.

### 3.1.5 Taxation of units held as business assets

A business investor with unlimited tax liability in Germany who calculates profits using the cash method of accounting must recognise distributed earnings and distribution-equivalent income for tax purposes at the same time as a private investor. If profits are calculated using the accrual method of accounting, the investor must recognise distribution-equivalent income at the end of the financial year of the investment fund and distributed earnings at the time of accrual. The general statutory provisions relating to the preparation of tax balance sheets apply in this regard.

As a rule, distributed earnings and distribution-equivalent income are both fully taxable for the business investor unless rules exist that explicitly exempt certain income from taxation. For example, only 60 per cent of an investor's dividend income is subject to taxation (partial-income method). As a rule, domestic and foreign dividend income and distributed realised gains on disposals of shares are 95 per cent tax exempt for investors subject to corporation tax. This is not the case for such income received from investment units, which financial institutions, in particular, allocate to their trading portfolios.

## 3.2 Redemption of investment units

The redemption of investment units is treated as a sale for tax purposes, that is, the investor realises a gain or loss on disposal.

### 3.2.1 Taxation of units held as personal assets

Gains and losses on the redemption of investment units are always taxable as positive and negative investment income. As a rule, these gains and losses can be offset against other investment income. This does not apply, however, to losses brought forward or future losses on the disposal of shares, for which a separate loss offset account must be maintained.

Offsetting is also not permitted against losses on the redemption of investment units or disposal of other securities that are still covered by the old law that existed before the flat-rate withholding tax was introduced.

The interim profit deemed to be included in the redemption price is also subject to taxation. The interim profit is equal to the interest and income equivalent to interest that has accrued to the investment fund since the last distribution or reinvestment date and has not yet become taxable as a result of a distribution or reinvestment. The interim profit is calculated by the investment company on each valuation date and published together with the redemption price. This information is also provided on the investor's contract note by custodian banks in Germany. The interim profit paid at the time of purchase is included in an investor's negative investment income, which can be offset against other positive investment income. The interim profit received when investment units are redeemed is included in positive investment income.

The law does not require hedge funds to calculate or publish interim profit. If an investment company decides to do so, it can voluntarily calculate and publish the interim profit for hedge funds.

As a rule, German custodian banks calculate gains on disposals for investors. An exception exists in the case of redemption of investment units that were acquired before 1 January 2009, and were bought and sold within a period of one year. In this case, the investor himself must continue calculating the taxable gain or loss on disposal. The gain or loss in this case is the sale price less acquisition costs and income-related expenses. In addition,

interim profit must be deducted from both the acquisition costs and sale price. Distribution-equivalent income must also be deducted from the gain or loss on disposal calculated in this way in order to avoid double taxation.

### 3.2.2 Taxation of units held as business assets

As a rule, when investment units are redeemed, the taxable gain or loss on disposal is equal to the redemption price less acquisition costs.

Stock-related profit includes dividends, gains and losses on the disposal of shares, and increases and decreases in the value of shares that have not been distributed or reinvested. The investment company publishes the stock-related profit as a percentage of the redemption price, so that the investor must calculate the absolute value of the stock-related profit both at the time of acquisition and redemption of the investment units by multiplying this percentage by the redemption price applicable at the time. The difference between the absolute stock-related profit at the time of redemption and acquisition therefore represents the portion of the stock-related profit applicable to the holding period, and tells the investor what portion of the increase or decrease in the value of his investment units is attributable to shares. The stock-related profit for the holding period that is included in the gain or loss on disposal of investment units is 95 per cent tax exempt for investors subject to corporation tax and 40 per cent tax exempt for investors subject to income tax.

DTT profit consists of income and profit or loss that is tax exempt under a double taxation treaty between the source country and Germany and has not been distributed or reinvested. The DTT profit applicable to the holding period that is included in the gain or loss on disposal of investment units is tax exempt for business investors. The investment company publishes the DTT profit separately and in the same form as the stock-related profit.

Business investors must capitalise the investment units at acquisition cost and, if applicable, any ancillary acquisition costs. If the investment company reinvests earnings during the period when the investment units are held, the distribution-equivalent income must be recognised off the balance sheet and an adjustment item formed on the asset side of the balance sheet. When the investment units are redeemed, they must be derecognised through profit or loss and the adjustment item reversed in order to avoid double taxation of the

distribution-equivalent income. The stock-related profit for the holding period must also be accounted for off the balance sheet.

