TRANSLATION - Auditors' Report

Financial Statements as at 31 December 2011 and Management Report

RREEF Management GmbH

Frankfurt am Main

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KPMG AG Wirtschaftsprüfungsgesellschaft

Assets

		31 Dec. 2010
	€	€
A. Non-current assets		
I. Intangible assets		
Licences and similar rights and assets	0.00	368.01
II. Property and equipment		
Office equipment	44,290.57	44,454.48
III. Financial assets		
1. Shares in group companies	108,283,799.50	114,397,267.99
2. Equity investments	205,353.84	163,136.88
3. Securities	0.00	167,870.91
	108,489,153.34	114,728,275.78
	108,533,443.91	114,773,098.27
B. Current assets		
I. Inventories		
Assets held for sale	0.00	6,247.00
II. Receivables and other assets		
1. Trade receivables	1,376,215.59	1,428,904.12
2. Amounts receivable from group companies	149,310,586.80	132,460,078.23
3. Amounts receivable from companies in which the company holds an ownership interest	5,156.73	4,957.82
4. Shares in project companies	87,952.13	201,561.19
5. Other assets	3,855,749.84	4,646,189.19
	154,635,661.09	138,741,690.55
	154,635,661.09	138,747,937.55
C. Prepaid expenses	2,492.16	53,452.64
D. Plan surplus	1,903,186.00	1,000,377.26
Total assets	**265,074,783.16**	**254,574,865.72**
Trust assets	71,060,600.00	70,961,200.00

Balance sheet as at 31 December 2011

Equity and liabilities

		31 Dec. 2010
	€	€
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	19,564.00
IV. Unappropriated profits brought forward	33,408,646.81	33,408,646.81
	122,717,689.71	122,717,689.71
B. Provisions		
Other provisions	40,595,804.02	110,472,722.32
	40,595,804.02	110,472,722.32
C. Liabilities		
1. Trade payables	161,289.77	220,925.31
2. Amounts payable to group companies	100,394,573.17	19,818,395.86
3. Other liabilities	1,117,186.99	1,210,585.74
	101,673,049.93	21,249,906.91
D. Deferred income	88,239.50	134,546.78
Total equity and liabilities	**265,074,783.16**	**254,574,865.72**
Trust liabilities	71,060,600.00	70,961,200.00
Contingencies	28,646,828.93	64,382,897.66

RREEF Management GmbH, Frankfurt am Main

Income statement for the year ended 31 December 2011

			2010
	€	€	€
1. Revenue		19,739,419.78	12,838,357.79
2. Other operating income		87,410,604.16	6,772,675.84
3. Cost of purchased services		2,597,494.12	1,800,683.43
4. Staff costs			
a) Wages and salaries	9,457,364.43		8,377,225.26
b) Social security, pension and other benefits	1,799,358.91	11,256,723.34	1,312,056.73
-of which relating to pensions €715,086.21 (previous period: €428,938.99)			
5. Depreciation and amortisation			
a) a)Intangible assets and property and equipment	149,761.08		73,334.98
b) current assets, if they exceed the company's usual depreciation and amortisation expense	0.00	149,761.08	3,395.74
6. Other operating expenses		11,247,250.63	104,859,393.99
7. Income from			
a) Equity investments	362,601.30		4,011,445.87
- of which from group companies €357,948.30 (previous period: €4,003,475.75)			
b) Profit and loss transfer agreement	17,607,691.36	17,970,292.66	21,205,682.19
- of which from group companies €17,607,691.36 (previous period: €21,205,682.19)			
8. Other interest and similar income		2,994,522.73	1,505,035.20
- of which from group companies €1,386,630.70 (previous period: €1,226,005.82)			
9. Amortisation of financial assets		13,832,058.31	8,927,564.54
10. Interest payable and other similar expenses		585,876.82	1,629,756.73
- of which to group companies €15,088.96 (previous period: €28,140.33)			
11. Expense incurred from loss transfer		48,534.15	217,045.85
- of which from group companies €48,534.15 (previous period: €217,045.85)			
12. Net income from continuing operations		**88,397,140.88**	**-80,867,260.36**
13. Extraordinary expenses		0.00	1,975,037.00
14. Extraordinary income (loss)		**0.00**	**-1,975,037.00**
15. Income tax expense (income; previous period: income)		4,447.62	1,945,684.26
16. Other taxes		0.00	370.40
17. Profit transferred under profit and loss transfer agreement (previous period: income from transfer of loss)		88,401,588.50	80,896,983.50
18. Net income		**0.00**	**0.00**

RREEF Management GmbH, Frankfurt am Main

Notes to the financial statements for 2011

I. General

The financial statements of RREEF Management GmbH, Frankfurt am Main, (hereinafter also referred to as the 'company') as at 31 December 2011 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 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 the company and Deutsche Bank AG, Frankfurt am Main, as the sole owner (consolidated tax-filing status for corporation and trade tax). This was completely revised on 16/22 March 2010.

