

Deutsche Asset  
& Wealth Management  
Key Client Partners – U.S.  
Investment Themes and Solutions  
November 2014  
For U.S. Key Client Partners (KCP) Clients Only  
Not for Further Distribution

A global partner for our clients

Deutsche Bank

A leading global  
financial services

institution with a strong

private client franchise

Deutsche Asset & Wealth Management (DeAWM)

Offers individuals and institutions traditional and alternative investments  
across all major asset classes

Wealth Management

Has been providing open architecture, investment management and capital  
markets solutions as well as wealth management,

banking and lending services to high-net-worth individuals, families and  
select institutions for more than a century

Key Client Partners (KCP)

Key Client Partners aims to provide select sophisticated investors seamless  
access to cross asset class, cross border

investment opportunities and financing solutions from Deutsche Asset &  
Wealth Management (DeAWM), Corporate Banking &

Securities (CB&S), Global Transaction Banking (GTB) and 3rd party providers  
on a non-advised and non-fiduciary basis

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

1

Positioned to guide clients through the current market

Deutsche Bank financial standing

Total assets

Common equity tier 1 capital ratio

DeAWM financial standing – total assets

Global

Americas

Wealth Management-Americas

Deutsche Bank Ratings (as of July 29, 2014)

Moody's Investors Service

Standard & Poor's

Fitch Ratings

Presence and span

Global employees (FTE)

Countries with DB presence (as of 12.31.2013)

Total clients (as of 12.31.2013)

Award highlights<sup>2</sup>

USD 2,280 billion

11.5%

USD 1,307 billion

USD 359 billion<sup>1</sup>

USD 118.4 billion<sup>1</sup>

A3

A

A+

96,733

Over 70

Over 30 million

(1) Included in total global assets

(2) For a full list of awards visit: [http://www.db.com/en/content/company/-current\\_awards.htm](http://www.db.com/en/content/company/-current_awards.htm)

Source: Company data, as of June 30, 2014 (unless noted otherwise)

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

2

Wealth Management

One of Deutsche Bank's five core businesses

Deutsche Bank

Private &

Business

Clients

Corporate Banking &

Securities

Asset & Wealth

Management

Global

Transaction

Banking

Global

Markets

Corporate

Finance

Wealth

Management

Asset

Management

Non-Core

Operations

Key Client Partners

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

3

What is Key Client Partners (KCP)?

A global team with the capabilities and broad coverage to better serve key clients

KCP has been established to provide high-level coverage and unique investment opportunities to a subset of the top tier UHNWI & Family Offices through a differentiated product offering and investment platform

KCP global coverage

KCP clients will be serviced from one of these regional hubs

KCP capabilities & differentiated offering

Key Client Partners point of access:

Deutsche Asset & Wealth Management (DeAWM)

London

New York

Geneva / Zurich

Frankfurt

Corporate Banking & Securities (CB&S)

Global Transaction Banking (GTB)

Singapore

3rd Party

KCP capabilities

KCP clients

Specialty and boutique offering for our UHNW base with dedicated coverage expertise

KCP clients are institutional in size, need, sophistication, and are transactional in nature

Select UHNW individuals with net worth of at least USD 100 million

Provide a comprehensive coverage of capital markets opportunities, private investments, and asset and liability management

Work with all DB divisions and institutional focus areas to deliver the best investment

opportunities with a solution oriented approach

Non-advisory platform

Private Markets

Structured Finance

& Lending

Capital Markets

Alternatives

Deutsche Asset

& Wealth Management

Direct investments

Co-investments, tactical structured vehicles

Structured finance and lending solutions

Structured credit and loan syndication

Flow trading, listed & OTC derivatives

Tactical trading opportunities

Private equity, hedge funds

Real estate, infrastructure

For U.S. Key Client Partners (KCP) Clients Only

4

Access to exclusive offerings for qualified clients

1

Key Client Partners (KCP) aims to provide selected investors seamless access to the full resources of Deutsche Bank on a non-advised and non-fiduciary basis<sup>2</sup>

Connectivity

- DeAWM
- Corporate Banking & Securities
- Global Transaction Banking
- Research
- Third Party Providers
- Open Architecture

KCP

Clients<sup>3</sup>

- UHNW Individual Investors
- Family Offices
- Foundations, Endowments
- Private Companies
- Small-Medium Sized Institutions

Cross Border

- USA
- Latin America
- Europe
- Asia Pacific
- Middle East

(1) Institutional investors only as defined by FINRA 2111

(2) KCP services are offered to a select group of DeAWM clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All KCP opportunities may not be available in all DeAWM locations

(3) The KCP on-boarding process applies

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

5

Cross Asset Class

- Alternatives
- Commodities
- Credit
- Currencies
- Equities
- Fixed Income
- Multi Asset
- Real Estate

## Key Client Partners capabilities

Our goal is to provide innovative, personalized investment solutions and opportunities across a full range of unique asset classes that meet the needs of sophisticated, qualified clients