### 3.3 German investment income tax

Investment companies and German custodian banks generally must withhold and pay investment income tax for investors. As a rule, the investment income tax definitely discharges the tax liability for private investors. However, the investor may choose and, in some cases, must have this income assessed. If the investment units are held as business assets, the income must be assessed. If a business investor's income from investment units is assessed for income tax or corporation tax, the investment income tax paid only represents a tax prepayment that does not provide a satisfactory discharge and can be credited against his personal tax liability. German investment companies and German custodian banks provide the investor with a tax certificate for the withheld tax that he must submit to the revenue office in respect of his tax assessment.

The tax rate for assessment of investment income is limited to 25 per cent for private investors. Voluntary assessment is particularly advisable for investors with no or very little taxable income.

German custodian banks will not withhold investment income tax if a non-assessment certificate or valid exemption application has been submitted. If an investor provides proof of non-residency for tax purposes, investment income tax is only deducted for German dividend income.

German custodian banks must maintain a loss offset account for an investor subject to taxation, and automatically carry this account forward to following years. Losses from the sale of shares can only be offset against gains from the sale of shares. Gains on the redemption of investment units are not considered gains on shares under tax law.

Investment income tax is only withheld to the extent that positive income exceeds negative income (brought forward) and the amount of any exemption applications. Investors subject to unlimited taxation in Germany may provide their banks with exemption applications, the total amount of which may be up to a maximum of EUR 801 (joint assessment: EUR 1,602).

Exemption applications, non-assessment certificates and proof of non-residency for tax purposes must be provided to the custodian bank in timely fashion. Timely fashion means before the end of the investment fund's financial year in the case of reinvestment, before the distribution in the case of distributing investment funds, and before the redemption when investment units are redeemed.

If the investment units are not held in a German securities account and coupons are submitted to a German payment agent, exemption applications and non-assessment certificates cannot be taken into account.

Foreign investors can only receive a credit or refund of withheld investment income tax under an applicable double taxation treaty between Germany and their country of residence. Refunds are provided by the German Federal Tax Office (*Bundeszentralamt*).

As a rule, the tax deducted is reduced to account for any foreign withholding tax paid or creditable notional withholding tax reported by the investment fund. In exceptional cases where reported creditable withholding tax cannot be used to reduce the tax deducted, a withholding tax account is used to carry the unused withholding tax forward.

### **3.3.1 German investment funds**

German investment companies must withhold and pay investment income tax when distributing and reinvesting earnings.

In addition, a German custodian bank must withhold investment income tax on the interim profit when investment units that it holds are redeemed. When investment units purchased after 31 December 2008 are redeemed, investment income tax is also withheld for the gains on disposal of the investment units.

### **3.3.2 Foreign investment funds**

Foreign investment companies do not withhold and pay investment income tax to the German tax office. However, German custodian banks do withhold investment income tax on distributed earnings for investment funds that fully or partially distribute earnings.

If investment units are redeemed at a German custodian bank, the bank must also withhold and pay

investment income tax on the interim profit. When investment units purchased after 31 December 2008 are redeemed, investment income tax is also withheld for the gains on disposal of the investment units.

A German custodian bank must also withhold and pay investment income tax on the total income deemed to have accrued to the investor after 31 December 1993 that has not yet been subject to German investment income tax. If investment units have been held at one and the same German custodian bank without interruption since being acquired, the tax base for investment income tax consists only of the portion of the distribution-equivalent income accumulated during the holding period. The accumulated distribution-equivalent income is calculated by the investment company and published on each valuation date together with the redemption price.

## **3.4 EU Savings Tax Directive (German Interest Information Regulation)**

Certain interest and income equivalent to interest that is paid or credited to a natural person in another European country outside Germany who is subject to unlimited tax liability in Germany must be reported to the German revenue authorities by the foreign custodian bank or payment agent. Belgium, Luxembourg, Austria and included non-Member States deduct withholding tax instead of reporting such income. The investor receives a tax certificate indicating the amount of tax withheld. The withheld tax can be credited against German income tax, and a tax refund obtained for any tax withheld in excess of the income tax payable. The investor may avoid the deduction of taxes by authorising the custodian bank to make voluntary disclosures. This allows the bank to report the income to the German revenue authorities instead of deducting taxes.

German payment agents are required to forward information on such payments of interest and income equivalent to interest made to foreign natural persons via the German Federal Tax Office to the foreign revenue office at the person's place of residence. A report is made when investment units are redeemed or disposed of and the portion representing interest and income equivalent to interest exceeds 40 per cent of the redemption price.

