

Non-binding translation

Auditor's opinion

Annual financial statement as at
December 31, 2007 with management
report

RREEF Management GmbH Eschborn,
Germany

up to July 6, 2007:
DB Real Estate Management GmbH

RREEF Management GmbH, Eschborn, Germany
(formerly DB Real Estate Management GmbH, Eschborn)

Assets	12/31/2006
	€
A. Fixed assets	€
I. Intangible assets	
Licenses and similar rights and values	348.55
II. Tangible assets	
1. Buildings on external sites	1,066,711.32
2. Fixtures and fittings	658,037.86
	1,724,749.18
III. Financial assets	
1. Shares in affiliated companies	71,697,489.59
2. Holdings	421,609.36
3. Fixed asset securities	14,545,145.60
	86,664,244.55
	86,561,890.36
B. Current assets	
I. Inventories	
Properties including completed construction work	250,000.00
II. Receivables and other assets	
1. Receivables from deliveries and services	37,509.25
2. Receivables from affiliated companies	111,960,130.16
3. Receivables from companies, in which participating interests are held	1,738,469.54
4. Shareholding in project companies [Projektgesellschaften]	14,833,366.23
5. Other assets	7,670,352.75
	136,239,827.93
	154,390,711.19
C. Prepayments and accrued income	
	20,320.39
Total assets	240,972,921.94
Trust assets	71,305,000.00
	71,522,633.57

Balance sheet as at December 31, 2007

	Liabilities	
	12/31/2006	
	€	€
A. Equity capital		
I. Subscribed capital	7,500,000.00	7,500,000.00
II. Capital reserves	81,789,478.90	81,789,478.90
III. Retained earnings	33,408,646.81	33,408,646.81
	122,698,125.71	122,698,125.71
B. Provisions		
1. Provisions for pensions and similar obligations	12,278,888.00	10,528,667.00
2. Tax reserves	0.00	1,440,471.00
3. Other provisions	33,410,857.06	26,323,317.30
	45,689,745.06	38,292,455.30
C. Liabilities		
1. Liabilities relating to financial institutions	5,790,866.30	5,919,278.40
2. Liabilities relating to deliveries and services	215,442.55	112,698.74
3. Liabilities relating to affiliated companies	64,731,813.53	56,015,227.85
4. Other liabilities	1,616,247.07	1,618,072.67
	72,354,369.45	63,665,277.66
D. Prepayments and accrued income	230,681.72	248,464.40
Total liabilities	240,972,921.94	224,904,323.07
Trust liabilities	71,522,633.57	71,305,000.00
Contingent liabilities	43,787,700.53	40,233,323.04

RREEF Management GmbH, Eschborn, Germany
(formerly DB Real Estate Management GmbH, Eschborn, Germany)

Income statement for period from
January 1 to December 31, 2007

	€	€	2006 €
1. Sales revenue		29,769,714.50	18,710,880.21
2. Reduction of existing real estate including completed construction work		-250,000.00	0.00
3 Other operating income		10,513,986.80	18,652,410.47
4. Expenditure for purchased services		2,033,693.57	2,539,495.97
5 Personnel costs			
a) Wages and salaries	10,379,789.97		8,633,122.74
b) Social security contributions and expenditure for pension schemes and support		12,268,422.55	1,687,068.11
- of which the following corresponded to pension schemes €819,963.91 (€486,379.77 in previous year)	<u>1,888,632.58</u>		
6. Depreciation:			
a) Intangible assets of fixed assets and tangible assets	720,332.60		913,968.92
b) On assets of current assets, provided that these exceed the usual depreciation in the corporation	<u>1,379,492.40</u>	2,099,825.00	8,881,497.02
7. Other operating expenditure		27,879,612.32	27,350,187.43
8. Earnings from			
a) Holdings	11,705,136.41		2,138,114.61
- of which the following corresponded to affiliated companies €86,170.82 (€2,046,273.48 in previous year).			
b) Profit-transfer agreements	<u>30,154,630.58</u>	41,859,766.99	37,539,136.65
- of which the following corresponded to affiliated companies €30,154,630.58 (€37,539,136.65 in previous year)			
9. Revenue from other fixed-asset securities		905,885.23	0.00
- of which the following corresponded to affiliated companies €0.00 (€0.00 in previous year)			
10. Other interest and similar revenues		5,286,715.02	6,244,814.79
- of which the following corresponded to affiliated companies €2,850,738.63 (€6,237,398.40 in previous year)			
11. Depreciation of financial assets		2,871,795.77	15,162,325.17
12. Interest and similar expenditure		2,832,422.47	9,859,007.90
- of which the following corresponded to affiliated companies €1,095,092.01 (€800,098.82 in previous year)			
13. Expenditure from assumption of losses		2,541.44	2,979,131.98
- of which the following corresponded to affiliated companies €2,850,738.63 (€6,237,398.40 in previous year)			
14. Results of ordinary business activities		<u>38,097,755.42</u>	<u>5,279,551.49</u>
15. Taxes on income and earnings		2,419,045.12	-2,345,798.48
16. Other taxes		1,808.55	1,876,216.63
17. On the basis of profit transferred as a result of profit-transfer agreements		35,676,901.75	5,749,133.34
18. Annual net income		<u>0.00</u>	<u>0.00</u>
19. Withdrawal from capital reserves		0.00	83,423,570.19
20. Advance dividend		0.00	-83,423,570.19
21. Net earnings		<u>0.00</u>	<u>0.00</u>

**RREEF Management GmbH, Eschborn, Germany (formerly DB Real Estate
Management GmbH, Eschborn)**

Notes on the accounts for the 2007 business year

I. General

The year-end results of RREEF Management GmbH, Eschborn (formerly DB Real Estate Management GmbH, Eschborn), were prepared as at December 31, 2007 in accordance with the rules of the HGB (*Handelsgesetzbuch* - German Commercial Code) and the GmbH Act.