Futures & options

Commodities

Equities

Credit

Rates

FX

Capital

Markets

Private

Markets

Real estate

Hedge funds

Infrastructure

Portable alpha

Alternative beta

Custom indices

Private equity funds

Alternative

Investments

Co-investment opportunities

Private direct investments

Client-to-Client interaction

Special opportunities

Debt participation

Deal sourcing

Structured

Finance

Securitization

Municipal finance

and Lending

Supply chain finance

Commercial real estate

Loans vs. illiquid collateral

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

6

Agenda emphasis

01 Areas of expertise

02 Key investable themes

03 Implementation of themes

For U.S. Key Client Partners (KCP) Clients Only

7

KCP areas of expertise  
Private Markets  
Co-investment opportunities  
Private direct investments  
Client-to-Client interaction  
Special opportunities  
Debt participation  
Deal sourcing  
Facilitate the sourcing,  
trading, structuring,  
arranging and executing of  
opportunistic, asset backed  
debt and equity related  
investments  
Structured Finance  
and Lending  
Loans vs. illiquid collateral  
Commercial real estate  
Supply chain finance  
Municipal finance  
Securitization  
Capital Markets  
Futures & Options  
Commodities  
Equities  
Credit  
Rates  
FX  
Alternative Investments  
Real estate  
Private equity funds  
Alternative beta  
Custom indices  
Portable alpha  
Infrastructure  
Hedge funds  
Provide industry leading  
solutions that vary in terms  
of complexity,  
customization, and  
underlying asset type  
Provide superior expertise  
and execution capabilities  
for all traded investment and  
liability management  
products  
A leader in the alternative  
investment space which can  
provide a clients portfolio  
with exposure to  
opportunistic special

situations and targeted  
sources of return

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

8

KCP investment themes and solutions

01 Areas of expertise

02 Key investable themes

03 Implementation of themes

For U.S. Key Client Partners (KCP) Clients Only

9

Themes for UHNW investors

I. Sources of current income

II. Hard assets

III. Transitional capital

IV. Uncorrelated/risk management

V. Current tactical ideas

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

10

KCP investment themes and solutions

01 Areas of expertise

02 Key investable themes

03 Implementation of themes

For U.S. Key Client Partners (KCP) Clients Only

11

November agenda for implementation of themes

Alternative investments

- Rated Infrastructure Notes Ltd (RIN)

Private markets

- Marinas: Suntex NewCo

- Lift One: Aspen resort property

- Home Partners of America

- Proton therapy bonds

Structured finance and lending

- Structured finance: an overview

- Structured finance: corporate credit transactions

- Equity bridge financing for financial sponsors

Capital markets

- Harvesting volatility risk premia in commodities: DB Brent Short

Volatility II index

- CLO mezzanine debt

- Short duration CLO mezzanine debt

- Hedging and monetization

- Hedging and monetization: case study

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

12

Rated Infrastructure Notes Ltd. (RIN)

Area of expertise: Private markets

Theme: Sources of current income/transitional capital

Overview

– There is a long-term need for infrastructure investment; the total shortfall in U.S. infrastructure funding over the next 10 years is estimated to be \$2tn1 (i.e. \$200bn per annum)

– Estimates project approximately \$50bn2 of U.S. private infrastructure loans maturing by 2017

– As U.S. infrastructure needs increase, more private capital, both equity and debt, will be required to replace and augment inadequate public funding

Investment opportunity

– RIN Ltd. (the “Issuer”) is a newly formed private debt investment, utilizing CLO structuring, that will seek to originate a diversified portfolio

of private infrastructure loans

– The Issuer is seeking \$75mm of commitments from institutional investors to fund junior interests in the form of preferred shares

(“Equity”)

– The first round closed in November, with a second close planned for December

– The risk profile is attractive, as data demonstrates that infrastructure loans have lower default and loss characteristics than noninfrastructure debt

– Stable nature of infrastructure operating cash flows and tangible asset coverage

– Lender protections provide ability to monitor borrowers and allow lenders to actively address underperformance

– Risks: Possibility of loan default, lack of liquidity, increase in raw material prices, loss of principal, loss of share value, and deflation

Management team

– Provided approximately \$14.0bn (€10.7bn) of financing to 18 infrastructure businesses

– Pioneers of infrastructure finance involved in marquis transactions in Europe

and North America

– Over 40 years of collective infrastructure experience

– Extensive experience across geographies and infrastructure sub-sectors

(1) Source: The American Society of Civil Engineers report, March 2013

(2) Source: DeAWM's proprietary database of infrastructure financing details for approximately 500 transactions between January 1, 2005 and August 31, 2013 in Western Europe and North

America

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

13

Marinas: Suntex NewCo

Area of expertise: Private markets

Theme: Hard assets/sources of current income

Overview

- Suntex Ventures, LLC is forming a new company, Suntex NewCo, for the purpose of acquiring and managing institutional quality marinas
- Suntex intends to create an investment vehicle that will aggregate these marinas with the goal of listing in the public markets as an internally managed pure play REIT in a three year timeframe
- An investment in Suntex is intended to provide investors with a highly predictable and durable current income with the potential for significant capital growth

Investment overview of marinas

Marinas may provide a compelling investment opportunity for several reasons:

- REIT status: The industry has significant scale, growth potential, strong free cash flow, and generates an attractive yield; in addition, the asset class now qualifies for REIT status. Marinas provide yields at the top of the range for all REIT asset classes (~8.5% nominal cap rate)
- Stability: Quality marinas are historically stable throughout economic cycles and resistant to down turns while closely mirroring inflationary trends
- Barriers to entry: The number of marinas hardly fluctuates due to limited appropriate land, regulations and environmental protection laws, and high initial capital investments
- Consolidation opportunity: In the U.S. there are 2,500-3,000 institutional quality marinas. ~90% of owners are "mom and pop" businesses poised for acquisition and operational improvement
- Risks: Economic downturn that results in fall in marina values, unforeseen weather events, changing environmental regulation

