TRANSLATION - Auditors' Report

Financial Statements as at 31 December 2010 and Management Report

RREEF Management GmbH
Eschborn

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KPMG AG Wirtschaftsprüfungsgesellschaft

Assets

		31 Dec. 2009
	€	€
A. Non-current assets		
I. Intangible assets		
Licences and similar rights and assets	368.01	736.03
II. Property and equipment		
Office equipment	44,454.48	107,610.62
III. Financial assets		
1. Shares in group companies	114,397,267.99	113,455,120.30
2. Equity investments	163,136.88	14,014,408.59
3. Securities	167,870.91	911,970.51
	114,728,275.78	128,381,499.40
	114,773,098.27	128,489,846.05
B. Current assets		
I. Inventories		
Assets held for sale	6,247.00	0.00
II. Receivables and other assets		
1. Trade receivables	1,428,904.12	226,344.93
2. Amounts receivable from group companies	132,460,078.23	63,240,337.05
3. Amounts receivable from companies in which the company holds an ownership interest	4,957.82	0.00
4. Shares in project companies	201,561.19	204,957.93
5. Other assets	4,646,189.19	5,336,205.21
	138,741,690.55	69,007,845.12
III. Securities		
Other investments	0.00	1,322,109.00
	138,747,937.55	70,329,954.12
C. Prepaid expenses	53,452.64	24,881.70
D. Plan surplus	1,000,377.26	0.00
Total assets	**254,574,865.72**	**198,844,681.87**
Trust assets	70,961,200.00	70,973,405.00

Balance sheet as at 31 December 2010

Equity and liabilities

		31 Dec. 2010	31 Dec. 2009
		€	€
A.	**Equity**		
	I. Share capital	7,500,000.00	7,500,000.00
	II. Additional paid-in capital	81,789,478.90	81,789,478.90
	III. Retained earnings		
	other retained earnings	19,564.00	0.00
	IV. Unappropriated profits brought forward	33,408,646.81	33,408,646.81
		122,717,689.71	122,698,125.71
B.	**Provisions**		
	1. Provisions for pensions and similar obligations	0.00	10,676,942.00
	2. Tax provisions	0.00	695,000.00
	3. Other provisions	110,472,722.32	19,101,227.64
		110,472,722.32	30,473,169.64
C.	**Liabilities**		
	1. Liabilities to banks	0.00	5,509,262.55
	2. Trade payables	220,925.31	237,220.87
	3. Amounts payable to group companies	19,818,395.86	38,347,878.11
	4. Other liabilities	1,210,585.74	1,398,170.93
		21,249,906.91	45,492,532.46
D.	**Deferred income**	134,546.78	180,854.06
	Total equity and liabilities	**254,574,865.72**	**198,844,681.87**
	Trust liabilities	70,961,200.00	70,973,405.00
	Contingencies	64,382,897.66	26,778,515.87

RREEF Management GmbH, Eschborn

Income statement for the year ended
31 December 2010

	€	€	2009 €
1. Revenue		12,838,357.79	12,464,139.93
2. Other operating income		6,772,675.84	16,809,159.98
3. Cost of purchased services		1,800,683.43	1,662,905.88
4. Staff costs			
a) Wages and salaries	8,377,225.26		8,015,251.97
b) Social security, pension and other benefits	1,312,056.73	9,689,281.99	2,160,480.24
-of which relating to pensions €428,938.99 (previous period: €1,295,898.48)			
5. Depreciation and amortisation			
a) a)Intangible assets and property and equipment	73,334.98		66,813.17
b) current assets, if they exceed the company's usual depreciation and amortisation expense	3,395.74	76,730.72	141,411.48
6. Other operating expenses		104,859,393.99	22,340,880.24
7. Income from			
a) Equity investments	4,011,445.87		907,618.48
- of which from group companies €4,003,475.75 (previous period: €900,000.00)			
b) Profit and loss transfer agreement	21,205,682.19	25,217,128.06	16,733,452.49
- of which from group companies €21,205,682.19 (previous period: €16,733,452.49)			
8. Other interest and similar income		1,505,035.20	2,042,750.35
- of which from group companies €1,226,005.82 (previous period: €1,785,143.33)			
9. Amortisation of financial assets		8,927,564.54	1,285,289.67
10. Interest payable and other similar expenses		1,629,756.73	674,593.85
- of which to group companies €28,140.33 (previous period: €118,368.90)			
11. Expense incurred from loss transfer		217,045.85	3,055,643.00
- of which from group companies €217,045.85 (previous period: €3,055,643.00)			
12. Net income from continuing operations		**-80,867,260.36**	**9,553,851.73**
13. Extraordinary expenses		1,975,037.00	0.00
14. Extraordinary income (loss)		**-1,975,037.00**	**0.00**
15. Income tax expense		1,945,684.26	10,071,576.37
16. Other taxes		370.40	600,000.00
17. Income from transfer of loss (previous year: profit transferred under profit and loss transfer agreement)		80,896,983.50	19,025,428.10
18. Net income		**0.00**	**0.00**

RREEF Management GmbH, Eschborn

Notes to the financial statements for 2010

I. General

The financial statements of RREEF Management GmbH, Eschborn, (hereinafter also referred to as the 'company') as at 31 December 2010 were prepared in accordance with the provisions of the German Commercial Code [*HGB*] and the Act on Private Limited Companies [*GmbH-Gesetz*].

