

Deutsche Asset  
& Wealth Management  
Key Client Partners – U.S.  
Investment Themes and Solutions  
September 2014  
For Internal Use Only  
Participant Dial-In: (877) 500-9123  
International Dial In: (973) 796-5004

Conference ID:  
9048-0259

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USA Free Call: (866) 247-4222

Conference ID: 9048-0259

U.S. Key Client Partner opportunities are available to Institutional  
Investors only.

A global partner for our clients

Deutsche Bank

A leading global  
financial services

institution with a strong

private client franchise

Deutsche Asset & Wealth Management (DeAWM)

Offers individuals and institutions traditional and alternative investments  
across all major asset classes

Wealth Management

Has been providing open architecture, investment management and capital  
markets solutions as well as wealth management,

banking and lending services to high-net-worth individuals, families and  
select institutions for more than a century

Key Client Partners (KCP)

Key Client Partners aims to provide select sophisticated investors seamless  
access to cross asset class, cross border

investment opportunities and financing solutions from Deutsche Asset &  
Wealth Management (DeAWM), Corporate Banking &

Securities (CB&S), Global Transaction Banking (GTB) and 3rd party providers  
on a non-advised and non-fiduciary basis

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Positioned to guide clients through the current market

Deutsche Bank financial standing

Total assets

Core Tier 1 capital ratio

DeAWM financial standing – total assets

Global

Americas

Wealth Management-Americas

Deutsche Bank Ratings

Moody's investors service

Standard & Poor's

Fitch ratings

Presence and span

Global employees (FTE)

Countries with DB presence (as of 12/31/2013)

Total clients (as of 12/31/2013)

Award highlights<sup>2</sup>

USD 2,255 billion

9.5%

USD 1,287 billion

USD 355 billion<sup>1</sup>

USD 115 billion<sup>1</sup>

A2

A

A+

97,184

Over 70

Over 30 million

(1) Included in total global assets

(2) For a full list of awards visit: [http://www.db.com/en/content/company/-current\\_awards.htm](http://www.db.com/en/content/company/-current_awards.htm)

Source: Company data, as of March 31, 2014 (unless noted otherwise)

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Wealth Management  
One of Deutsche Bank's five core businesses  
Deutsche Bank  
Private &  
Business  
Clients  
Corporate Banking &  
Securities  
Asset & Wealth  
Management  
Global  
Transaction  
Banking  
Global  
Markets  
Corporate  
Finance  
Wealth  
Management  
Asset  
Management  
Non-Core  
Operations  
Key Client Partners  
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What is Key Client Partners (KCP)?

A global team with the capabilities and broad coverage to better serve key clients

KCP has been established to provide high-level coverage and unique investment opportunities to a subset of the top tier UHNWI & Family Offices through a differentiated product offering and investment platform

KCP global coverage

KCP clients will be serviced from one of these regional hubs

KCP capabilities & differentiated offering

Key Client Partners point of access:

Deutsche Asset & Wealth Management (DeAWM)

London

New York

Geneva / Zurich

Frankfurt

Corporate Banking & Securities (CB&S)

Global Transaction Banking (GTB)

Singapore

3rd Party

KCP capabilities

KCP clients

Specialty and boutique offering for our UHNW base with dedicated coverage expertise

KCP clients are institutional in size, need, sophistication, and are transactional in nature

Select UHNW individuals with net worth of at least USD 100 million

Provide a comprehensive coverage of capital markets opportunities, private investments, and asset and liability management

Work with all DB divisions and institutional focus areas to deliver the best investment

opportunities with a solution oriented approach

Non-advisory platform

Private Markets

Structured Finance

& Lending

Capital Markets

Alternatives

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|| Direct investments  
|| Co-investments, tactical structured vehicles  
|| Bridge loan financing through letter of credit facilities  
|| Structured repurchase agreement  
|| Flow trading, listed & OTC derivatives  
|| Tactical trading opportunities  
|| Private equity, hedge funds  
|| Real estate, infrastructure

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Access to exclusive offerings for qualified clients

1

Key Client Partners (KCP) aims to provide selected investors seamless access to the full resources of Deutsche Bank on a non-advised and non-fiduciary basis<sup>2</sup>

Connectivity

- DeAWM
- Corporate Banking & Securities
- Global Transaction Banking
- Research
- Third Party Providers
- Open Architecture

KCP

Clients<sup>3</sup>

- UHNW Individual Investors
- Family Offices
- Foundations, Endowments
- Private Companies
- Small-Medium Sized Institutions

Cross Border

- USA
- Latin America
- Europe
- Asia Pacific
- Middle East

(1) Institutional investors only as defined by FINRA 2111

(2) KCP services are offered to a select group of DeAWM clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All KCP opportunities may not be available in all DeAWM locations

(3) The KCP on-boarding process applies

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Cross Asset Class

- Alternatives
- Commodities
- Credit
- Currencies
- Equities
- Fixed Income
- Multi Asset
- Real Estate

## Key Client Partners capabilities

Our goal is to provide innovative, personalized investment solutions and opportunities across a full range of unique asset classes that meet the needs of sophisticated, qualified clients