The Suntex advantage

Suntex is uniquely positioned to capitalize on today's market opportunity and be the

standard bearer for the institutionalization of the marine real estate sector:

- Leading marina industry sponsor: the Suntex team has been operating marinas since 1995. Today Suntex is one of the largest and most reputable marina companies in the U.S, owning and/or operating 22 institutional quality marinas across the U.S.
- Proven track record: Suntex principals and management have over 100 years of aggregate experience in managing marinas
- Actionable pipeline: Suntex will take advantage of fragmentation in the marina industry to acquire high quality assets at attractive initial yields. The pipeline exceeds \$1.5bn of current opportunities with \$200mm in the acquisition and closing process<sup>1</sup>

(1) As of 10/14

Deutsche Asset

& Wealth Management  
For U.S. Key Client Partners (KCP) Clients Only  
14

Lift One: Aspen resort property

Area of expertise: Private markets

Theme: Hard assets

Overview

– KCP is partnering with an established Sponsor to find co-investors for the acquisition, development and sellout of a world-class luxury residence and private ski club in Aspen, Colorado; it is the last remaining ski-in/ski-out development parcel directly on Aspen Mountain known as “Lift One”

– The Sponsor is an independent investment group engaged in acquisitions and repositioning of prime properties, with a proven track record in the development of ultra-luxury real estate assets

– The opportunity allows equity investors to generate returns resulting from the sale proceeds of luxury residences and memberships in an exclusive private ski club; revenues constitute sale proceeds from condo-hotel fractional units, whole ownership luxury units, exclusive club memberships and commercial retail space on the mountain

– Risks: challenges in the development and sale of the property, potential full loss of investment

Investment highlights

– Strong sponsorship: the Sponsor has significant experience within luxury development and real estate

– Rare generational opportunity: the remaining supply of Aspen’s mountain-side development parcels is essentially non-existent, and this real estate rests within a long-favored destination that is a pinnacle of luxury mountain resorts

– Alignment of interest: Sponsor agrees to commit 5% of capital and equity investors are given priority to net profit via a high hurdle rate

– Branding: expected affiliation with world class brands including Bulgari, Cheval Blanc and Baccarat

– Already entitled: current ownership spent over 8 years entitling the site and the Sponsor believes amendments will be swift

– Pro-development political climate: the current City Commission is expected to be very receptive to the

development, especially in light of the 2017 FIS World Cup Ski Competition coming to Aspen, finishing at Lift One

– Compelling fundamentals: rapidly escalating pricing, strong sales velocity and pent up demand for luxury product all coexist in the Aspen market

Deal terms

Offer size

Minimum

Term

Leverage

Up to \$30mm

\$3mm

3-5 years, expected

Transaction financed with 75% debt, procured at a later date

Deutsche Asset

& Wealth Management  
For U.S. Key Client Partners (KCP) Clients Only  
15

## Home Partners of America

Area of expertise: Private markets

Theme: Hard assets as inflation protection/sources of current income

### Overview

- Home Partners of America (“HPA,” formerly Hyperion homes) is a single-family housing investment platform launched in November 2012 with the goal of providing responsible households that cannot access mortgage credit a new path to ownership
- The program is built on a resident led model: approved clients are allowed to find a home from all available housing stock in agreed communities; HPA purchases the home, leases it and provides a purchase right to the client
- DB and other institutional investors like BlackRock and KKR have committed to invest an aggregate of more than \$480mm in HPA
- Target unlevered cash on cash returns above 6%, leveraged gross IRRs between 14-23%, and five year total returns in excess of 2x capital

### Market opportunity

- HPA believes that the current lending environment has created an attractive opportunity to invest in single-family homes
- Compared to the market pre-housing crisis, significant numbers of middle class American households cannot obtain mortgage credit
- Access to middle market mortgage credit is almost exclusively driven by government programs which may not be sustainable. Government sponsored enterprises are currently responsible for 93% of all mortgage credit
- Strict lending standard across all credit sources now require FICO scores that are well above the national average, creating a need for alternative methods of financing

– Risks: potential loss of full investment, lack of operating history, limited liquidity

GSA and FHA Credit Scores at Underwriting<sup>1</sup>

### Indicative terms

Term

Investment period

Management fee

Minimum commitment

Distributions

(1) Citigroup

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

16

Permanent, with investors holding a specific percentage of shares having ability to seek certain liquidity events beginning after two years

18 months

None – the company is internally managed and will bear its G&A load

\$5mm, though the Company reserves the right to accept subscriptions of lesser amounts

Required to distribute to its stockholders each year at

least 90% of taxable income

## Proton therapy bonds

Area of expertise: Private markets

Theme: Sources of current income

### Overview

– The Provision Center for Proton Therapy (PCPT) is an ancillary healthcare facility providing cutting edge proton therapy treatment to cancer patients in Knoxville, Tennessee

– The bonds were issued through the Health, Education & Housing Facilities Board of the County of Knox, Tennessee with a 20 year fully amortizing term maturing in 2034. They are secured by a first mortgage on all property, plant and equipment comprising the project as well as a pledge of gross revenues

– The amortization profile of the bonds provides a WAL of 6 years for the 2025 bonds and 16 years for the 2034 bonds

– Debt service coverage ratio is expected to climb to 1.75x by the end of 2015

– Risks: Interest rate risk, credit risk of issuer, medical reimbursement risk

### Implementation

Bond structure:

Maturity Par/mm Coupon Average life Turbo A/L

5/1/2034

5/1/2025

75.60

53.97

6.00%

5.25%

9/19/2030

11/4/2020

8/1/2020

n.a.