Distributed interest and interest income is not reported to the revenue office at the person's place of residence if the fund holds no more than 15 per

cent of its investments in assets that generate interest and income equivalent to interest as defined in the German Interest Information Regulation. Please refer to the Annual Report to determine whether this applies to your investment fund.

#### **4. Legal notice**

This tax information is intended to provide an overview of the tax consequences of fund investments. It cannot take into account all of the tax issues that could arise in connection with the particular situation of an individual investor. We recommend that interested investors consult a tax advisor with respect to the tax consequences of the fund investment.

The tax information is based on the current legal situation. No guarantee is provided that this assessment of tax law will not change due to changes in legislation, court rulings or orders issued by the revenue authorities. Such changes can also be introduced retroactively and adversely affect the tax consequences described above.

## Tax treatment

Deka International S.A.		DekaLux-Deutschland TF (A)		
ISIN		LU0062624902		
		Personal assets	Business assets	
			not subj. to corp. inc. tax	subj to corp. inc. tax
<b>Distribution on 20 November 2008 <sup>1)</sup></b>		<b>EUR per unit</b>	<b>0.1100</b>	<b>0.1100</b>
InvStG § 5 para. 1 No. 1a	<b>Distribution in accordance with the German Investment Tax Act (InvStG)</b>	<b>EUR per unit</b>	<b>0.1100</b>	<b>0.1100</b>
InvStG § 5 para. 1 No. 1b	<b>Distributed earnings</b>	<b>EUR per unit</b>	<b>0.1100</b>	<b>0.1100</b>
InvStG § 5 para. 1 No. 2 in comb. with No. 1a and b	<b>Distribution-equivalent income</b>	<b>EUR per unit</b>	<b>0.0198</b>	<b>0.0198</b>
Interest and other income <sup>2)</sup>		EUR per unit	0.1298	0.1298
Half-income method dividends		EUR per unit	-.----	-.----
Foreign income exempt from tax under double taxation treaties		EUR per unit	-.----	-.----
Half-income method gains on disposals		EUR per unit	-.----	-.----
Other gains on disposals		EUR per unit	-.----	-.----
<b>Total earnings</b>		<b>EUR per unit</b>	<b>0.1298</b>	<b>0.1298</b>
of which: tax-exempt as personal assets, or exempt from corporate tax for corporations and other persons within the meaning of § 1 para. 1 KStG (§ 8b KStG)		EUR per unit	-.----	-.----
of which: subject to income tax according to the half-income method (§ 3 No. 40 EStG)		EUR per unit	-.----	-.----
of which: fully subject to income or corporate income tax		EUR per unit	0.1298	0.1298
of which: income exempt from tax under double taxation treaties		EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, aa	Distribution-equivalent income from previous years	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, bb	Tax-exempt gains on disposals of personal assets	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, cc	Tax-relevant proceeds of half-income method dividends on personal assets and business assets not subject to corporate income tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, dd	Tax-relevant dividend income received on business assets of corporations	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, ee	Taxable half-income method capital gains on business assets not subject to corporate income tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, ff	Tax-exempt gains on disposals of business assets of corporations	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, gg	Tax-exempt gains on disposals of subscription rights for bonus shares in personal assets	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, hh	Tax-exempt gains on disposals of property in personal assets	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, ii	Foreign income exempt from tax under double taxation treaties	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, jj	Foreign income with creditable withholding tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, kk	Foreign income with credit for notional withholding tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1c, ll	Income within the meaning of § 2 para. 2a of the InvStG	EUR per unit	-.----	0.0521
InvStG § 5 para. 1 No. 1d, aa	Assessment basis for investment income tax on interest and other income	EUR per unit	0.1298	0.1298
InvStG § 5 para. 1 No. 1d, bb	Domestic dividend component	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1e, aa	Creditable investment income tax on interest and other income (30 per cent) <sup>3)</sup>	EUR per unit	0.0389	0.0389
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0021	0.0021
InvStG § 5 para. 1 No. 1e, bb	Creditable investment income tax on half-income method dividends (20 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1f, aa	Creditable foreign withholding tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1f, bb	Deductible foreign withholding tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1f, cc	Creditable notional foreign withholding tax	EUR per unit	-.----	-.----
InvStG § 5 para. 1 No. 1g	Depreciation or depletion	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1h	Size of the corporate income tax reduction claimed by the income-distributing company (§ 37 para. 3 KStG)	EUR per unit	0.0000	0.0000
<b>Other information</b>				
<b>Repayment of capital</b>		<b>EUR per unit</b>	<b>-.----</b>	<b>-.----</b>
Non-deductible income-related expenses as set out in § 3 para. 3 No. 2 of the InvStG that are included in distributed earnings		EUR per unit	0.0135	0.0135
<b>Redemption price 30/09/2008</b>		<b>EUR per unit</b>	<b>68.77</b>	

<sup>1)</sup> Amount actually paid or credited to the investor.

