

DWS Strategic Value Fund

November 2009 Monthly Report



Please note: the DWS Strategic Value Fund re-opened on 26 November 2009.

The Fund returned 0.47% net for the month.

Market review

Strong investor flows into commodities continued in November, as the S&P Goldman Sachs Commodity Index rose 1.57%, the third consecutive monthly increase. Year to date, \$55b in new investments have found their way into the commodity markets, displacing the previous record of \$51b set in 2006. Sharp declines in commodity prices earlier in the year, fading fears of an economic calamity and promising evidence of a lack of any systematic correlation between commodities and equities have provided support for investors to add commodities to their portfolios. Some estimates place expected flows into commodities by year's end at an impressive \$60b. This would bring total investments in commodities to \$230-\$240b and further support commodity prices.

In the metals markets, gold recorded its largest monthly gain this year, rising 13.52% in November and 32.56% for the year, as the dollar's continued decline and nascent inflation concerns boosted the appeal of the precious metal as an alternative investment. During the month, gold futures posted their highest settlement price of \$1,187 per ounce in late November. In base metals there are still major problems affecting supply, and further upside also looks likely.

Net Fund performance as at 30 November 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CYTD
2009	1.28	1.26	0.18	1.17	1.81	1.11	0.72	0.78	0.76	-0.57	0.47		9.23
2008	-2.36	1.85	-2.38	1.15	2.62	0.08	-2.60	-0.28	-8.74	-10.22	-3.32	-1.59	-23.65
2007	0.85	0.88	1.09	1.21	1.92	0.48	0.19	-2.36	1.93	3.15	-0.71	0.73	9.66
2006	2.91	1.01	1.86	1.52	-1.25	-0.06	0.01	1.15	0.46	1.45	1.62	1.77	13.09
2005	0.67	1.13	-0.16	-0.46	-0.13	1.17	1.69	1.08	1.50	-0.86	1.58	2.55	10.14
2004	1.47	1.04	0.15	0.14	0.32	0.56	-0.22	0.35	0.84	0.66	1.61	1.53	8.74
2003	1.55	0.64	1.08	1.17	1.18	0.72	0.46	0.24	0.76	0.90	0.87	1.06	11.16
2002	0.69	0.40	0.78	0.47	0.34	0.05	-0.90	0.21	-4.25	0.04	0.51	0.69	-1.09
2001	1.95	0.16	0.04	2.02	0.34	0.19	0.53	0.54	-0.22	0.67	0.39	0.60	7.42
2000	1.97	4.80	2.36	-0.92	-0.55	-0.38	-1.10	0.46	0.43	-0.76	-0.33	1.23	7.28
1999												3.12	3.12

Past performance is not an indication of future results. Performance figures are calculated using exit prices, net of fees and reflect the annual re-investment of distributions.

Performance review

The DWS Strategic Value Fund returned 0.56% gross (0.47% net) for the month of November 2009, bringing the calendar year to date return to 9.23% (net). During the month all sectors were positive contributors to the Fund with the exception of Specialist Credit. Long/Short Equity and Long/Short Equity Sector Specific returned 1.56% and 2.37% for the month with Relative Value and Multi Strategy gaining 3.07% and 1.46% respectively.

Credit markets posted positive returns for the month, though not nearly as strong as equity markets. The CS Leveraged Loan Index was up 0.29%, and the Merrill Lynch High Yield Index was up 1.02%. Although recent returns were more muted in comparison with returns posted in early 2009, on a year to date basis these indices are at all-time highs of 41.09% and 52.72%, respectively. The best performing sectors were cyclical industrials such as auto, auto parts, homebuilders and paper, whereas financial sectors such as banks and insurance lagged.