Futures & options

Commodities

Equities

Credit

Rates

FX

Capital

Markets

Private

Markets

Real estate

Hedge funds

Infrastructure

Portable alpha

Alternative beta

Custom indices

Private equity funds

Alternative

Investments

Co-investment opportunities

Private direct investments

Client-to-Client interaction

Special opportunities

Debt participation

Deal sourcing

Structured

Finance

Securitization

Municipal finance

and Lending

Supply chain finance

Commercial real estate

Loans vs. illiquid collateral

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Agenda emphasis

01 Business update

02 Areas of expertise

03 Key investable themes

04 Implementation of themes

05 Key Client Partners FAQ

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Business update  
Key contacts and metrics  
KCP U.S. Desk: 212-250-7722  
David Mann  
Director, KCP U.S. Sales  
New York, North East, South East  
[REDACTED]

Thomas O'Rourke  
Director, KCP U.S. Sales  
New York, Mid Atlantic, Mid & South West  
[REDACTED]

Tazia Smith  
Director, KCP U.S. Sales  
New York, West Coast  
[REDACTED]

Matt Glassman  
Vice President, KCP U.S. Sales  
[REDACTED]

Kevin Quinn  
Associate, KCP U.S.  
[REDACTED]

Jay Lipman  
Analyst, KCP U.S.  
[REDACTED]

Ariane Dwyer  
Analyst, KCP U.S.  
[REDACTED]

Melissa Mittelman  
Analyst, KCP U.S.  
[REDACTED]

KCP Americas  
Caroline Kitidis  
Managing Director, KCP Americas Desk Head  
Bruce McDermott  
Managing Director, KCP Americas Alternatives  
& Private Markets  
Mathew Negus  
Vice President, KCP Americas COO  
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-  
-

#### People

Matt Glassman joins KCP US sales desk from Goldman Sachs  
Daniel Sabba will be joining at the end of September to lead KCP Capital  
Markets

#### Business

- KCP Americas strong YTD, first half of 2014 business surpassed 2013 full-year revenues
- KCP U.S. + 147% Y/Y, 46% ahead of 2014 budget
-

-  
-  
-  
-  
Capital raises of \$190mm across Private markets and AFS/ARA investments  
55 active relationships  
Client base median net worth ~\$500mm  
Made up of 60% family offices  
Top sectors of clients; Financial services, Real estate, Entrepreneurs/-  
Private businesses  
Recent Highlights  
- US Client most active regions: NY, Mid-West, South-East  
-  
Private Markets: Project Troop  
- \$25mm syndicated loan  
-  
Single Family Office  
- PCS Boston  
- AWM revenue \$0.35mm  
-  
-  
-  
-  
Client invested in a syndicated loan  
Loan was provided to a recreational ski resort and was collateralized by  
lease payments from a publicly traded operator  
Structured Financing: Proton Therapy Center  
\$130mm debt financing  
- PCS Winston-Salem  
-  
Corporate client  
- AWM revenue \$1.5mm (est.)  
-  
-  
- GBP 42mm loan  
- UHNWI  
- PB Chicago  
- AWM revenue \$2.5mm (est.)  
-  
Financing provided to a Proton Therapy center ; \$65mm of 5 year bond  
issuance and \$65mm of 30 year bond issuance  
Real Estate Lending: Commercial London Property  
Balance sheet financing for operator of landmark events arena in the UK  
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KCP investment themes and solutions

01 Business update

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KCP areas of expertise  
Private Markets  
Co-investment opportunities  
Private direct investments  
Client-to-Client interaction  
Special opportunities  
Debt participation  
Deal sourcing  
Facilitate the sourcing,  
trading, structuring,  
arranging and executing of  
opportunistic, asset backed  
debt and equity related  
investments  
Structured Finance  
and Lending  
Loans vs. illiquid collateral  
Commercial real estate  
Supply chain finance  
Municipal finance  
Securitization  
Capital Markets  
Futures & Options  
Commodities  
Equities  
Credit  
Rates  
FX  
Alternative Investments  
Real estate  
Private equity funds  
Alternative beta  
Custom indices  
Portable alpha  
Infrastructure  
Hedge funds  
Provide industry leading  
solutions that vary in terms  
of complexity,  
customization, and  
underlying asset type  
Provide superior expertise  
and execution capabilities  
for all traded investment and  
liability management  
products  
A leader in the alternative  
investment space which can  
provide clients portfolio  
exposure to opportunistic  
special situations and

targeted sources of return  
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Themes for UHNW investors

I. Stable sources of current income

II. Distressed asset opportunities

III. Transitional (non-bank) capital – need for asset/debt financing

IV. Structural solutions

V. Real assets as inflation protection

VI. Private investments

VII. Special situations – tactical trade opportunities

VIII. Uncorrelated sources of return

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September agenda for implementation of themes

Alternative investments

- Short duration CLO equity
- Hard asset put structure

Private markets

- Private markets bi-weekly deal list
- Suntex Marinas
- LiquidAlts H20 Force 10 Fund

