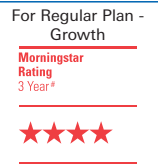




# DWS Short Maturity Fund

(An Open-ended debt fund)

Past performance is no guarantee of future results.



## The Current Interest Rate Environment

The Reserve Bank of India seems to be following a gradual path in exiting from the exceptionally easy monetary conditions put in place in 2008/09. In this calendar year, RBI has raised the cash reserve ratio (CRR) by 100 bps (in 2 steps) and the reverse repo by 200 bps (in 6 steps) and repo rate by 150 bps each (in 6 steps).

Having developed comfort on the economic recovery, RBI has shifted its focus to containing inflation and inflation expectations, while ensuring balanced liquidity conditions to assist better transmission of monetary policy. For this RBI has narrowed the LAF (difference between repo and reverse repo rates) corridor to 100bps from 150bps earlier.

Systematic liquidity has been in deficit for sometime, impactfully short term rates. Money market rates have been inching up on tight liquidity. Going forward, systematic liquidity is likely to be in deficit.

Source: Internal DeAM Research

## Positioning of the DWS Short Maturity Fund

DWS Short Maturity Fund is a high quality, pure debt portfolio, targeted at investors with more than a one year investment horizon.

- Currently, 3-month CDs are trading at around 7.80%-8.00%, whereas good quality corporate bonds/CD, of 12 to 36 months maturity, are available for yields between 8.50%-9.50%, providing an attractive investment opportunity.
- The portfolio of the DWS Short Maturity Fund is ideally positioned to benefit from the relatively higher accrual, due to high rates in the 1 to 3 years segment.
- The relatively short duration of the portfolio would ensure lower volatility compared to long-term bond funds.
- The fund seeks to invest in buckets which are mispriced and are likely to get corrected in the short run
- The fund also seeks to achieve capital appreciation from the roll down of the yield curve.
- Additionally, the fund aims to enhance the yield of the portfolio by allocating a certain portion to relatively higher yielding instruments viz. structured credit, securitized debt, etc.
- In the current environment, the fund intends to maintain its duration in the range of 12 months to 24 months.

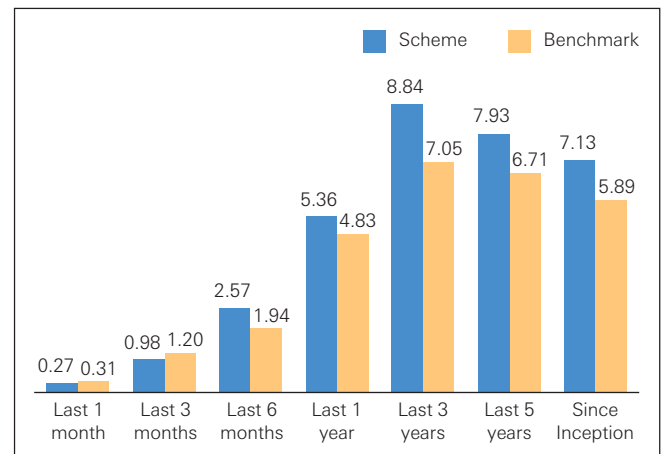
**Current Yield of the Portfolio: 8.45%**

**Average Maturity of the Portfolio: 1.06 years**

**Modified Duration of the Portfolio: 0.88 years**

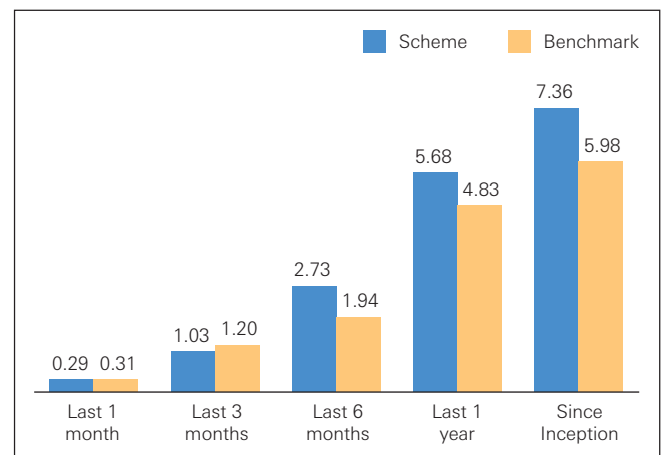
## Performance (%) as on 29th October, 2010:

### Regular Plan:



**Date of Inception:** 21st January, 2003.

### Institutional Plan:



**Date of Inception:** 19th December, 2008.

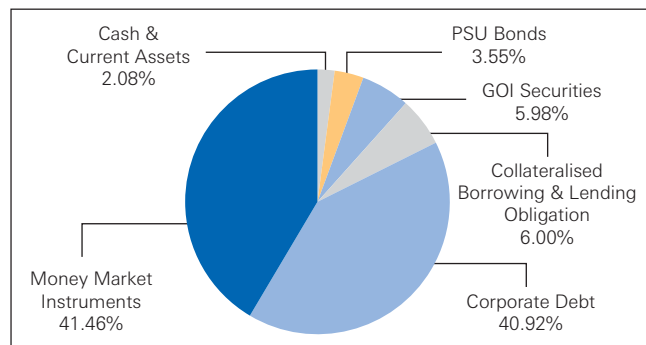
**For Regular and Institutional Plan:** Date of allotment has been considered as date of inception. Returns for less than 1 year period are absolute and those greater than or equal to 1 year period are compounded annualised. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Performance calculated on growth option NAV. Since inception returns are calculated on Rs.10/- invested on inception.

