

EXHIBIT D

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS INVESTMENT
LITIGATION

MDL 1586

This Document Relates To:

Case No. 04-md-15861-CCB

Scudder Subtrack

DECLARATION OF MARC VELLRATH, PhD., CFA

I, Marc Vellrath, hereby declare,

1. I am an economist and financial analyst, and a Director and Chairman of Finance Scholars Group, a consulting firm located in Orinda, California. I hold M.S. and Ph.D. degrees in economics from Carnegie Mellon University, an MBA degree from the University of Washington, and a BA degree from the University of Pennsylvania. I also have earned the Chartered Financial Analyst designation, or CFA, awarded by the CFA Institute, which is the preeminent professional organization of security analysts and investment managers throughout the world.

2. I was retained by Berger & Montague, P.C. (“Counsel”) to estimate economic damages resulting from improper rapid trading (also known as “market timing”) in Scudder mutual funds, as alleged in the complaint in this matter (hereinafter referred to as the “Complaint”).¹ The plaintiffs in this matter claim that the defendants² violated the SEC’s forward pricing rule³, or

¹*In re Mutual Fund Investment Litigation [Scudder Track]*, Third Consolidated Amended Class Action Complaint, Case No. 04-MD-15861, December 10, 2007.

² For a list of defendants, see Complaint at paragraphs 12-79.

made material misstatements and omissions in fund prospectuses, in that they allowed certain investors to trade more frequently than was permitted under funds' stated rules, or both, to the detriment of long-term shareholders in the funds.⁴

3. I prepared an expert report of my findings of damages caused by market timing in Scudder mutual funds dated March 31, 2008 (the "Vellrath Report"). In preparing this report, I considered relevant pleadings and filings, a large quantity of data provided by defendants, certain documents acquired from the defendants through discovery, and other information and data which staff working at my direction or I myself gathered from public sources.

4. As described in the Vellrath Report, I measured dilution damage in arrangement accounts totaling approximately \$21 million during the Class Period. Pursuant to the NYAG regulatory settlement, the Deutsche/Scudder Defendants paid \$34,314,360 for all arrangement market timing. I conclude that the amounts paid for arrangement market timing provided *all* Deutsche/Scudder shareholders with full restitution for such arrangement market timing, as this amount exceeds the amount of dilution I computed for arrangement timing. Thus, it is my opinion that no portion of the settlement monies need be allocated to compensate shareholders for damages allegedly caused by arrangement timing because those damages have been fully recompensed.

5. With regard to non-arrangement market timing, I have attached hereto as Exhibit A a schedule that lists, for each of the Deutsche/Scudder Funds that were included in Class Plaintiffs' motion for class certification, the dilution that I have computed for that Deutsche/Scudder Fund, net of (1) the amounts that have been or are scheduled to be distributed to shareholders of that Deutsche/Scudder Fund for non-arrangement timing under the Deutsche/Scudder Defendants' settlement with the NYAG and (2) the amounts that have been or are scheduled to be distributed

³ According to SEC Rule 22c-1, "No registered investment company issuing any redeemable security, no person designated in such issuer's prospectus as authorized to consummate transactions in any such security, and no principal underwriter of, or dealer in, any such security shall sell, redeem, or repurchase any such security except at a price based on the current net asset value of such security which is next computed after receipt of a tender of such security for redemption or of an order to purchase or sell such security." Source:

http://finra.complinet.com/finra/display/display.html?rbid=1189&element_id=1160001371

⁴ Complaint at pages 2 – 4 and elsewhere.

to those same shareholders under third party regulatory settlements (“net maximum dilution”).⁵ This schedule also includes information supplied by the Deutsche/Scudder Defendants that benchmarks the approximate number of shareholder accounts in each such Deutsche/Scudder Fund during the Class Period.

6. I have been advised by Counsel that estimated notice and administration costs of the settlements are approximately \$1 per account. Exhibit A breaks the Deutsche/Scudder Funds into 2 categories: those where the average settlement recovery per account, before fees and costs, is more than \$1 per account, and those where the average settlement recovery per account, before fees and costs, is less than \$1 per account.⁶ There are 39 funds where the average settlement recovery per account before fees and costs is greater than \$1.

