

Deutsche Mutual Fund

SCHEME INFORMATION DOCUMENT (SID)

DWS Dual Advantage Fund - Series 3 (DDAF - 3)

(A 12 - 36 Months Close ended Debt Fund) {The exact duration of the Scheme shall be decided at the time of launch of the Scheme}

The Objective of the Fund is to generate regular income by investing in fixed income securities / money market instruments usually maturing in line with the time profile of the fund.

Offer of units at face value of Rs. 10 per unit (subject to Applicable Load) during the New Fund Offer period.

New Fund Offer Opens : June -----, 2008

New Fund Offer Closes : June -----, 2008

Sponsors / Co-Sponsors

Deutsche Asset Management (Asia) Limited
One Raffles Quay, #17-00, South Tower,
Singapore 048583.

Deutsche India Holdings Private Limited
5th Floor, Nicholas Piramal Tower, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.

Asset Management Company

Deutsche Asset Management (India) Private Limited
2nd Floor, 222 Kodak House, Dr. D. N. Road, Fort, Mumbai 400 001.

Trustee Company

Deutsche Trustee Services (India) Private Limited
2nd Floor, 222 Kodak House, Dr. D. N. Road, Fort, Mumbai 400 001.

Website of the Entities

www.dws-india.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Deutsche Mutual Fund, Tax and Legal issues and **general information on www.dws-india.com**

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated _____, 2008.



Deutsche Asset Management
A Member of the Deutsche Bank Group



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Summary of the Scheme

Name of the	DWS Dual Advantage Fund - Series 3 (DDAF - 3)
Type	Close ended debt fund
Investment Objective	<p>The objective of the Scheme is to generate regular income by investing in fixed income securities / money market instruments usually maturing in line with the time profile of the fund.</p> <p>The investments would typically include securitised debt and equity linked debentures.</p> <p>There can be no assurance that the investment objective of the Scheme will be realized.</p>
Benchmark	CRISIL Composite Bond Fund Index
Options	Dividend (Payout) and Growth
Dividend Option	Under this Option dividend distribution out of income earned may be made. The Trustee reserves the right to declare dividend under the Scheme depending on the net distributable surplus available under the Option. It should, however, be noted that actual distribution of dividends and the frequency of distribution will depend, inter-alia, on the availability of distributable surplus and will be entirely at the discretion of the Trustees or any Committee authorised by them.
Growth Option	All Income earned and realized profit in respect of a unit issued under that will continue to remain invested until repurchase and shall be deemed to have remain invested in the option itself which will be reflected in the NAV.
Minimum Application Amount	<p>Minimum of Rs. 5,000 (Five Thousand) and in multiples of Re. 1/- thereafter.</p> <p>During the New Fund Offer period, unitholders of other Schemes of Deutsche Mutual Fund have an option to switch from other Schemes to this Scheme, however, the switch request should be accompanied with the Application Form.</p>
Minimum Redemption Amount	No redemptions are permitted till Maturity Date. Please refer para on Redemption of Units below.
Redemption of Units	<p>Investors will not be able to redeem their units during the tenor of the Scheme and there will be automatic redemption by the Fund on maturity of the Scheme. However the units held in dematerialized form can be traded on the Stock Exchange.</p> <p>Further, Investors holding units by way of account statement intending to get their units dematerialized may submit the Dematerialization Request Form (DRF) to their Depository Participant who in turn will forward the request to the AMC / Registrar. Thereafter the AMC / Registrar shall dematerialize the units of such investors. Necessary confirmation will be sent to the investor in this regard.</p> <p>The investors are urged to note that listing of the units of the fund does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained.</p>
New Fund Issue Expenses	The Scheme shall meet New Fund Issue Expenses from the Entry Load collected during the New Fund Offer.
Load	<p>Entry Load:</p> <p>The Fund may charge Entry Load upto 3%. The final Entry Load will be decided at the time of launch of the Scheme depending on the market conditions.</p>

Exit Load: Nil

No load on redemption on the maturity date.

No entry load shall be charged for direct applications for Subscriptions, Switch In received by the Asset Management Company during the New Fund Offer. Direct application would mean application received through internet, submitted to AMC or a collection / Investor Service Centre and not routed through any Distributor / Agent / Broker.

Investments by NRIs / FIIs	Investments by NRIs/ FIIs are allowed on a full repatriation basis subject to RBI approvals if any.
Transparency	<p>The NAV of the Scheme shall be announced on a Weekly basis on every Wednesday whereas the complete portfolio shall be published in 2 Newspapers on a half yearly basis.</p> <p>Since, the Scheme is proposed to be listed on Stock Exchange, the listed price would be available on Stock Exchange.</p>
Applicable NAV	<p>Purchase and Switch-in:</p> <p>Allowed only during the NFO period.</p> <p>Redemption and Switch-out :</p> <p>No redemptions are allowed till Maturity of the Scheme. The investors however can purchase / sale units of the Scheme on Stock Exchange at the traded price of units.</p>
Holding of Units	<p>The Unitholders in the Scheme are given an Option to hold the units by way of an Account Statement or in Dematerialized ('Demat') form.</p> <p>Investors opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form.</p> <p>The applicant intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant of NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP.</p> <p>In case investors do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.</p>
Transfer of Units	<p>Units held by way of an Account Statement cannot be transferred.</p> <p>Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p>Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account.</p> <p>The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.</p>
Duration of the Scheme	The Scheme will be for a duration of 12-36 months from the date of allotment. (The exact duration of the Scheme shall be decided at the time of launch of the Scheme) and the Scheme will be fully redeemed / wound up at the end of the period. However, the Scheme may be liquidated any time prior to the expiration, under

the following circumstances:

- On the happening of any event which, in the opinion of the Board, requires the Scheme to be wound up.
- If seventy five per cent of the Unitholders pass a resolution that the Scheme be wound up.
- If SEBI so directs in the interest of the Unit holders.

I. Introduction

A. RISK FACTORS

Standard Risk Factors

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs 1 lakh made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

Specific Risk Factors

Risk Factors associated with Fixed Income Instruments:

- Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). Debt securities may also be subject to price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity (market risk). While it is the intent of the Investment Manager to invest primarily in highly rated debt securities, the Schemes may from time to time invest in higher yielding, lower rated securities. This would enhance the degree of risk.
- Lower rated or unrated securities are more likely to react to developments affecting the market and the credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated securities also tend to be more sensitive to economic conditions than higher rated securities. The Investment Manager will consider both credit risk and market risk in making investment decisions.
- Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically and are likely to respond to changes in interest rates to a greater degree than other coupon bearing securities having similar maturities and credit quality.
- The credit risk factors pertaining to lower rated securities also apply to lower rated zero coupon or deferred interest bonds. Such bonds carry an additional risk in that, unlike bonds that pay interest throughout the period to maturity, the Schemes would not realise any cash until interest payment on the bonds commence and if the issuer defaults, the Schemes may not obtain any return on its investment.

- The Schemes have the power to invest in securities which are not quoted on a stock exchange ("unlisted securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Schemes will realise its investments in unlisted securities at a fair value.
- Different types of securities in which the scheme would invest as given in the offer document carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
- Subject to the stated investment objectives, the Scheme propose to invest in debt and debt related instruments, as may be permitted by SEBI, from time to time. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme(s) to make intended securities' purchases due to settlement problems could cause the Scheme(s) to miss certain investment opportunities. The length of time for settlement may affect the Scheme in the event the Scheme has to meet an in ordinarily large number of redemption requests. The Scheme will retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon.
- The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment.
- Funds investing in Government Securities may involve some risks, which can have adverse effect on portfolio returns and holdings. Such risks may include government involvement in private sectors certain local tax laws considerations, international and regional political and economic developments, possible imposition of exchange controls or other local governmental laws or restriction, the increase risk of adverse effects from deflation and inflation, and the possibility of limited legal recourse for the fund.
- Credit Risk: A fundamental risk relating to all fixed income securities, is a chance that an issuer will fail to make a principal and interest payment when due. Issuers with higher credit risks typically offer higher yields for this added risk. Conversely, issuers with lower credit risk offer lower credit yields. Generally government securities are considered to be the safest in terms of the credit risk. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on a firms credit quality and security values.
- Prepayment Risk: Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such prepayment risk may force the fund to reinvest the proceeds of such investments in securities offering lower yields, there by reducing the fund's interest income.
- Interest Rate Risk: As with all debt securities, changes in interest rates may affect the Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the

NAV.

- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Plans are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Settlement Risk:** The inability of the Plan to make intended securities purchases due to settlement problems could cause the Plan to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Plan's portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses to the Plan, in case of a subsequent decline in the value of securities held in the Plan's portfolio.
- **Regulatory Risk:** Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Scheme.
- The value of the Scheme's investments may be affected generally by factors affecting capital markets, such as interest rates, currency exchange rates, foreign investment, changes in governmental policy, taxation and political, economic or other developments. Consequently, the net asset value of the Scheme may fluctuate and the value of the Scheme's Units may go down as well as up. Past performance of the sponsors is not necessarily indicative of future performance of the Scheme.
- Listing of the units of the fund does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. Consequently, the Fund may quote below its face value / NAV.

Risks associated with investment in Securitised Instruments:

Generally available Asset Classes for Securitisation in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans / receivables

Underlying Risk: Each asset class has a different underlying risk, however, residential mortgages are supposed to be having lower default rates. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes.

The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantee to bring risk limits in line with the other AAA rated securities. Please note that predominantly the scheme intends to invest in only AAA rated securitised debt.

Some of the factors, which are typically analyzed for any pool are as follows:

Nature & Size of the loan: generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries.

Average original maturity of the pool: indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity.

Borrowers Contribution vis a vis Loan: Indicates how much % value of the asset is financed by borrower's own equity. The higher the contribution of the borrower the better it is. This Ratio stems from the principle that where the borrowers own contribution of the asset

cost is high, the chances of default are lower.

Repayment Discipline of the pool: indicates whether borrowers have already displayed repayment discipline.

Default rate distribution: Indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

Internationally, the quality of credit ratings is measured by default rates and stability. In the Indian scenario, more than 95% of issuances have been AAA rated issuances indicating the strength of the underlying assets as well as adequacy of credit enhancement.

Investment exposure of the Fund with reference to Securitised Debt:

The Fund will predominantly invest only in those securitisation issuances which have AAA rating indicating the highest level of safety from credit risk point of view at the time of making an investment.

The Fund will not invest in foreign securitised debt.

The Fund may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation / Collateralized Bond Obligation and so on.

The Fund does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the AAA rating of the offering.

Risk Factors specific to investments in Securitised and Structured Instruments:

Types of Securitised Debt vary and carry different levels and types of risks. Credit Risk on Securitised Bonds depends upon the Originator and varies depending on whether they are issued with Recourse to Originator or otherwise.

Even within securitised debt, AAA rated securitised debt offers lesser risk of default than AA rated securitised debt. A structure with Recourse will have a lower Credit Risk than a structure without Recourse.

Underlying assets in Securitised Debt may assume different forms and the general types of receivables include Auto Finance, Credit Cards, Home Loans or any such receipts, Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement/ mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loans, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holder of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches and may differ depending upon the interest rate movement and speed of prepayment etc. The change in market interest rates - prepayments may not change the absolute amount of receivables for the investors, but may have an impact on the re-investment of the periodic cash flows that the investor receives in the securitised paper.

Limited Liquidity & Price Risk

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse, Delinquency and Credit Risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables

and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset.

However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments:

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances;

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same

In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor's Agent

If Investor's agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Credit Rating of the Transaction / Certificate

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The Servicers normally deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally

taken to ensure that the Servicer enjoys highest credit rating on stand alone basis to minimize Co-mingling risk.

Risk factors associated with Trading in Derivatives:

While Interest Rate Derivatives are powerful new tools, the investor should understand instrument and its risk-return profile. The Derivatives unlike plain cash market instrument, requires greater expertise and it could cause damage if used without proper analysis. It driven by the demand & supply of money, monetary & credit policy viz. Bank rate, Repo rate etc., exchange rate policy, inflation, economic growth & investment avenues etc. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Even a small price movement in the underlying security could have a large impact on their value.

SEBI vide its circular no. MFD/CIR/011/061/2000 dated February 1, 2000 has permitted all the mutual funds to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the mutual funds may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest.

The Fund may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Accordingly the Fund may use derivative instruments like Interest Rate Swaps/Futures, Forward Rate Agreements, or other derivative instruments for the purpose of hedging and portfolio balancing or for its efficient management, as permitted under the Regulations and guidelines.

As and when the Scheme(s) trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

- Since derivatives would be used as risk management tool, upto 50% of the Scheme's net assets in the debt component of the portfolio may be utilised for derivatives trading.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached there with.

i) Interest Rate Swaps and Forward Rate Agreements Benefits

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains

in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

Illustration

The following are illustrations how derivatives work:

Basic Structure of an Interest Rate Swap

Say Notional Amount	: Rs. 5 crores
Benchmark	: NSE MIBOR
Tenor	: 91 days
Documentation	: International Swaps & Derivatives Association (ISDA).
Fixed Rate	: 6.25% At the end of 91 days
The Scheme Pays	: compounded call rates for 91 days, which averages to say 5.90%
The Scheme receives	: Fixed rate at 6.25% for 91 days.

At the end of 91 days the transaction will be settled as under:-

The Scheme receives Fixed rate @ 6.25% for 91 days	Rs. 7,79,110
The Scheme pays floating rate @ 5.90% for 91 days amounting to	Rs. 7,35,479
Net Receivable / Settlement Value	Rs. 43,631

Please note that the above example is hypothetical in nature and the figures are assumed.

Thus the trade off for the Fund will be the difference in call rate and the fixed rate payment and this can vary with the call rates in the market. Please note that the above example is given for illustration purposes only and the actual returns may vary depending on the terms of swap and market conditions.

Risk factors associated with Equity Index Linked Debentures:

- The Index Linked Debentures, even after being listed, may not be marketable or may not have a market at all;
- The returns on the Debentures, primarily linked to the S&P CNX Nifty Index as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures (including the amount if any, payable on maturity, redemption, sale or disposition of the Debentures) the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture-holder may have expected, or obtained by investing elsewhere or in similar investments.
- There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such Index Linked Debentures over the life and/or part thereof or upon maturity, of the Debentures.
- At any time during the life of such Debentures, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Company goes down;
- The Issuer of index linked debentures or any person acting on behalf of "The Issuer of index linked debentures", may have an interest/position as regards the Mutual Fund / Investment Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind,
- The Issuer of index linked debentures or any of its Agents, have the legal ability to invest in the units Offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the unit -holder, and/or its assets;
- The Issuer of index linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar

instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the Debentures, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of "The Issuer of index linked debentures" or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the Debentures. In particular, the value of the Debentures could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inaction of "The Issuer of index linked debentures" or any of its Agents;

- The issuer of the NCDs may not make any representation or warranty, express or implied to the subscribers of the NCDs regarding the advisability of investing in such instruments or the ability of the S&P CNX Nifty to track general stock market performance in India. The issuer of the NCDs does not guarantee the accuracy and/or the completeness of the S&P CNX Nifty or any data included therein.
- The issuers of ELDs may or may not hedge their investments. Usage of hedging techniques depends upon Prevailing Market Scenario, vision of the fund manager, quality of investments etc. Therefore, it cannot be stated with certainty about the usage of hedging techniques
- In the event of any discretion to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture-holder, and no liability there for will attach to the issuer;
- Listing of the NCDs does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the NCDs will develop or be maintained. Consequently, the NCDs may quote below its face value.
- Currently, these instruments are denominated in INR and all the payouts post issuance are also Rupee Denominated. The AMC does not intend to invest in debentures linked to Overseas Indices or non Rupee Denominated Securities.
- It is possible that the normal methods of computation adopted in relation to the NCDs may have to be modified or even alternative methods could be adopted due to any disruptions in any of the financial markets or on account of any other reason. In such cases the issuer of the NCDs may include the use of estimates and approximations. All such computations shall be valid and binding on the holders of NCDs and no liability therefore will attach to the issuer of Equity Index Linked Debentures.
- The Investments in NCDs are subject to credit risk of the issuer of the NCDs either due to default or their inability to make timely payments of principal and interest. The portfolio valuation may also be affected accordingly and in case the issuer of the NCD defaults, the Investor may fail to receive the principal amount.
- Investment in NCDs may also result in a loss meaning that the Portfolio Manager as a holder of the NCDs may lose some or all of its investments especially where changes in the value of transactions may be accentuated by leverage. Even where the NCDs are principal protected there is a risk that any failure by a counter party to perform obligations when due may result in the Loss of all or part of your investment.
- Performance of the Reference Index will have a direct bearing on the performance of the Scheme. In the event the Reference Index is dissolved or withdrawn by the Index Provider, such as, India Index Services and Products Ltd. (IISL) (for NSE- Nifty), BSE for BSE-Sensex etc., the Debenture-Trustees may modify the terms of issue of debentures, so as to track a different and suitable index and appropriate intimation will be sent to the debenture holders.
- Tracking errors are inherent in any index linked security and such errors may cause the Index-Linked debenture to generate returns which are not in line with the performance of the Reference Index or one or more securities covered by / included in the Reference Index. Such variations, referred to as tracking error,

are expected to be around 2% per annum, but may vary substantially due to several factors including but not limited to: Any delay experienced in the purchase or sale of securities due to liquidity of the market, settlement and realisation of sales proceeds and the registration of any security transfer and any delays in receiving cash and scrip dividends and resulting delays in reinvesting them.