With Treasury yields remaining very low, demand for high yield product continues to be strong. High yield new issue supply has been very active, with \$19.5b across 52 issues priced during the month. Year to date, \$160.4b of high yield bonds were issued, beating 2004's previous record of \$158.2b in new issuance. Many of these high yield bond issues have been used to repay outstanding corporate loan maturities, as the corporate loan issuance market has been much quieter this year, with approximately \$34b issued year to date. Furthermore the collateralised loan obligation (CLO) market has re-emerged after a long hiatus, evidenced by a \$250m CLO that priced in early December, the largest CLO deal seen in the US in nearly a year.

Of the 22 managers in the Fund only five managers had a negative month. All Long/Short Equity and Long/Short Equity Sector Specific managers were positive, ranging from 2.46% to 0.07%. The best performing manager in the Fund was a Relative Value Convertible Arbitrage fund that added 3.07% in November. Other highlights include a Multi Strategy manager up 3.06% and a European Event Driven manager up 2.17%.

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Top five holdings by size as at 30 November 2009

Manager	Strategy	Sub-Strategy
PSAM Worldarb Fund	Event Driven	Global
Arbitrage Associates II Offshore Ltd	Event Driven	Global
DE Shaw Composite International Fund	Multi Strategy	Multi Strategy
Seligman Tech Spectrum LTD	Long/Short Equity Sector Specific	Technology
Hunter Global Investors Offshore Ltd	Long/Short Equity	Long/Short Equity US

Source: K2 Advisors

Top 5 managers represent 16.96% of DWS Strategic Value Fund assets as at 30 November 2009.

Portfolio versus market indices

30 November 2009	DWS Strategic Value Fund (Net AUD)	UBS Australia Bank Bill Index	MSCI World Index hedged in AUD	S&P/ASX Australian All Ordinaries Index
1 year net return	7.50%	3.58%	20.72%	28.39%
3 year annualised net return	-2.36%	5.99%	-8.64%	-4.78%
5 year annualised net return	2.95%	5.95%	0.72%	3.64%
Since Fund Inception*				
Net return	4.93%	5.65%	-1.18%	4.47%
Standard deviation	6.26%	0.33%	15.88%	13.37%
Sharpe ratio	0.37	8.19	-0.17	0.18
Correlation (Fund vs Index)		-29.24%	61.79%	64.16%
Maximum drawdown [^]	-24.29%	0.00%	-52.38%	-51.37%
Best month	4.80%	0.71%	9.77%	7.64%
Worst month	-10.22%	0.25%	-18.90%	-14.00%
% positive months	77.50%	100.00%	55.83%	60.83%

Past performance is not an indication of future results. Source: K2 Advisors, Deutsche Asset Management (Australia) Limited, Bloomberg.

*Inception: 30 November 1999; this data represents the annualised performance of the Fund or Index from the first full month of operation of the Fund.

[^]Maximum drawdown refers to the largest overall drop in the Fund or Index value which occurred in a given period before it returned to its previous high.

Fund performance attribution – November 2009

Sector/Strategy	Number of Funds ^(a)	Allocation ^(a)	Monthly Return ^(b)	Monthly Contribution ^(b)	YTD 2009 Return ^(b)
Long/Short Equity	5	10.45%	1.56%	0.19%	8.88%
Long/Short Equity Sector Specific	1	2.63%	2.37%	0.07%	20.06%
Relative Value	1	2.11%	3.07%	0.07%	42.16%
Event Driven	6	12.21%	0.52%	0.09%	9.89%
Specialist Credit	5	2.90%	-3.35%	-0.09%	4.54%
Multi Strategy	4	5.40%	1.46%	0.09%	21.23%
Cash		64.30%			
Total	22	100.00%			

Source: K2 Advisors.

For the row titled "Total" a sum greater than 100% indicates short-term leverage (typically 10-15 days) utilised by the Investment Manager to bridge purchases and redemptions.

(a) Number of Funds and Allocation columns are as of 30 November 2009. (b) These columns are net of underlying funds' fees but gross of the Fund's fees and expenses.

Sector and strategy returns referenced above represent the Master DB Strategic Value Fund (stated in USD) in which DWS Strategic Value Fund (in AUD) invests its assets.

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