– Unlevered, the bonds provide a tax exempt return of approximately 5-6% with upside potential once the project is stabilized

– The tax exempt municipal bonds backed by the fully stabilized proton therapy center in Jacksonville, FL, recently traded at 3.60% yield to worst, illustrating the value the market assigns to a stabilized project

– Applying TRS leverage, an investor can receive mid to high teens in taxable interest

– For investors that value the tax exempt income, DB can utilize a Senior/Sub trust structure to achieve low double digit tax exempt yield

Business

model

Protected

market share

Management

team

Operating

results

Credit strengths

Timeline

Project completed on time and budget. Ramp-up accelerating with all three initial treatment rooms operational, partially mitigating stabilization risk

Requires 8.8% market share (515 annual patients) of primary service area proton-eligible patients to reach breakeven, and just 2.3% when extended to secondary service area

Provided through restrictive state certificate of need process.

Strong location on a mature cancer-care medical campus shared with clinical partners. Nearest competitor over 500 miles away

Considerable experience managing new medical technologies from both a facilities management and reimbursement development standpoint

Impressive YTD operating results with the May through July period producing above budget patient volume, net patient revenues and cash collections, offsetting initial ramp off softness

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

17

Structured finance: an overview

Area of expertise: Structured finance and lending

Theme: Transitional capital

Overview

– DB Structured Credit team works on a fully integrated basis with the entire Structured Credit group to provide financing, structuring and risk management solutions for clients with capital needs that are not well served by traditional banking products

– Through a continued partnership with KCP, Client Coverage and Structuring, the DB Structured Credit team is able to provide innovative financing solutions to an expanding universe of investors and clients

– As of 9/29/14 the group has closed over 25 deals and deployed over \$4.5bn of capital<sup>1</sup>

– Risks: loss of capital, adverse movement of underlying asset value

Corporate credit transaction types

– High growth debt & equity upside

– Turnarounds

– Complex contract monetization

– Trophy asset financing with complex collateral pool

– Transformational financings (novocure cancer therapy, renovation)

– Financing acquisition of assets out of bankruptcy

– Bridge to event

Natural resources transaction types

– Oil and gas producers

– Mature field acquisitions: stretch first lien + second lien

– New developers: PUD margin loans

– Securitization: rated ABS distributed to Capital Markets

– Logistics and infrastructure: structured PF debt

– Metals & mining: refinancing of combined equipment finance, contract monetization, cash flow lending

DB Structured

Credit

Financial assets transaction types

– Esoteric securitization (franchises, royalties, broadcast/wireless towers, ground leases, license fees, longterm service contracts, vendor loans, rental contracts)

– Purchases of portfolios of hard asset leases (containers, aircraft, rail cars, ships)

– Single asset financings (loans against concentrated distressed debt positions and concentrated private equity)

(1) DB Structured Credit release

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

18

Hard assets transaction types

– Aircraft & components

– Rail cars and rail lines

– Marine assets (container, cargo ships, drill ships)

– Auto/truck fleets

– Energy: solar, wind, biomass

Structured finance: corporate credit transactions

Area of expertise: Structured finance and lending

Theme: Transitional capital

Recapitalization on gas station properties

Overview:

– Senior secured credit solution consisting of first, second and third lien non-revolving term

loans, secured by the assets of the borrower and subsidiaries

– This transaction appealed to the owner because it would allow (i) the refinancing of all

existing term and subordinated debt and (ii) the payment of a dividend to equity holders by

using the residual proceeds from the new facility

– Allows the owner to consolidate multiple facilities and remove an expensive piece of

mezzanine debt

– ~300 underlying gas stations provide a unique, diversified, recession-proof asset with high

barriers to entry

Terms:

Economics

Financing amount

Tenor

Undrawn fee

~\$260mm

Medical device company – pre-IPO financing

5 years

2% per annum on any undrawn proceeds under the facility

Security

First, second and third lien secured by priority interests on all the assets of the borrower and the applicable subsidiaries

First lien: L + 4.75%

Indicative interest rate

Deutsche Asset

& Wealth Management

Second lien: L + 8.00%

Third lien: L +14.00%

For U.S. Key Client Partners (KCP) Clients Only

Economics

Mid teens

19

Overview:

– Senior secured debt to venture capitalbacked company seeking to expand clinical

trials and provide liquidity prior to a potential IPO

Terms:

Financing

amount

Tenor

~\$50mm

3 years

Resort lease monetization

Overview:

– Senior financing to borrower secured by contracted lease payments from a creditworthy counterparty to conduct the operations at the resort owned by the borrower

Terms:

Financing

amount

Tenor

~\$300mm

4 years + 1 year

option to extend

Mid single digits

Equity bridge financing for financial sponsors  
Area of expertise: Structured finance and lending  
Theme: Transitional capital

#### Overview

– Before realizing synergies, financial sponsors are often required to inject a large amount of capital to finance the acquisitions of target companies or the construction of hard assets (ships, aircrafts, mines, power plants, pipelines, large properties, etc.)