The Reference Index reflects the prices of securities at close of business hours.

The Index Provider undertakes a periodic review of the scrips that comprise the Reference Index and may either drop or include new securities.

Special Considerations

- Investment decisions made by the AMC may not always be profitable.
- From time to time, the affiliates / associates of the Sponsors may invest either directly or indirectly in the Scheme. These affiliates/associates may acquire a substantial portion of the Scheme's Units and collectively constitute a majority investor in the Scheme. Accordingly, redemption of Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption's and may impact the ability of other Unit Holders to redeem their respective Units.
- As liquidity of the Schemes' investments could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Schemes' portfolio. In view of this, the Trustee has the right, in its sole discretion to limit redemptions (including suspending redemption) under certain circumstances, as described under the section titled "Right to Limit Redemptions".
- In case the Schemes utilizes any derivatives, under the SEBI Regulations, the Schemes may, in certain situations, be exposed to price risks.
- It is compulsory for mutual funds to dematerialise their holdings in certain notified securities / companies.
- Certain focus areas are already enjoying favourable tax treatment by Government of India. Other focus areas the Schemes may also receive favourable tax treatment. If these tax benefits are removed or amended, it is possible that the changes may have a material adverse impact on the companies' revenue and earnings.
- The Schemes may be narrowly focused among sectors and therefore, changes in a particular industry can have substantial impact on the Schemes NAV.
- As the liquidity of the Scheme's investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Scheme's portfolio. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances.
- Neither this Offer Document nor the units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Offer Document in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Offer Document or any accompanying application form in such jurisdiction may treat this Offer Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements.
- Investment decisions made by the Investment Manager may

not always be profitable.

- Currently, these instruments are denominated in INR and all the payouts post issuance are also Rupee Denominated. The AMC does not intend to invest in debentures linked to Overseas Indices or non Rupee Denominated Securities.

Investors are urged to study the terms of the offer carefully before investing in the Scheme, and to retain this Offer Document for future reference.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with, immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the applications to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 6 weeks of the date of closure of the New Fund Offer.

C. DEFINITIONS

In this Offer Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

AMC or Asset Management Company or Investment Manager or DeAM India	Deutsche Asset Management (India) Private Limited, incorporated under the provisions of the Companies Act, 1956, and approved by SEBI to act as Investment Manager for the Scheme(s) of Deutsche Mutual Fund.
Applicable NAV	The Net Asset Value applicable for purchases / redemptions / switches, based on the Business Day and relevant cut-off times on which the application is accepted at an Investor Service Centre.
Business Day	A day other than (1) Saturday and Sunday or (2) a day on which The Stock Exchange, Mumbai or National Stock Exchange of India Limited or Reserve Bank of India or banks in Mumbai are closed or (3) the day on which the money markets are closed / not accessible or (4) a day on which there is no RBI clearing / settlement of securities or (5) a day on which the sale and/or redemption of Units is suspended by the Trustees / AMC or (6) a book closure period as may be announced by the Trustees / AMC or (7) a day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time. Provided that the days when the banks in any location where the AMC's Investor Service Centres are located, are closed due to a local holiday, such days will be treated as non Business Days at such Centres for the purposes of accepting fresh Subscriptions / Redemptions. However, if the Investor Service Centre in such locations are open on such local holidays, then redemption and switch requests will be accepted at those Centres, provided it is a Business Day for the Scheme on an overall basis. Notwithstanding the above, the AMC may declare any day as a Business Day by giving adequate notice to investors.
CDSC	Contingent Deferred Sales Charge permitted

	under the Regulations to be borne by the Unit Holder upon exiting (whether by way of redemption or Inter-scheme switching) based on the amount of investment (if applicable) and period of holding of Units.		
Custodian	JP Morgan Chase Bank, Mumbai, registered under the SEBI (Custodian of Securities) Regulations, 1996, currently acting as Custodian to the Scheme(s), or any other custodian approved by the Trustees.	NRI	Non-Resident Indian or a person of Indian origin resident outside India.
DDs	Demand Drafts	Offer Document	This document issued by Deutsche Mutual Fund, offering Units of DWS Dual Advantage Fund - Series 3 for subscription.
DeAM Asia or Settlor	Deutsche Asset Management (Asia) Limited	Permitted Foreign Debt Securities	Foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with highest rating (foreign currency credit rating) by accredited/registered credit rating agencies, government securities where the countries are AAA rated, overseas mutual funds or unit trusts which invest in the aforesaid securities or are rated as mentioned above and are registered with overseas regulators.
DIHPL	Deutsche India Holdings Private Limited	RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.
DeAM Asia and DIHPL	Shall be referred to as Sponsors or Co-Sponsors	Redemption Load / Exit Load	A charge paid by the investor when Units are redeemed (sold back to the Mutual Fund). This load may be used in whole or in part by the Asset Management Company in providing distribution related services to the Mutual Fund relating to the sales, promotion and marketing of Units of the Scheme, including payments for services in connection with the distribution of Units.
DDAF - 3	DWS Dual Advantage Fund - Series 3	Registrar	Karvy Computershare Private Ltd. (KARVY), registered under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as Registrar to the Scheme(s) or any other registrar appointed by the AMC from time to time.
Depository	Depository as defined in the Depositories Act, 1996	Repo / Reverse Repo	Sale / purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase / resell them at a later date.
Designated Centres	Such centres including collecting bank branches as may be designated by the AMC for subscriptions in the Scheme(s).	Repurchase / Redemption	Repurchase / redemption of Units of the relevant Scheme(s).
Distributor	Such persons / firms / companies / corporates as may be appointed by the AMC to distribute / sell / market the Scheme(s) of the Fund.	Sale / Subscription	Sale / Subscription of Units of the relevant Scheme(s)
Dividend	Income distributed by a Scheme on the Units, where applicable.	Sales Load	A one time charge that the investor pays at the time of entry into the Scheme. This load is used in whole or in part by the Asset Management Company in providing distribution related services to the Mutual Fund relating to the sales, promotion and marketing of Units of the Scheme, including payments for services in connection with the distribution of Units.
DTAA	Double Taxation Avoidance Agreement	Scheme	DWS Dual Advantage Fund - Series 3 (including, as the context permits, either the Plans / Options) collectively referred to as the Scheme and individually, as the context permits, as the Scheme.
ETF	Exchange Traded Funds	SEBI	Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992, as amended from time to time.
FCNR	Foreign Currency Non-Resident Accounts	SEBI MF Regulations 1996 or Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI, the Government of India or RBI.
FII	Foreign Institutional Investors, registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.	Switch	Sale of a Unit in one Scheme / Plan / Option against purchase of a Unit in another Scheme / Plan / Option.
Fund or Mutual Fund	Deutsche Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 vide Registration No. MF/047/02/10 dated 28th October, 2002.	Switchover Fee	A charge incurred to switch from one scheme to another within the same mutual fund family or to switch from one Investment Plan (i.e. Unit Class) to another within the same Scheme.
New Fund Offer Period	The dates on or the period during which the initial subscription to Units of the Scheme can be made subject to an extension, if any.	The Act	The Income Tax Act, 1961
New Fund Offer or New Fund Issue or NFO	Offer for purchase of Units of the Scheme - DWS Dual Advantage Fund - Series 3.	Trust Deed	The Trust Deed dated May 29, 2002 made by and between the Sponsor and the Trustee
Investment Management Agreement or IMA	The Agreement dated May 29, 2002 entered into between the Trustees of Deutsche Mutual Fund and Deutsche Asset Management (India) Private Limited as amended from time to time.		
Investor of record	An investor of record for the purpose of dividend distributions is an investor who is a Unitholder as of the date dividend is declared. In order to be a Unitholder an investor has to be allocated Units against clear funds.		
Investor Service Centres or ISC	Such offices as are designated as Investor Service Centres by the AMC from time to time.		
Local Cheque	A cheque handled locally and drawn on any bank which is a member of the Banker's Clearing House located at the place where the Application Form is submitted.		
NAV	Net Asset Value of the Units of the Scheme / Plans (including Options if any, therein) calculated in the manner provided in this Offer Document or as may be prescribed by the Regulations from time to time.		
NRE Account	Non-Resident External Accounts		

establishing Deutsche Mutual Fund, as amended from time to time.

