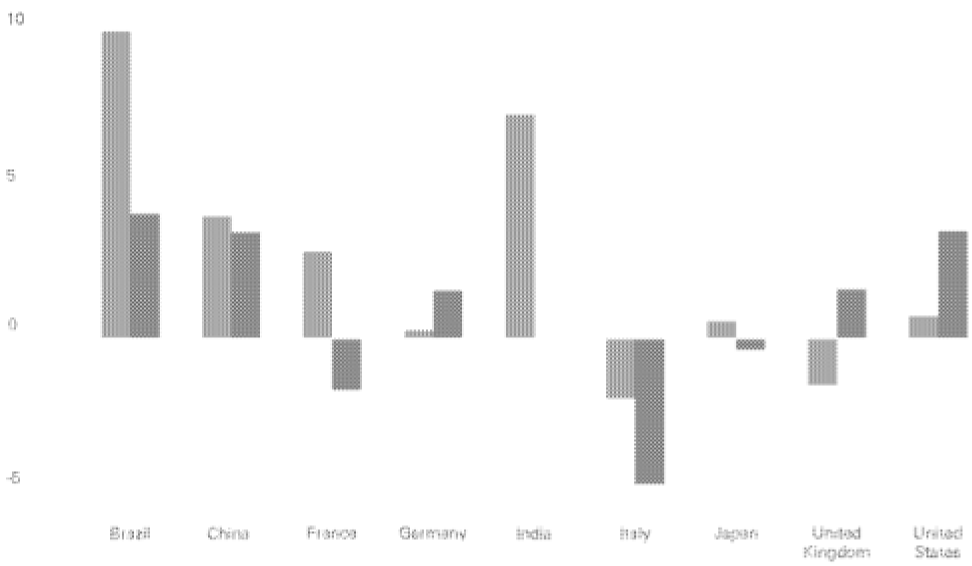
Credit and asset prices from the start of 2011 to the end of 2014



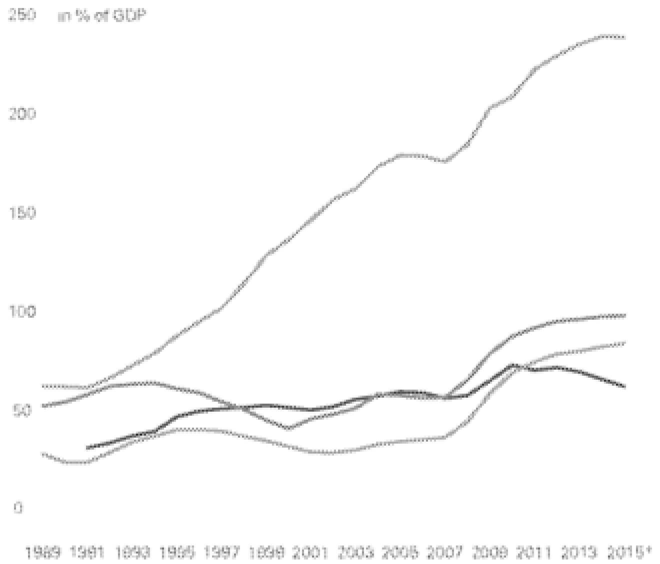
Real credit growth*
Real house prices**

Source: Bank for International Settlements: 85th Annual Report; June 2015
*Real credit growth was calculated adjusting for the gross-domestic-product (GDP) deflator
**Real house prices were calculated adjusting for the consumer price index

Focus on the financial cycle

A financial cycle is in an upswing when credit volumes and asset prices are rising. This development can be well observed in China, Brazil and the United States. In these countries, the danger of a credit boom and a credit crisis following suit is increasing. For this reason, central banks must pursue a prudent monetary policy in these countries.

Development of public debt



Japan
Germany
United States
United Kingdom

Source: Bank for International Settlements: 85th Annual Report, June 2015
*Estimates of the Bank for International Settlements were used for 2015.

Decreasing financial leeway

Advanced countries used to stabilize their economies in times of recessions with the help of fiscal spending programs. As a result, public debt ratios have structurally risen over the past 25 years. Growing debt might narrow these governments' scope of action in future times of crisis.

Germany (10-year Bunds)

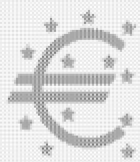
When the yield on 10-year Bunds was approaching zero in April, more voices were raised warning that this was an ECB-induced bubble.

1.10 %* (June 2016 F)

*Deutsche AWM forecast as of 6/16/15

"The current accommodative monetary policy is not without risks. This facilitates the creation of bubbles on the financial markets."

Klaas Knot, member of the ECB Governing Council, conference on 10/7/14, Bloomberg Finance L.P.



Eurozone (refinancing rate)

The ECB wants to boost the Eurozone economy with low refinancing rates. This could create asset-price bubbles.

0.05 %* (June 2016 F)

*Deutsche AWM forecast as of 6/16/15

Past performance is not indicative of future returns.
It is not possible to invest directly in an index. No assurance can be given that any forecast or target will be reached. F = forecast. Forecasts are based on assumptions, estimates, opinions and hypothetical models or analyses that may prove to be incorrect.