The income statement was prepared in accordance with the total expenditure procedure and on the basis of §158 (1) of the AktG.

The company has listed all of the mandatory information on the individual balance sheet items together in the notes. By law, this information can be included either as a note to the accounts, in the items on the balance sheet, or in the notes.

The list of shareholdings in accordance with § section 285 No. 11 and 11a of the HGB is filed at Frankfurt am Main District Court under commercial registry no. B 26724.

As at the reporting date, RREEF Management GmbH meets the criteria of a medium-sized corporation as per § 267 Par. 2 HGB.

In 2007, the assets and liabilities of the following companies were merged into RREEF Management GmbH:

DB Grundbesitz-Entwicklungs GmbH, Eschborn
DEGRU Fünfte Beteiligungsgesellschaft GmbH, Eschborn

In 2007, the assets and liabilities of the following companies accrued to RREEF Management GmbH:

Deutsche Grundbesitz Tauernallee GmbH & Co. KG, Eschborn
Deutsche Grundbesitz-Anlagegesellschaft Dr. Rühl & Co. - Anlagefonds 5 Hof/Salzgitter - KG, Cologne
Deutsche Grundbesitz-Anlagegesellschaft Dr. Rühl & Co. - Anlagefonds 8 Bahnhofs-Center Gelsenkirchen - KG, Hamburg

II. Balance sheet and valuation methods

General

Credits with financial institutions that are also affiliated companies are shown under the item "Receivables from affiliated companies". Liabilities with respect to financial institutions that are also affiliated companies are shown under the item "Liabilities relating to affiliated companies".

Shares in companies that are intended for sale and are not viewed as a long-term investment for the company are shown in the current assets under the item "Shareholding in project companies [Projektgesellschaften]" as per §265 (5) of the HGB [German Commercial Code].

In respect to § 265 (6) of the HGB, a change was made to the item description for § 266 (2) and § 275 (2) No. 5 and No. 9 of the HGB.

Fixed assets

Intangible assets and tangible assets are shown with the purchase costs minus the straight-line or declining-balance depreciation allowed under tax law based on the useful life of the assets.

Depreciable movable assets of the fixed assets up to a value of €410.00 were written off in full in the year of acquisition in accordance with § 6 (2) of the EStG.

In accordance with § 7 (3) of the EStG, a change from the declining-balance method of depreciation to the equal distribution of the remaining value over the remainder of its life is carried out in the year in which the change leads to a higher depreciation amount.

The financial assets were shown based on the purchase costs, or in the case of anticipated long-term depreciation, based on the lower fair value on the balance sheet date. Appreciation in value happens as per § 280 (1-1) of the HGB, if the reason for unplanned depreciation has been omitted.

Current assets

Receivables and other assets were assessed based on their purchase costs or their lower fair value. Corporation tax credits which result from the former imputation method are assessed according to their cash value. This is based on a discount rate of 4.06% p.a.

Currency receivables were valued using the conversion rate on the posting date or, to comply with the lowest value principle, using the lower conversion rate on the balance sheet date.

Shares in project companies were valued based on the purchase costs or the lower fair value (§ 253 (3) of the HGB).

Provisions and liabilities

Provisions for pensions and similar obligations were recorded using their going-concern value on the basis of an interest rate of 6% in accordance with actuarial calculations as per § 6a of the EStG. This is based on the 2005 mortality table produced by G. Heubeck-Richttafeln GmbH.

Other provisions were assessed in such a way that they take all recognizable risk into account. Long-term provisions with an interest component were discounted by 5%.

Liabilities were assessed based on the repayment amounts.

Currency liabilities were converted based on the current rate at the time that the liability was incurred or based on the higher conversion rate on the balance sheet date.

III. Notes to the balance sheet

1. Fixed assets

For the development of the fixed assets, refer to the separately described assets analysis (gross assets table) (attachment A to the notes on the accounts).

Due to reductions in value, unplanned depreciation in the amount of T€2,872 was required for the financial assets (T€15,162 in previous year).

Revaluations of financial assets were carried out in the amount of T€3,837 (T€1,990 in previous year).

The fixed asset securities contain fund shares only, and must be used exclusively for the fulfillment of pension obligations for employees and pensioners of RREEF Management GmbH in Germany.

2. Inventories

The three premises in Berlin, which were taken over in the previous year within the context of the accrual for the investment company Quartier in respect to Museuminsel mbH & Co. KG, Berlin, were sold during 2007.

3. Receivables and other assets

Receivables from affiliated companies are set out as follows:

	Total	Of which		
		RT of more than 1 year	From other affiliated companies	From shareholders
<i>(Figures for previous year in brackets)</i>	€ in thousands	€ in thousands	€ in thousands	€ in thousands
Loans (incl. interest accrued)	17,916 (22,279)	5,638 (5,638)	17,916 (22,279)	0 (0)
Cash and cash equivalents	77,852 (29,645)	0 (0)	18,170 (8,900)	59,682 (20,745)
Other receivables from financial institutions	143 (10)	0 (0)	9 (3)	135 (7)
Receivable from profit-transfer agreement	30,155 (5,530)	0 (0)	30,155 (5,530)	0 (0)
Receivable from profit-transfer agreement from financial institution	0 (32,009)	0 (0)	0 (32,009)	0 (0)
Receivables from integrated tax entity	3,179 (19,415)	0 (0)	2,955 (18,861)	22A (554)
Remaining receivables from deliveries and services	2,648 (3,072)	0 (0)	2,507 (3,056)	141 (16)
	131,893 (111,960)	5,638 (5,638)	71,712 (90,638)	60,181 (21,322)

The shares in project companies include property and management companies with a book value of T€10,343 (T€14,833 in previous year). T€10,006 of this (T€14,610 in previous year) is allotted to shares in affiliated companies.