– Equity bridge financing funds a large percentage of the capital contribution required for these projects while also offering delayed capital investment by the financial sponsor (until permanent financing available at higher LTVs), higher IRRs and multiples of capital, and lower operational intensity with fewer draws

– DB Structured Credit can syndicate this bridge loan credit, offering investors the asset side of the transaction with higher yields on a marketcomparable underlying credit

– Risks: loan default, potential loss of full investment

#### Case study: transportation assets liquidity financing

– DB provided delayed draw term financing to a portfolio company of a large US private equity fund

– The financing was used to fund almost 100% of the capital contribution required for the construction and acquisition of shipping vessels

– The facility benefits from the credit support of various Sponsor funds. Each fund is required to maintain a certain amount of unfunded commitments to meet its credit support obligations

– Direct recourse to Sponsor's funds allows meaningfully tighter pricing and the efficient structure allows the Sponsor to effectively bridge the capital contributions required for the acquisition and construction of the vessels until permanent financing is available at a higher LTV (and thus better IRRs)

– While providing benefits to the Financial Sponsor, these facilities also become opportunities for investors to participate in an economically compelling, recourse investment with an advantageous risk/reward profile

Financing amount

Tenor

Economics

Security

Deutsche Asset

& Wealth Management

\$100mm

Draw conditions

3 years

Low-mid single digits

Covenants

Credit supported by various funds of

the Sponsor

- Prior written notice of borrowing
- Accuracy of representations and warranties
- Absence of default
- Limitations on distributions and additional indebtedness
- Minimum liquidity & maximum leverage

For U.S. Key Client Partners (KCP) Clients Only

20

Harvesting volatility risk premia in commodities: DB Brent

Short Volatility II index

Area of expertise: Capital Markets

Theme: Current tactical ideas

Overview

– Rationale: Historically, the uncertainty risk (implied volatility) priced in by market participants tends to overestimate the realized risk (realized volatility)

– Commodity markets are said to exhibit one of the highest volatility risk premia across markets, partly caused by risk management activities of consumers and producers<sup>1</sup>

– DB's offering of algorithmic Short Volatility Strategies allow investors to monetize this implied/realized spread in different commodities

– DB Brent Short Volatility Strategy offers investors a simple and convenient vehicle to monetize the implied volatility premium in Brent Crude. This strategy is available for WTI crude and other commodities such as Gold, Copper, Nickel and Natural Gas

Implementation

– Description: DB Brent Short Volatility II strategy aims to capture the differential between implied and realized volatility in the Brent crude oil market by

systematically selling straddles and subsequently delta hedging these straddles

– The index is constructed as an equally weighted average of 3 sub-indices, each rolling on different dates in order to minimize path dependency and keep an (almost) constant volatility duration exposure at all times

– On the relevant quarterly roll date, each sub-index sells an equal number of call and put options

– Every day the delta position implied by these options is hedged by buying the delta amount of underlying futures at market close

– Profit and loss from each sub index is the sum of:

– Product of number of options sold on previous rebalance date and the change in option price from the previous day, for both the call and put

– Product of number of options sold, the implied delta position on previous day and the change in underlying future price from previous day

Commodity markets offer persistent implied/realized premium<sup>2</sup> Index returns<sup>4</sup>

Implied vc. Realised

Implied vc. Realised

Brent crude oil

WTI crude oil

Natural Gas

Aluminium

Copper

Nickel

Gold

Silver

Premium (long-term)<sup>3</sup> Premium (since 2010)

5.52%

3.30%

3.19%  
1.32%  
0.93%  
1.40%  
1.10%  
-0.55%  
6.67%  
4.84%  
1.23%  
1.65%  
4.02%  
2.72%  
0.84%  
-0.98%

(1) Academic Background: Pimco Viewpoint (2012), "The Volatility Risk Premium"

(3) Data since 1999 for energy, 1997 for industrial metals, 2003 for precious metals and 2007 for agriculture; data until June 2014

(2) Figures in the table represent the 3m implied volatility risk premium. Historical implied volatility based on DB internal data. \*Data since 1999 for energy, 1997 for industrial metals, 2003 for precious metals and 2007 for agriculture; data until June 2014

(4) Source: Bloomberg. DB Brent Short Volatility II Index has been retrospectively calculated and did not exist prior to 04 March 2014. Accordingly, the results shown during the retrospective periods do not reflect actual returns.

Past performance is not necessarily indicative of how the index will perform in the future. The performance of any investment product based on the DB Brent Short Volatility II Index have been lower than the Index as a result of fees and / or costs. Statistics shown are for excess return indices except S&P 500 (SPTR <index>), which is a total return index. Data is as of 14 Oct 2014

Deutsche Asset  
& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

21

Harvesting volatility risk premia in commodities: DB Brent

Short Volatility II index (cont.)

Area of expertise: Capital markets

Theme: Current tactical ideas

Index summary

- Transparent: the strategy is fully transparent as it is based on listed option prices
- Market Neutral: the strategy is constructed using a basket of options and implies limited directional exposure to Brent front month prices
- Rebalancing: the index is rebalanced every year to provide equal exposure over the course of the year
- Embedded Cost: index cost is embedded in the after cost implied volatility calculation
- Transparency: rules-based index with the closing level published on Bloomberg page DBCMBSV2 <index>
- Risk: losses , and mark to market losses , resulting from increase in volatility

Comparative performance analysis1

Year on year performance comparison1

(1) Source: Bloomberg. DB Brent Short Volatility II Index has been retrospectively calculated and did not exist prior to 04 March 2014. Accordingly, the results shown during the retrospective periods do not reflect actual returns.