Capital markets

- Japanese Yen & Nikkei geared basket
- BlueChip Stock (XYZ) arbitrage trade
- Positioning against geopolitical risk

Structured finance and lending

- Hedge fund portfolio leverage
- Middle market loan origination

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## Short duration CLO equity

Area of expertise: Alternative investments

Theme: Structural solutions

### Overview

- The US CLO market is becoming more open to creativity in deal structures and investment strategies
- Strong demand for seasoned CLO deals has inspired the creation of short duration CLOs
- DB is a pioneer in this space, having launched the first short duration CLO in the US market in May of 2014 for the leading credit manager, Ares Management
- DB's CLO team have several short duration CLO deals in the pipeline

### DB CLO Pipeline

#### Target Pricing

Late September/Early October

Mid/Late October

4Q14

4Q14

1Q15

1Q15

#### Manager

Regiment Capital - Cavalry V (Short Duration)

Ares

Mountain Hawk IV (WAMCO)

Benefit Street VI (Providence)

LCM

Blackrock

### Characteristics of short duration CLOs

Short duration CLOs combine the best features of 1.0 and 2.0 CLOs, and offer an attractive alternative versus CLO 1.0 or refinanced 2011/2012 CLO bonds:

- Significant Original Issue Discount when compared to typical 2.0 new issue deals
- Very little or no reinvestment period, and one year non-call period creates more bullet like debt vs. regular CLOs
- Capped amend-to-extend activity and capped reinvestment of prepayments gives more certainty over debt and equity life when compared to typical CLOs
- No issuer repurchase of notes, modification of weighted average life rule, which are two debt unfriendly features in many CLOs
- Equity is positive IRR to one year call (this is not the case for any new issue 2.0)
- The short duration CLO deals marketed through DB are Volcker compliant

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Launch

Non-Call Period

Reinvestment Period

Final Maturity

## The evolution of CLOs

CLO 1.0

Column1

Pre Credit Crisis

3-5 Years

6-7 Years

14-16 Years

Post Credit Crisis

~2 Years

3-4 Years

11-12 Years

Example deal: Ares XXX – Closed May 2014 z

Key features:

- Ares managed CLO with vanilla loan collateral
- 100% ramped at close
- No reinvestment period
- Non call period of one year, and a 10 year legal final
- No single tranche refinancing/re-pricing, no issuer repurchase of notes
- Simplified documentation and structure, lower fee deal vs typical 2.0 CLOs
- Post closing, the manager has ability to reinvest a maximum of 50% of loan prepayments and 100% of credit risk/credit improved sales, provided certain conditions are satisfied

Capital Structure

Rating

Class

Class A Notes

Class B Notes

Class C Notes

Class D Notes

Class E Notes

Equity

TOTAL

(Moody's) Par Amount (\$) Percentage

[Aaa]

[Aa2]

[A2]

[Baa2]

[Ba2]

NR

[240,000,000]

[33,000,000]

[17,000,000]

[14,000,000]

[20,500,000]

[36,250,000]

[360,750,000]

[66.5]%

[9.1]%

[4.7]%

[3.9]%  
[5.7]%  
[10.0]%  
[100.0]%

WAL  
(years)\*

[3.0]  
[5.2]  
[5.2]  
[5.2]  
[5.2]

N/A  
Coupon

L + [0.85]%  
L + [1.45]%  
L + [2.20]%  
L + [2.85]%  
L + [4.20]%

N/A  
L + [1.28]%

DM  
L + [1.10]%  
L + [1.80]%  
L + [2.75]%  
L + [3.60]%  
L + [5.15]%

N/A  
L + [1.62]%

\* WAL & Price calculated based on a 25% CPR, 2% CADR, 70% recovery and 5.2yr  
Call with 50%

prepayments reinvested in equal or shorter maturity assets as long as the  
WAL is greater than 2.0 years

Price  
[99.27]%  
[98.31]%  
[97.41]%  
[96.55]%  
[95.80]%  
[87.03]%

CLO 2.0  
Short Duration

CLO  
2014  
1 Year  
1 Year  
10 Years

## Hard asset put structure

Area of expertise: Alternative investments

Theme: Distressed asset opportunities

### Overview

–DB specializes in lending against non vanilla collateral including hard assets. While lending against these assets provide an attractive risk reward profile, it is not capital efficient for DB to hold this type of collateral on its balance sheet

–DB is able to offer compelling, one-off, opportunities for investors interested in ownership of these assets. This is accomplished through the use of a “put” structure whereby an interested investor sells a put on the underlying asset at a discount to the market value. If the underlying borrower defaults on his loan at or before expiration, DB has the right to sell the asset to the investor at the strike price. If the borrower does not default the investor retains the premium paid by DB

### Transaction explanation

– At initiation:

–DB enters a transaction with a put writer. The put writer agrees to purchase a hard asset at a predetermined “strike” price should DB exercise the option. The strike price can vary between ~30-50% of the market value of the asset

Day 1

Put Purchase

Premium

Put

Writer

–At expiration:

–DB will have the right to sell the asset to the put writer at the strike price

At exercise

Strike

Put

Asset @ Strike

(30-50% market value)

Writer

Indicative option terms

Principal

\$25-250mm

Strike Price

30-50% asset

value

Term

1-3 years

Premium

1-2% per annum

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Private markets bi-weekly deal list

Current Opportunities

Deal Name

Retrofit

RIN, Ltd.

