

over proposed waivers and amendments to debt covenants). For example, a debt holder may be better served by a liquidation of the issuer in which it will be paid in full, whereas an equity holder might prefer a reorganisation that could create value for the equity holders.

## Brokerage activities

Entities within the Deutsche Bank Group will be authorised to engage in transactions in which Deutsche Bank or any of its affiliates acts as a broker for the Fund and for another person who is a counterparty in the transaction. In any such event, Deutsche Bank or any of its affiliates may receive commissions from, and have potentially conflicting divisions of loyalties and responsibilities regarding, both parties to these types of transactions.

## Securities transactions

The Fund may enter into transactions in loans, securities, derivative instruments or other investments in which an entity within the Deutsche Bank Group serves as the counterparty, principal or agent. Deutsche Bank or any of its affiliates may, from time to time, act as principal for its own account in connection with investment transactions by the Fund, including selling securities as principal to, and buying securities as principal from, the Fund. Deutsche Bank or any such affiliate may retain any profits that it may make in any such transaction. The Fund may also execute the purchase and sale of securities through Deutsche Bank or any of its affiliates as agent and may pay commissions to Deutsche Bank or any of its affiliates. Deutsche Bank or any such affiliate may retain any commissions, remuneration, or other profits which may be made in any such transaction. The Fund is unable to predict the volume of such transactions that may be effected.

## Part B – Conflicts of interest relating to DB Private Equity and the Fund

### Management of the Fund

The Manager (and its respective affiliates and team members) will devote such time to the management of the Fund as each, in its sole discretion, deems necessary to carry out the operations of the Fund effectively. The Manager may, in addition to the Secondary Team, instruct individuals from across the DB PE platform to assist with the Fund's investment activities and to serve on the Investment Committee. The Manager and its team members, including members of the Investment Committee who are part of the Secondary Team, may also work on projects for its affiliates, Deutsche Bank and other investment platforms and conflicts of interest may arise in allocating management time, services or functions among such affiliates, Deutsche Bank and other investment platforms.

### Investment by members of the management team

Members of the management team of DB PE may invest personal funds directly or indirectly into the Fund or through other parallel investment entities. As such, their decisions may be influenced by the presence of their investment, and may not be completely unbiased.

### Carried Interest

The entitlement of certain members of the Secondary Team and certain affiliates of Deutsche Bank to receive the economic benefit of the Carried Interest received by the Special Limited Partner may create an incentive for the Manager to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such Carried Interest. The existence of Carried Interest may result in conflicts of interest between the Manager and Investors with respect to the management and disposition of investments and the determination of the order, timing and amount of distributions by the Fund.

The fact that the Carried Interest is linked to the performance of the Fund may create an incentive for the Manager to cause the Fund to make investments that are more speculative than would be the case in the absence of performance-