In the period under review, the company changed its legal seat from Eschborn to Frankfurt am Main.

There are also profit and loss transfer agreements between the company and the following subsidiaries:

- since 1 January 2002:
  DI Deutsche Immobilien Treuhandgesellschaft mbH, Frankfurt am Main (formerly Eschborn)
  Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main (formerly Eschborn)
  RREEF Investment GmbH, Frankfurt am Main (formerly Eschborn)
- since 1 January 2006:
  RREEF Spezial Invest GmbH, Frankfurt am Main (formerly Eschborn)

Owing to the consolidated income tax-filing status with Deutsche Bank AG, Frankfurt am Main, the company's €6,659,000 in deferred tax assets (previous period: €7,004,000 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.

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 €2,664,000 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.

The company did not exercise the accounting option allowed by Article 253(3), sentence 4, of the German Commercial Code.

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.

On account of the existing pledges, securities held to cover the partial retirement liabilities are likewise measured at fair value in accordance with Article 253(1) of the German Commercial Code and netted with the partial retirement 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 2011 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 4.86% (pension provisions), 4.69% (jubilee provisions) and 3.94% (early and partial retirement provisions) which reflects the relevant average market interest rate over the past seven years. A rate of 3.1% p.a. is assumed for salary increases. Current benefits were indexed by 2.1%. The pension provisions were measured according to the new mortality tables published in July 2005 by Heubeck Richttafeln GmbH, Cologne.

In accordance with Article 253(2) of the German Commercial Code, provisions with a remaining term of more than one year are 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 2011 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).

The long-term investments recognised in the previous period are used to cover the entitlements under partial retirement agreements and are netted with the provisions for partial retirement agreements in accordance with Article 246(2), sentence 2, of the German Commercial Code for the first time as at 31 December 2011.

Current assets
Amounts receivable from group companies can be presented as follows:

		of which		
(previous period's figures in brackets)	Total € thousand	falling due in more than one year € thousand	from other group companies € thousand	from shareholders € thousand
Amounts receivable under profit and loss transfer agreements	17,608 *(102,103)*	0 *(0)*	17,608 *(21,206)*	0 *(80,897)*
Loans	24,465 *(19,260)*	0 *(5,638)*	24,465 *(19,260)*	0 *(0)*
Bank balances	97,152 *(6,058)*	0 *(0)*	95,900 *(4,900)*	1,252 *(1,158)*
Amounts receivable because of consolidated VAT-filing status	6,489 *(3,383)*	0 *(0)*	6,489 *(3,383)*	0 *(0)*
Other amounts due from banks	655 *(893)*	0 *(0)*	0 *(0)*	655 *(893)*
Trade receivables	2,942 *(759)*	0 *(0)*	2,942 *(759)*	0 *(0)*
Other receivables	0 *(4)*	0 *(0)*	0 *(4)*	0 *(0)*
	149,311 *(132,460)*	**0** *(5,638)*	**147,406** *(49,512)*	**1,905** *(82,948)*

Shares in project companies include property and management companies designated for sale (€88,000; previous period: €202,000).

Other assets largely comprise €3,806,000 receivable from tax refund claims (previous period: €4,362,000).

Plan surplus
Used to cover the pension benefits, the assets held in trust by Treuinvest e.V., Frankfurt am Main, in the form of securities, an instalment and an equity interest in Benefit Trust GmbH, Sössen, have a historical cost of €14,054,000 and fair value of €16,716,000 as at 31 December 2011. €14,813,000 is required to settle the pension liabilities as at the reporting date.

Equity
Deutsche Bank AG, Frankfurt am Main, is the sole owner of the company. 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.