French

Development

California

Development

Hybrid Truck

Refitter

Asset Class

Real Estate

ESG

Infrastructure

Leisure (Golf)

Leisure (Golf

& Vineyard)

Private, direct

lending

Security Type

PE fund LP

interest

CLO Equity

Private, direct

equity

Minority

equity stake

Mezz loan

Timing

9/31 first

close

Q3-4

TBD

TBD

Q3

Return1

Tenor

10%+ IRR

13 yrs +

15%+IRR

12 yrs

TBD

TBD

TBD

Negotiable

structure

Pipeline of Potential Opportunities: Not Currently Approved for Distribution

Asset Class

Deal Name

Marina operator2

French  
Development  
Put Option  
Secondary preIPO  
tech  
Oil & Gas  
Production2  
Bermuda  
Reinsurance2  
H20 Force 10  
LiquidAlts  
Leisure  
(Boating)  
Option on  
Credit  
Tech  
Oil & gas  
Finance  
Hedge Fund  
Security Type  
Direct private  
equity  
OTC  
Derivative  
Secondary  
private  
placement  
Private equity  
fund  
Private, direct  
equity  
Liquid HF  
(1) Return Tenor projected. Actual return will vary.  
(2) DB does not yet have an active mandate.  
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Timing  
Q4  
Q4  
TBD  
Q3-4  
Q4  
Q4  
Return1  
Tenor  
TBD  
TBD  
20% IRR  
5yr

TBD  
TBD  
TBD  
~3 yrs  
TBD  
3yrs  
TBD  
TBD  
Min Invest  
Total Raise

\$5mm  
\$25mm  
\$1mm  
\$75mm  
TBD  
€660mm

TBD  
\$110mm  
\$30mm  
\$30mm  
Onshore /  
Offshore  
Onshore  
Onshore  
Both  
Both

TBD  
Description

RREEF fund to acquire and manage a diverse portfolio of energy efficiency retrofits on real estate buildings in North America  
RIN Ltd. is a newly formed private debt fund, utilizing CLO structuring, that will seek to originate a diversified portfolio of private infrastructure loans

Golf course and lodging development in the heart of France. Current owner is willing to sell anywhere from controlling stake through full ownership

Vineyard expansion and resort development of 22,000 acres within Napa and Lake Counties in the historic Guenoc Valley of California

Refitter of GM trucks from internal combustion to extended range electric vehicles

Min Invest  
Total Raise  
\$25mm  
\$300mm

TBD  
TBD  
TBD  
TBD  
\$65mm  
\$1mm  
TBD

\$1mm

\$25mm

Onshore /

Offshore

Both

Both

TBD

Onshore

TBD

TBD

TBD

Description

Investment in a diversified marina assets portfolio managed by the marina arm of a well-established real estate investment firm

Write a put option on loan secured by French leisure real estate

Opportunity to purchase direct or indirect equity in pre-public VC-sponsored tech, late-stage growth companies

Existing clients will be offered the opportunity to invest in a second equity raise

Investment in Bermuda reinsurance company that invests in a credit strategy Hedge Fund

Macro, multi-strat exposure via the LiquidAlts Hedge Fund Platform, ability to directly own the individual positions traded by the hedge fund manager

Suntex marinas

Area of expertise: Private markets

Theme: Private Investments

Investment profile of marinas

KCP believes marinas provide a compelling investment opportunity for several reasons:

- REIT status: The industry has significant scale, growth potential, strong free cash flow, and generates an attractive yield; the asset class now qualifies for REIT status
- High current and forecasted revenue: In 2013, U.S. Marinas generated \$4.2bn in revenue, 68% of which was generated by boat owners of the Baby Boomer generation (ages 45+). Baby boomers have, and are predicted to continue having significant amounts of wealth and leisure time
- Stability: Quality marinas in prime locations are stable through economic cycles, resistant to down turns while closely mirroring inflationary trends. The customer base is loyal with low turnover, resulting in low default rates
- Barriers to entry: The number of marinas hardly fluctuates due to limited availability of appropriate land, regulations and environmental protection laws, and high initial capital investments
- Consolidation opportunity: The marina industry is very fragmented. In the US there are approximately 2,500-3,000 institutional quality marinas, with at least 90% of owners being singular "mom and pop" businesses poised for acquisition and operational improvement
- Risks: Economic downturn that results in fall in value of marina values, drought

Suntex Ventures: an overview

- Suntex Ventures, LLC, is a real estate company investing exclusively in niche mixed-use marinas and their related operating platforms
- Suntex currently ranks among the top 5 marina owners and operators in the U.S. The group has acquired 29 marinas and 4 marina loans, valued at \$300mm in total. It currently owns and operates 20 marinas, and manages another 2
- Suntex has a near 20 year history of success with strong historical distributions made from marina cash flow: realized historical IRRs have been in excess of 30%
- The executive team has worked together for over 20 years
- Suntex is already internationally established, and will maintain exclusivity in many markets with high demand
- Potential exit strategies are through an IPO or through sale to an existing REIT management company