The Other assets item (T€6,535, T€7,670 in previous year) mainly includes receivables from tax refund claims in the amount of T€6,336 (T€7,661 in previous year).

4. Equity capital

RREEF Management GmbH is a wholly owned subsidiary of Deutsche Bank AG, Frankfurt am Main. The share capital is fully paid up.

Capital reserves are maintained in accordance with § 272 (2) No. 4 of the HGB.

As at December 19, 2001, a profit and loss transfer agreement was concluded between RREEF Management GmbH and Deutsche Bank AG, Frankfurt am Main. The profit and loss transfer agreement came into effect from a taxation perspective on January 1, 2001 (corporation tax and trade tax integrated company). On the basis of this agreement, RREEF Management GmbH shows expenditure from the profit and loss transfer agreement in the amount of T€35,677 (T€5,749 in the previous year).

Further profit and loss transfer agreements exist between RREEF Management GmbH and the subsidiaries listed below:

- Since January 1, 2002:
Deutsche Immobilien Treuhandgesellschaft mbH, Eschborn
the limited company Deutsche Grundbesitz-Anlagegesellschaft, Eschborn der RREEF Investment GmbH, Eschborn (formerly DB Real Estate Investment GmbH, Eschborn)
- Since January 1, 2003:
DEGRU Zweite Beteiligungsgesellschaft mbH, Eschborn
- Since January 1, 2006:
RREEF Spezial Invest GmbH, Eschborn (formerly DB Real Estate Spezial Investment GmbH, Eschborn)

5. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are based on actuarial calculations for the 2007 fiscal year in the amount of T€12,279 (T€10,529 in previous year).

6. Tax reserves

The tax reserves from the previous year in the amount of T€1,440 in relation to the expected corporation tax payment were used in full on completion of the tax audit.

7. Other provisions

Other provisions include obligations with respect to employment in the amount of T€5,057 (T€3,815 in previous year) and obligations relating to auditing and consulting services in the amount of T€645 (T€1,058 in previous year). Obligations from current projects amount to T€26,205 (T€19,432 in previous year).

Obligations from current projects include obligations arising from two delivery rights in the amount of T€14,411 in total (T€9,909 in previous year). A delivery right relates to an invested, closed-end real estate fund (date of delivery: December 31, 2019, valuation for repurchase price in the amount of 112% of the equity capital paid in: €21.8 million). The other obligation results from the delivery right guaranteed by RREEF Management GmbH under the terms of the contract for 679,079 registered stocks of a real estate company. As at December 31, 2009, the shareholders were granted the right to return registered stocks for a guaranteed minimum interest rate (4.5% p.a.).

There are also other obligations in the amount of T€1,503 (T€2,019 in previous year), including obligations from accruals in the amount of T€246 (T€258 in previous year) as well as a reinstatement obligation in the amount of T€643 (T€592 in previous year).

8. Liabilities relating to financial institutions

Liabilities to non-affiliated companies amount to T€5,791 (T€5,919 in previous year), of which T€0 (T€0 in previous year) corresponds to a residual term of more than five years. The liabilities are secured in the amount of T€5,791 (T€5,919 in previous year) through rights of lien to the shares of limited partners.

9. Liabilities relating to deliveries and services

All liabilities relating to deliveries and services are for a residual term of up to one year (T€215; T€113 in previous year).
There is no security provided.

10. Liabilities relating to affiliated companies

	Total	Of which		
		With an RT of up to one year	Relating to other affiliated companies	Relating to shareholders
<i>(Figures for previous year in brackets)</i>	€ in thousands	€ in thousands	€ in thousands	€ in thousands
Granting of loans (incl. interest accrued)	8,714 (11,455)	8,714 (11,455)	8,714 (11,455)	0 (0)
Other liabilities relating to financial institutions	(0)	(0)	(0)	(0)
Liabilities from integrated tax entity relating to affiliated companies	806 (170)	806 (170)	806 (170)	0 (0)
Liabilities from integrated tax entity relating to financial institutions	14,666 (32,496)	14,666 (32,496)	0 (0)	14,666 (32,496)
Liabilities from profit-transfer agreement	35,680 (8,728)	35,680 (8,728)	3 (2,979)	35,677 (5,749)
Residual liabilities	4,866 (3,166)	4,866 (3,166)	2,269 (1,656)	2,597 (1,510)
	64,732 (56,015)	64,732 (56,015)	11,792 (16,260)	52,940 (39,755)

Liabilities to affiliated companies include liabilities to financial institutions in the amount of T€53,109 (T€39,873 in previous year).

There is no security provided.

11. Other liabilities

Other liabilities mainly relate to payable wage taxes and church taxes (T€221) and to social security (T€1,165).

All other liabilities have a residual term of up to one year. There is no security provided.

12. Trust assets/Trust liabilities

The trust assets are offset by trust asset obligations in the same amount on the liabilities side. Obligations of T€71,523 (T€71,305 in previous year) are included, such as those relating to shareholders of two unchanged investment companies.