Provisions

Other provisions are composed of the following items:

	31 Dec. 2011	Previous period
	€ thousand	€ thousand
Provision for litigation risk	20,500	90,364
Liabilities from current projects	13,513	13,493
Provisions for early retirement	2,000	2,240
Provisions for partial retirement	261	364
Other employee-related provisions	2,534	2,355
Other	1,789	1,657
	40,596	110,473

The provision for litigation risk was reduced by €69,864,000 as a court settlement had been reached.

The provisions for partial retirement as at 31 December 2011 had a settlement amount of €474,000. As at 31 December 2011, the securities pledged to cover them had a historical cost of €211,000 and a fair value of €213,000.

Trade payables
€139,000 of the trade payables fall due within one year and €22,000 between one and five 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	7,282 *(10,587)*	7,282 *(10,587)*	0 *(0)*	7,282 *(10,587)*
Loans drawn down	275 *(1,560)*	275 *(1,560)*	275 *(1,560)*	0 *(0)*
Amounts payable under profit and loss transfer agreements	88,450 *(217)*	88,450 *(217)*	48 *(217)*	88,402 *(0)*
Trade payables	4,388 *(7,454)*	4,388 *(7,454)*	2,877 *(6,443)*	1,511 *(1,011)*
	100,395 *(19,818)*	**100,395** *(19,818)*	**3,200** *(8,220)*	**97,195** *(11,598)*

Amounts payable to group companies include €97,195,000 in liabilities to banks (previous period: €12,952,000).

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

Other liabilities
The €813,000 in other liabilities (previous period: €914,000) 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 the company as the limited trust partner.

Contingencies
The contingencies comprise €28,647,000 resulting from guarantees (previous period: €64,383,000), €4,500,000 of which relates to group companies (previous period: €27,140,000).

The liability risks can be presented as follows:

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 €21,733,000, of which €10,331,000 has been set aside in a provision (previous period: €9,625,000).

In addition, the company 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 €11,307,000 as at the reporting date (previous period: €11,511,000).

In connection with the sale of property owned by a subsidiary, a letter of comfort for €4,500,000 was given to secure all the buyer's claims against the subsidiary. This is reduced by €1,500,000 every six months after the property is handed over.

The other €1,407,000 in liability risks (previous period: €2,012,000) 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, the company ensures that DI Deutsche Immobilien Baugesellschaft mbH, Frankfurt am Main, can fulfil its contractual obligations. The latter is a group company.

In addition, the company 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, the company gave two rental guarantees that take effect after a 10-year lease, therefore since 31 July 2008.

IV. Notes to the income statement-

Revenue
Largely generated in Germany, the €19,739,000 in revenue (previous period: €12,838,000) breaks down into €19,484,000 in income from service contracts (general services, fund and property management) (previous period: €11,301,000) and €255,000 from other services (previous period: €1,537,000).

Other operating income
The €87,411,000 in other operating income (previous period: €6,773,000) can be presented as follows

	31 Dec. 2011	Previous period
	€ thousand	€ thousand
Release of provisions	70,374	1,083
Reversal of impairments	10,843	0
Written up on financial assets	2,382	3,372
Reversal of tax allocation	1,412	0
Management fees	980	980
Sub-letting	776	920
Foreign currency translation	29	9
Other operating income	615	409
Total	**87,411**	**6,773**

€69,864,000 of the provision for litigation risks created in the previous period was released after a court settlement was reached in 2011.

Cost of purchased services
The €2,597,000 in the cost of purchased services (previous period: €1,801,000) largely comprises service charges for commercial and technical property management provided by external firms.

Other operating expenses
The €11,247,000 in other operating expenses (previous period: €104,859,000) can be presented as follows:

	31 Dec. 2011	Previous period
	€ thousand	€ thousand
Business services	2,909	1,657
Intragroup payables	2,551	4,976
Building and land expenses	2,203	2,146
Legal and advisory fees	762	1,305
Office equipment	656	671
Advertising, selling and travelling expenses	353	251
Current projects	241	92,364
Foreign currency translation	11	470
Other	1,561	1,019
Total	**11,247**	**104,859**

Income from investments
The €363,000 in income from investments in the period under review (previous period: €4,011,000) comprises a distribution from JG Japan Grundbesitzverwaltungsgesellschaft mbH i.L., Eschborn.

Other interest and similar income
€1,393,000 of the other interest and similar income results from netting in accordance with Article 246(2) of the German Commercial Code. €2,266,000 in income from the measurement of assets at fair value, from realised exchange rate gains and distributions were netted with €873,000 in accreted interest on the provisions for pensions.