(1) As of February 19, 2014. Source: Green Street Advisors  
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Key

Suntex managed marinas

Suntex current holdings

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Suntex potential acquisitions

Suntex / Sun resorts international sold / disposed

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Suntex current, past and potential acquisitions

Marinas provide yields at the top end of the

range for all REIT asset classes<sup>1</sup>

0.00%

1.00%

2.00%

3.00%

4.00%

5.00%

6.00%

7.00%

8.00%

9.00%

8.50%

8.00% 8.00%

6.40% 6.40% 6.30% 6.20% 5.80%

Marinas Lodging

Data

center

Healthcare Retail Multifamily Industrial Office

Nominal cap rates

## LiquidAlts H20 Force 10 Fund

Area of expertise: Private markets

Theme: Structural solutions

### Overview

- H20 Force 10 is a global macro, discretionary strategy sponsored by our LiquidAlts hedge fund platform within DeAWM
- H20 Asset Management
- H20 AM LLP was founded in 2010 by veterans Bruno Crastes (CEO) and Vincent Chailley (CIO), who worked together for 18 years prior; their team averages 15years together
- Boutique structure, backed by one of Europe's largest asset managers (Natixis Global Asset Management, \$900 bn under management as of 3/31/14)
- \$6.0bn AUM as of May 5th, 2014
- Investing in the LiquidAlts H20 Force 10 Fund presents several benefits and features:
  - Style: Global Macro, Multi-Asset, Active, Top-Down, Value and Diversified – unlike traditional global-macro, the fund takes a collective approach across non-siloed asset classes
  - Fully Discretionary
  - +24.9% compounded annual return since March 2011 inception<sup>1</sup>
  - Low correlation with global bond & equity market indices and CTA's
  - Daily Liquidity at NAV
  - No lock-up gating or minimum holding period

### Fund infrastructure

- The LiquidAlts H20 Force 10 Fund is built on the award winning dbAlternatives managed account platform infrastructure, which provides daily liquidity, full transparency, risk reporting/oversight, and institutional fees
- The fund is not a feeder – it invests directly in the financial markets
- Investment decisions are made and implemented by LiquidAlts H20 Force 10 Fund within the risk and infrastructure framework provided by Deutsche Bank
- Deutsche Bank, in its various capacities, provides overall governance, daily risk monitoring, operational oversight, legal services, investor services and service provider/counterparty oversight

DB

LiquidAlts H20

Force 10 Fund

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Liquid Alts

H20Fund

Service

Providers

(1) Reported performance is gross of management and performance fees

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Monthly

Investment

## Reports

Summary fund terms

Annual Fee: 1.5% p.a.

H20 Performance Fee: 20%

Minimum subscription: \$1,000,000 initial subscription, \$10,000 incremental subscriptions

Dealing Frequency: Daily

Dealing Day: Each business day

Subscription notice: 2 business days for initial subscription, 1 business day for

incremental subscriptions

Redemption notice: 2 business days

Performance

H20 Force 10 Strategy Returns<sup>1</sup>

Compounded Annual Return

Cumulative Return

Trailing 12 months

Trailing 3 years

Largest Monthly Gain

Largest Monthly Loss

% Positive Months

% Negative Months

Investor information and materials

Due

Diligence

Independent Due Diligence

by Darius capital partners

produces an investment

and operational due

diligence report

Monthly reports containing

portfolio commentary and

outlook in addition to

detailed risk &

performance data

24.90%

112.05%

14.40%

120.61%

10.73%

-5.58%

75.61%

24.39%

Daily NAV

Reporting

NAV available daily,

including on Bloomberg

M.A.R.S risk system

Online Risk

Reporting

provides aggregate metrics

on the fund including  
sector breakdown, top  
holding concentration,  
scenario analysis and VaR

Japanese Yen & Nikkei geared basket

Area of expertise: Capital markets

Theme: Special situations – tactical trade opportunities

Overview

- DB currently holds a bullish outlook on the Japanese Economy and a bearish outlook on the Japanese Yen. Combining DB's bullish Japanese equity theme with the bearish JPY outlook, creates an opportunity to focus upon Japanese equities with an increased Beta to currency fluctuations
- The recent announcement that Japan's 2Q GDP decreased at an annualized rate of 6.8% was close to the consensus forecast, due to April's sales tax increase. The focus for the economies of Japan and the US now moves to the strength of 3Q data. As this is confirmed, we will be watching for the continued August trend of weaker JPY vs. USD1
- Forecast: Year end forecast for JPY is Y112. Spot JPY trades at Y106.2085
- Risks: Yen appreciation against the dollar, downside to Japanese equities JPY sensitive stocks – historical betas
- Given our view for further JPY depreciation and our optimistic outlook for the Japanese economy, we have looked to identify specific stocks which should continue to outperform amidst further currency weakness
- As opposed to taking a more traditional approach, such as forecasting exclusively export-oriented stocks or screening for percentage of overseas sales / operating profits, we have opted to look at those stocks which have historically been most sensitive to currency moves based on previous price performance.