The income statement has been prepared in accordance with the type of expenditure accounting format.

The company applied the accounting policies in accordance with the Accounting Law Modernisation Act [*BilMoG*] for the first time as at 1 January 2010. Pursuant to Section 67(8), sentence 2, of the Introductory Act to the Commercial Code [*EGHGB*], the previous period's figures have not been adjusted.

The notes to the financial statements contain all disclosures on individual balance sheet items which must be made in the notes to the financial statements or where the company has the option of reporting them either in the balance sheet or in the notes to the financial statements.

Since 1 January 2001, a profit and loss transfer agreement has been in effect between RREEF Management GmbH, Eschborn, and Deutsche Bank AG, Frankfurt am Main, as the sole owner (consolidated tax-filing status for corporation and trade tax).

There are also profit and loss transfer agreements between RREEF Management GmbH, Eschborn, and the following subsidiaries:

- since 1 January 2002:
  DI Deutsche Immobilien Treuhandgesellschaft mbH, Eschborn
  Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung, Eschborn
  RREEF Investment GmbH, Eschborn
- since 1 January 2006:
  RREEF Spezial Invest GmbH, Eschborn

Owing to the consolidated income tax-filing status with Deutsche Bank AG, Frankfurt am Main, the company's €7,004,000 in deferred tax assets (previous period: €4,092,000 in deferred tax assets) are recognised solely in the accounts of Deutsche Bank AG, Frankfurt am Main, as the controlling company.

The specification of the company's shareholdings in accordance with Article 285 No. 11 and 11a of the German Commercial Code has been filed with the District Court of Frankfurt am Main, Commercial Register Section B, No. 26724, and is published as part of the appendix.

In 2010, two companies accrued to RREEF Management GmbH.

As at the reporting date, the company qualifies as a medium-sized company limited by shares as defined by Article 267(2) of the German Commercial Code.

Information in accordance with Article 285 No. 17 of the German Commercial Code (total audit fee) is not reported, as it is contained in the consolidated financial statements of Deutsche Bank AG, Frankfurt am Main.

The €593,000 arising from the measurement of the assets within the meaning of Article 246(2), sentence 2, of the German Commercial Code at their fair value in accordance with Article 253(1), sentence 4, of the German Commercial Code is not subject to the distribution restrictions of Article 268(8) of the German Commercial Code, as sufficient unrestricted retained earnings are available.

II. Significant accounting policies

General
Balances at banks, which are also group companies, are recognised as amounts receivable from group companies, and liabilities to banks, which are also group companies, as amounts payable to group companies.

Shares in companies which are available for sale and are not designated to serve the company for the long term are recognised in the company's current assets in accordance with Article 265(5) of the German Commercial Code as shares in project companies.

In accordance with Article 265(6) of the German Commercial Code, the item designations under Article 266(2) and Article 275(2) No. 5 and No. 9 of the German Commercial Code have been changed.

Non-current assets
Intangible assets and property and equipment are recognised at cost less amortisation or depreciation taken according to the straight-line or declining balance method, as permitted under tax law, over the asset's expected useful life.

Minor assets are completely written off in their year of acquisition in accordance with Section 6(2) of the German Income Tax Act [*EStG*]. Minor assets acquired in 2008 and 2009 are written down in accordance with Section 6(2a) of the German Income Tax Act.

Financial assets are recognised at cost or, if there is evidence of impairment, their fair value as at the reporting date. Impairment losses are reversed in accordance with Article 280(1), sentence 1, of the German Commercial Code if the reason for impairment no longer exists.

Used to cover the pension liabilities, the securities held in trust by Treuinvest e.V., Frankfurt am Main, and the interest held in trust in Benefit Trust GmbH, Sössen, are measured at fair value in accordance with Article 253(1) of the German Commercial Code and netted with the pension liabilities in accordance with Article 246(2), sentence 2, of the German Commercial Code.

Current assets
Receivables and other assets are stated at the lower of cost and their fair value. Corporation tax credits resulting from the former tax imputation system are stated at their present value using a 4.0% p.a. discount rate.

Assets denominated in foreign currency are translated at the middle rate as at 31 December 2010 published by Deutsche Bank AG, Frankfurt am Main.

In accordance with Article 253(4) of the German Commercial Code, shares in project companies are stated at the lower of cost and their fair value.

Provisions and liabilities
Provisions for pensions and similar obligations are measured using the projected unit credit method and discounted in accordance with Article 253(2), sentence 1, of the German Commercial Code at a rate of 4.94%, which reflects the relevant average market interest rate over the past seven years. A rate of 3% p.a. is assumed for salary increases. Current benefits were indexed by 2%. The pension provisions were measured according to the new mortality tables published in July 2005 by Heubeck Richttafeln GmbH, Cologne.