Impairment of financial assets
Of the €13,832,000 in amortisation losses recorded on financial assets (previous period: €8,928,000), €13,782,000 relates to Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn, because of the sale of one of its property complexes and under the assumption that it will repay a loan from the company.

Interest payable and other similar expenses
Interest payable and other similar expenses also include €571,000 in accreted interest on provisions. In accordance with Article 277(5) of the German Commercial Code, this interest expense comprises €21,000 for jubilee provisions, €75,000 for early retirement provisions and €464,000 for a provision created in 2010 for pre-emptive tender rights. It also includes €13,000 in accreted interest on provisions for partial retirement agreements which was netted in accordance with Article 246(2) of the German Commercial Code with the €2,000 in income from the measurement of assets at fair value.

Expense incurred from loss transfer
A loss of €49,000 was transferred to the company under the existing profit and loss transfer agreement with DI Deutsche Immobilien Treuhandgesellschaft mbH, Frankfurt am Main.

Income tax expense
The income tax expense (€4,000 income; previous period: €1,945,000 income) in the period under review comprises corporation tax relating to prior periods arising from completed tax audits.

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 €1,819,000 in remuneration for services rendered in the period under review, €811,000 of which in the form of share-based payments. €81,000 was paid to former members of the management board and their surviving dependants. Provisions of €5,693,000 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 93 active employees (previous period: 77), of which 47 female employees (previous period: 39).

Parent company
Deutsche Bank AG, Frankfurt am Main, is the sole owner of RREEF Management GmbH, Frankfurt am Main. 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.

Frankfurt am Main, 23 February 2012

The management board

Dr. Georg Allendorf   Robert Červinka   Thomas Schneider

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Changes in the fund's assets of RREEF Management GmbH, Frankfurt am Main

	At cost					
	Brought forward 1 Jan. 2011	Adjustment to Acct. Law. Mod. Act	Additions	Disposals	Transfers	Balance 31 Dec. 2011
	€	€	€	€		€
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	285,474.39	0.00	170,792.44	274,536.62	0.00 *	181,730.21
	285,474.39	**0.00**	**170,792.44**	**274,536.62**	**0.00**	**181,730.21**
III. Financial assets						
1. Shares in group companies	221,642,021.50	0.00	27,099,702.91	30,919,560.77	44,112.92	217,866,276.56
2. Equity investments	259,167.24	0.00	61.50	31,553.60	69,496.14 *)	297,171.28
3. Securities	168,193.79	-168,193.79	0.00	0.00	0.00	0.00
	222,069,382.53	**-168,193.79**	**27,099,764.41**	**30,951,114.37**	**113,609.06**	**218,331,641.63**
Total non-current assets	**222,355,960.96**	**-168,193.79**	**27,270,556.85**	**31,225,650.99**	**113,609.06**	**218,514,475.88**

* Transfer of €113,609.06 from current assets

as at 31 December 2011

Accumulated depreciation							Carrying amount	
Brought forward 1 Jan. 2011	Adjustment to Acct. Law. Mod. Act	Depreciation for the financial year	Written up for the financial year	Disposals	Transfers	Balance 31 Dec. 2011	31 Dec. 2011	31 Dec. 2010
€	€	€	€	€		€	€	€
736.03	0.00	368.01	0.00	0.00	0.00	1,104.04	0.00	368.01
736.03	**0.00**	**368.01**	**0.00**	**0.00**	**0.00**	**1,104.04**	**0.00**	**368.01**
241,019.91	0.00	149,393.07	0.00	252,973.34	0.00 *	137,439.64	44,290.57	44,454.48
241,019.91	**0.00**	**149,393.07**	**0.00**	**252,973.34**	**0.00**	**137,439.64**	**44,290.57**	**44,454.48**
107,244,753.51	0.00	13,832,058.31	2,381,486.98	9,117,060.70	-4,212.92	109,582,477.06	108,283,799.50	114,397,267.99
96,030.36	0.00	0.00	0.00	0.00	4,212.92	91,817.44	205,353.84	163,136.88
322.88	-322.88	0.00	0.00	0.00	0.00	0.00	0.00	167,870.91
107,341,106.75	**-322.88**	**13,832,058.31**	**2,381,486.98**	**9,117,060.70**	**0.00**	**109,674,294.50**	**108,489,153.34**	**114,728,275.78**
107,582,862.69	**-322.88**	**13,981,819.39**	**2,381,486.98**	**9,370,034.04**	**0.00**	**109,812,838.18**	**108,533,443.91**	**114,773,098.27**