13. Contingent liabilities and information on derivative financial instruments

The contingent liabilities include liabilities from guarantees in the amount of T€36,645 (T€32,267 in previous year), of which T€0.00 (T€0.00 in previous year) relate to affiliated companies. There are also share certificate pledges totaling T€7,142 (T€7,966 in previous year), of which T€7,142 (T€7,966 in previous year) relate to affiliated companies.

When investing in closed-end real estate funds and real estate share companies, RREEF Management GmbH issued delivery rights to investors. In addition to the delivery right for the shares in a real estate fund which is taken into account in the provisions (submission

of an irrevocable purchase offer for the acquisition of holdings in 2019 in the amount of 112% of the paid investment amount of €21.8 million), a second delivery right exists for 679,079 registered stocks as at December 31, 2007 (date of delivery: December 31, 2009; valuation is based on the original purchase price minus deductible dividends paid up to now. The valuation is carried out on a monthly basis using the Black-Scholes model. At the current time, no additional drawdown risks can be identified using the risk provisions already established for the closed-end real estate fund.

Moreover, in relation to the investment of a closed-end real estate fund in respect to the shareholders, RREEF Management GmbH has committed, in the case of a company drawdown from which collateral is provided for founding shareholders for financing purposes, to enable the company to discharge the claim of the mortgagee at any stage.

14. Letters of comfort

For DI Deutsche Immobilien Baugesellschaft GmbH, Eschborn, and DI Deutsche Immobilien Treuhandgesellschaft GmbH, Eschborn, RREEF Management GmbH shall ensure, except in the event of a political risk, that they can fulfill their contractual obligations. The companies specified above are affiliated companies.

Furthermore, RREEF Management GmbH provided letters of comfort as loan collateral for two projects in total, one of which was in favor of Deutsche Bank AG, Frankfurt am Main, and one in favor of a third party.

15. Other financial obligations and information on derivative financial instruments

Obligations from rental and leasing agreements with more than an one-year duration stood at T€4,214 (T€7,015 in previous year).

Within the framework of a project in Berlin, RREEF Management GmbH submitted a rental guarantee which does not take effect until completion of a ten-year tenancy agreement.

IV. Notes on the income statement

1. Sales revenue

The sales revenues of T€29,770 (T€18,711 in previous year) generated exclusively in the domestic market, relates predominantly to earnings from agency agreements (general services, fund and property management) in the amount of T€27,394 (T€16,307 in previous year) as well as other services in the amount of T€2,376 (T€2,404 in previous year).

The sales revenues include out-of-period earnings in the amount of T€1,043 (T€1,111 in previous year), which predominantly relate to earnings from agency business.

2. Reduction of existing real estate including completed construction work

This relates to the sale of the three shop units in Berlin, which were taken over in the previous year as part of the accrual for the investment company Quartier in respect to Museuminsel GmbH & Co. KG.

3. Other operating income

This mainly includes income from the release of provisions (T€1,695, T€4,986 in previous year), from remuneration for business management activities (T€1,024, T€3,375 in previous year), from sub-letting (T€2,692, T€2,635 in previous year) as well as income

from the revaluation of shares in affiliated companies in the amount of T€3,837 (T€6,516 in previous year). Profits from accruals or mergers amount to T€95.

Other operating income includes out-of-period income in the amount of T€312.

4. Expenditure for purchased services

Expenditure for purchased services in the amount of T€2,034 (T€2,539 in previous year) mainly includes agency fees of T€1,955 (T€2,433 in previous year) as well brokerage commission of T€23 (T€38 in previous year).

The agency fees include reimbursements to RREEF Investment GmbH, which relate to commercial and technical property management for property companies.

Expenditure for purchased services includes out-of-period expenditure in the amount of T€42.

5. Depreciation of assets of current assets

The depreciation of assets of current assets mainly relates to the property fund DB Immobilienfonds Mainz-Kästrich GmbH Co. KG, Eschborn (T€882).

Depreciation was also carried out on a shareholder loan (T€497, T€8,876 in previous year).

6. Other operating expenditure

Other operating expenditure in the amount of T€27,880 (T€27,350 in previous year) includes, for example, legal and consulting fees of T€1,505 (T€1,753 in previous year), advertising and travel expenses of T€950 (T€872 in previous year), building and real estate expenditure of T€4,470 (T€5,089 in previous year), fees for fixtures and fittings of T€417 (T€262 in previous year), expenditure for agency business of T€4,033 (T€1,294 in previous year), internal services of T€5,581 (T€4,972 in previous year), and losses from accruals or mergers in the amount of T€34 (T€1,086 in previous year).

The other operating expenditure includes out-of-period expenditure in the amount of T€362.

7. Income from holdings and profit-transfer agreements

Income from holdings in the amount of T€11,705 (T€2,138 in previous year) includes a dividend payment in the year under report relating to the holding in Deutsche Grundbesitz-Beteiligungsgesellschaft Dr. Rühl & Co. - Anlagefonds 1- KG i.L., Eschborn, in the amount of T€11,568.

A profit-transfer agreement exists between RREEF Management GmbH and Deutsche Immobilien Treuhandgesellschaft mbH, RREEF Investment GmbH, Deutsche Grundbesitz-Anlagegesellschaft GmbH, Eschborn, and as at January 1, 2006, RREEF Spezial Invest GmbH. Consequently, RREEF Management GmbH, Eschborn returned an overall result in the amount of T€30,155 (T€37,539 in previous year).