Trust Fund	Amounts settled / contributed by the Settlor towards the corpus of the Deutsche Mutual Fund and additions / accretions thereto.
Trustees	Deutsche Trustee Services (India) Pvt. Limited, the trustees of Deutsche Mutual Fund and approved by SEBI to act as the Trustees of the Scheme(s) of the Fund.
Unit	The interest of an investor which consists of one undivided share in the net assets of the relevant Scheme(s).
Unitholder or Investor	A holder of Units in any one or more Scheme(s) of Deutsche Mutual Fund offered under this Offer Document.

The word Sponsor wherever appearing shall be read as Sponsors.

Interpretation

For all purposes of this Offer Document, except as otherwise expressly provided or unless the context otherwise requires:

- The terms defined in this Offer Document include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.

All references to "US\$" refer to United States Dollars and "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

D. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Sd/-
Hemanti Wadhwa
Compliance Officer & Company Secretary

Place: Mumbai
Date: June 18, 2008

Note:
The Due Diligence Certificate as stated above was submitted to SEBI on June 25, 2008.

II. Information About The Scheme

A. TYPE OF THE SCHEME

Close ended Debt Scheme

B. INVESTMENT OBJECTIVE

The objective of the Scheme is to generate regular income by investing in fixed income securities / money market instruments usually maturing in line with the time profile of the fund.

There can be no assurance that the investment objective of the Scheme will be realized.

C. ASSET ALLOCATION

Under normal circumstances, the asset allocation of the Scheme will be as under: -

Instruments	Indicative Allocations (% of total assets)		Risk Profile [§]
	Maximum	Minimum	
Domestic Debt Instruments including Government Securities & Money Market Instruments and Securitized Debt* including cash and cash equivalents	100%	100%	Low to Medium

* Investment in Securitized Debt and Equity Linked Debentures would be up to a maximum of 100% of the net assets.

The Scheme may invest in privately placed Equity Linked Debentures with Equity Shares / basket of Equity Shares or Equity Indices, as the underlying subject to the regulatory limits prescribed in this regard from time to time.

The scheme may also hold cash from time to time. The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time.

The Scheme will not engage in scrip lending. The Scheme will not invest in foreign securities and foreign securitized debt

The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, and the exposure to derivatives shall be restricted to 50% of the net assets of the scheme.

[§] Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.

D. SCHEME'S INVESTMENTS

DDAF - 3 will invest in debt and money market instruments. The Scheme retains the flexibility to invest across all the securities in the debt and money markets. From time to time the Scheme may also hold cash.

Debt securities and Money Market Instruments will include but will not be limited to:-

- Securities created and issued by the Central and State Governments and / or repos / reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central / State Government guarantee
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Scrips, etc.
- Obligations of banks (both public and private sector) and development financial institutions

- Equity Linked Debentures
- Securitised Debt obligations
- Non-convertible part of convertible debentures
- Money market instruments as permitted by SEBI / RBI, call money market or in alternative investments for the call money market as may be provided by RBI to meet the liquidity requirements and as defined under The SEBI (Mutual Funds) Regulations, 1996.
- Certificate of Deposits (CDs)
- Commercial Paper (CPs), Usance Bills
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables
- Domestic fixed income securities including Structured Obligations
- International fixed income securities subject to maximum amount permitted from time to time
- Derivative instruments like Exchange Traded Interest Rate Futures, Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments as permitted by SEBI/ RBI
- Any other like instruments as may be permitted by RBI / SEBI / such other Regulatory Authority from time to time.

The Scheme could invest in Fixed/Floating rate Securities issued by government, quasi government entities, corporate issuers, structured notes and multilateral agencies. The securities mentioned above could be listed or unlisted, privately placed, secured or unsecured, rated or un-rated and of any maturity, as enabled under SEBI Regulations/circulars/ RBI. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may invest the funds of the Scheme in short-term deposits of scheduled commercial banks pending deployment. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

The above is only indicative and the Board of Trustees reserves the right to change the above pattern in the interest of the investors depending on the market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. No prior intimation/ indication would be given to investors when the composition of various securities is changed within the asset allocations pattern. The Scheme may review the above pattern of investments based on views of the markets and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objective of the Scheme. Investors may note that securities that provide higher returns typically display higher volatility. The Scheme could invest in Fixed/ Floating rate Securities issued by government, quasi government entities, corporate issuers, structured notes and multilateral agencies. The Scheme may invest the funds of the Scheme in short-term deposits of scheduled commercial banks pending deployment. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

The Scheme may invest in other debt Schemes managed by the AMC or in the debt Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of Deutsche Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset value of the Deutsche Mutual Fund.

For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations and with the requisite approval of the Board of the AMC / Trustee.

Securitisation - Concept

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (e.g., promissory notes, pass through certificates or other debt instruments) to investors, such instruments evidencing the beneficial ownership of the investors in the Receivables. The financial instruments are rated by an independent credit rating agency. An Investor's Agent is normally appointed for providing trusteeship services for the transaction.

On the recommendation of the credit rating agency, additional credit support (Credit Enhancement) may be provided in order that the instrument may receive the desired level of rating. Typically the servicing of the Receivables is continued by the seller in the capacity of the Servicer. Cash flows, as and when they are received, are passed onto the investors.

Features of securitisation transactions include:

- Absolute true sale of assets to an SPV (with defined purposes and activities) in trust for the investors;
- Reliance by the investors on the performance of the assets for repayment - rather than the credit of the Originator (the seller) or the Issuer (the SPV);
- Consequent to the above, "Bankruptcy Remoteness" from the Originator;
- Support for timely payments, inter-alia, in the form of suitable credit enhancements, if required;
- Securitised debt paper usually achieves a high investment grade credit rating;
- There is a diversification of economic risks as credit risk is spread over a diversified group of obligors.

Generally available Asset Classes for securitisation in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans / receivables

The fund may invest in various type of securitisation issuances as contained in the above table, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation/Collateralized Bond Obligation and so on.

Investments in Equity Linked Debentures (ELDs)

Equity Linked Debentures are Non Convertible Debentures where the Coupon is linked to movement of any specific Equity Index (such as S & P CNX Nifty) or select equity shares or basket of shares.

Key Features of a typical Equity Linked Debentures (ELDs):

1. The ELDs can be either principal protected or unprotected instruments. However it is the intention of the Fund Management Team to invest in Principal Protected ELDs.
2. Generally, the tenor is for a 3 - 5 year period.
3. The coupon of the instruments is linked to the underlying index.
4. The coupon rate is not fixed and it could be zero in case the underlying index gives negative returns during the tenor of the debentures. In such a case the debenture will be redeemed at

the face value.

5. Calculation methodology for coupon rate differs from issuer to issuer.

An indicative illustration of one of the calculation methodology is given below :

Assumptions:

1. Issuer : ABC Finance Ltd
2. Rating of the debentures issued : AAA (r)
3. Listing : Listed on NSE
4. Tenor : 3 years
5. Coupon : linked to Nifty (pls refer below for calculations)
6. Issue Price : Rs 100
7. Maturity Value : Rs 100 + (100*Participation Factor*coupon rate)
8. Participation factor : 105
9. Coupon Rate = Max (0%, Nifty Return)
10. Scheme Return = Participation factor * Coupon Rate
11. Nifty at start level : 5000
12. Nifty at the end of 3 years : 9500

Computation of Nifty Return :

Step I

$\text{Nifty Return} = (\text{Nifty at the end of the period} - \text{Nifty at the start level}) /$

$\text{Nifty at the start level} * 100$

$\text{Nifty Return} = (9500 - 5000) / 5000 * 100 = 90\%$

Step II

$\text{Coupon Rate} = \text{Max} (0\%, \text{Nifty Return})$

$= \text{Max} (0\%, 90\%) = 90\%$

Step III

$\text{Scheme Return} = \text{Participation Factor} * \text{Coupon Rate}$

$\text{Scheme Return} = 90\% * 105 = 94.5$

In case Nifty Return as calculated in Step I is negative, the debenture holder will get back his initial investment of Rs 100 without any return.