The company did not exercise its option to prorate the addition to the provision in accordance with Section 67(1) of the Introductory Act to the Commercial Code.

Long-term provisions with an interest portion were previously discounted at a rate of 5%. In accordance with Article 253(2) of the German Commercial Code, provisions with a remaining term of more than one year are now discounted at the relevant average market interest rate over the past seven years. This is based on the interest rate tables published by the Bundesbank.

Liabilities are stated at the actual amount payable.

Liabilities denominated in foreign currency are translated at the middle rate as at 31 December 2010 published by Deutsche Bank AG, Frankfurt am Main.

III. Notes to the balance sheet

Non-current assets
Items and movements in the company's non-current assets are presented in the attached non-current assets (gross method) schedule (Appendix A to the notes to the financial statements).

Because of reductions in value, €8,928,000 in impairments had to be recorded on the financial assets (previous period: €1,285,000), €8,374,000 of which related to Sechste DB Immobilienfonds Beta Dr. Rühl, KG, Eschborn.

Other financial assets were written up by €3,372,000 (previous period: €1,486,000), €1,703,000 of which related to Jade Residential Property AG, Eschborn, and €1,213,000 to Vierte DB Immobilienfonds Beta Dr. Rühl KG.

The equity investment in Benefit Trust GmbH, Sössen, recognised in the previous period is netted with the pension liabilities in accordance with Article 246(2), sentence 2, of the German Commercial Code and is now reflected in the plan surplus. This also relates to part of the long-term investments amounting to €729,000 as at 31 December 2009.

Current assets
Finished goods comprise office equipment intended for sale in the short term that was transferred out of non-current assets.

Amounts receivable from group companies can be presented as follows:

		of which		
	Total	falling due in more than one year	from other group companies	from Shareholders
(previous period's figures in brackets)	€ thousand	€ thousand	€ thousand	€ thousand
Amounts receivable under profit and loss transfer agreements	102,103	0	21,206	80,897
	(16,733)	*(0)*	*(16,733)*	*(0)*
Loans	19,260	5,638	19,260	0
	(19,260)	*(5,638)*	*(19,260)*	*(0)*
Bank balances	6,058	0	4,900	1,158
	(20,057)	*(0)*	*(18,750)*	*(1,307)*
Amounts receivable because of consolidated tax-filing status	3,383	0	0	893
	(245)	*(0)*	*(0)*	*(245)*
Other amounts due from banks	893	0	3,383	0
	(6,676)	*(0)*	*(6,676)*	*(0)*
Trade receivables	759	0	759	0
	(17)	*(0)*	*(17)*	*(0)*
Other receivables	4	0	4	0
	(252)	*(0)*	*(252)*	*(0)*
	132,460	**5,638**	**49,512**	**82,948**
	(63,240)	*(5,638)*	*(61,688)*	*(1,552)*

Shares in project companies include property and management companies designated for sale (€202,000; previous period: €205,000).

Other assets (€4,646,000; previous period: €5,336,000) largely comprise €4,362,000 receivable from tax refund claims (previous period: €5,279,000).

Plan surplus
Used to cover the pension liabilities, the assets held in trust by Treuinvest e.V., Frankfurt, in the form of securities, an instalment and an equity interest in Benefit Trust GmbH, Sössen, have a historical cost of €14,622,000 and fair value of €15,277,000 as at 31 December 2010. €14,277,000 is required to settle the pension liabilities as at the reporting date.

Equity
Deutsche Bank AG, Frankfurt am Main, is the sole owner of RREEF Management GmbH, Eschborn. The €7,500,000 in share capital is fully paid up.

Additional capital has been paid in pursuant to Article 272(2) No. 4 of the German Commercial Code.

The €20,000 partial release as at 1 January 2010 arising from the revaluation of the jubilee provisions in accordance with Article 253(2) of the German Commercial Code was taken to the retained earnings in accordance with Section 67(1) of the Introductory Act to the Commercial Code.

Provisions
The provisions for pensions and similar obligations previously recognised are netted in accordance with Article 246(2), sentence 2, of the German Commercial Code with the assets acquired to cover the liabilities. The difference as at 31 December 2010 is recognised as a plan surplus.

The trade tax provision as at 31 December 2009 was released as its utilisation is no longer expected.

Other provisions are composed of the following items:

	31 Dec. 2010 € thousand	Previous period € thousand
Provisions for litigation risk	90,364	0
Liabilities from current projects	13,493	12,671
Provisions for early and partial retirement	2,604	2,220
Other employee-related provisions	2,355	1,935
Other	1,657	2,275
	110,473	19,101

Liabilities to banks
The €5,509,000 loan as at 31 December 2009 was repaid in full as at 30 December 2010.

Trade payables
€177,000 of the trade payables fall due within one year and €44,000 between one and three years.