<sup>2)</sup> Based on ongoing consultations with the German Federal Ministry of Finance, we have, where applicable, applied § 20 para. 2 sentence 1 No. 4 sentence 2 of the German Income Tax Act (EStG) in accordance with the introductory circular regarding the German Investment Tax Act (InvStG) issued on 2 June 2005 by the German Federal Ministry of Finance, taking into account portions of the German Federal Finance Court decisions of 20 November 2006 (VIII R 97/02) and 13 December 2006 (VIII R 06/05) with respect to specific issues in connection with the taxation of financial innovations.

<sup>3)</sup> The information provided does not take the individual investor's tax situation into consideration. If units are kept in a securities account and a non-assessment certificate from the revenue office or an exemption application is provided in timely fashion, then under certain conditions either no tax is withheld or, if applicable, some taxes already withheld may be re-refunded. Therefore, the information provided in the tax certificate determines the credits that an investor can apply in his tax return.

The distribution resolution was passed on 20 November 2008.

## Tax treatment

Deka International S.A.		DekaLux-Deutschland TF (T)		
ISIN		LU0265740307		
		Personal assets	Business assets	
			not subj. to corp. inc. tax	subj to corp. inc. tax
	<b>Distribution<sup>1)</sup></b>	<b>EUR per unit</b>	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1a	Distribution in accordance with the German Investment Tax Act (InvStG)	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1b	Distributed earnings	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 2 in comb. with No. 1a and b	Distribution-equivalent income	EUR per unit	<b>0.1729</b>	<b>0.1729</b>
	Interest and other income <sup>2)</sup>	EUR per unit	0.1729	0.1729
	Half-income method dividends	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Foreign income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Half-income method gains on disposals	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Other gains on disposals	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Total earnings	EUR per unit	<b>0.1729</b>	<b>0.1729</b>
	of which: tax-exempt as personal assets, or exempt from corporate tax for corporations and other persons within the meaning of § 1 para. 1 KStG (§ 8b KStG)	EUR per unit	-,-,-,-,-	-,-,-,-,-
	of which: subject to income tax according to the half-income method (§ 3 No. 40 EStG)	EUR per unit	-,-,-,-,-	-,-,-,-,-
	of which: fully subject to income or corporate income tax	EUR per unit	<b>0.1729</b>	<b>0.1729</b>
	of which: income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, aa	Distribution-equivalent income from previous years	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, bb	Tax-exempt gains on disposals of personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, cc	Tax-relevant proceeds of half-income method dividends on personal assets and business assets not subject to corporate income tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, dd	Tax-relevant dividend income received on business assets of corporations	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ee	Taxable half-income method capital gains on business assets not subject to corporate income tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ff	Tax-exempt gains on disposals of business assets of corporations	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, gg	Tax-exempt gains on disposals of subscription rights for bonus shares in personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, hh	Tax-exempt gains on disposals of property in personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ii	Foreign income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, jj	Foreign income with creditable withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, kk	Foreign income with credit for notional withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ll	Income within the meaning of § 2 para. 2a of the InvStG	EUR per unit	-,-,-,-,-	0.0706
InvStG § 5 para. 1 No. 1d, aa	Assessment basis for investment income tax on interest and other income	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1d, bb	Domestic dividend component	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1e, aa	Creditable investment income tax on interest and other income (30 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1e, bb	Creditable investment income tax on half-income method dividends (20 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1f, aa	Creditable foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1f, bb	Deductible foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1f, cc	Creditable notional foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1g	Depreciation or depletion	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1h	Size of the corporate income tax reduction claimed by the income-distributing company (§ 37 para. 3 KStG)	EUR per unit	0.0000	0.0000
<b>Other information</b>				
Repayment of capital		EUR per unit	-,-,-,-,-	-,-,-,-,-
<b>Redemption price 30/09/2008</b>		<b>EUR per unit</b>	<b>88.35</b>	

<sup>1)</sup> Amount actually paid or credited to the investor.