The above example is only for illustration purpose and should not be construed as a guaranteed profile of returns on Equity Index Linked Debentures.

For specific risk factors associated with investment in these securities and special considerations, refer page no. 7 & 8 of SID.

E. INVESTMENT STRATEGY

The fund management team will endeavour to meet the investment objective while maintaining a balance between safety and return on investments. Under normal market conditions, the Scheme will be managed so as to maintain a rupee weighted average portfolio maturity of the Scheme approximately equal to its maturity. Investments in debt instruments carry various risks like interest rate risk, currency risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. This innovation on issuance, trading, settlement and risk management side will considerably enhance the depth and the width of the Indian debt markets and bring it at par with developed markets. Investment strategy for securitised debt The Fund will predominantly invest only in those securitization issuances, which have AAA/AA rating indicating the highest level of safety from credit risk point of view at the time of

making an investment. The fund does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the rating of the offering. The fund will conduct an independent due diligence on the cash margins, collateralisation, guarantees and other credit enhancements and the portfolio characteristic of the securitisation to ensure that the issuance fits in to the overall objective of the investment in high investment grade offerings irrespective of underlying asset class.

Risk Control

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns.

The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous and in-depth credit evaluation of the securities proposed to be invested in, will be carried out by the investment team of the AMC. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided but not limited by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Duff and Phelps Credit Rating India Limited or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, necessary clearance of the Investment Review Committee / Board as per requirements of Regulations / Guidelines / Circulars will be obtained for such an investment.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The Scheme may invest in other debt Schemes managed by the AMC or in the debt Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of Deutsche Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset value of the Deutsche Mutual Fund.

For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations and with the requisite approval of the Board of the AMC/Trustee.

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of a Scheme

- Open ended / Close ended / Interval Scheme
- Sectoral Fund / Equity Fund/Balance Fund / Income Fund / Index Fund / Any other type of Fund

(ii) Investment Objective

- Main Objective - Growth / Income / Both.
- Investment pattern - The tentative Equity/Debt/Money Market portfolio break-up with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations.

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption.
- Aggregate fees and expenses charged to the Scheme.
- Any safety net or guarantee provided.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

G. BENCHMARK

CRISIL Composite Bond Fund Index shall be the benchmark for the Scheme.

The CRISIL Composite Bond Fund Index tracks the performance of the constituents like the Call Index, the CP Index, the AAA Index, AA Index and the Gilt Fund Index to arrive at the index figure. The Scheme intends to invest in most of these instruments. Therefore, in our opinion, Crisil Composite Bond Fund Index is a convenient, appropriate and easily available tool for analysis and capture of market movements and for determining the corresponding effect on a portfolio consisting of the above-mentioned instruments.

Among other things, the Board of AMC and Trustee will review the performance of the Scheme in comparison to the benchmark. The Trustees reserve the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the Investment objectives and appropriateness of the benchmark subject to SEBI Regulations, and other prevailing guidelines, if any

H. FUND MANAGERS

Dwijendra Srivastava	Qualification :
35 Years	B.Tech, PGDM (Finance)
	Experience:
	Over 7 years of experience in financial markets and an over all work experience of 10 years
	Worked as a Fund Manager in JM Financial Asset Management Co. Pvt. Ltd from May 2006 to July 2007.
	Prior to this worked as dealer for Gilt oriented Schemes with Tata Asset Management Company Private Limited and with companies like Tower Capital and Securities Ltd., Indo Swiss Financial S/W Co. Pvt. Ltd. etc
Suresh Soni	Qualification :
37 Years Chief Investment Officer	B. Sc., ACA, Grad CWA
	He heads the Fund Management department of Mutual Fund and Investment Management function of Portfolio Management Services (PMS) business of the Asset Management Company.
	Experience:
	Mr. Suresh Soni, who is a Chartered Accountant and Cost Accountant, has around 14 years of experience in the Mutual Fund Industry. He started his career with SBI Mutual Fund in 1993

where he was involved in research and fund Management. He later managed Fixed Income funds for around 4 years (Aug. - 1996 - Mar. - 2000) with Sundaram Newton AMC Ltd. Prior to joining Deutsche Asset Management, he was Vice-President and Fund Manager-fixed Income at Pioneer ITI AMC Ltd. From April-2000 to Sept-2002. He was responsible for managing 8 Fixed Income Schemes including liquid schemes with approximately Rs. 3,500 crores of Assets under Management. Funds Managed by Mr. Suresh Soni have won several awards for performance during the last 5 years. Mr. Soni has also managed equity schemes in the past.

Achievements:

- The Bond Funds managed by Mr. Suresh Soni have won awards for their performance.
- Mr. Suresh Soni won prestigious Debt Fund Manager of the year award by Business Standard in the year 2005.
- Pioneer ITI Monthly Income Plan (MIP) won the best MIP award for the year in January 2002.
- Templeton India Treasury Management Account (formerly Kothari Pioneer Treasury Management Account) won the Best Fund Award for one year performance in January 2002 (CRISIL).
- Sundaram Bond Saver fund won the best debt fund of the year award for period April 99 to March 2000 by Economic Times / Standard & Poor.
- Mr Suresh Soni has been voted as one of the Most Astute Local Currency Bond Investor - India in the Asset Benchmark Survey in October 2007
- DWS Money Plus Fund - Institutional Plan won "ICRA Mutual Fund - Gold Award" for best performance in the Liquid Plus category of funds for one year period ended on December 31, 2007 Deutsche AMC won the "ICRA Mutual Fund Gold" (Top 10) award in the Open Ended Liquid Fund - Institutional Plan category for 1 year performance for the period ended December 31, 2006 DWS Money Plus Fund - Institutional Plan won the "ICRA Mutual Fund Gold Award" for best performance in the Liquid Plus category of funds for one year period ended December 31, 2007
- DWS Money Plus Fund - Institutional Plan won the ICRA Mutual Fund (Top 10) Award in the Open Ended Liquid Fund category for 1 year performance for the period ended December 31, 2006
- DWS Premier Bond Fund has won the ICRA - Silver Award in the category of Debt Scheme(s) - Long Term Plan for one year performance for the year 2006

I. INVESTMENT LIMITATIONS / RESTRICTIONS

As per the Trust Deed read with the Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments. However, all investments by the Scheme will be made in accordance with the Investment Objective, Investment Focus, Investment Pattern described above as well as the Regulations, including Schedule VII thereof.

1. The Scheme shall not invest more than 15% of its NAV in Debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity by SEBI. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Trustees and the Board of Asset Management Company

The aforesaid limit shall not be applicable for investments in government securities and money market instruments.

Investments within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board. However in case of investments made in securitised debt (mortgage backed securities/asset backed securities), restrictions at the originator level would not be applicable.

2. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the Scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of Asset Management Company
3. Transfers of investments from one Scheme to another Scheme in the same mutual fund shall be allowed only if, -
 - a) such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for the spot transaction); and transfers of unquoted securities will be made as per the policy laid down by the Trustee from time to time; and
 - b) the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
4. The Scheme may invest in another Scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate interScheme investment made by all Schemes under the same management or in Schemes under the management of any other AMC shall not exceed 5% of the net asset value of the Fund.
5. The Trustee / Scheme shall take delivery of securities purchased and give delivery in case of securities sold and in no case shall engage in short selling or carry forward transactions or badla finance provided that the Fund shall enter into derivatives transactions in a recognised stock exchange in accordance with the guidelines issued by the SEBI.
6. The Fund shall get the securities purchased / transferred in the name of the Fund on account of the concerned Scheme, wherever the instruments are intended to be of long term nature.
7. Pending Deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, can be invested

in Short Term Deposits of Scheduled Commercial Banks subject to compliance with SEBI Circular no. SEBI / IMD / CIR No. 1/ 91171/07 dated April 16, 2007.

8. The Scheme shall not make any investments in;
 - (a) any unlisted security of an associate or group company of the sponsor; or
 - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - (c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets
9. The Scheme shall not make any investment in Fund of Fund Scheme
10. No term loans for any purpose may be advanced by the Fund and the Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or dividends to Unit Holders, provided that the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such a borrowing shall not exceed a period of six months.
11. The Fund may lend securities in accordance with "Guidelines for Participation by Mutual Funds in Stock Lending" issued by SEBI or any amendments thereto.
12. If any company invests more than 5 percent of the NAV of the Scheme then investment made by any other Scheme of the Fund in that company or its subsidiaries will be disclosed in accordance with the Regulations.
13. Debentures, irrespective of any residual maturity period (above or below 1 year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of the Seventh Schedule to the Regulations or as may be specified by SEBI from time to time.
14. The Scheme will comply with any other Regulations applicable to the investments of Mutual Funds from time to time.