8. Depreciation of financial assets

Depreciation of financial assets totaled T€2,872 (T€15,162 in previous year), for DI Deutsche Immobilien Baugesellschaft mbH (T€679), for the real estate funds "Vierte bis Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn (T€1,143), and for the valuation of fund shares for the fulfillment of pension obligations towards employees and pensioners (T€1,050).

9. Expenditure from assumption of losses

A profit-transfer agreement exists between RREEF Management GmbH and the investment company DEGRU Zweite Beteiligungsgesellschaft mbH, Eschborn. Consequently, RREEF Management GmbH, Eschborn returned a loss in the amount of T€3 (T€2,979 in previous year).

In the previous year, in contrast to the year under report, expenditure from assumptions of losses of DB Grundbesitz-Entwicklungs GmbH stood at T€2,976.

V. Other information

Employees

The average number of active employees during the business year was 102 (95 in previous year). This figure broke down as follows:

51 female employees
51 male employees

Remuneration of the board of management

The total remuneration granted to the board of management for the activities performed during the business year amount to T€1,586 (T€3,757 in previous year).

Pension payments to former members of the board of management amount to T€74 (T€72 in previous year). In total, T€4,405 has been set aside for the pension obligations of former members of the board of management and their survivors.

Corporate bodies of RREEF Management GmbH

Board of management:

Holger Naumann

Dr. Hermann Wüstefeld
- Since 1/15/2007-

Thomas Schneider
- Since 9/1/2007-

Stephen Shaw
- Since 11/8/2007-

Helmut Ullrich
- Since 7/31/2007-

Parent company

Deutsche Bank AG, Frankfurt am Main is the sole shareholder of RREEF Management GmbH, Eschborn. In accordance with § 340i of the HGB and in combination with the regulations set out in Article 57 clause 1 No. 2 of the EGHGB (German commercial code introductory law) and Article 4 of Directive (EG) No. 1606/2002 of the European Parliament and the Council dated July 19, 2002 in relation to the use of international accounting

standards (ABl. EC No. Line 243 Page 1), it has prepared a consolidated financial statement in accordance with International Financial Reporting Standards (IFRS), in which our company is involved in an exonerating capacity. The consolidated financial statement will be published in the electronic Bundesanzeiger (Federal Gazette).

Eschborn, February 26, 2008

Board of management

Holger Naumann

Dr. Hermann Wüstefeld

Thomas Schneider

Stephen Shaw

**Development of the fixed assets of RREEF Management GmbH, Eschborn
(formerly DB Real Estate Management GmbH, Eschborn)**

	Purchase or production costs				As at: 12/31/2007 €
	Brought forward 1/1/2007 €	Additions €	Transfer bookings €	Disposals €	
I. Intangible assets					
Licenses and similar rights and values	1,766,927.87	0.00	0.00	0.00	1,766,927.87
	1,766,927.87	0.00	0.00	0.00	1,766,927.87
II. Tangible assets					
1. Buildings on external sites	4,822,531.65	0.00	0.00	0.00	4,822,531.65
2. Fixtures and fittings	6,268,801.16	5,122.30	0.00	723,726.99	5,550,196.47
	11,091,332.81	5,122.30	0.00	723,726.99	10,372,728.12
III. Financial assets					
1. Shares in affiliated companies	177,523,562.41	793,473.56	0.00	12,743,445.61	165,573,590.36
2. Holdings	508,436.47	19,701.00	0.00	307,997.62	220,139.85
3. Fixed asset securities	14,705,534.00	2,458,315.40	0.00	442,530.58	16,721,318.82
	192,737,532.88	3,271,489.96	0.00	13,493,973.81	182,515,049.03
Total fixed assets	205,595,793.56	3,276,612.26	0.00	14,217,700.80	194,654,705.02

As at December 31, 2007

Brought forward	Depreciation:				Book value		
	1/1/2007 €	Revaluations in business year €	Depreciation in business year €	Transfer bookings €	Disposals €	As at: 12/31/2007 €	12/31/2007 €
1,766,579.32	0.00	190.49	0.00	0.00	1,766,769.81	158.06	348.55
<u>1,766,579.32</u>	<u>0.00</u>	<u>190.49</u>	<u>0.00</u>	<u>0.00</u>	<u>1,766,769.81</u>	<u>158.06</u>	<u>348.55</u>
3,755,820.33	0.00	551,062.10	0.00	0.00	4,306,882.43	515,649.22	1,066,711.32
5,610,763.30	0.00	169,080.01		722,891.43	5,056,951.88	493,244.59	658,037.86
<u>9,366,583.63</u>	<u>0.00</u>	<u>720,142.11</u>	<u>0.00</u>	<u>722,891.43</u>	<u>9,363,834.31</u>	<u>1,008,893.81</u>	<u>1,724,749.18</u>
105,826,072.82	3,836,968.61	1,821,613.05	0.00	8,141,359.37	95,669,357.89	69,904,232.47	71,697,489.59
86,827.11	0.00	0.00	0.00	0.00	86,827.11	133,312.74	421,609.36
160,388.40	0.00	1,050,182.72	0.00	4,545.58	1,206,025.54	15,515,293.28	14,545,145.60
<u>106,073,288.33</u>	<u>3,836,968.61</u>	<u>2,871,795.77</u>	<u>0.00</u>	<u>8,145,904.95</u>	<u>96,962,210.54</u>	<u>85,552,838.49</u>	<u>86,664,244.55</u>
<u>117,206,451.28</u>	<u>3,836,968.61</u>	<u>3,592,128.37</u>	<u>0.00</u>	<u>8,868,796.38</u>	<u>108,092,814.66</u>	<u>86,561,890.36</u>	<u>88,389,342.28</u>