<sup>2)</sup> Based on ongoing consultations with the German Federal Ministry of Finance, we have, where applicable, applied § 20 para. 2 sentence 2 No. 1 sentence 4 of the German Income Tax Act (EStG) in accordance with the introductory circular regarding the German Investment Tax Act (InvStG) issued on 2 June 2005 by the German Federal Ministry of Finance, taking into account portions of the German Federal Finance Court decisions of 20 November 2006 (VIII R 97/02) and 13 December 2006 (VIII R 06/05) with respect to specific issues in connection with the taxation of financial innovations.

<sup>3)</sup> The information provided does not take the individual investor's tax situation into consideration. If units are kept in a securities account and a non-assessment certificate from the revenue office or an exemption application is provided in timely fashion, then under certain conditions either no tax is withheld or, if applicable, some taxes already withheld may be re-refunded. Therefore, the information provided in the tax certificate determines the credits that an investor can apply in his tax return.

## Tax treatment

Deka International S.A.		DekaLux-Deutschland F (T)		
ISIN		LU0341018926		
		Personal assets	Business assets	
			not subj. to corp. inc. tax	subj to corp. inc. tax
	<b>Distribution<sup>1)</sup></b>	<b>EUR per unit</b>	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1a	<b>Distribution in accordance with the German Investment Tax Act (InvStG)</b>	<b>EUR per unit</b>	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1b	<b>Distributed earnings</b>	<b>EUR per unit</b>	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 2 in comb. with No. 1a and b	<b>Distribution-equivalent income</b>	<b>EUR per unit</b>	<b>0.2638</b>	<b>0.2638</b>
	Interest and other income <sup>2)</sup>	EUR per unit	0.0318	0.0318
	Half-income method dividends	EUR per unit	0.2320	0.2320
	Foreign income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Half-income method gains on disposals	EUR per unit	-,-,-,-,-	-,-,-,-,-
	Other gains on disposals	EUR per unit	-,-,-,-,-	-,-,-,-,-
	<b>Total earnings</b>	<b>EUR per unit</b>	<b>0.2638</b>	<b>0.2638</b>
	of which: tax-exempt as personal assets, or exempt from corporate tax for corporations and other persons within the meaning of § 1 para. 1 KStG (§ 8b KStG)	EUR per unit	-,-,-,-,-	0.2320
	of which: subject to income tax according to the half-income method (§ 3 No. 40 EStG)	EUR per unit	0.2320	0.2320
	of which: fully subject to income or corporate income tax	EUR per unit	0.0318	0.0318
	of which: income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, aa	Distribution-equivalent income from previous years	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, bb	Tax-exempt gains on disposals of personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, cc	Tax-relevant proceeds of half-income method dividends on personal assets and business assets not subject to corporate income tax	EUR per unit	0.2320	0.2320
InvStG § 5 para. 1 No. 1c, dd	Tax-relevant dividend income received on business assets of corporations	EUR per unit	-,-,-,-,-	0.2320
InvStG § 5 para. 1 No. 1c, ee	Taxable half-income method capital gains on business assets not subject to corporate income tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ff	Tax-exempt gains on disposals of business assets of corporations	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, gg	Tax-exempt gains on disposals of subscription rights for bonus shares in personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, hh	Tax-exempt gains on disposals of property in personal assets	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ii	Foreign income exempt from tax under double taxation treaties	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, jj	Foreign income with creditable withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, kk	Foreign income with credit for notional withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1c, ll	Income within the meaning of § 2 para. 2a of the InvStG	EUR per unit	-,-,-,-,-	0.0133
InvStG § 5 para. 1 No. 1d, aa	Assessment basis for investment income tax on interest and other income	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1d, bb	Domestic dividend component	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1e, aa	Creditable investment income tax on interest and other income (30 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1e, bb	Creditable investment income tax on half-income method dividends (20 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
	Creditable solidarity surcharge on creditable investment income tax (5.5 per cent) <sup>3)</sup>	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1f, aa	Creditable foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1f, bb	Deductible foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1f, cc	Creditable notional foreign withholding tax	EUR per unit	-,-,-,-,-	-,-,-,-,-
InvStG § 5 para. 1 No. 1g	Depreciation or depletion	EUR per unit	0.0000	0.0000
InvStG § 5 para. 1 No. 1h	Size of the corporate income tax reduction claimed by the income-distributing company (§ 37 para. 3 KStG)	EUR per unit	0.0000	0.0000
	<b>Other information</b>			
	Repayment of capital	EUR per unit	-,-,-,-,-	-,-,-,-,-
	<b>Redemption price 30/09/2008</b>	<b>EUR per unit</b>	<b>83.22</b>	

<sup>1)</sup> Amount actually paid or credited to the investor.