These investment limitations / parameters as expressed / linked to the net asset / net asset value / capital shall in the ordinary course apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.

The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objective.

J. PERFORMANCE

This Scheme is a new Scheme and does not have any performance track record.

III. Units and Offer

A. NEW FUND OFFER (NFO)

New Fund Offer Period	NFO opens on: _____ 2008 NFO closes on: _____ 2008
This is the period during which a new Scheme sells its units to the investors.	The Trustees reserve the right to extend the closing date, subject to, the condition that the subscription lists shall not be kept open for more than 45 days by releasing an Addendum to this effect. The Trustees reserve the right to close the subscription list earlier by giving at least one day prior notice in one daily newspaper.
New Fund Offer Price	Rs .10 plus Applicable load This is the price per unit that the investors have to pay to invest during the NFO.
Minimum Amount for Application in the NFO	Minimum Rs. 5,000 and in multiples of Re 1/- thereafter.
Minimum Target amount	Rs. 100,00,000 This is the minimum amount required to operate the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 6 weeks, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of six weeks from the date of closure of the subscription period.
Maximum Amount to be raised (if any)	NA
Options	Dividend (Payout Only) & Growth
Dividend Policy	The Scheme may declare Dividend under Dividend Option from time to time. However it should be noted that the actual distribution and frequency of dividend will depend on the net distributable surplus available under the Option and will be entirely at the discretion of the Trustees or any Committee authorised by them.
Allotment	All applicants will receive full and firm allotment of Units, provided the applications are complete in all respects and are found to be in order. The Trustees retain the sole and absolute discretion to reject any application. The process of allotment of Units and mailing of account statements reflecting the allotments will be completed within 30 days from the date of closure of the New Fund Offer Period. Allotment to NRIs / FIIs will be subject to RBI approval, if any, required.
Refund	In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount of One crore, the Fund shall be liable to refund the money to the applicants. In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will commence immediately after the allotment process is completed. No interest will be payable on any subscription money refunded within 6 weeks from the closure of the New Fund Offer Period. Interest on subscription amount will be payable for amounts refunded later than 6 weeks from the closure of the New Fund Offer Period at the rate of 15% per annum for the period in excess of 6 weeks and will be charged to the AMC
Who can invest	The following persons (subject to, wherever relevant, purchase of units of mutual funds being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme. <ul style="list-style-type: none">● Resident Adult Individuals either singly or jointly (not exceeding three)● Minors through parent / legal guardian● Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions)● Religious, Charitable and Private Trusts, under the provisions of 11(5) of Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", wherever required)

- Wakfs and Trustee of private trusts authorised to invest in mutual fund scheme under the Trust Deed
- Partnership Firms
- Karta of Hindu Undivided Family (HUF)
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions
- Non Resident Indians (NRIs) / Persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or on non-repatriation basis
- Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if any)
- Army, Air Force, Navy and other para-military funds and eligible institutions
- Scientific and Industrial Research Organisations
- International Multilateral Agencies approved by the Government of India
- NonGovernment Provident/Pension/Gratuity funds as and when permitted to invest
- Others who are permitted to invest in the Scheme as per their respective constitutions
- Trustees, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws), may subscribe to the Units under the Scheme(s)
- Other Scheme(s) of Deutsche Mutual Fund subject to the conditions and limits prescribed in SEBI regulations
- Fund of Funds Scheme

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme(s) from time to time, subject to SEBI Regulations, and other prevailing statutory regulations, if any.

Where can you submit the filled up applications

The application forms or transaction slips for the purchase of Units of the Scheme will be available at the office of the AMC, the Designated Centres and the Investor Service Centres of the Registrar & Transfer Agent.

Please refer the inside back cover page for address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc.

How to Apply

Please refer to the SAI and Application form for the instructions.

Listing

The Fund intends to list DWS Dual Advantage Fund - Series 3 on any one of National Stock Exchange of India Ltd. or Bombay Stock Exchange Ltd. within 5 weeks of the date of allotment.

Investors will not be able to redeem their units during the tenor of the Scheme and there will be automatic redemption by the Fund on maturity of the Scheme. However, the units held in dematerialized form can be traded on the stock exchange.

Further, Investors holding units by way of an account statement intending to get their units dematerialized may submit the Dematerialization Request Form (DRF) to their Depository Participant who in turn will forward the request to the AMC / Registrar. Thereafter the AMC / Registrar shall dematerialize the units of such investors. Necessary confirmation will be sent to the investor in this regard.

Special Products / facilities available during the NFO

Only switch ins allowed during the NFO

The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.

NA

Restrictions, if any, on the right to freely retain or dispose off units being offered.

Investors will not be able to redeem their units during the tenor of the scheme and there will be automatic redemption by the fund on the maturity of the scheme. However, the units held in dematerialized form can be traded on the stock exchange.

B. ONGOING OFFER DETAILS

Ongoing Offer Period	Not Applicable being a Close Ended Scheme. However the Units can be traded on the Stock Exchange post listing.
Ongoing price for subscription	Not Applicable being a Close Ended Scheme. However the Units can be traded on the Stock Exchange post listing.
Ongoing price for redemption	The scheme shall mature / close at the end of 12 - 36 months from the date of allotment and the applicable NAV shall be the NAV as of that date.
Cut off timing for subscriptions/ redemptions/ switches	Not Applicable being a Close Ended Scheme.
Where can the applications for purchase/redemption switches be submitted?	Details are provided on Inside Back cover page.
Minimum amount for purchase/redemption/switches	<p>Minimum Application Amount (Purchase Switch In during the NFO) : Rs. 5,000 (Five Thousand) and in multiples of Amount Re. 1/- thereafter.</p> <p>During the New Fund Offer period, unitholders of other Schemes of Deutsche Mutual Fund have an option to switch from other Schemes to this Scheme, however, the switch request should be accompanied with the Application Form.</p> <p>Minimum Redemption / Switch-Out Amount : No Redemptions permitted till maturity of the Fund.</p>
Minimum balance to be maintained and consequences of non maintenance.	NA
Special Products available	Only switch ins are allowed during the New Fund Offer.
Accounts Statements	<p>The process of allotment of Units and mailing of account statements reflecting the allotments will be completed within 30 days from the date of closure of the New Fund Offer Period.</p> <p>The Mutual Fund will encourage the investor to provide their e-mail addresses for all correspondence. The Mutual Fund would endeavour to send all correspondences using e-mail as the mode for communication as may be decided from time to time. The Unit holder will be required to download and print the Account Statement after receiving the e-mail from the Mutual Fund. Should the Unitholder experience any difficulty in accessing the electronically delivered Account Statement, the Unitholder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to advise the Mutual Fund of such difficulty within 24 Hours after receiving the e-mail would serve as an affirmation regarding the acceptance by the Unitholder of the Account Statement.</p> <p>The unitholder may request for an Account Statement any time during the tenor of the Scheme by writing to the AMC / ISC / R&T.</p> <p>Annual Account Statement:</p> <p>The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,</p> <p>The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.</p> <p>Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.</p>
Dividend	When dividend is declared the dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	As per the Regulations, the Fund shall despatch the redemption proceeds within 10 Business Days from the date of maturity.
Delay in payment of redemption / repurchase proceeds	In the event of delay / failure to despatch the redemption/repurchase proceeds within 10 Business Days, the AMC will be liable to pay interest to the Unitholders @ 15% p.a. for the period of delay. However, under normal circumstances, the Fund will endeavour to despatch the redemption proceeds within 8 Business Days from the date of maturity.

C. PERIODIC DISCLOSURES

Net Asset Value	The Mutual Fund shall declare the Net asset value of the Scheme every Wednesday on AMFI's website www.amfiindia.com by 9.00 P.M. and also at www.dws-india.com.
	The Net Asset Value of the Scheme shall also be published every Wednesday in 2 Newspapers.
Half yearly Disclosures: Portfolio / Financial Results	The mutual fund shall publish a complete statement of the Scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.
Half Yearly Results	The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.
Annual Report	Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within six months from the date of closure of the relevant accounts year i.e. 31st March each year.
Associate Transactions	Please refer to Statement of Additional Information (SAI).

Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Schemes.