Amounts payable to group companies

		of which		
(previous period's figures in brackets)	Total € thousand	falling due within one year € thousand	owed to other group companies € thousand	owed to Shareholders € thousand
Amounts payable because of consolidated tax-filing status	10,587 *(10,028)*	10,587 *(10,028)*	0 *(0)*	10,587 *(10,028)*
Loans drawn down	1,560 *(3,531)*	1,560 *(3,531)*	1,560 *(3,531)*	0 *(0)*
Amounts payable under profit and loss transfer agreement	217 *(22,081)*	217 *(22,081)*	217 *(3,056)*	0 *(19,025)*
Other liabilities	7,454 *(2,708)*	7,454 *(2,708)*	6,443 *(2,544)*	1,011 *(164)*
	19,818 *(38,348)*	**19,818** *(38,348)*	**8,220** *(9,131)*	**11,598** *(29,217)*

Amounts payable to group companies include €12,952,000 in liabilities to banks (previous period: €29,847,000).

There are no amounts payable falling due in more than five years.

Other liabilities
The €914,000 in other liabilities (previous period: €1,017,000) are social security payments.

All other liabilities fall due within one year.

Trust assets/liabilities
The trust assets are equal to the trust liabilities on the liabilities side. These are largely the shares in two fund management companies held by RREEF Management GmbH as the limited trust partner.

Contingencies
The contingencies comprise €64,383,000 resulting from guarantees (previous period: €26,779,000), €27,140,000 of which relates to group companies (previous period: €0).

The liability risks can be presented as follows:

In 2012, the investors of a closed-ended property fund received an offer from a group company to void the lifelong right of use. The resultant liability risk amounts to €27,140,000 as at the reporting date (previous period: €0).

When the closed-ended property fund was placed, pre-emptive tender rights were issued to the investors in the form of a firm purchase offer to acquire the equity investments in 2019. The total sum amounts to €21,763,000, of which €9,625,000 has been set aside in a provision (previous period: €9,174,000).

In 2010, the investors of a closed-ended property fund were made a one-off offer to purchase their limited partner's shares. The resultant liability risk amounts to €11,582,000 (previous period: €0).

In addition, RREEF Management GmbH committed itself to the shareholders in connection with the placement of a closed-ended property fund, in the event that the company enforces the land charge created for the subscribers to the memorandum of association for funding purposes, to place the company in a position at all times where it is able to pay the creditor's claim arising from the land charge. The resultant liability amounts to €11,511,000 as at the reporting date (previous period: €11,771,000).

The other €2,012,000 in liability risks (previous period: €2,419,000) relates to commitments to purchase limited partner's shares at two closed-ended property funds as well as rental guarantees.

Letters of comfort
Save for in the event of a political risk, RREEF Management GmbH ensures that DI Deutsche Immobilien Baugesellschaft mbH, Eschborn, can fulfil its contractual obligations. The latter is a group company.

In addition, RREEF Management GmbH has issued letters of comfort to Deutsche Bank AG, Frankfurt am Main, for a company in connection with lending and projects.

Other financial commitments and information on derivative financial instruments
As in the previous period, there are no rental or lease commitments with a term of more than one year.

As part of a project in Berlin, RREEF Management GmbH gave a rental guarantee that takes effect after a 10-year lease, therefore since 31 July 2008.

IV. Notes to the income statement-

Revenue
Largely generated in Germany, the €12,838,000 in revenue (previous period: €12,464,000) breaks down into €11,301,000 in income from service contracts (general services, fund and property management) (previous period: €12,223,000) and €1,537,000 from other services (previous period: €241,000).

Other operating income
The €6,773,000 in other operating income (previous period: €16,809,000) can be presented as follows:

	31 Dec. 2010	Previous period
	€ thousand	€ thousand
Income from the write-up of shares in group companies	**3,372**	**1,486**
Income from the release of provisions		
Management fees received	**1,083**	**7,509**
Sub-letting income	**980**	**980**
Foreign currency translation gains	**920**	**1,289**
Income from the reversal of tax allocated in the previous period	**9**	**8**
Income from realised exchange rate gains on securities	**0**	**1,589**
Other operating income	**0**	**1,360**
	409	**2,588**
Total	**6,773**	**16,809**

Cost of purchased services
The €1,801,000 in the cost of purchased services (previous period: €1,663,000) largely breaks down into €797,000 in service charges for commercial and technical property management provided by external firms and €1,002,000 for services provided by RREEF Investment GmbH, Eschborn.

Other operating expenses
The €104,859,000 in other operating expenses (previous period: €22,341,000) can be presented as follows:

	31 Dec. 2010	Previous period
	€ thousand	€ thousand
Current projects	**92,364**	**380**
Intragroup payables	**4,976**	**3,367**
Building and land expenses	**2,146**	**2,995**
Business services	**1,657**	**11,192**
Legal and advisory fees	**1,305**	**902**
Office equipment	**671**	**597**
Loss on sale of securities	**470**	**1,241**
Advertising and travelling expenses	**251**	**260**
Other	**1,019**	**1,407**
Total	**104,859**	**22,341**

The expense of current projects comprises €90,363,000 in additions to the provisions for litigation risks and €2,000,000 for winding up a closed-ended property fund. The €11,192,000 for business services in 2009 includes €9,557,000 in expenses relating to prior periods.