<sup>2)</sup> Based on ongoing consultations with the German Federal Ministry of Finance, we have, where applicable, applied § 20 para. 2 sentence 2 No. 1 sentence 4 of the German Income Tax Act (EStG) in accordance with the introductory circular regarding the German Investment Tax Act (InvStG) issued on 2 June 2005 by the German Federal Ministry of Finance, taking into account portions of the German Federal Finance Court decisions of 20 November 2006 (VIII R 97/02) and 13 December 2006 (VIII R 06/05) with respect to specific issues in connection with the taxation of financial innovations.

<sup>3)</sup> The information provided does not take the individual investor's tax situation into consideration. If units are kept in a securities account and a non-assessment certificate from the revenue office or an exemption application is provided in timely fashion, then under certain conditions either no tax is withheld or, if applicable, some taxes already withheld may be re-refunded. Therefore, the information provided in the tax certificate determines the credits that an investor can apply in his tax return.

## The DekaBank securities account – Complete service for your investment funds –

Our DekaBank securities account allows you to hold a variety of investment funds of your choice in a single securities account, and requires only one exemption application. You have a wide range of stock, sector and bond funds offered by the DekaBank Group to choose from. Additional funds from selected well-known international partners are also available to expand this investment universe.

Besides allowing comfortable investment of payments under capital-building schemes, a DekaBank securities account can also accommodate the asset accumulation needs of any investor, regardless of income:

- The Deka-FondsSparplan, a savings plan which is tailored to an investor's individual needs and has a minimum investment of EUR 25, is suitable for the investor who would like to direct regular savings payments into investment funds. The assets accumulated in this way can be paid out in the future according to the investor's needs by using the Deka-Auszahlplan.

■ Two investment vehicles are available for systematic and flexible asset accumulation, and are particularly appropriate for personal old-age provision:

- Deka-BonusRente combines the advantages of a mutual fund with the government "Riester subsidy plan" to make up for pension shortfalls.
- DekaStruktur-VorsorgePlan can be individually designed by investors to provide a professionally structured investment vehicle to match their personal old-age provision goals. The Deka-Auszahlplan can also be used here to pay out accumulated capital in the future according to the investor's goals.

Our securities account service department allows you to submit orders in a number of different ways, including by telephone, or using our Internet website at [www.deka.de](http://www.deka.de).

Information on the DekaBank securities account and investment funds is available from our service hotline by calling (+3 52) 34 09 39.

# Your partners in the Sparkassen-Finanzgruppe.

## Management Company

Deka International S.A.  
5, rue des Labours  
1912 Luxembourg  
Luxembourg

### Equity capital as at 31 December 2007:

subscribed	EUR 10.4 million
paid	EUR 10.4 million
liable	EUR 62.6 million

**Management**  
Holger Hildebrandt  
Managing Director of  
Deka International S.A.,  
Luxembourg

Matthias Ewald  
Executive Member of the Supervisory  
Board of Deka International S.A.,  
Luxembourg

## Supervisory Board of the Management Company

**Chairman**  
Rainer Mach  
Executive Member of the Supervisory  
Board of DekaBank Deutsche  
Girozentrale Luxembourg S.A.,  
Luxembourg

**Deputy Chairman**  
Matthias Ewald  
Managing Director of Deka FundMaster  
Investmentgesellschaft mbH,  
Frankfurt am Main, Germany

**Member**  
Holger Knüppe  
Director of Equity Investments,  
DekaBank Deutsche Girozentrale,  
Frankfurt am Main,  
Germany

## Custodian Bank and Payment Agent

DekaBank Deutsche Girozentrale  
Luxembourg S.A.  
38, avenue John F. Kennedy  
1855 Luxembourg  
Luxembourg

### Equity capital as at 31 December 2007:

EUR 156.1 million

## Auditor for the Fund and Management Company

PricewaterhouseCoopers S.à r.l.  
400, route d'Esch  
1471 Luxembourg  
Luxembourg

## Payment and Information Agent in the Federal Republic of Germany

DekaBank  
Deutsche Girozentrale  
Mainzer Landstraße 16  
60325 Frankfurt am Main  
Germany

The information above is updated  
in the Annual and the Semi-Annual  
Reports.



**Deka International S.A.**

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