Past performance is not necessarily indicative of how the index will perform in the future. The performance of any investment product based on the DB Brent Short Volatility II Index have been lower than the Index as a result of fees and / or costs. Statistics shown are for excess return indices except S&P 500 (SPTR <index>), which is a total return index. Data is as of 14 Oct 2014

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

22

## CLO mezzanine debt

Area of expertise: Capital markets

Theme: Structural solutions

### Overview

- Bank loan strategies have grown in popularity due to the unique features of the asset class (i.e. senior secured status and attractive cash coupons)
- Investors recognize that the yield and stability of bank loans offer a prime opportunity to apply leverage and generate higher returns
- CLO mezz is a floating rate product, so the coupon will rise with short term rates
- CLO mezz offers high spread levels vs. loans and similar assets:
- CLO 1.0 (pre-crisis) mezz offers upside in the event of deals being called, and ratings upgrades due to deleveraging of the deals and fast prepayment rates
- At current levels CLO 2.0 (post crisis) mezz spreads carry the widest spreads vs. other structured products, relative to ratings
- Risks: default of underlying collateral, credit risk of manager, liquidity risk

### Implementation – vehicle 1

Buy Ba2 ACAS CLO debt

– American Capital, Ltd. “ACAS” is a leading manager of alternative assets, with an AUM of \$93bn<sup>1</sup>

– The Leveraged Finance Group of American Capital “LGG” manages syndicated corporate debt for ACAS with \$1.5bn in CLO debt and equity<sup>2</sup>

### CLO:

- This is vanilla CLO managed by ACAS, arranged by DB
- It is risk retention compliant, meaning ACAS retains an economic interest of at least 5% of the deal balance in the equity tranche of the CLO
- We believe this feature adds value versus other U.S. CLOs as it shows an alignment of interest between the manager and investor
- This tranche is approximately 108.5% over-collateralized

### Indicative Terms

Ticker

Size

Offer

Model Discount Margin<sup>4</sup>

Rating

Coupon

Maturity

Yield to maturity

Deutsche Asset

& Wealth Management

ACASC 2014-1A E

\$9.5mm

90.50px

650-680bps (dependent on call date)

Ba2/BB

3 month Libor + 495bps

7/18/26 legal final, 6-8.5 year WAL expected

~8.5%

(1),(2) As of 12/31/13

(3),(4) As of 3/2013

(5),(6) Fixed spread over swap discount curve

Implementation – vehicle 2

Buy BB ING/VOYA CLO debt

– Voya Alternative Asset Management (previously ING U.S. Investment Management), is a leading manager of alternative assets with an AUM of \$213bn<sup>3</sup>

– The Senior Loan Group consists of a team of 27 investment professionals and 25 support staff. It manages \$19bn in assets in its portfolio that includes 19 CLOs<sup>4</sup>

CLO:

– This is a short deal from ING/VOYA, a conservative manager

– It has significant subordination vs. other new issue CLOs (approaching subordination of an Investment Grade bond)

– This tranche is approximately 110.0% over-collateralized

– Its reinvestment period is over and is de-leveraging rapidly

Indicative Terms

Ticker

Size

Offer

Coupon

Maturity

Yield to maturity

For U.S. Key Client Partners (KCP) Clients Only

INGIM 2011-1A D

\$5.0mm

99.97px

Model Discount Margin<sup>5</sup> 451bps

Rating

Ba2/BB

3 month Libor + 450bps

6/22/21 legal final, 2.5-3 year WAL expected

~6.2%

23

Short duration CLO mezzanine debt

Area of expertise: Capital markets

Theme: Structural solutions

Overview

– The US CLO market is becoming more open to creativity in deal structures and investment strategies

– Strong demand for seasoned CLO deals has inspired the creation of short duration CLOs

– DB is a pioneer in this space, having launched the first short duration CLO in the U.S. market in May 2014 for the leading credit manager, Ares Management

Characteristics of short duration CLOs

Short duration CLOs combine the best features of 1.0 and 2.0 CLOs, and offer an

attractive alternative versus CLO 1.0 or refinanced 2011/2012 CLO bonds:

–Very little or no reinvestment period, and one year non-call period

–Capped amend-to-extend activity and capped reinvestment of prepayments

gives more certainty over debt and equity life when compared to typical CLOs

–These deals are debt friendly and simplified (no issuer repurchase of notes

nor modification of weighted average life rule)

Implementation

Buy BBB Regiment Capital Cavalry V short duration CLO debt

–Regiment Capital Advisers is a Boston based independent investment manager

– It was formed in 1999 by several principals who had provided investment management services to Harvard Management Company

–Regiment team members have an average of over 20 years of experience in the leveraged credit markets

– Its investor base is diverse and is comprised of endowments, foundations, insurance companies, pension funds, and family offices

–Regiment manages \$1.3bn in structured products, with a total AUM of \$3.8bn<sup>1</sup>

Class

A

B

C

D

E

Eq

Rating

(Moody's)

[Aaa]

[Aa2]

[A2]

[Baa2]

[Ba2]

NR

Par amount (\$)

%

WAL/

years

\$ 244,000,000.00 66.35 2.8

\$ 35,750,000.00 9.72 5.1

\$ 18,000,000.00 4.89 5.1

\$ 14,000,000.00 3.81 5.1

\$ 20,000,000.00 5.44 5.1

Price

talk<sup>2</sup>

Par

99

97.5

96.5

96.5

\$ 36,000,000.00 9.79 N/A n/a

\$ 367,750,000.00 100.0

(1) As of 09/15/14

(2)(3) "Price talk" and "Spread Talk" refer to estimates, provided by DB's Syndicate team, of the prices and spreads expected for the bonds on the primary market