**Shareholdings of RREEF Management GmbH
as at 12/31/2007 in accordance with § 285 No. 11 of the HGB**

	Total indirect share of capital in %		Equity capital in thousands *	Year-end results in thousands *
1. Affiliated companies				
1. 5000 Yonge Street Toronto Inc., Toronto	100.00	100.00	CAD 0	0
2. AV America Grundbesitzverwaltungsgesellschaft GmbH, Frankfurt am Main	75.00	-	EUR 82	0
3. BC 140 Ingatlanbefektetési Korlátolt Felelősségű Társaság, Budapest	100.00	100.00	HUF 1,086	-362
4. DB Immobilienfonds Noba Dr. Juncker KG, Eschborn	100.00	100.00	EUR 1,917	1,720
5. DB Immobilienfonds Rho Dr. Juncker KG, Eschborn	100.00	-	EUR 1,309	-5
6. DB Immobilienfonds Wohnanlage Mainz-Kästrich GmbH & Co. KG, Eschborn	100.00	7.00	EUR 34	-194
7. DB Real Estate CANADAINVEST 1 Inc. Toronto	100.00	100.00	CAD -2	-1
8. RREEF Investment GmbH, Eschborn	99.90	-	EUR 16,636	0
9. RREEF Spezial Invest GmbH, Eschborn	100.00	40.00	EUR 7,364	0
10. DB Real Estate Spezial Invest Portugal - Sociedade Imobiliaria Unipessoal, Lda, Lisbon	100.00	100.00	EUR 5	-3
11. DEGRU Erste Beteiligungsgesellschaft mbH, Eschborn	100.00	-	EUR 6,155	5,336
12. DEGRU Zweite Beteiligungsgesellschaft mbH, Eschborn, Germany	100.00	-	EUR 24	0
13. Deutsche Bank Realty Advisors Inc., New York	100.00	-	USD 154	910
14. Deutsche Gesellschaft für Immobilienanlagen "America" GmbH, Bad Homburg v.d.H. i.L.	75.00	-	EUR 248	0
15. Deutsche Grundbesitz-Anlagegesellschaft GmbH, Eschborn	99.90	-	EUR 1,935	0
16. Deutsche Grundbesitz Beteiligungsgesellschaft GmbH, Eschborn	100.00	-	EUR 109	21
17. DI Deutsche Immobilien Baugesellschaft GmbH & Co. Vermietungs KG, Eschborn	100.00	90.00	EUR 1,979	1,685
18. DI Deutsche Immobilien Baugesellschaft GmbH, Eschborn	100.00	-	EUR 2,491	1,826
19. DI Deutsche Immobilien Treuhandgesellschaft GmbH, Eschborn	100.00	-	EUR 310	0
20. Dritte DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	94.20	-	EUR -215	522
21. Erste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	94.20	-	EUR -791	388
22. FLÖRLA Beteiligungsgesellschaft GmbH, Eschborn	100.00	-	EUR 561	123
23. Fünfte DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	94.20	-	EUR -1,055	601
24. gi-Verwaltungsgesellschaft GmbH, Eschborn	100.00	100.00	EUR 32	2
25. IB Associate LLC, New York	100.00	100.00	USD 0	0
26. IC Associate LLC, Delaware	100.00	100.00	USD -16	-2
27. IC Chicago Associates LLC, Wilmington	100.00	100.00	USD 767	0
28. IMM Associate LLC, New York	100.00	100.00	USD 2,019	347
29. JADE Residential Property AG, Eschborn	100.00	-	EUR 9,795	339
30. JG Japan Grundbesitzverwaltungsgesellschaft GmbH, Eschborn	100.00	-	EUR 67	2
31. Metropol 2 Prag KG, Eschborn	100.00	100.00	EUR -3	-2
32. ONW Chicago LLC, Wilmington	100.00	100.00	USD 268	13
33. PT Deutsche Real Estate Indonesia, Jakarta	70.00	-	USD 7,739	-493
34. Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	100.00	-	EUR 529	-372
35. Vierte DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	94.20	-	EUR -583	307
36. Zweite DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	94.20	-	EUR -508	281
2. Holdings				
1. Bürozentrum Frankfurter Allee (Lichtenberg) Anders & Co. KG, Hamburg	33.30	33.30	EUR 476	-126
2. Deutsche Grundbesitz-Beteiligungsgesellschaft Dr. Rühl & Co. - Anlagefonds 1 - KG i.L., Eschborn	35.46	-	EUR 0	200,442
3. Deutsche Grundbesitz-Beteiligungsgesellschaft Dr. Rühl & Co. Anlagefonds 2/ Verwaltungsgebäude Stuttgart-Möhringen- KG, Frankfurt am Main	23.73	23.73	EUR 1,598	294
4. GbR Deutsche Grundbesitz Management GmbH / Kajima Development (Deutschland) GmbH, Frankfurt am Main	50.00	-	EUR 125	0
5. P. F. A. B. Passage Frankfurter Allee Betriebsgesellschaft GmbH, Berlin	22.20	22.20	EUR 138	10
6. WohnBauEntwicklungsgesellschaft München-Haidhausen mbH & Co. KG, Eschborn	33.33	-	EUR 1,016	-25
7. WohnBauEntwicklungsgesellschaft München-Haidhausen Verwaltungs GmbH, Eschborn	33.33	-	EUR 61	4

**Shareholdings of RREEF Management GmbH
as at 12/31/2007 in accordance with §285 No. 11a of the HGB**

- GbR Deutsche Grundbesitz Management GmbH / Kajima Development (Deutschland) GmbH, Frankfurt am Main
- DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn,

* Most recently available year-end results

Management report of RREEF Management GmbH for the 2007 business year

1. General business conditions

1.1 General information about the company

RREEF Management GmbH, Eschborn, operating under "DB Real Estate Management GmbH" up to July 6, 2007, (hereinafter "REM"), is part of the RREEF Alternative Investments corporate unit of the Deutsche Bank Group. With more than 1,450 employees in 15 countries across four continents, and with managed fixed assets of approximately €65.2 billion (including private equity), RREEF Alternative Investments is today one of the largest real estate investment and infrastructure management companies operating in this business area worldwide.