Implementation

- JPY/NKY Geared Basket (ticker DBHKNKJN)
- The JPY & NKY Geared basket consists of the 20 stocks in our universe with the highest combined sensitivity to changes in the 3month USDJPY and 3-month changes in the Nikkei, with average sensitivity of 0.78 and 1.39 respectively
- During the rally of Jun 2012 through Jan 2014, the basket outperformed the Nikkei by 128.4%
- On average over the last 20 years, this basket has outperformed the Nikkei by 42.7% during JPY selloff periods and underperformed by only 2.1% during periods of JPY strength with a return / vol of 3.1 and -0.2, respectively
- Risks: Max loss – 100% of notional
- (1) DB Global Markets Research: Japan Data Flash 08/13/14
- (2) For additional detail on basket holdings please see Appendix. DB Global Markets Research: Synthetic Equity & Index Strategy 01/22/14

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JPY & NKY Geared Basket – 20 Year History2

This chart illustrates the outperformance of the basket vs. JPY & NKY over consecutive reset periods

BlueChip stock (XYZ) arbitrage trade

Area of expertise: Capital markets

Theme: Special situations – tactical trade opportunities

Overview

– XYZ's daily stock return has exhibited statistically significant correlation to whether it is Monday or Friday since 2011, coinciding with the listing of weekly options

– Looking at the net deltas of actual option activity shows that Fridays are more likely to see selling activity, while Mondays are more likely to see buying activity

– Based upon regression analysis of XYZ's daily stock returns vs. S&P's daily stock returns on Monday and Friday, respectively, both Monday's and Fridays P-Values have declined (lower p-value means higher statistical significance) since 2008. Both P-values demonstrate statistical significance since 2011

– Going long XYZ / Short S&P500 only on Mondays produces over 2x a long/short strategy held over all days

Strategy Implementation

DB proposes a strategy capturing the combined return of the Friday and Monday trades (short XYZ / Long S&P500 and Long XYZ / Short S&P500, respectively), with dividends and gains reinvested

Underlying index will go long XYZ / Short S&P500 on Mondays and short XYZ / Long S&P500 on Fridays. Strategy will use the SPDR S&P 500 ETF to replicate the S&P 500 total return

Clients access the index via OTC Option with embedded 2bps per execution (8bps/week) & 1% annualized fee and expected 20% indicative initial collateral.

Strategy incorporates a transaction cost of 0.002% per execution and notional amount executed

Risks: Negative performance on the underlying index will be realized on clients' total notional

(1) Collateral requirement will depend on unique clients' ISDA CSA. Est 30% Deutsche Asset

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Annual Returns

Weekly Options in XYZ list

(June 2010)

Combined Friday / Monday Performance vs S&P500

Positioning against geopolitical risk

Area of expertise: Capital Markets

Theme: Special situations – tactical trade opportunities

Overview: S&P Outperformance over EEM contingent on equities selling off

Rationale: S&P expected to sell off less than EM equities in a global risk-off scenario

- Protection in global risk-off environment

- Equities will sell-off in a geopolitical stress situation – however, S&P should perform better (drop less) than EEM

- Trade offers risk-limited exposure via options

- Payoff is equal to the amount of outperformance of the S&P relative to EEM – and nothing if S&P underperforms

- Given Asia has heaviest weight in EM equities, trade also offers exposure in case of Asia flare-up

- Risk: Loss of option premium

Implementation: Outperformance Call Option – 12mo (SPY outperformance over EEM)

Overview: Long European Oil Sensitivity Basket<sup>1</sup>

Rationale: Benefit from European stocks particularly sensitive to oil prices

- Long / Short basket of Stoxx600 companies with highest and most consistent positive and negative sensitivity to oil prices – screened for liquidity

- Basket outperforms in rising oil price environment, therefore offering positive exposure to Geopolitical disruptions, particularly in Russia and Middle East

- Risk: falling oil prices will see basket underperform

Implementation: Buy European Oil Sensitivity Basket via Delta One note or Total Return Swap

Source: Bloomberg Finance LP, Deutsche Bank Research

European Oil Sensitivity Basket Outperforms market when Brent rises

(1) For additional detail on basket holdings please see Appendix Deutsche Asset

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Hedge fund portfolio leverage

Area of expertise: Structured finance and lending

Theme: Structural solutions

Overview

- Portfolio of diversified hedge fund shares serves as collateral for a leverage facility
- Additional capital through leverage boosts investor returns and allows for flexibility of capital deployment
- Risks: leverage may enhance losses and covenant breaches may result in the sale of the portfolio

Typical financing terms

Portfolio

- Diversified across strategies
- 20+ individual managers
- >\$50mm aggregate AUM

Loan to Value

- 10-50% LTV (typical notional is \$20mm+, with capacity at \$1bn)
- Variable funding note (VFN)
- Usually structured as a minimum usage facility (~80% of total size)