Income from investments and profit and loss transfer agreement
In the period under review, the €4,011,000 in income from investments (previous period: €908,000) comprises a distribution in relation to investment Deutsche Bank Reality Advisors, Inc., New York, of what translates to €2,868,000 and the distribution of the unappropriated retained earnings from the period prior to the consolidated tax-filing status of RREEF Spezial Invest GmbH, Eschborn, of €1,134,000.

€21,206,000 in income was generated under profit and loss transfer agreements (previous period: €16,733,000).

Impairment of financial assets
Of the €8,928,000 in impairment losses recorded on financial assets (previous period: €1,285,000), €8,374,000 relates to Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn, in connection with the acceptance in 2010 of an additional mandatory capital contribution of €9,000,000 by RREEF Management GmbH, Eschborn.

Interest payable and other similar expenses
For the first time, interest payable and other similar expenses also include €852,000 in accreted interest on provisions. In accordance with Article 277(5) of the German Commercial Code, this interest expense comprises €28,000 for jubilee provisions, €38,000 for early retirement provisions, €9,000 for partial retirement provisions and €686,000 for a provision created in 2010 for pre-emptive tender rights. €694,000 in interest expense for pension provisions was netted with €603,000 in income in accordance with Article 246(2) of the German Commercial Code. €594,000 of this amount resulted from the measurement of assets at fair value and €9,000 from realised exchange rate gains and distributions.

Expense incurred from loss transfer
A loss of €217,000 was transferred to the company under the existing profit and loss transfer agreement with Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung, Eschborn.

Extraordinary expenses
The amount results from the revaluation of the pension as well as early and partial retirement liabilities as at 1 January 2010 in accordance with Article 253(2) of the German Commercial Code in conjunction with Section 67(7) of the Introductory Act to the Commercial Code.

Income tax expense
The income tax expense (€1,945,000 income; previous period: €10,071,000 income) in the period under review comprises corporation tax (€763,000 income) and the solidarity tax contribution (€39,000 expense) relating to prior periods arising from completed tax audits as well as trade tax relating to prior periods (€1,221,000 income).

V. Other information

Executive bodies of RREEF Management GmbH

Management board

Dr. Georg Allendorf
Chief Executive Officer

Thomas Schneider
Chief Operating Officer

Robert Červinka
Chief Investment Officer

Remuneration of the management board
The management board received a total of €955,000 in remuneration for services rendered in the period under review (previous period: €1,307,000). €78,000 was paid to former members of the management board and their surviving dependants. Provisions of €5,386,000 (previous period: €4,722,000) have been set up for pension payments to former members of the management board and their surviving dependants.

Employees
During the period under review, the company had an average of 77 active employees (previous period: 82), of which 39 female employees (previous period: 39).

Parent company
Deutsche Bank AG, Frankfurt am Main, is the sole owner of RREEF Management GmbH, Eschborn. In accordance with Article 340i of the German Commercial Code in conjunction with the provisions of Section 57, sentence 1, No. 2 of the Introductory Act to the Commercial Code as well as Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 regarding the application of international accounting standards (Official Journal of the European Communities L 243, sentence 1), it prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), in which our company is included and therefore likewise exempt. The consolidated financial statements are announced in the digital Official Gazette of the Federal Republic.

Eschborn, 24 February 2010

The management board

Dr. Georg Allendorf　　Robert Červinka　　Thomas Schneider

Changes in the fund's assets of RREEF Management GmbH, Eschborn

	At cost					
	Brought forward 1 Jan. 2010	Adjustment to Acct. Law. Mod. Act	Additions	Disposals	Transfers	Balance 31 Dec. 2010
	€	€	€	€		€
I. Intangible assets						
Licences and similar rights and assets	1,104.04	0.00	0.00	0.00	0.00	1,104.04
	1,104.04	**0.00**	**0.00**	**0.00**	**0.00**	**1,104.04**
II. Property and equipment						
Office equipment	604,223.34	0.00	16,539.00	2,364.37	-332,923.58 *	285,474.39
	604,223.34	**0.00**	**16,539.00**	**2,364.37**	**-332,923.58**	**285,474.39**
III. Financial assets						
1. Shares in group companies	224,071,976.27	0.00	9,000,000.00	11,429,954.77	0.00	221,642,021.50
2. Equity investments	14,191,698.92	-13,931,078.09	0.00	1,453.59	0.00	259,167.24
3. Securities	912,293.39	-728,986.39	58,922.79	74,036.00	0.00	1,626,166.57
	239,175,968.58	**-14,660,064.48**	**9,058,922.79**	**11,505,444.36**	**0.00**	**222,069,382.53**
Total non-current assets	**239,781,295.96**	**-14,660,064.48**	**9,075,461.79**	**11,507,808.73**	**-332,923.58**	**222,355,960.96**