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

24

Spread

talk<sup>3</sup> (bps)

137

235

330

430

630

n/a

Column1

Launch

Non-Call Period

Reinvestment

Period

Final Maturity

-Risks: default of underlying collateral, credit risk of manager, liquidity risk WAL

CLO 1.0

CLO 2.0

Pre Credit Crisis Post Credit Crisis

3-5 years

6-7 years

14-16 years

1-4 years

(depending on  
amortization)

~2 years

3-4 years

11-12 years

6-8 years  
Short Duration  
CLO  
2014  
1 year  
1 year  
10 years  
5 years

Hedging and monetization

Area of expertise: Capital markets

Theme: Sources of current income and risk management

Strategy

Description

Zero

Premium

Collar

Customized equity collars can be created to protect value and provide continued exposure to a stock position

Loss

Current Price

Implementation: Client purchases a put option and sells a call of equivalent value

Put Spread

Collar

Collars can be customized to create a risk profile that protects only a strategic portion of the hedged stock's value, which may allow for an increase in upside participation beyond a standard collar

Implementation: Client purchases a put, sells a lower put and also sells a call

Variable

Delivery

Forwards

(VDFs)

Variable Delivery Forwards ("VDF") are used to monetize a client's position such that the cash proceeds can be freely invested without any limitations

Implementation: Collar structure with upfront payment of proceeds of a future sale of the stock

Covered

Call

Covered calls can create or enhance yield from an underlying stock position, while participating in price gains up to the call price

Loss

Implementation: Client sells calls on his long position

Deutsche Asset

& Wealth Management

Current Price

Stock Price

Risks: OTC Derivative transactions involve numerous risks including market, counterparty default and illiquidity risk. In certain transactions you could lose your entire investment or incur unlimited loss

For U.S. Key Client Partners (KCP) Clients Only

25

Call Strike

Profit

Loss

Current Price

Put Strike

Stock Price

Call Strike

Profit

– Moderate liquidity

– Downside protection to extent of premium received

– Upside is capped

– No downside

protection beyond premium received

– Investor remains undiversified

– Downside protection

– Upside participation to threshold level

– Immediate liquidity and potential for diversification

– Upside is capped

– Some downside

exposure possible

– Potential option cost within structure

Put Strike

Stock Price

Call Strike

Profit

Put Strike Put Strike

Loss

Current Price

Stock Price

– Potential for higher upside participation versus standard collar

– Moderate downside protection

– Upside is capped

– Moderate downside protection

– Investor remains undiversified

Implementation

Call Strike

Profit

Advantages

– Upside participation up to call strike

– Downside protection below put strike

Disadvantages

– Upside is capped

– Some downside exposure

– Investor remains undiversified

Terminal Payout

Terminal Payout

Terminal Payout

Terminal Payout

Hedging and monetization: case study

Area of expertise: Capital markets

Theme: Sources of current income and risk management

Overview

- An investors holds 70% of their net worth in XYZ currently trading at \$25.00 per share
- Client has a long-term bullish view on XYZ but is concerned about a general market pullback
- Client recognizes the need to diversify their portfolio
- Client is interested in generating income since the stock pays no dividend

Solution

Solution part 1: zero-premium collars

- Objectives: protect value, upside participation
- Solution: zero-premium collar on 100,000 shares

\$15.00

\$17.00

\$19.00

\$21.00

\$23.00

\$25.00

\$27.00

\$29.00

\$31.00

\$15.00

Current stock price

Solution part 2: VDFs

- Objectives: protect value, monetization, upside participation
- Solution: VDF on 100,000 shares
- The VDF provides downside protection and capped upside protection, similar to a collar while monetizing the protected value

Structure

1 year 85-115%

1 year 85-125%

1 year 100-125%

Protected

Value

\$18.00

\$21.00

\$24.00

\$27.00

Stock price

- Put strike 85% (\$21.25), call strike 115% (\$28.75)

- Full downside protection below the put-strike and appreciation up to the call strike

\$30.00

\$33.00

\$36.00

\$15.00

\$17.00

\$19.00

\$21.00

\$23.00

\$25.00

\$27.00

\$29.00

\$31.00

\$33.00

\$35.00

\$10.00

PV of floor level Cost of option Upfront payment

84.00%

84.00%

98.80%

1-year 85% -125%

1-year 100% -125%

0.00%

2.00%

8.00%

84.00%

82.00%

90.80%

\$13.00

\$16.00

\$19.00

\$22.00

Stock price

\$25.00

\$28.00

Current stock price

\$31.00

\$34.00

Risks: OTC Derivative transactions involve numerous risks including market, counterparty default and illiquidity risk. In certain transactions you could lose your entire investment or incur unlimited loss