Structure

- If the outstanding borrowing amount is less than the minimum usage threshold, the borrower must make whole on the minimum amount

Pricing

- 3M Libor +250bps (on the greater of the outstanding borrowing and the minimum usage), depending on characteristics of the portfolio and creditworthiness of the borrower
- Either undrawn fee or minimum usage
- Upfront structuring fee

DB takes

pledge

over

Custody

Account

Financing Costs

Client

Drawn Amount

Funded Fund Investments

Custodian

Custody Account

- Flexible drawdown and repayment – cash movement usually within 2 business days of notice
- Collateral for the facility is typically secured through a pledge of the Custody Account. No need for transfers or change of ownership of underlying fund shares, thus retaining original investment (e.g. fees, lockups, high watermarks)
- Dynamic haircutting process allows our clients to maintain a more flexible

investment process. Haircut will be based on pre-agreed investment guidelines

– Investment guidelines are easily quantifiable rules and are set based on concentration limits, strategy diversification and liquidity profile

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## Middle market loan origination

Area of expertise: Structured finance and lending

Theme: Structural solutions

Overview: Middle market lending

- Middle market loan transactions are typically driven by the need to finance dividend recaps and leveraged buyouts
- DB works across various business types to provide BDC-style, middle market lending

Key loan parameters

- Loan size: \$50mm-300mm
- Duration: 3-5years, having financed up to 7years
- Leverage: between 3.5-5.5x EBITDA
- 3.5-4x for Senior
- 5-5.5x for Mezzanine
- Rates: Senior can range from 4-7%; Mezz can range from high single to low double digit yields
- Fees: 1-1.5% upfront

Company profile

Size

EBITDA range \$1525mm

Case

Study: Frac sand processing company

- DB extended ~\$50mm of senior secured debt to a frac sand mining and processing company that was seeking to purchase reserves currently being mined under contract
- Its senior secured structure included all assets of the company and its subsidiaries
- Financing was structured in 3 phases (1 & 2 complete); upsize of up to ~\$50mm available upon meeting financial metrics, and its proceeds would be used for expansion and logistics improvements
- Current off-take contracts and backlog of additional contracts to be executed as additional mines come online
- Low risk expansion strategy, given agreed purchase price under option contract and basic, everyday construction processes required for logistics improvement

Financing

Amount

Tenor

Collateral

Hard assets

Industry

Industry agnostic but with focus on industrials & natural resources

Further draw conditions

- Completion of asset purchase

– Certain financial metrics

Covenants

- Negative pledge
- Minimum liquidity
- Leverage ratio
- Debt service coverage ratio
- CapEx limits
- Limited distributions

~\$100mm (including potential upside)

5 yrs

Economics

High single digits

Purpose

Purchase of assets, logistics improvements, and working capital

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KCP investment themes and solutions

01 Business update

02 Areas of expertise

03 Key investable themes

04 Implementation of themes

05 Key Client Partners FAQ

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## KCP FAQs

### What is Key Client Partners?

– An AWM Global Client Group (GCG) Sales desk providing senior client coverage out of the U.S., offering tailored solutions and investments generally not

available to WM clients on a strictly non-advised basis

### What type of clients are covered by KCP?

– AWM-KCP has a mandate to cover private wealth and ultra-high-net worth individuals and their investment vehicles (Private Clients, Family Offices, Foundations, Private Companies, Small-Medium Institutions, Funds)

– Quantitative Criteria: Clients with Total Net Worth > \$100mm, minimum \$50mm Total Assets

– Qualitative Criteria: All services offered to clients deemed sophisticated and KCP eligible based on completed and signed Client Approval Form (“CAF”)

### What kind of transactions can be executed via KCP and how are they selected?

KCP offers clients access to:

a. The full range of Deutsche Bank’s institutional capabilities across the Capital Markets platforms

b.

Proprietary private market investment opportunities from within DB Group and 3rd Parties

c. Structured Financing and Lending solutions

d. Alternatives (Hedge Funds, Private Equity, Real Estate)

e. Non-Core Assets

– Investment opportunities are sourced from the internal DB network, as well as from external sources (including inquiry from AWM client base)

– The main element of the KCP investment process is a weekly review whereby the KCP investment specialists discuss current themes and trade ideas and then filter various investment opportunities based on a number of key factors

– The KCP Product Review Committee (KPRC) reviews the eligibility of non-flow product for KCP clients

### How is KCP different from the normal Wealth Management Business / PIC?

– vs WM: senior coverage, access to full product platform, direct CB&S access, KCP owned processes geared towards coverage of top tier Key clients, strictly non-advisory

– vs PIC: part of AWM, focus on holistic client relationship not transactions, open architecture

### What does non-advisory mean?

– KCP is dealing only with sophisticated clients that are able to evaluate the merits/risks of investment opportunities on their own

– Clients must conduct their own due diligence on investment opportunities

– KCP provides factual information only and does not make personal recommendations

– Client Advisors must not give an opinion on KCP investments

– KCP is not discretionary – all investment decisions to come from the client

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## KCP FAQs

Why should I involve KCP in the relationship with my client?