September 30, 2010

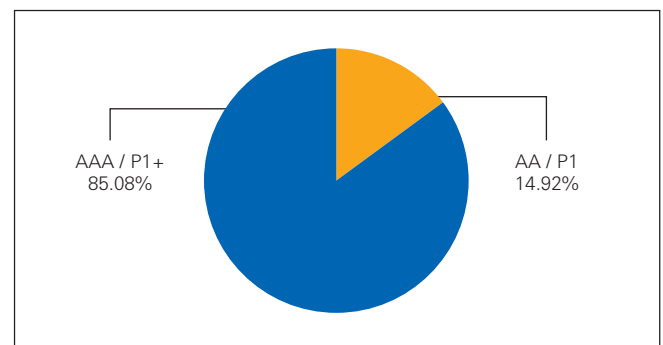
PRODUCT NOTE



## Asset Allocation (%) as on 29th October, 2010



## Credit Quality Profile (%) as on 29th October, 2010



### Key Scheme Features

<b>Investment Objective</b>	To generate steady returns with low volatility by investing in short-medium term debt and money market securities.
<b>Benchmark</b>	CRISIL Short Term Bond Fund Index
<b>Option for Investment</b>	<b>Regular and Institutional Plan:</b> Dividend (Weekly Reinvestment & Monthly Payout/Reinvestment) & Growth. <b>Auto Sweep Plan:</b> Dividend (Daily & Weekly Reinvestment).
<b>Asset Allocation</b>	65 to 100% in Debt and Money Market Instruments with average maturity upto eighteen months and 0 to 35% in Debt and Money Market Instruments with average maturity greater than eighteen months
<b>Minimum Investment</b>	<b>Regular Plan:</b> Rs. 5000/- and in multiples of Re. 1/- thereafter. <b>Institutional Plan:</b> Rs. 5 crores and in multiples of Re. 1/- thereafter. <b>Auto Sweep Plan:</b> Rs. 50000/- and in multiples of Re. 1/- thereafter.
<b>Additional Investment</b>	Rs. 1000/- and in multiples Re. 1/- thereafter.
<b>Minimum Repurchase</b>	Rs. 1000/- and in multiples Re. 1/- thereafter.
<b>Minimum Investment for SIP, STP and SWP</b>	SIP available only for Regular Plan. Minimum amount of Rs. 12000/- divided into 12 installments of Rs. 1000/- each for 12 months or 6 installments of Rs. 2000/- each for 6 months or 4 installments of Rs. 3000/- each for 3 months.
<b>Load Structure (including SIP, STP and SWP)</b>	<b>Entry Load:</b> Nil. <b>Exit Load:</b> 1.5% if the investor redeems/switches out within 12 months.

# **Rating Methodology:** DWS Short Maturity Fund (Regular Plan - Growth) rated 4 Star on a 3 year period. The Morningstar fund rating methodology is based on a fund's risk-adjusted return within a given Morningstar category. Morningstar ratings are calculated every month for the 3 year, 5 year and 10 year period. Within each rating period, the top 10% funds receive a five star rating, the next 22.5% earn a four star rating, the next 35% get three stars, the next 22.5% receive two stars, and the bottom 10% get one star. Loads are not considered for the rating purpose. The number of schemes in each category which completed 3 years of performance was considered for rating and is mentioned alongside the respective category's name: Short Term Bond (74). The rating is based on NAV provided by respective funds. The current fund rating is for the 3 year period as of October 31, 2010. Morningstar does not guarantee accuracy of the data. **(Rating Source & Publisher: Morningstar.)**

\* The assigned rating "AAAF" is valid only for "DWS Short Maturity Fund". The rating of CRISIL is not an opinion of the Asset Management Company's willingness or ability to make timely payments to investors. The rating is also not an opinion on the stability of the NAV of the fund, which could vary with market developments.

**Past performance is no guarantee of future results.**

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**Statutory Details:** Deutsche Mutual Fund had been set up as a trust settled by Deutsche Asset Management (Asia) Ltd. (DeAM Asia) (liability restricted to Rs 1 lakh). The Sponsors of Deutsche Mutual Fund are DeAM Asia and Deutsche India Holdings Pvt Ltd. The Trustee of the Mutual Fund is Deutsche Trustee Services (India) Private Limited and the Investment Manager is Deutsche Asset Management (India) Private Limited. DWS Investments is the global mutual fund brand of Deutsche Asset Management. **Standard Risk Factors: All mutual funds and securities investments are subject to market risks, and there can be no assurance that the fund's objectives will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on various factors that may affect the values of the Scheme's investments.** Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the schemes. The sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. **DWS Short Maturity Fund is the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns.** The present Scheme of Deutsche Mutual Fund is not a guaranteed or assured returns Scheme. Copy of the Combined Scheme Information Document (CSID) and Common Key Information Memorandum (CKIM) can be obtained from our website [www.dws-india.com](http://www.dws-india.com). **Please refer to the Combined Scheme Information Document and Statement of Additional Information for other details including scheme specific risk factors before investing.**

**Disclaimer:** The information contained in this leaflet should not be assumed as a promise, guarantee or forecast on minimum returns & safeguard of capital. The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding suitability of the funds based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary.