

gladly detail this stock-selection strategy with you directly at any point.

Full presentation is attached, a few key points here:

Achieve benefits of active valuation for passive price
Bottoms-up valuation - DB CROCI Analyst team (60 people globally) assess each company in it's global universe (800 stocks) from an Economic PE[#] perspective, adjusting balance sheets to reconcile operating cash flow across sectors for comparable stock-valuation
Quantitative selection - stocks selected each month based on the lowest price-to-operating-earnings ratio, based on their valuation metrics (above)
Stock universe is ex-financials
Re-sets monthly
Transparent - pull up the CROCI indices on Bloomberg for mark-to-market (ex: DBUSSDUT = CROCI US Dividends)
Implementation can be customized via a separately managed account (SMA) of single stocks
Tax-efficient, liquid exposure can be achieved via total-return swap (TRS)
10 total indices in the CROCI family: US, UK, Japan, Germany, Euro, World, World Ex-Japan, Sectors III, Global Dividends and US Dividends
CROCI Dividends targets companies with sustainable dividends AND attractive valuations (performance below and p 7 of the attached)

13-Month TRS on DBUSSDUT
Spot 4739.30
Indicative financing: L+65bps
IM:

13-Month TRS on DBUSSDUT vs. SPX (long/short)
Spot
Indicative financing:
IM:

Indicative levels as of 4/8/14. Source: DB GM Equity Derivatives.
* (Enterprise Value/Net Capital Invested)/(Cash Return on Capital Invested)

5-Year History of CROCI US DIVIDENDS vs. S&P 500 Inedex (as of close 4/7/14)
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