* Transferred to current assets

as at 31 December 2010

Accumulated depreciation							Carrying amount	
Brought forward 1 Jan. 2010	Adjustment to Acct. Law. Mod. Act	Depreciation for the financial year	Write-ups for the financial year	Disposals	Transfers	Balance 31 Dec. 2010	31 Dec. 2010	31 Dec. 2009
€	€	€	€	€		€	€	€
368.01	0.00	368.02	0.00	0.00	0.00	736.03	368.01	736.03
368.01	**0.00**	**368.02**	**0.00**	**0.00**	**0.00**	**736.03**	**368.01**	**736.03**
496,612.72	0.00	72,966.96	0.00	1,883.19	-326,676.58 *	241,019.91	44,454.48	107,610.62
496,612.72	**0.00**	**72,966.96**	**0.00**	**1,883.19**	**-326,676.58**	**241,019.91**	**44,454.48**	**107,610.62**
110,616,855.97	0.00	8,927,564.54	3,371,809.40	8,927,857.60	0.00	107,244,753.51	114,397,267.99	113,455,120.30
177,290.33	-81,259.97	0.00	0.00	0.00	0.00	96,030.36	163,136.88	14,014,408.59
322.88	0.00	0.00	0.00	0.00	0.00	322.88	1,625,843.69	911,970.51
110,794,469.18	**-81,259.97**	**8,927,564.54**	**3,371,809.40**	**8,927,857.60**	**0.00**	**107,341,106.75**	**116,186,248.56**	**128,381,499.40**
111,291,449.91	**-81,259.97**	**9,000,899.52**	**3,371,809.40**	**8,929,740.79**	**-326,676.58**	**107,582,862.69**	**116,231,071.05**	**128,489,846.05**

Shareholdings of RREEF Management GmbH
as at 31 December 2010 pursuant to Article 285 No. 11 of the German Commercial Code

		Share of the capital in % total	indirect		Share capital in k	Annual result in k	
1. Subsidiaries							
1.	5000 Yonge Street Toronto Inc., Toronto, Kanada	100.00	-	CAD	0	0	
2.	AV America Grundbesitzverwaltungsgesellschaft mbH i. L., Frankfurt am Main	75.00	-	EUR	82	31	**
3.	DB Real Estate CANADAINVEST 1 Inc., Toronto, Kanada	100.00	-	CAD	-3	2	
4.	RREEF Investment GmbH, Eschborn	99.90	-	EUR	16,664	0	
5.	RREEF Spezial Invest GmbH, Eschborn	100.00	40.00	EUR	5,483	0	
6.	DEGRU Erste Beteiligungsgesellschaft mbH, Eschborn	100.00	-	EUR	1,024	292	
7.	Deutsche Bank Realty Advisors Inc., New York, Amerika	100.00	-	USD	1,897	-51	
8.	Deutsche Grundbesitz-Anlagegesellschaft mbH, Eschborn	99.90	-	EUR	1,935	0	
9.	Deutsche Grundbesitz Beteiligungsgesellschaft mbH, Eschborn	100.00	-	EUR	43	-15	
10.	DI Deutsche Immobilien Baugesellschaft mbH & Co. Vermietungs KG, Eschborn	100.00	90,0	EUR	1,507	-268	
11.	DI Deutsche Immobilien Baugesellschaft mbH, Eschborn	100.00	-	EUR	1,938	-314	
12.	DI Deutsche Immobilien Treuhandgesellschaft mbH, Eschborn	100.00	-	EUR	310	0	
13.	Dritte DB Immobilienfonds Beta Dr. Rühl KG i. L., Frankfurt am Main	94.21	-	EUR	6,456	6,719	
14.	Erste DB Immobilienfonds Beta Dr. Rühl KG i. L., Frankfurt am Main	94.21	-	EUR	3,908	4,805	
15.	Fünfte DB Immobilienfonds Beta Dr. Rühl KG i. L., Frankfurt am Main	94.21	-	EUR	5,701	7,226	
16.	IC Chicago Associates LLC, Wilmington, Amerika	100.00	100.00	USD	0	0	
17.	IMM Associate LLC, New York, Amerika	100.00	100.00	USD	2,028	0	
18.	JADE Residential Property AG, Eschborn	100.00	-	EUR	57,484	1,702	
19.	JG Japan Grundbesitzverwaltungsgesellschaft mbH i. L., Eschborn	100.00	-	EUR	52	1,173	*
20.	Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	100.00	-	EUR	626	-8,738	
21.	Vierte DB Immobilienfonds Beta Dr. Rühl KG i. L., Frankfurt am Main	94.21	-	EUR	4,011	4,639	
22.	Zweite DB Immobilienfonds Beta Dr. Rühl KG i. L., Frankfurt am Main	94.21	-	EUR	3,051	3,666	
2. Equity investments							
1.	P. F. A. B. Passage Frankfurter Allee Betriebsgesellschaft mbH, Berlin	22.20	22.20	EUR	511	3	**
2.	WohnBauEntwicklungsgesellschaft München-Haidhausen mbH & Co. KG i. L., Eschborn	33.33	-	EUR	234	-1	
3.	WohnBauEntwicklungsgesellschaft München-Haidhausen Verwaltungs mbH i. L., Eschborn	33.33	-	EUR	59	-2	