7. I have further been advised that, pursuant to a settlement with Banc of America Securities (“BAS”), shareholders of the Scudder Technology Fund and Scudder Midcap Fund, two funds that do not have an average settlement recovery of more than \$1 per account, before fees and costs, are to be included in any settlement class.

8. Pursuant to terms of various settlement agreements, plaintiffs and the settling defendants⁷ have agreed to include shareholders of 41 specific funds (the “Deutsche/Scudder Settlement Funds”) in a proposed settlement class: the 39 funds where the average settlement recovery per account before fees and costs is greater than \$1, along with the Technology Fund and Midcap Fund. A list of the Deutsche/Scudder Settlement Funds is attached hereto as Exhibit B.

⁵ The Deutsche/Scudder Funds listed do not add up to the 135 Deutsche/Scudder Funds in Class Plaintiffs’ class certification motion because, among other reasons, certain funds merged during the Class Period.

⁶ The calculations in Exhibit A are based on dilution damages reported in the Vellrath Report, and were then reduced by counsel for settlement payments to some of the funds for non-arrangement timing. Data on numbers of accounts were provided by Navigant Consulting.

⁷ The settling defendants include: Deutsche Bank AG; Deutsche Asset Management, Inc.; Deutsche Investment Management Americas, Inc.; Deutsche Asset Management Investment Services Ltd.; Scudder Distributors, Inc.; Investment Company Capital Corporation (collectively, the “Deutsche/Scudder Defendants”); UBS Financial Services Inc. (named as UBS PaineWebber and UBS Wealth Management USA in the Complaint); Paul Cooper; Michael Yellen; William Savino; Christopher Chung; Aurum Securities Corp.; Aurum Capital Management Corp.; Canary Capital Partners, LLC; Canary Capital Partners, Ltd.; Canary Investment Management, LLC; Edward Stern; Banc of America Securities LLC; Bank of America Corporation; and Bank of America, N.A.

9. I have reviewed the Plan of Allocation proposed by Counsel in the Draft Notice to be sent to shareholders in the Deutsche/Scudder Settlement Funds. The Plan of Allocation calls for the Net Settlement Fund to be allocated to Class Members based on their respective percentage ownership of a particular Deutsche/Scudder Settlement Fund on the date(s) when net uncompensated market timing dilution harm was determined to have occurred according to my previous analysis. I conclude that the Plan of Allocation is a fair and reasonable method for allocating the Net Settlement Fund.



Marc Vellrath, Ph.D., CFA

April 21, 2010

Date

EXHIBIT A

Deutsche/Scudder Funds Where The Average Settlement Recovery Per Account, Before Fees And Costs, Is More Than \$1 Per Account

	Net Maximum Dilution	Accounts ¹
Scudder SVL International Fund	\$33,323,069.52	97
Scudder SVS Int'l Research Portfolio	\$491,064.55	11
Deutsche Int'l Small Cap Equity Fund	\$496,932.33	22
Scudder Emerging Markets Equity Fund	\$1,556,927.18	154
Scudder SVL Global Discovery Fund	\$791,954.25	48
Scudder/Deutsche EAFE Equity Index Fund	\$1,141,829.63	356
Scudder SVS Value	\$52,051.03	9
SVS Small Cap Growth Fund	\$137,835.68	24
Top 50 Asia Strategy	\$692,201.09	350
The Japan Fund	\$63,042,645.90	39,232
European Equity Fund	\$2,277,910.78	945
International Equity Fund	\$76,492,187.93	44,046
Scudder International Select Equity Fund ²	\$4,243,327.96	3,076
Scudder Greater Europe Growth Fund	\$39,867,675.00	82,920
Deutsche European Mid Cap Fund	\$705,034.39	1,086
Scudder SVS Strat Income	\$6,631.99	8
Scudder SVS High Yield	\$11,430.63	17
Scudder SVS Growth Opp	\$6,885.70	11
Scudder International Fund ³	\$57,703,965.00	367,841
Deutsche Small Cap Fund	\$3,032,364.41	5,315
Scudder SVL Cap Growth	\$19,615.49	69
Kemper Asian Growth	\$985,051.74	7,557

¹ The account figures shown in some instances may understate the number of accounts that were in the fund over the entire class period.