Please refer to SAI for other Taxation Details.

Dividend Distribution Tax						
Type of Scheme	Rate		Surcharge	Education Cess	Effective Rate	
	Individuals & HUFs	Non Individuals			Individual & HUFs	Non Individuals
Liquid Scheme	25%	25%	10%	3%	28.325%	28.325%
Debt Schemes	12.50%	20%	10%	3%	14.16%	22.66%

Capital Gains Tax				
Long Term Capital Gains Tax				
Type of Scheme	Rate	Surcharge	Education Cess	Total
Equity Oriented Schemes	Nil	Nil	Nil	Nil
Debt Schemes	20%	10%	3%	22.66%
For FII's	40%	2.50%	3%	42.23%
Short Term Capital Gains Tax				
Equity Oriented Schemes	10%	10%	3%	11.33%
Debt Schemes	30%	10%	3%	33.99%
For FII's	40%	2.50%	3%	42.23%

Investor services

Investors Relations Officer
 Mr. Murali Ramasubramanian
 Head - Operations
 Deutsche Asset Management (India) Private Limited
 2nd Floor, 222, Kodak House,
 Dr. D. N. Road,
 Fort, Mumbai - 400 001
 Tel No : +91 22 6658 4342 / 4305

D. COMPUTATION OF NAV

NAV of Units under the Scheme shall be calculated as shown below:

$$\text{NAV (Rs)} = \frac{\text{Market or Fair Value of Scheme's investments (+)} - \text{Current Assets (-) Current Liabilities and Provisions}}{\text{No. of Units outstanding under Scheme}}$$

The NAV of the Schemes will be calculated and announced on every Wednesday upto 4 decimal places. The valuation of the Scheme' assets and calculation of the Scheme' NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time

IV. Fees and Expenses

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

The Scheme shall meet the NFO expenses through the Entry Load collected during the NFO.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25% of the weekly average net assets of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

Particulars	% of Net Assets
Investment Management & Advisory Fee	1.00
Custodial Fees	0.06
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.10
Marketing & Selling Expenses including Agents Commission and statutory advertisement	0.35
Brokerage & Transaction Cost pertaining to the distribution of units	0.15
Audit Fees / Fees and expenses of trustees	0.05
Costs related to investor communications	0.05
Costs of fund transfer from location to location	-
Other Expenses*	0.49
Total Recurring Expenses	2.25

* As permitted under the Regulation 52 of SEBI (Mutual Funds) Regulations, 1996

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations. However the total expenses shall not exceed 2.25%.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC www.dws-india.com or you may call at +91 22 6658 4305 / 4342 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	The Fund may charge Entry Load upto 3%. The final Entry Load will be decided at the time of launch of the depending on the market conditions.
Exit *	Nil No load on redemption on the maturity date

- No Entry / Exit load shall be charged on the investments made by Fund of Funds Schemes (FOF Schemes) in the Scheme.
- The method adopted for calculating the Exit Load shall be First In First Out.
- Entry / Exit load shall not be charged on Bonus Units allotted and on reinvested units allotted under the Dividend - Reinvestment Option of the Scheme.

All loads including Contingent Deferred Sales Charge (CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the Scheme, whenever felt appropriate by the AMC.

The investor is requested to check the prevailing load structure of the Scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

In accordance with SEBI Circular dated SEBI/IMD/CIR No.10/ 112153/07 dated December 31, 2007

- No entry load shall be charged for direct applications for Subscriptions, Additional Purchases, SIP / STP or Switch in received by the Asset Management Company. Direct application would mean application received through internet, submitted to AMC or a collection / Investor service centre and not routed through any Distributor / Agent / Broker.
- In case of additional purchases & Switch in to a scheme from other scheme, no load shall be charged if such additional purchase or switch in is done directly by the investor under the same folio without any distributor / agent / broker code.
- Investors intending to make direct application may contact any of AMCs branches for the form or download the same from its website. Any investor in possession of an application form containing a broker code, but intending to invest direct, shall countersign if such code is being replaced with the word 'Direct' for considering the application as Direct.
- The investor must mention the Broker code or mark it as direct as the case may be, on the application form. In case the earmarked field on the application form is left blank, the application shall be considered as direct.

V. Rights of Unitholders

Please refer to SAI for details.

VI. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations for which action may have been Taken or is in the process of being taken by any regulatory authority

All cases of penalties awarded by SEBI under the SEBI Act or any of its regulations against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the Asset Management Company, Trustee Company/ Board of Trustees, or any of the directors or key personnel (specifically the fund managers) of the Asset Management Company and Trustee Company.

- NONE

For Sponsor and its associates, other than the penalties as mentioned above, the penalties awarded by any financial regulatory body,

including stock exchanges, for defaults in respect of shareholders, debenture holders and depositors including penalties awarded for any economic offence and violation of any securities laws. Details of all cases of suspensions and cancellation of certificate of registration (for irregularities / violations in financial services sector or for defaults in respect of share holders, debenture holders and depositors) of the AMC, Trustee Company and sponsor or any associate of the sponsor shall be disclosed for the last 10 years. (Mutual funds having associate companies abroad shall make the above disclosures for foreign and Indian entities separately)

India: NONE

Foreign:

Following an inspection from the Financial Service Agency Japan (FSA) Deutsche Trust Bank Limited (DTB), which is largely responsible for the management of public sector Japanese client assets has been inter alia issued an administrative improvement order concerning DTB's internal administration and compliance controls. The FSA has also suspended DTB from taking on new clients for a period of 3 months, effective from May 27, 2004 until August 27, 2004.

Top 10 monetary penalties in case of foreign entities and all monetary penalties in case of Indian entities, imposed against the AMC / Trustee Company / Sponsor or any associate of the sponsor (for irregularities / violations in the financial services sector or for defaults in respect of share holders / debentureholders and depositors, in jurisdiction country as determined in the above clause, by any financial regulatory body or government authority or settlement arrived with any financial regulatory body during the last five years and details thereof :

India:

The Office of Special Director of Enforcement, Government of India, vide its order dated March 23, 2004 levied a penalty of Rs. 25,00,000 under Section 50 of Foreign Exchange Regulation Act, 1973 in the matter relating to salaries paid abroad in the earlier years. The Bank paid the penalty amount on May 5, 2004. The Bank's management has filed an appeal against the order of the Enforcement Directorate with the Appellate Tribunal Foreign Exchange, New Delhi - 10th May, 2004.

Deutsche Bank, India had defaulted in maintenance of Cash Reserve Ratio (CRR) for all fortnights of the quarter ended June 1996 and the first fortnight (ended 5 July 1996) of the quarter ended September 1996. In July 1999, RBI withdrew CRR interest and imposed a penalty of 5,25,000 for default in maintenance of CRR.

In December 1999, RBI imposed a penalty of 2,17,000 for default in the maintenance of prescribed Statutory Liquidity Ratio (SLR) on 8th and 22nd October, 1999.

Deutsche Bank has paid 1,00,000 to the Customs Authorities towards fine for Audi Car, in the Assessment year 1999-2000.

Foreign: NONE

Any pending material litigation proceedings incidental to the business of the Mutual Fund to which the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees / Trustee Company or any of the directors or key personnel is a party.

- NONE

Any pending criminal cases against the Sponsor or any company associated with the Sponsor in any capacity including the AMC, Board of Trustees/Trustee Company or any of the directors or key personnel.

- NONE

Any deficiency in the systems and operations of the Sponsor of the Mutual Fund or any company associated with the sponsor in any capacity including the AMC or the Trustee Company which SEBI has specifically advised to be disclosed in the offer document, or which has been notified by any other regulatory agency.

- NONE

Any enquiry / adjudication proceedings under the SEBI Act and the Regulations made hereunder, that are in progress against the Sponsor of the Mutual Fund or any company associated with the Sponsor in any capacity such as the AMC, Board of Trustees/ Trustee Company or any of the Directors or key personnel of the Asset Management Company.

A notice dated 30 June, 2004 issued by SEBI to Deutsche International Trust Corporation (C.I.) Limited (DITC) and DBMGOF (Mauritius) Limited (DBMG) is pending. DITC and DBMGOF have filed their reply to the notice. DITC and DBMGOF are associates of the Sponsor but are not directly associated with the Fund.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

Official Points for Accepting Transactions

Karvy Investor Service Centres

AHMEDABAD

307, Shail Building, Opp. Madhusudan House,
Near Navrangpura Tel. Exchange,
Off C. G. Road, Ahmedabad - 380 006.
Tel. : 079 - 26402967 / 32997687 / 26400527 / 28.

