

Margin disclosure

Important: Please read this margin disclosure prior to opening a margin account and retain a copy for your records

Deutsche Bank Securities Inc. (DBSI) is furnishing this document to you, the Client, to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading in securities in a margin account, please review this Margin Disclosure carefully (which is to be read in conjunction with the entire Account Agreement). Please call your Investment Specialist with any questions or concerns regarding the use of margin.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from DBSI (via a margin loan offered by Pershing). You may also borrow for purposes other than the purchase of securities based on the value of fully paid securities held in the Account. If you choose to borrow funds from DBSI, you must open a margin account and sign the attached Margin Agreement along with the Account Agreement. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, DBSI can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts (as provided in the Margin Agreement) in order to maintain the required equity in the account.

It is important to fully understand the risks involved in trading securities on margin. These risks include the following:

1. **You can lose more funds than you deposit in the Margin Account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to DBSI to avoid the forced sale of those securities or other securities or assets in your account(s).
2. **DBSI can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements, or DBSI's higher "house" requirements, DBSI can sell the securities or other assets in any of your accounts held at DBSI to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale, including costs and interest accrued.
3. **DBSI can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Generally, DBSI does attempt to notify its Clients of margin calls, but it is not required to do so. However, even if DBSI has contacted a Client and provided a specific date by which the Client can meet a margin call, DBSI can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the Client.
4. **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, DBSI has the right to decide which security to sell in order to protect its interests.
5. **DBSI can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause DBSI to liquidate or sell securities in your account(s).
6. **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have a right to the extension.
7. **Short Sales are margin transactions and involve the risks described above.** A short sale means any sale of securities that you do not own or which are borrowed for your account ("Short Sales"). Because short sales are margin transactions, such transactions are subject to the same risks and terms and conditions of margin transactions.
8. **DBSI and/or Pershing may loan any securities which collateralize your margin loan.** Securities held in a margin account may be lent, to DBSI, to Pershing or to others, and may be pledged, repledged, hypothecated or rehypothecated by DBSI and/or Pershing, without notice to you. DBSI and/or Pershing may do so without retaining in its possession or control for delivery a like amount of similar Securities and Other Property and in doing so, are authorized to retain certain benefits, including interest on your collateral posted for such loans. While your securities are loaned out, you will lose voting rights attendant to such securities. Pershing and/or DBSI may receive compensation in connection with these transactions. For additional information on rehypothecation, please refer to the Margin Addendum.