- KCP is your service provider to deepen your relationship to key clients
- Client Advisors receive all revenues (KCP as cost centre)
- KCP investment offering as an enabler to win new Key Clients and increase NNA

How do I bring clients on to the KCP platform?

- Contact the KCP team to discuss your client case or KCP prospect
- The U.S. adoption should ensure proper documentation of the client's sophistication and investment experience in order to deal with KCP on a nonadvised basis

- The KCP Client Approval Form (available shortly via the WM intranet) is the second step

What documentation is a client required to sign for KCP?

New clients (to DeAWM) will be legally adopted according to the standard KYC/-AML process

Mandatory KCP documents:

- a. KCP Non-Advisory Letter
- b. Institutional Account Certification
- c. Additional Documents might be required according to client needs (QIB Certificate, ISDA)

Can my client get direct CB&S access through KCP and how are revenues shared?

- Yes, KCP U.S. clients are on-boarded to the CB&S platform
- Depending on the transaction revenues will be shared 50/50 between AWM and CB&S and reviewed on a monthly basis
- In general, KCP clients will be on-boarded to the AWM (Pershing) platform for execution where possible (100% revenues for AWM, visible in GMIS)

What is the added value of KCP to the client?

- Unique investment opportunities normally not available to WM client base
- Holistic client service for access to all DB capabilities globally
- Access to DB's investment bank and open architecture
- In-house review of product/client suitability enabling quick time to market

Contacts

Caroline Kitidis (Head of KCP Americas) + 1 (212) 454-0601

Mathew Negus (COO, Business Management KCP Americas) +1 (212) 250-6746

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Appendix: Basket Holdings

Japanese Yen & Nikkei Geared Basket – Holdings1

Ticker

7261

8609

7270

8604

5101

8616

6141

8601

5334

7205

Name

MAZDA MOTOR CORP

OKASAN SECURITIES GROUP INC

FUJI HEAVY INDUSTRIES LTD

NOMURA HOLDINGS INC

YOKOHAMA RUBBER CO LTD

TOKAI TOKYO FINANCIAL HOLDIN

DMG MORI SEIKI CO LTD

DAIWA SECURITIES GROUP INC

NGK SPARK PLUG CO LTD

HINO MOTORS LTD

Coeff-icient

3.7

3

2.8

2.3

2.3

2.3

2.2

2.2

2.1

2

Long / Short European oil Sensitivity Basket – Holdings2

Long Basket

Ticker

LUPE SS

STL NO Statoil Asa

PGS NO Petroleum Geo- Services

CGG FP CGG

FUR NA Fugro NV-CVA

Technip SA

TEC FP

BG/ LN Bg Group Plc

RDSA NA Royal Dutch Shell

PMO LN Premier Oil Plc

OMV AV OMV Ag

TLW LN Tullow Oil Plc

Long Name

Lundin Petroleum AB

Country

Sweden

Norway

Norway

France

Netherlands

France

Britain

Netherlands

Britain

Austria

Britain

Energy

Sector

Ticker

8595

6701

7012

9104

6758

7276

5406

7203

8628

7272

Name

JAFCO CO LTD

NEC CORP

KAWASAKI HEAVY INDUSTRIES

MITSUI OSK LINES LTD

SONY CORP

KOITO MANUFACTURING CO LTD

KOBE STEEL LTD

TOYOTA MOTOR CORP

MATSUI SECURITIES CO LTD

YAMAHA MOTOR CO LTD

Coeff-icient

2

2

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1.9  
1.9  
1.8  
1.8  
1.7  
1.7  
1.7  
Short Basket  
Ticker  
Short Name  
Country  
HEI GR HeidelbergCement Ag  
SMIN LN Smiths Group Plc  
ADS GR Adidas Ag  
DAI GR Daimler Ag- registered Shares  
EKTAB SS Elekta AB-B Shs  
ABI BB  
Anheuser-Busch Invben NV  
BKT SM Bankiter SA  
ZOT SM Zardoya Otis SA  
IFX GR Infineon Technologies Ag  
CCL LN Carnival Plc  
CCLN LN Carillion Plc  
ATCOA SS Atlas Copco AB-A Shs  
BPSO IM Banca Popolare Di Sondrio  
HO FP Thales SA  
SAB SM Banco de Sabadell SA  
TEF SM Telefonica SA  
GAS SM Gas Natural Sdg SA  
STM IM Stmicroelectronics NV  
UG FP  
ALU FP  
RCF FP  
Peugeot SA  
BAYN GR Bayer Ag- reg  
Alcatel-Lucent  
BATS LN British American Tobacco Plc  
NG/ LN National Grid Plc  
Teleperformance  
UU? LN United Utilities Group Plc  
ABF LN Associated British Foods Plc  
(1) Source: DB Global Markets Research: Synthetic Equity & Index Strategy  
01/22/14  
(2) Source: DB Global Markets Research The House View 07/29/14  
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& Wealth Management  
CAST ss Castellum AB  
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Consumer Staples  
Utilities  
Industrials  
Utilities  
Consumer Staples  
Financials



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