AURANGABAD

Shop No. 214 / 215, Tapadiya City Centre,
Nirala Bazar, Aurangabad 431 001.
Tel.: 0240 - 2363530 / 517 / 523 / 524

BANGALORE

1st Floor, Surya Building, Ratna Avenue 51 / 25,
Richmond Road, Bangalore - 560 025.
Tel. : 080 - 25320085.

BHUBANESHWAR

624, Sahid Nagar, Bhubaneswar - 751 007
Tel.: 0674 - 2547533 / 2547532 / 33.

CHANDIGARH

SCO-371-372, First Floor, Above HDFC Bank,
Sector 35B, Chandigarh - 160 022.
Tel.: 0172 - 5071726 / 5071727 / 5071728.

CHENNAI

Flat No. F11, First Floor, Akshya Plaza, (Erstwhile Harris
Road), Opp. Chief City Metropolitan Court, #108,
Adhithanar Salai, Egmore, Chennai - 600 002.
Tel. : 044 - 28277383 / 42028512 / 13

COCHIN

39, Panampally Nagar, Ernakulam, Cochin - 682 036.
Tel. : 0484 - 4011885 / 4010224 / 2310884

COIMBATORE

29/1, 1st Floor, Chinthamani Nagar,
Opp. to Indian Overseas Bank, NSR Road,
Saibaba Colony, Coimbatore - 641 011.
Tel.: 0422 - 4384770 / 4382770.

GUWAHATI

2nd Floor, Ram Kumar Plaza, Chatribari Road,
Near Himatshinga Petrol Pump,
Guwahati - 781 001.
Tel.: 0361 - 2608122 / 2608016 / 2608102.

HYDERABAD

Karvy Plaza, 8-2-596, Str. No. 1,
Banjara Hills, Hyderabad - 500 034.
Tel. : 040 - 23312454 Extn. 124

INDORE

LG - 3, Bombay Trade Centre,
Lower Ground Floor, Grand Hotel,
Opp Bombay Hospital, Scheme No 54, Indore - 452010
Tel.: 0731-3243601 / 05

JAIPUR

S-16 A, 3rd Floor, Landmark,
Opposite Jaipur Club, Mahavir Marg,
C- Scheme, Jaipur - 302 001.
Tel.: 0141 - 2363321 / 2375039 / 2364660.

JAMSHEDPUR

Kanchan Tower, 11rd Floor, Chhaganlal Dayalji & Sons,
3-S B Shop Area, (Near Traffic Signal), Main Road,
Bistupur, Jamshedpur - 831 001.
Tel.: 0657 - 2487045 / 2487048.

KANPUR

15/46, B, First Floor, Opp. Muir Mills,
Civil Lines, Kanpur - 208 001.
Tel.: 0512 - 3296000 / 3293222.

KOLHAPUR

Omkar Plaza, 1st Floor, Unit - F2 & F4, Rajaram Road,
Next to ICICI Bank Ltd., Kolhapur - 416 008.
Tel.: 0231 - 2520650 / 55.

KOLKATA

16, Jatin Bagchi Road, Kolkata 700 029.
Tel. : 033 - 24659267 / 24659263 / 39518643.

LUCKNOW

94, Mahatma Gandhi Marg, Opp. Governor House,
Lucknow - 226 001.
Tel. : 0522 - 3949039 / 2236819 / 20 / 21.

MUMBAI

26 / 30, Fort Foundation Bldg., Near MSC Bank,
Maharashtra Chamber of Commerce Lane,
Fort, Mumbai - 400 023.
Tel. : 022 - 66341967 / 66341966 / 65266155.

Shankar Ashish, 1st Floor,
R C Patel Road, Sodawala Lane,
Near UTI Bank, Borivali (West)
Mumbai - 400 092

THANE

2, Ghantali Sai Prasad Co-Op,
Housing Society Ltd,
Ram Ganesh Gadkari Peth,
Near ICICI Bank Lane,
Ghantali, Thane - 400 602

NAGPUR

230/231, 3rd Floor, Shiram Shyam Towers,
Next to NIIT Building, Sadar, Kingsway,
Nagpur - 440 001.
Tel.: 0712 - 5610513 / 5612374 / 75.

NASIK

F-1 Suyojit Sankul, Sharanpur Road,
Nasik - 422 002.
Tel.: 0253 - 6602542 / 43 / 44

NEW DELHI

Karvy Computershare Pvt Ltd.,
2E / 23, Jhandewalan Extn.,
New Delhi-110 055.
Tel.: 011- 43681700

PANJIM (GOA)

No.7 & 8, El. Dorado Plaza,
Heliodoro Salgado Road,
Panjim - 403 001.
Tel.: 0832 - 3950660 / 2426871 / 72 / 73 / 74.

PATNA

3A, 3rd Floor, Anand Tower,
Beside Chankya Cinema Hall,
Exhibition Road,
Patna - 800 001.

PUNE

Shrinath Plaza, C-Wing,
3rd Floor, Office No. 58 & 59,
Dnyaneshwar Paduka Chowk,
F. C. Road, Survey No. 184 / 4,
Pune - 411 004.
Tel.: 020 - 25533795 / 3592 / 2783 / 9957.

RAJKOT

Karvy Computershare Pvt Ltd.,
104, Siddhi Vinayak Complex,
Dr Yagnik Road,
Opp Ramkrishna Ashram, Rajkot
Tel No : 9328244392

SURAT

UL-3, Saint Park, Behind Vijay Dairy,
Near Vishal Nagar Society,
Gujarat Gas Circle,
Adajan Road, Surat - 395 009.
Tel. : 0261 - 3067166 / 167.

TRIVANDRUM

2nd Floor, Akshaya Towers,
Sasthamangalam, Trivandrum - 695 010.
Tel.: 0471 - 2725987 / 2725989 / 2725991.

VADODARA

PICCADILLY, Office # 5, 1st Floor,
Opp. Adani Super Market, Jetalpur Road,
Vadodara - 390 007.
Tel. : 0265 - 2225210 / 3243293.

VISAKHAPATNAM

47-14-5/1 Eswar Paradise,
Dwaraka Nagar, Main Road,
Visakhapatnam - 530 016.
Tel.: 0891 - 2513362 / 2752915 / 16 / 17 / 18.

Deutsche Asset Management (India) Private Limited

AHMEDABAD

Broadway Business Centre, Cabin No. 3,
1st Floor, Sahjananad Complex, Opp. Citibank,
Near Panchavati Petrol Pump, C. G. Road,
Ahmedabad - 380 006.
Tel: +91 (079) 6512 4445 / 2646 3005 / 26440810

BANGALORE

Raheja Towers, 26-27, M.G. Road, Bangalore - 560 001.
Tel : +91 (080) 6693 5651 / 52 / 25590110

CHENNAI

Kothari Building, Ground Floor,
114 M. G. Road, Nungambakkam, Chennai - 600 034.
Tel: +91 (044) 6600 9516, 6600 9400

COIMBATORE

Krisan Business Center, New No. 81,
Government Arts College Road, Coimbatore - 641 018

HYDERABAD

DBS Business Centre,
DBS House 1-7-43-46, Sardar Patel Road,
Secunderabad - 500 003.
Tel: +91 (040) 64555700 / 2784 6970.

KOLKATA

Brooke House, 9 Shakespeare Sarani, Kolkata - 700 071.
Tel : +91 (033) 2282 4040 / 2282 2077

LUCKNOW

C/o. LA Place Park Inn Lucknow, 6, Shahnajaf Road,
Hazratganj, Lucknow - 226 001 (UP)
Tel : +91 (0522) 400 4040

MUMBAI

2nd Floor, 222, Kodak House,
Dr. D. N. Road, Fort, Mumbai - 400 001.
Tel: +91 (022) 6658 4600 / 4342 / 4305

NEW DELHI

ECE House,
28, Kasturba Gandhi Marg, New Delhi - 110 001.
Tel : +91 (011) 4152 2646 / 2647 / 2014

PUNE

Subjeev Business Centre, 29,
East Street Galleria 2421,
East Street, Pune - 411 001.
Tel: +91 (020) 4006 8171 / 2635 9300

VADODARA

135, Siddharth Complex,
R.C. Dutt Road, Vadodara - 390 007.
Tel.: +91 (0265) 308 7538 / 308 7539



**Deutsche Asset Management (India)
Private Limited**

Registered & Corporate Office :
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Dr. D. N. Road, Fort, Mumbai - 400 001.

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