In this respect, REM acts in the capacity of manager of closed-end real estate funds in Germany for domestic investors and in its capacity of holding company, they offer the extensive range of activities of their subsidiaries for domestic real estate investors.

The sole shareholder of REM is Deutsche Bank AG, Frankfurt am Main, with which there is a profit and loss transfer agreement.

1.2 Main areas of business

The subsidiaries RREEF Investment GmbH, formerly DB Real Estate Investment GmbH (hereinafter "REI") and RREEF Spezial Invest GmbH, formerly DB Real Estate Spezial Invest GmbH (hereinafter "RESI") together manage total assets in the amount of €8.6 billion (€8.9 billion in previous year). REI manages the open-ended "grundbesitz europa" (formerly "grundbesitz invest") and "grundbesitz global" real estate funds. In total, RESI manages 5 special funds for institutional investors. In 2007, RESI received two new mandates to set up special funds.

1.3 Organizational measures

With the transfer of the Legal, Human Resources, Fund Accounting, Compliance, and Business Management divisions from REI to REM, internal service functions were concentrated at REM in 2007.

1.4 Development of the industry as a whole

The development of the global economy was positive in 2007. Gross domestic product (GDP) grew by around 5.1% in 2007 (5.4% in 2006). However, the crisis in the financial and real estate markets in the US had already begun to have an impact on the world's major economies. In Europe, the growth figures of the previous year were no longer achieved, although GDP growth was still robust at around 2.6%. A further decline in GDP growth is anticipated in 2008.

The global office real estate market still showed growth in 2007. Increasing demand led the top rents to continue rising in almost all locations. Rental growth in many markets is expected to be somewhat lower in 2008. In some markets, there is a risk of a trend reversal in rent development.

The European retail trade performed well in 2007. The positive economic development led to an increase in consumption. In the coming years up to 2011, a further positive development is expected, while in some markets the high construction volumes for shopping centers could restrict growth prospects.

The investment market was characterized by further increasing real estate prices and strong turnover in the first half of 2007. However, the financial and real estate crisis led to distortions in the second half of the year. As a consequence, real estate prices have been hit, particularly in less favorable locations. Great Britain was affected the most. It is too early to say whether this is a medium-term problem or a more long-term structural crisis. Similarly, it is not yet possible to determine the impact of this on business activities over the coming years.

2. Business development

In the context of the active management of closed-end real estate funds, the development of the market for the various real estate locations was carefully analyzed, for individual funds. The analysis results, together with recommended actions, were communicated to the investors. As a result, four funds sold their real estate or real estate holdings in 2007. In the case of three others, the sale was concluded by the investors in the year under report and the sales process was initiated.

2.1 Earnings situation

Management is satisfied with the results for the business year. The result obtained exceeded expectations. In the context of its profit and loss transfer agreement, REM will pay €35.7 million (€5.7 million in previous year) to Deutsche Bank AG.

The result of the year under report was mainly characterized by one-off effects and the result of profit-transfer agreements with subsidiaries, which, in the year under report, dropped by 12.8% to €30.2 million in comparison to the previous year. Investment income rose to €11.7 million (€2.1 million in previous year) in the year under report due to a one-off dividend payment in the context of the release of a closed-end real estate fund. Sales revenue rose by 57.8% to €29.5 million in comparison to the previous year. The increase mainly resulted from one-off fees from the release of closed-end real estate funds (€12.4 million). The decline in other operating income by 43.6% to €10.5 million is mainly due to reduced earnings from revaluations of both book values of holdings and the reversal of provisions.

In the year under report, depreciation of financial assets fell by €13.3 million (88.0%) to €1.8 million in comparison with the previous year. Depreciation of the assets of current assets fell by €6.5 million (72.6%) to €2.4 million. Interest paid dropped by €7.0 million (71.3%) to €2.8 million in the year under report. A significant reason for this was the one-off effect resulting from the repayment of a third-party bank loan in the previous business year in the nominal amount of €57.5 million, which no longer applies, and the associated drop in interest charges. Personnel costs rose by 18.9% to €12.3 million in the year under report. The background for this is the transfer of REI employees in September as part of the process of expanding REM's function as a holding company. The average number of active employees during the 2007 business year was 102 (95 in previous year).

2.2 Financial situation

The financial situation of REM is generally characterized by the financing of subsidiaries and the corresponding refinancing opportunities at Deutsche Bank AG.

As of 12/31/2007, REM has credit with financial institutions in the amount of €77.7 million (€29.6 million in previous year). The increase in liquidity in the year under report predominantly results from business activities in 2007 and balanced receivables paid by affiliated companies.

2.3 Asset position

With a balance sheet total which increased by €16.0 million to €240.9 million, the asset position of REM reflects its function as a holding company. As at the balance sheet date, the company's financial assets includes shares in affiliated companies and holdings in the amount of €70.0 million (€72.1 million in previous year). Its current assets includes shares in project companies in the amount of €10.3 million (€14.8 million in previous year).