Deutsche Asset

& Wealth Management

For U.S. Key Client Partners (KCP) Clients Only

26

Underlying stock + hedge

Underlying stock + hedge

## Disclaimer

THIS MATERIAL IS INTENDED FOR INSTITUTIONAL CUSTOMERS ONLY AS DEFINED BY FINRA 4512C. The trading and investment ideas discussed herein are general and do not take into account an institutional client's particular circumstances (including tax situation), investment guidelines, investment goals, restrictions or needs. Deutsche Bank ("DB") is not acting as a legal, financial, tax or accounting adviser or in any other fiduciary capacity with respect to any proposed transaction(s) mentioned herein. This document does not constitute the provision of investment advice and is not intended to do so, but is only intended to be general information. This material is for our clients' informational purposes and is a general solicitation of derivatives business for the purposes of, and to the extent it is subject to, §§ 1.71 and 23.605 of the U.S. Commodity Exchange Act. This is not an offer, advice, recommendation or solicitation to buy or sell, nor is it an official confirmation of terms. Any offering or potential transaction that may be related to the subject matter of this communication will be made pursuant to separate and distinct documentation and in such case the information contained herein will be superseded in its entirety by such documentation in final form. Key Clients Partners ("KCP") services are offered to a select group of Deutsche Asset & Wealth Management ("DeAWM") clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All Key Clients Partners opportunities may not be available in all DeAWM locations. The sample trading and investment ideas discussed herein are general and do not take into account a client's particular circumstances (including his or her tax situation), investment guidelines, investment goals, restrictions or needs. DB is not acting as your legal, financial, tax or accounting adviser or in any other fiduciary capacity with respect to any proposed transaction(s) mentioned herein. This document does not constitute the provision of investment advice and is not intended to do so, but is only intended to be general information. The information herein is believed to be reliable and has been obtained from sources believed to be reliable, but we make no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, completeness of such information or that any returns indicated will be achieved. In addition we have no obligation to update, modify or amend this communication or to otherwise notify a recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. All opinions and estimates herein, including forecast returns, reflect our judgment on the date of this report and are subject to change without notice and involve a number of assumptions which may not prove valid.

Investments are subject to various risks, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time. All pricing is indicative only. Prices and availability are subject to change without notice. Changes to assumptions may have a material impact on any returns detailed. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Offering Documents. When making an investment decision, you should rely on the final documentation relating to the transaction and not any summary contained herein. Past performance is no guarantee of future results; nothing contained herein shall constitute any representation or warranty as to future performance. Further information is available upon investor's request. Deutsche Bank is not acting as your municipal advisor, swap advisor, financial advisor or in any other advisory, agency or fiduciary capacity with respect to any transaction with you (whether or not Deutsche Bank has provided or is currently providing other services to you on related or other matters) unless expressly agreed by Deutsche Bank in writing. Deutsche Bank may engage in transactions in a manner inconsistent with the views discussed herein. Deutsche Bank trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein, and these may be known to the author. Deutsche Bank may make a market in the instruments (or related derivatives) discussed herein. Assumptions, estimates and opinions expressed constitute the author's judgment as of the date of this material and are subject to change without notice.

Deutsche Asset  
& Wealth Management  
For U.S. Key Client Partners (KCP) Clients Only

## Disclaimer

This material is not a research report and was not prepared, reviewed or edited by the Deutsche Bank Research Department. The views expressed herein may differ from

those of the Research Department. Sales and Trading functions are subjects to additional potential conflicts of interest which the research Department does not face, so this

material should not necessarily be considered objective or unbiased.

DB seeks to transact business on an arm's length basis with sophisticated investors capable of independently evaluating the merits and risks of each transaction, with investors

who make their own decision regarding those transactions. The distribution of this document and availability of these products and services in certain jurisdictions may be

restricted by law. You may not distribute this document, in whole or in part, without our express written permission. DB SPECIFICALLY DISCLAIMS ALL LIABILITY FOR ANY

DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER LOSSES OR DAMAGES INCLUDING LOSS OF PROFITS INCURRED BY YOU OR ANY THIRD PARTY THAT MAY

ARISE FROM ANY RELIANCE ON THIS DOCUMENT OR FOR THE RELIABILITY, ACCURACY, COMPLETENESS OR TIMELINESS THEREOF

Unless notified to the contrary in a particular case, investment instruments are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental

entity, and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates. This document may not be reproduced or circulated without our written authority. The

manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States. This document is not directed to, or

intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States,

where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Deutsche Bank to any registration or licensing requirement

within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. This communication was prepared solely in connection with the

promotion or marketing, to the extent permitted by applicable law, of the transaction or matter addressed herein, and was not intended or written to be used, and cannot be relied

upon, by any taxpayer for the purposes of avoiding any U.S. federal tax penalties. The recipient of this communication should seek advice from an independent tax advisor

regarding any tax matters addressed herein based on its particular circumstances.

Deutsche Asset & Wealth Management ("DeAWM") represents the asset management and wealth management activities conducted by Deutsche Bank AG or any of its subsidiaries ("Deutsche Bank"). Not all DeAWM products and services are offered in all jurisdictions and availability is also subject to local regulatory restrictions and requirements. Clients will be provided Deutsche Asset & Wealth Management products or services by one or more legal entities that will be identified to clients pursuant to the contracts, agreements, offering materials or other documentation relevant to such products or services. Brokerage services are offered through Deutsche Bank Securities Inc., a registered broker-dealer and investment adviser, which conducts investment banking and securities activities in the United States. Deutsche Bank Securities Inc. is a member of FINRA, NYSE and SIPC. Banking and lending services are offered through Deutsche Bank Trust Company Americas, member FDIC, and other members of the Deutsche Bank Group. © 2014 Deutsche Bank AG. All rights reserved. 019794 111314  
Deutsche Asset  
& Wealth Management  
For U.S. Key Client Partners (KCP) Clients Only