Shareholdings of RREEF Management GmbH, Frankfurt am Main
as at 31 December 2011 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. DB Real Estate CANADAINVEST 1 Inc., Toronto, Kanada	100.00	-	CAD	-2	1	
3. RREEF Investment GmbH, Frankfurt am Main	99.90	-	EUR	16,664	0	
4. RREEF Spezial Invest GmbH, Frankfurt am Main	100.00	40.00	EUR	5,483	0	
5. DEGRU Erste Beteiligungsgesellschaft mbH, Eschborn	100.00	-	EUR	1,021	-4	
6. Deutsche Bank Realty Advisors Inc., New York, Amerika	100.00	-	USD	1,857	-40	
7. Deutsche Grundbesitz-Anlagegesellschaft mbH, Frankfurt am Main	99.90	-	EUR	1,935	0	
8. Deutsche Grundbesitz Beteiligungsgesellschaft mbH, Eschborn	100.00	-	EUR	48	6	
9. DI Deutsche Immobilien Baugesellschaft mbH & Co. Vermietungs KG, Frankfurt am Main	100.00	90.00	EUR	1,507	349	
10. DI Deutsche Immobilien Baugesellschaft mbH, Frankfurt am Main	100.00	-	EUR	1,345	518	
11. DI Deutsche Immobilien Treuhandgesellschaft mbH, Frankfurt am Main	100.00	-	EUR	310	0	
12. IC Chicago Associates LLC, Wilmington, Amerika	100.00	100.00	USD	0	0	
13. IMM Associate LLC, New York, Amerika	100.00	100.00	USD	2,028	0	
14. JADE Residential Property AG, Eschborn	100.00	-	EUR	59,259	1,745	
15. JG Japan Grundbesitzverwaltungsgesellschaft mbH i. L., Eschborn	100.00	-	EUR	52	1,181	*
16. Sechste DB Immobilienfonds Beta Dr. Rühl KG, Eschborn	100.00	-	EUR	6,576	-13,782	
2. Equity investments						
1. P. F. A. B. Passage Frankfurter Allee Betriebsgesellschaft mbH, Berlin	22.20	22.20	EUR	511	0	*
2. WohnBauEntwicklungsgesellschaft München-Haidhausen mbH & Co. KG i. L., Eschborn	33.33	-	EUR	234	0	
3. WohnBauEntwicklungsgesellschaft München-Haidhausen Verwaltungs mbH i. L., Eschborn	33.33	-	EUR	57	-1	

Shareholdings of RREEF Management GmbH, Frankfurt am Main
as at 31 December 2011 pursuant to Article 285 No. 11 a of the German Commercial Code

1. DEBEKO Immobilien GmbH & Co Grundbesitz OHG, Eschborn

* Financial statements 2010

RREEF Management GmbH
Management Report 2011

1. Overall business situation

1.1 General company information

RREEF Management GmbH, Frankfurt am Main, (REM) is part of the RREEF Real Estate business unit of the Deutsche Bank group. With more than 600 employees in 22 countries on four continents and with some EUR 44.4 billion in investment capital under management, RREEF Real Estate 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 2011, REM had an average of 93 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 7,583 million in funds (previous period: EUR 7,455 million). REI manages the European and global open-ended property funds. As at the reporting date, RESI manages a total of ten traditional German institutional funds, one of which was launched in the period under review.

1.3 Industry trend

While the global economy continued to recover from 2010 in the first half of 2011, it cooled off appreciably in the second half of the year. Countries whose state finances and property sector are in trouble remain affected. Above all, that includes the USA and extensive areas of Europe. In 2011, those countries recorded only moderate growth at a rate of 2%. One of the few exceptions was the German economy, with 3% growth in GDP. On the other hand, emerging economies, above all China, India and Brazil, which were not affected as much by the global slowdown, continued to grow at an impressive rate, although growth did eventually slow down in the second half of the year. For 2012, DB Research expects global growth to slow down to 3.3% (2011: 3.6%).