REM has 50.9% financing (54.6% in previous year), corresponding to €122.7 million (€122.7 million in previous year), mainly through equity capital. Long-term third-party bank loans still existed at the end of the year under report in the amount of €5.8 million (2.4%).

As at December 31, 2007, financial provision for market risks at REM amounted to €21.2 million. At the end of the year under report, there were no SWAP agreements in place for the hedging of currency or interest-rate risks.

Since the closure of the 2007 business year, there have been no significant business transactions entered into prior to the preparation of this management report that would have required a different presentation of the earnings, financial and net assets position. In the first two months of the 2008 business year, the net assets, financial, and earning situation have performed positively in accordance with plans.

2.4 Non-financial indicators

Operating as a global network, RREEF Alternative Investments is one of the largest providers and managers of real estate investments worldwide. The company's involvement in this global platform led to synergy effects in its international business and in the management of funds during the business year.

2.5 Risk management/Risk report

A neutral risk management approach is applied to all projects with regard to pre-costing and post-costing as well as risk monitoring. A computer-based risk management system is used for this purpose, which serves as a company-wide risk detection and risk evaluation system for REM and its affiliated subsidiaries. The results are documented in the bi-annual risk report which describes and evaluates all risks (market and operational risks).

Market and project risks are evaluated on the basis of three scenario analyses (business case, worst case, and "AAA" case) which are drawn up by Risk management. The risk provision is calculated according to business case. The worst case scenario describes the potential risks that could occur if significant, and still variable, parameters were to develop more negatively. The theoretical "AAA" case is derived from this estimation, and is used as the basis for calculating economic capital. Economic capital is the equity capital that is required to cover the risks of this scenario. As at December 31, 2007, economic capital from market risks of REM and its affiliated subsidiaries amounts €10.7 million.

The risk provision at REM-level increased by €2.1 million to €21.1 million in comparison with the previous year as a result of the revaluation of guarantees. For its affiliated subsidiaries, the risk provision dropped due to the termination of guarantee agreements. All market risks – mainly development risks, rental risks, and risks from delivery rights/exits – are recorded based on the agreed risk provision.

Operational risks (OR) are also identified, evaluated (economic capital as at 12/31/2007: €15.3 million), reported, dealt with, and monitored. Based on the Operational Risk Management Policy Group of Deutsche Bank AG, an OR Management Framework was introduced whereby a process is defined and corresponding OR tools are provided centrally. Specific risk management processes were also defined which address special cross-functional risks.

There are currently no apparent risks that would threaten the existence of the company.

3 Outlook

In the context of the active management of managed closed-end real estate funds, the developments in the real estate markets were further examined in order to present investors with alternative options and to enable them to respond to market changes.

The company continuously examines business processes with the aim of further improving efficiencies within the group and concentrating on core processes. As part of the initial results of this analysis, employees from the Sales division were transferred to an affiliate as at January 1, 2008.

We again expect to see a positive impact on results from one-off effects for the 2008 fiscal year. However, we assume that the one-off elements of the results will be lower than that for 2007. We anticipate significant opportunities arising from the growth of our REI and RESI subsidiaries in the coming years.

The business development of the REI subsidiary is primarily determined by the volume of managed fund assets as a basis of calculation for the current fund management fee and revenue from real estate transactions for the managed special real estate fund. Owing to the performance of the open-ended special “grundbesitz europa” and “grundbesitz global” real estate funds in comparison to the previous year and the investment strategies of the funds, the board of management of REI expects the earnings situation of the company to show respectable growth over the coming years.

In the context of strategic planning, the board of management of RESI intends to invest based on the outstanding capital commitments and to issue further special funds. Assets under management should be increased significantly and the company's dependence on individual products should be reduced. In accordance with the manageable start-up costs of these strategic initiatives, the risks are limited to investor acquisition and market-side availability of suitable real estate. The board of management assumes that a medium-term growth in earnings will result from these initiatives and that the earnings situation of the company will develop adequately over the coming years.

Overall, we anticipate satisfactory results for the 2008 fiscal year, with a fall in earnings in comparison to the previous year.

Eschborn, Germany, February 26, 2008

Board of management

Holger Naumann

Dr. Herrmann Wüstefeld

Thomas Schneider

Stephen Shaw

Auditor's report

We have audited the annual financial statement, comprising the balance sheet, the income statement and notes to the financial statements – including the bookkeeping system and management report of RREEF Management GmbH Germany (DB Real Estate Management GmbH up to July 6, 2007) for the business year from January 1 to December 31, 2007. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law (and supplementary provision of the shareholder agreement/articles of incorporation) are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with §317 HGB [“Handelsgesetzbuch”: “German Commercial Code”] and generally accepted German standards for the audit of financial statements promulgated by the “Institut der Wirtschaftsprüfer” (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statement in accordance with the [German] principles of proper accounting and in the management report are detected with reasonable assurance. With the determination of audit actions, the knowledge about the business activity and the economic and legal environment of the company as well as the expectations of possible errors are considered. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservation.

RREEF Management GmbH
Auditor's opinion
Annual financial statement as at 12/31/2007 and management report

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements (and supplementary provisions of the shareholder agreement/ articles of incorporation) and give a true and fair view of the net assets, financial position and results of operations of the RREEF Management GmbH, Eschborn in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, February 27, 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft [Public limited company]
Wirtschaftsprüfungsgesellschaft [Audit firm]

Dr. Lemnitzer Adams
Wirtschaftsprüfer [auditor] Wirtschaftsprüfer [auditor]