² Formerly Deutsche International Select Equity Fund.

³ Includes alleged net maximum dilution and accountholders for the Kemper International Fund, which merged into the Scudder International Fund.

Scudder RREEF	\$11,029.28	45
Scudder Pacific Opportunities Fund	\$3,036,436.61	29,461
Deutsche High Yield Bond	\$26,141.85	122
Scudder SVS Inv Grade Bond	\$2,696.40	13
Development Fund	\$10,445,289.00	45,442
Deutsche Top 50 Europe	\$55,240.92	426
Scudder New Europe Fund	\$3,985,098.00	55,262
Scudder U.S. Bond Index Fund	\$10,139.62	309
Scudder Global Discovery Fund	\$6,268,052.03	109,929
Global Fund	\$7,848,371.00	149,169
DWS RREEF Real Estate Securities	\$43,548.87	1,298
Scudder Lifecycle Mid Range Fund	\$12,044.67	208
Scudder Global Biotech	\$11,247.33	212
Scudder Research Fund-C	\$4,813.02	162
Scudder SVL Growth & Income Fund	\$1,540.89	57
Micro Cap	69,649.00	2300
Scudder Municipal Bond Fund	32,657.02	673

Deutsche/Scudder Funds Where The Average Settlement Recovery Per Account, Before Fees And Costs, Is Less Than \$1 Per Account

	Net Maximum Dilution	Accounts
Scudder Technology Fund	\$9,336,094.00	499,919
Scudder Mid Cap Fund	\$288,337	7,000
Scudder NY Tax-Free Income	\$111,423.77	5,786
Kemper Global Blue Chip Fund	\$43,126.08	1,858
Scudder Short Term Fixed Income Fund	\$397.98	331
Scudder CA Tax-Free Income Fund	\$154,146.00	28,949
Scudder International Research Fund	\$66,509.00	2,765
Scudder Latin America Fund	\$1,029,478.32	62,797
Scudder Emerging Markets Growth Fund	\$98,652.39	8,486
Scudder/Deutsche Equity 500 Index Fund	\$81,143.47	12,577
Scudder Fixed Income Fund	\$65,044.98	5,879
Deutsche Equity Partners Fund/Scudder Flag		
Investors Equity Partners Fund	\$120,747.50	9,235
Scudder Massachusetts Tax Free Fund	\$6,238.56	489
Scudder Managed Municipal Bond Fund	\$518,045.00	181,877
Scudder-Dreman Financial Services Fund	\$391,463.65	47,209
Deutsche Communications Fund	\$1,909,651.24	157,899
Scudder AARP GNMA and U.S. Treasury Fund	\$1,480.29	4,992
Scudder High Yield Tax-Free Bond Fund	\$58,267.31	14,985
Scudder Florida Tax-Free Income Fund	\$2,984.68	1575
Scudder Large Company Growth Fund	\$429,716.58	80,747
Scudder Medium Term Tax Free Fund	\$6,283.69	967
Scudder High Income Opportunity Fund	\$12,299.42	2,347
Scudder Medium-Term Tax-Free Fund	\$25,973.05	9,749
Scudder High Yield Tax Free Fund	\$25,192.92	4,198
Kemper Intermediate Municipal Fund	\$5,737.73	683
Scudder High Yield Fund	\$1,186,786.43	204,060
New York Tax-Free Income Fund	\$10,620.82	4,258
Scudder Select 500 Fund	\$9,405.06	5,255
Emerging Markets Income Fund	\$49,333.00	21,414
Kemper Horizon 20 Fund	\$13,354.79	3,651
Scudder Massachusetts Tax Free Fund	\$25,333.18	7,556
Kemper High-Yield Fund II	\$2,866.66	882
Kemper Small Cap Equity Fund/ Scudder		
Dynamic Growth Fund ⁴	\$1,163,997.00	222,748
Scudder Capital Growth Fund	\$803,490.55	302,293

⁴ Formerly Kemper Small Cap Equity Fund.