According to Jones Lang LaSalle, the volume of global property investments was about 28% higher than in the previous period. While about USD 320 billion was invested in 2010, more than USD 410 billion was invested in 2011. Yet investors remain primarily interested in investments in high-grade properties in excellent locations and with long-term leases. Here, demand exceeded supply considerably, which is attributable to the generally high degree of uncertainty and the related flight to 'safe' assets. After a sharp decline in returns in the top segment, a certain degree of stabilisation did become evident in the course of 2011. Yet the price and ROI gap between the top segment and weaker locations in Europe in particular is widening. Similar trends can also be seen in the USA, where the value of top investments, especially apartments, has risen significantly in the past twelve months In Asia, ROI in many markets such as Singapore and Hong Kong fell below pre-crisis levels. Because of the generally high degree of uncertainty, demand for low-risk top properties should remain high in 2012.

Global office rental markets remained very heterogeneous. The market has bottomed out in most of the countries in Europe, and the prospects of a speedier upturn in the rental market that came into view at the start of 2011 will most likely remain mere hopes for the time being given the strained state of the economy. Rents were higher in Germany and Northern Europe thanks to a stable economy and solid demand, while the trend in London and Paris, which still had the highest growth rates in 2010, has lost much pace. Rents in Southern Europe, above all in Spain and Portugal, continue to drop. For 2012, RREEF Research expects a generally difficult market environment in Europe with largely stagnant rents. The office market in the USA has continued to consolidate in spite of the ever weak fundamentals. Rents could start to climb moderately in certain markets and major cities as early as in 2012. Demand for office space in Tokyo remains restrained, but the vacancy rate dropped slightly in the course of the year and the level of rents has stabilised. In Seoul, the large amount of new construction in CBD coupled with moderate demand has led to a sharp rise in the vacancy rate.

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 are largely shaped by the income under the profit and loss transfer agreements with the subsidiaries. This income decreased by EUR 3.6 million to EUR 17.6 million in the period under review. Income from investments in 2011 decreased from EUR 4.0 million to EUR 0.4 million.

Revenues increased by EUR 6.9 million to EUR 19.7 million. This increase mainly results from the transfer of the Property Controlling, Asset Management and Transactions segments to REI on 1 August 2010.

After the settlement of a lawsuit in connection with a former investment concept, part of the risk provision set up in the previous period can be released. The other operating income amounts to EUR 87.4 million.

Staff costs amounted to EUR 11.3 million in the period under review (previous period: EUR 9.7 million). In 2011, the company had an average number of 93 employees (previous period: 77).

After conclusion of the contract of sale for the Ritterpassage property, the investment in the property company was written down by EUR 13.8 million and a loan to this property company written up by EUR 10.8 million.

The other operating expenses decreased to EUR 11.2 million (previous period: EUR 104.9 million, including the above risk provisioning).

REM will transfer EUR 88.4 million to Deutsche Bank AG under a profit and loss transfer agreement. (in the previous period, REM transferred a loss of EUR 80.9 million).

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 2011, REM has EUR 97.2 million in bank balances (previous period: EUR 6.1 million). The company has a sound financial position; the company was able to fulfil its financial obligations at all times.

2.3 Net assets

REM's net assets reflect its function as a holding company As at the reporting date, the company's financial assets show EUR 108.5 million in shares in group companies and equity investments (previous period: EUR 114.6 million). This change is largely the result of the above write-down on a property company and the receipt of shares in a closed-ended property fund.

With a EUR 10.5 million increase in net assets to EUR 265.1 million, REM funds itself with 46% (previous period: 48%), equity, which corresponds to EUR 122.7 million just as in the previous period.

No events took place between the close of 2011 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 Real Estate 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 24 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 2011, the economic capital arising from the market risks of REM and its affiliated subsidiaries amounts to EUR 6.8 million.

Risk provisioning at the REM level increased from EUR 13.9 million in the previous period to EUR 14.0 million in the period under review. The slight change results from the increase in the provision for a pre-emptive tender right amounting to EUR 0.7 million and the utilisation (EUR 0.6 million) of various risk positions. Risk provisioning for the affiliated subsidiaries is 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 2011, risk provisioning for e.g. litigation was set up to EUR 20.5 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

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.

Deutsche Bank AG is performing a strategic review on its asset management segment, which can result in a sale, should the situation arise. The strategic review focuses on REM and both subsidiaries, REI and RESI.

Frankfurt am Main, 23 February 2012

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, Frankfurt am Main, for the financial year from 1 January to 31 December 2011. 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, 24 February 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dr. Lemnitzer	Kalthoff
German Qualified Auditor	German Qualified Auditor