Shareholdings of RREEF Management GmbH
as at 31 December 2010 pursuant to Article 285 No. 11 a of the German Commercial Code

1. DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn

* Financial statements 2008

** Financial statements 2009

RREEF Management GmbH
Management Report 2010

1. Overall business situation

1.1 General company information

RREEF Management GmbH, Eschborn, (REM) is part of the RREEF Alternative Investments business unit of the Deutsche Bank group. With more than 600 employees in 22 countries on four continents and with some EUR 42.6 billion in investment capital under management, RREEF Alternative Investments is one of today's largest property investment companies in this segment. In this connection, REM as a holding company pools the various activities of its subsidiaries in Germany for domestic property investors. In 2010, REM had an average of 77 employees. REM's sole owner is Deutsche Bank AG, Frankfurt am Main (DB AG), with which a profit and loss transfer agreement is in effect.

1.2 Main segments

Subsidiaries RREEF Investment GmbH (REI) and RREEF Spezial Invest GmbH (RESI) manage a total of EUR 7,455 million in funds (previous period: EUR 5,956 million). REI manages the European and global open-ended property funds. As at the reporting date, RESI manages a total of nine traditional German institutional funds, two of which were launched in the period under review. The liquidation of one traditional German institutional fund was completed in the period under review.

1.3 Organisational measures

With a view to the further concentration of the internal service functions at REM, the Property Controlling, Asset Management and Transactions segments were transferred from REI to REM on 1 August 2010. In 2010, the company had its values management system certified by the Corporate Governance Initiative.
Both subsidiaries – RREEF Investment GmbH and RREEF Spezial Invest GmbH – were also certified.

1.4 Industry trend

Global GDP continued to grow by about 4.7% in 2010. While the majority of industrialised nations showed only slight growth, the trend was driven by emerging economies. Above all, demand for capital goods was high in China, India and Brazil. Many investments were cancelled or shelved because of the great uncertainty in the wake of the financial crisis. These were re-instated in 2010, which triggered an increase in world trade. This was a boon to Germany, but also Japan, neither of which had experienced much of a housing bubble and were therefore able to recover from the recession more quickly. The USA as well as a number of European countries were hit when the housing bubble burst – not to mention the government bonds crisis. Growth has been hampered as the private and public sectors recover. For 2011, DB Global Markets expects somewhat muted global growth of some 3.9%. Investments and trade are expected to continue recovering. Yet consumers are emerging from the situation with dampened hopes. Worldwide inflation is again on the rise and, for 2011, DB Global Markets expects a moderate increase in industrialised nations and a stronger rise in emerging economies.

Global office markets are in a period of consolidation. The slight increase in the number of vacant properties continues on the back of restrained demand; at the same time, building activity is at a low level. Rents have bottomed out for the most part. Yet there was a wide difference in trends from one market to the other. In the USA, the rate of vacant office properties was up slightly again at 16.7% nation-wide on account of the difficult state of the economy. Rents were down by about

5%, accordingly. San Francisco, Washington DC and New York will be the first markets to recover. The office market in Tokyo is starting to stabilise. In Seoul, the volume of new construction has led to a slight increase in the vacancy rate and lower rents, accordingly. The office markets in Europe have continued to stabilise. Above all in Germany but also the southern European markets have gradually bottomed out. The markets in London and Paris have revived with an upward trend in rents. Further market consolidation is expected for 2011.

The global investment markets revived in 2010. With some EUR 440 billion in investments, they were up by more than 50% in comparison with the previous period. Yet that is still significantly lower than the EUR 900 billion recorded in 2007. Improved sentiment along with the low interest rates for alternative investments (especially bonds) have led to higher demand for core properties. Yet demand in this area is far greater than supply, and high asking prices are increasingly common. Demand in Europe has concentrated in the UK, France, Germany and Sweden. Returns slipped slightly in the course of the year and RREEF Research expects another slight drop in most of the regions of the world in 2011.

2. Business trend

2.1 Results of operations

Based on ordinary operations, the period under review developed in line with the management's expectations. Results of operations were largely shaped by the income under the profit and loss transfer agreements with the subsidiaries. This income increased by EUR 4.5 million to EUR 21.2 million in the period under review. Income from investments in 2010 increased from EUR 0.9 million to EUR 4.0 million.

Revenues at EUR 12.8 million were largely stable (previous period: EUR 12.5 million). After the non-recurring effects in the previous period, the other operating income now amounts to EUR 6.8 million. Staff costs for the period under review amounted to EUR 9.7 million (previous period: EUR 10.2 million). In 2010, the company had an average of 77 employees (previous period: 82).

The EUR 8.9 million written down on financial assets was largely attributable to the write-down of a property company.

The other operating expenses increased to EUR 104.8 million (previous period: EUR 22.3 million). This was attributable to the EUR 90.4 million in risk provisioning for current litigation in connection with a former investment concept.

