



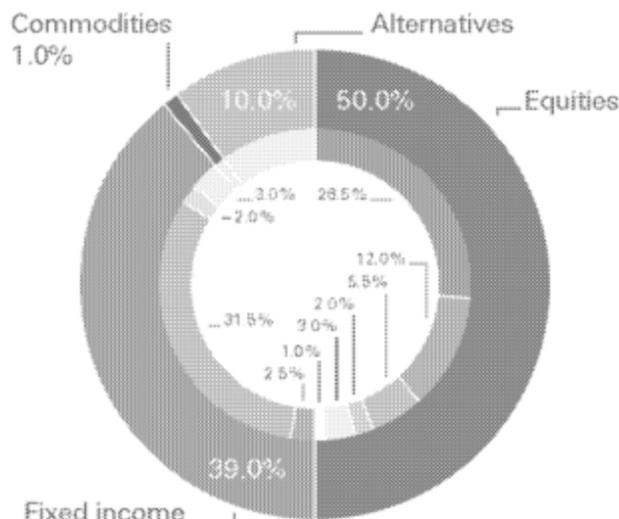
Americas

Portfolio

Our asset-class allocation in a balanced portfolio

Traditional asset classes

Within the core part of our balanced portfolio, we cover traditional liquid assets such as equities, fixed income and commodities. The chart shows how we would currently design a balanced portfolio, including alternative asset classes.¹



Equities

We stay generally positive on developed market equities, where returns could reach low double-digit levels on a 12-month horizon. However, we are now in a mature market phase and periods of high volatility are likely as valuations return to historical levels. This means that tactical changes in allocations may be necessary. We are much more cautious on emerging markets, with Asian markets affected by their trading links with China. Latin American equities are likely to fare worse, due in part to problems surrounding Brazil.

Fixed income

When the Fed starts to raise rates, most likely in December, core yields will rise – if not by very much. European and Japanese bond markets will remain well-supported by accommodative policy from ECB and Bank of Japan (BOJ). We are cautious on U.S. investment grade but continue to see opportunities in high yield. Emerging-market bonds may offer high levels of carry but this will be accompanied by increased risk, at least in the short term, making a highly selective approach essential. Emerging markets' increased levels of U.S.-dollar-denominated debt are a concern.

Commodities

Oil prices are forecast to increase from current low levels, but only slowly – we forecast a price of \$55 per barrel WTI on a 12-month horizon. Demand for oil has so far proved resilient to slower emerging-markets growth, but the market remains in oversupply, although there are already signs that U.S. shale output could moderate. Gold is likely to trade in a tight range determined by U.S.-dollar strength; its "safe haven" appeal would be boosted by a prolonged period of market turmoil. We see only limited opportunities in commodities, so keep portfolio allocations at low levels.

	suggested weight
Equities	
Developed markets	46.0%
United States	26.5%
Europe	12.0%
Japan	5.5%
Pacific ex Japan	2.0%
Emerging Markets	4.0%
Asia ex Japan	3.0%
Latin America	1.0%
Fixed income	
Credit	2.5%
Sovereigns	31.5%
Emerging markets	2.0%
Cash	3.0%
Commodities	
Commodities	1.0%
Alternatives	
Alternatives	10.0%

Sources: Regional Investment Committee (RIC), Deutsche Asset & Wealth Management Investment GmbH, Deutsche Bank Trust Company Americas, as of 9/24/15.

This allocation may not be suitable for all investors.

Past performance is not indicative of future returns. No assurance can be given that any forecast, investment objectives and/or expected returns will be achieved. Allocations are subject to change without notice. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect.

¹ Alternative investments are dealt with separately in the next chapter. Alternatives are not suitable for all clients.