Scudder Short Term Bond Fund	\$12,657.00	24,143
Scudder Pathway Growth Portfolio	\$103,198.88	46,374
Scudder California Tax-Free, Class S	\$10,834.33	5600
High Income Opportunity Fund	\$7,430.66	8,211
Scudder Balanced Fund	\$9,658.16	18,506
DWS Core Plus Income Fund	\$14,169.91	35,242
Scudder Focus Value Plus Growth Fund	\$35,785.00	39,746
Kemper Total Return Fund	\$70,716.02	448,339
Scudder Real Estate Securities Fund	\$0.00	1,729
Kemper Income and Capital Preservation Fund	-\$1,231.64	51,917
Scudder Blue Chip Fund	\$223,722.00	239,440
Scudder-Dreman High Return Equity Fund	-\$279,098.91	833,353
Scudder 21st Century Growth Fund	-\$7,053.79	41,535
Scudder Contrarian Fund	-\$38,271.62	68,492
Scudder Growth Fund	\$1,990,887.00	377,992
Kemper Classic Growth Fund	-\$11,678.16	55,713
Scudder Aggressive Growth Fund	\$131,222.55	86,968
Kemper Municipal Bond Fund	-\$98,062.00	83,012
Kemper Small Cap Value Fund/Scudder-Dreman Small Cap Value Fund ⁵	\$951,361.00	161,081
Scudder Gold & Precious Metals Fund	-\$139,551.86	26,654
Emerging Markets Debt Fund	\$4,084.31	96
Scudder Lifecycle Short-Range Fund	\$13.22	316
Deutsche Managed Municipal Fund	\$628.02	676
Scudder Emerging Markets Income Fund	\$1,228.53	
Scudder Short Duration Fund	\$2,775.21	0
Deutsche Top 50 U.S. Strategy	\$1,357.38	530
Deutsche Top 50 World Strategy Fund	\$1,211.92	443
Deutsche Value Builder Fund	\$31,050.00	31,803

⁵ Formerly Kemper Small Cap Value Fund.

EXHIBIT B

Deutsche/Scudder Settlement Funds

Scudder SVL International Fund
Scudder SVS Int'l Research Portfolio
Deutsche Int'l Small Cap Equity Fund
Scudder Emerging Markets Equity Fund
Scudder SVL Global Discovery Fund
Scudder/Deutsche EAFE Equity Index Fund
Scudder SVS Value
SVS Small Cap Growth Fund
Top 50 Asia Strategy
The Japan Fund
European Equity Fund
International Equity Fund

Scudder International Select Equity Fund¹
Scudder Greater Europe Growth Fund
Deutsche European Mid Cap Fund
Scudder SVS Strat Income
Scudder SVS High Yield
Scudder SVS Growth Opp

Scudder International Fund²
Deutsche Small Cap Fund
Scudder SVL Cap Growth
Kemper Asian Growth
Scudder RREEF
Scudder Pacific Opportunities Fund
Deutsche High Yield Bond
Scudder SVS Inv Grade Bond
Development Fund
Deutsche Top 50 Europe
Scudder New Europe Fund
Scudder U.S. Bond Index Fund
Scudder Global Discovery Fund
Global Fund

¹ Formerly Deutsche International Select Equity Fund.

² Includes alleged net maximum dilution and accountholders for the Kemper International Fund, which merged into the Scudder International Fund.

DWS RREEF Real Estate Securities
Scudder Lifecycle Mid Range Fund
Scudder Global Biotech
Scudder Research Fund-C
Scudder SVL Growth & Income Fund
Micro Cap
Scudder Municipal Bond Fund
Scudder Technology Fund
Scudder Mid Cap Fund