Under its profit and loss transfer agreement, REM will transfer a loss of EUR 80.9 million to Deutsche Bank AG (previous period: transfer of EUR 19.0 million in profit).

2.2 Financial position

REM's financial position is largely shaped by the financing of subsidiaries and the related refinancing possibilities at Deutsche Bank AG.

As at 31 December 2010, REM has EUR 6.1 million in bank balances (previous period: EUR 20.1 million). To simplify its investment structure, EUR 9.0 was channelled into a property company. This liquidity circulated back to REM in January 2011 through a distribution by five fund management companies controlled by the company. Five companies can now be wound up in 2011, accordingly.

2.3 Net assets

The total assets increased by EUR 55.6 million to EUR 254.6 million, which further reflects REM's function as a holding company. As at the reporting date, the company's financial assets show EUR 114.6 million in shares in group companies and equity investments (previous period: EUR 127.5 million). The difference to the previous period is owing to a EUR 1.0 million plan surplus (previous period: EUR 3.9 million) after the plan assets were netted with the pension liabilities for the first time in accordance with the Accounting Law Modernisation Act.

REM is funded through 48% equity (previous period: 62%), or EUR 122.7 million, which is the same as in the previous period. As at the end of the reporting period, the company had no third-party bank loans (previous period: EUR 5.5 million).

No events took place between the close of 2010 and the preparation of this management report which would have had a significant effect on the company's net assets, financial position or results of operations.

2.4 Non-financial indicators

RREEF Alternative Investments is one of the world's largest providers and managers of property investments with a global network. The company's part in this global network led in the period under review to the successful conclusion of 19 foreign transactions for the fund investments managed by REI and RESI.

2.5 Risk management/risk report

The neutral Risk Management department monitors the budgeting, final costing and risks of all projects. An IT-based risk management system is used for this purpose as a company-wide system for recording and assessing risks by REM and its affiliated subsidiaries. The results are documented in a risk report, which presents and assesses all risks (market and operational risks).

Market and project risks are analysed using three scenarios (business case, worst case and AAA case), which are prepared by Risk Management. The appropriate level of risk provisioning is determined on the basis of the business case. The worst case scenario presents the potential risks that could arise in the event that significant variable parameters were to worsen. This assessment is used to develop a theoretical AAA case as the basis for calculating the economic capital. The economic capital is the equity needed to cover the risks in this scenario. As at 31 December 2010, the economic capital arising from the market risks of REM and its affiliated subsidiaries amounts to EUR 10.4 million.

Risk provisioning at the REM level increased from EUR 13.1 million in the previous period to EUR 13.9 million in the period under review. The increase results from the provision for investor exemption for EUR 2.0 million in tax risks for the utilisation (EUR 0.7 million) or writing back (EUR 0.5 million) of risk positions. Risk provisioning for the affiliated subsidiaries is nearly the same as in the previous period (EUR 3.1 million). This risk provisioning covers all market risks - primarily development risks, rental risks and risks from pre-emptive tender rights/exits.

The operational risks (OR) are likewise identified, measured, reported, handled and monitored. As at 31 December 2010, risk provisioning for e.g. litigation was set up to EUR 90.4 million. The economic capital currently amounts to EUR 0.3 million. Based on the group operational risk management policy of Deutsche Bank AG, an OR management framework was introduced in which a process is defined and related OR tools are provided. Specific risk management processes were defined as well to target cross-function risks.

There are no risks impairing the continued existence of the company at this time.

3. Outlook

After the reporting date, about 73% of a closed-ended property fund was transferred to the company. In 2011, the company plans to sell an indirectly held property in Leipzig. The effect of these non-recurring components of profit or loss cannot be foreseen. Significant opportunities in the next years can be seen in the development of our subsidiaries, REI and RESI.

The trend in business at subsidiary REI is largely determined by the volume of the fund's assets under management used to calculate the current fund management fee as well as the income generated on property transactions for the property funds under management. Overall, the management expects satisfactory results of operations in the next years at a higher level than last year, provided that fund volumes continue to grow.

As part of RESI's strategic planning, the management intends to invest the fund investments' open capital commitments and to launch further fund investments. That will significantly increase the assets under management and reduce the company's dependency on specific products. Given the manageable start-up costs of these strategic initiatives, the risks will be limited to investor acquisition and the availability of suitable properties in the market.

Overall, the management expects satisfactory results of operations for the next two years.

Eschborn, 24 February 2011

The management board

Dr. Georg Allendorf   Robert Červinka   Thomas Schneider

Auditors' Report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of RREEF Management GmbH, Eschborn, for the financial year from 1 January to 31 December 2010. The maintenance of the books and records and the preparation of the financial statements and management report in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with Article 317 of the German Commercial Code and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Auditors [*Institut der Wirtschaftsprüfer]*. 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 financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the 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 financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on our audit findings, the financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German commercial law and German principles of proper accounting. The management report is consistent with the 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, 25 February 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dr. Lemnitzer	Kalthoff
German Qualified Auditor	German Qualified Auditor