

Investment Strategy

The Manager believes that notwithstanding the significant growth of the private equity asset class and the emergence of new entrants in the secondary market, the industry and the secondary market remain inefficient and complex for investors to navigate.

The Fund's focus on smaller US\$5 million to US\$100 million deals sourced from a mix of small institutions, family offices and private investors coupled with the opportunistic pursuit of larger transactions sourced from financial institutions, corporate and alternative funds will, in the Manager's view, enable the Manager to select the most attractive investment opportunities on a global basis.

In line with the focused and disciplined investment strategy that has generated strong returns in the DB Secondaries Funds to date,⁵⁶ the Fund will target the acquisition, holding and disposition of a diverse portfolio of investments including buyout, growth capital, venture capital, special situations, turnaround, mezzanine, distressed opportunities and infrastructure assets on the secondary market. The Fund will target globally, but primarily in the US and Europe, the acquisition of (i) interests in Fund Secondaries, (ii) Direct Secondaries and (iii) Co-Investments.

The Fund will target attractive risk-adjusted returns in excess of 20% Net IRR (after fees, expenses and carried interest) on a portfolio basis.⁵⁷

With access to both DB PE's and the wider Deutsche Bank's global platforms,⁵⁸ the Manager believes it will be able to source less intermediated deal flow and work directly with sellers to address their objectives, which often include non-monetary factors such as confidentiality, speed of transaction and certainty of execution.

Differentiated Global Sourcing

The Manager, and the members of the Secondary Team, maintain an extensive network of relationships and referral sources amongst limited partners, Fund Sponsors, managers, portfolio companies, intermediaries/placement agents, investment banks and other counterparties in the financial industry which they can leverage to source proprietary, less intermediated, deal flow. More specifically, these relationships include:⁵⁹

- DB PE's institutional client base and client prospects
- DB PE's investments in 450 investment funds and relationships with 250 Fund Sponsors globally⁶⁰
- Deutsche Asset & Wealth Management and Deutsche Bank's broader set of institutional and private clients worldwide

⁵⁶ Past performance of the DB Secondaries Funds is not a prediction of future performance of either the DB Secondaries Funds or the Fund. Actual returns on unrealised investments may differ materially from returns indicated herein.

⁵⁷ There can be no assurance that the Fund will achieve its investment objective or its target return.

⁵⁸ Subject to applicable rules and regulations, Deutsche Bank's internal policies and procedures, and contractual limitations.

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⁶⁰ DB PE own calculations as of March 31, 2013, unaudited.