

prime finance unit do so with a particular regard for the confidentiality of that information. As such, the Bank's prime finance unit is independent from other business units and is serviced by a group with distinct reporting lines to the most senior management levels. In the course of managing DBSI's overall inventory and liquidity needs, non-trading desk senior managers may liaise with managers in the prime finance unit.

With regard to executed transactions, the Bank reviews this information on an individual and aggregate basis to assess its market and other impact. We use the individual information to tailor our provision of products and services to you as a client, based on the type and volume of business that you conduct with us as well as on your credit and market risk profile. In addition, the aggregate information that the Bank has about its customers is used so the Bank can better understand the markets and its client base's interest in those markets. The Bank may charge different commissions and financing rates, and provide different levels of sales and related coverage, to different customers based on these and other factors.

In addition, please note that the Bank has regulatory and other obligations to supervise and otherwise oversee its business, and shares information as necessary to maintain its control environment and respond to general and specific regulatory requests and requirements. Further, Deutsche Bank has in place policies and practices reasonably designed to identify and address potential conflicts of interest. The Bank maintains a global conflicts of interest policy that is intended to identify and manage such potential conflicts of interest that the Bank may have. Other Bank marketing materials and communications may also contain disclosures.

### **Trading**

Subject to our best execution obligations and rules relating to customer priority, parity and precedence, your open orders may not receive priority over principal orders handled by DBSI. For instance, where we have committed capital in connection with market making activities and we have taken on as principal the risk of such position, we may trade entirely or partially out of our risk at prices which could satisfy your orders. Or, we may engage in bona-fide hedging activities at prices that may satisfy your orders. In the case of blind bid principal baskets, for example, where DBSI is asked to bid for an order as principal at a guaranteed price at a time that the basket's components are not disclosed, DBSI may manage its expected market risk by executing hedging transactions in assets that it anticipates may be components of the basket. This activity, which is sometimes referred to as pre-hedging, allows us to better manage the expected market risk inherent in the basket, and to therefore provide pricing that reflects such risk mitigation. If DBSI were at full risk for the basket, the pricing would reflect the inability of DBSI to manage the expected risk in the basket. Additionally, in the event of a guaranteed market on close ("GMOC") order such as an index rebalance, we may similarly engage in the aforementioned pre-hedging activities that serve to offset the risks associated with a guaranteed-price order. Please note that due to the size of these activities, for us to facilitate your order, we may hedge over a longer period of time prior to the GMOC. Please also note that we may hold or trade individual instruments composing a basket (or related securities or derivative instruments), whether at risk or pursuant to another client order, and that such trading may impact the pricing of such basket (whether in the market or guaranteed to you). When hedging, DBSI may achieve a better price than guaranteed to you, and DBSI may retain the benefit of such pricing as compensation for risk assumed in providing you a guaranteed price. These hedging activities may impact the market prices of the security you are buying or selling, and may ultimately affect the guaranteed price that we have contractually agree with you.

There may be other cases in which we may handle your orders in this manner. For instance, where we use trading algorithms to execute principal orders, the algorithm may execute these orders at prices which could satisfy your open orders, for reasons having nothing to do with whether the orders were principal orders or customer orders (e.g. time of order entry, specific algorithm strategy, order parameters such as urgency of execution, or any combination of these). Likewise, in instances in which you instruct us to use our discretion in executing your order (for example, your instruction to work the order over the course of the day or subject to other parameters), we may execute principal orders at prices that would satisfy your orders.

Pursuant to FINRA Rule 5320 and certain NYSE exchanges, you may instruct DBSI not to handle certain types of orders in equity securities in the manner described in the preceding two paragraphs. If you wish to send us this type of instruction, please email us at [Rule.5320@db.com](mailto:Rule.5320@db.com) (with a period between "Rule" and "5320") and in your email, let us know whether the instruction applies to all or only some of all of your orders covered by the Rule so that we may act accordingly. Please note, however, that we may take such an instruction into account when we set pricing