



Key Client Partners – U.S. Investment Themes and Solutions

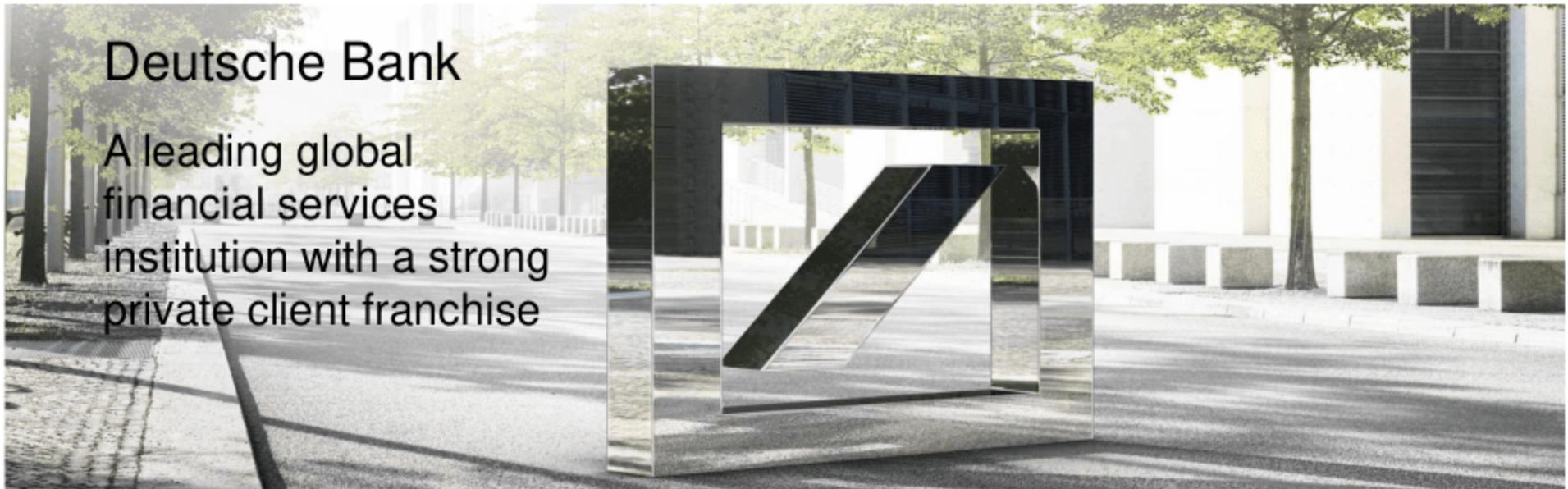
November 2014

Passion to Perform



**For U.S. Key Client Partners (KCP) Clients Only
Not for Further Distribution**

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

Positioned to guide clients through the current market



Deutsche Bank financial standing

Total assets	USD 2,280 billion
Common equity tier 1 capital ratio	11.5%

DeAWM financial standing – total assets

Global	USD 1,307 billion
Americas	USD 359 billion ¹
Wealth Management-Americas	USD 118.4 billion ¹

Deutsche Bank Ratings (as of July 29, 2014)

Moody's Investors Service	A3
Standard & Poor's	A
Fitch Ratings	A+

Presence and span

Global employees (FTE)	96,733
Countries with DB presence <small>(as of 12.31.2013)</small>	Over 70
Total clients <small>(as of 12.31.2013)</small>	Over 30 million

Award highlights²



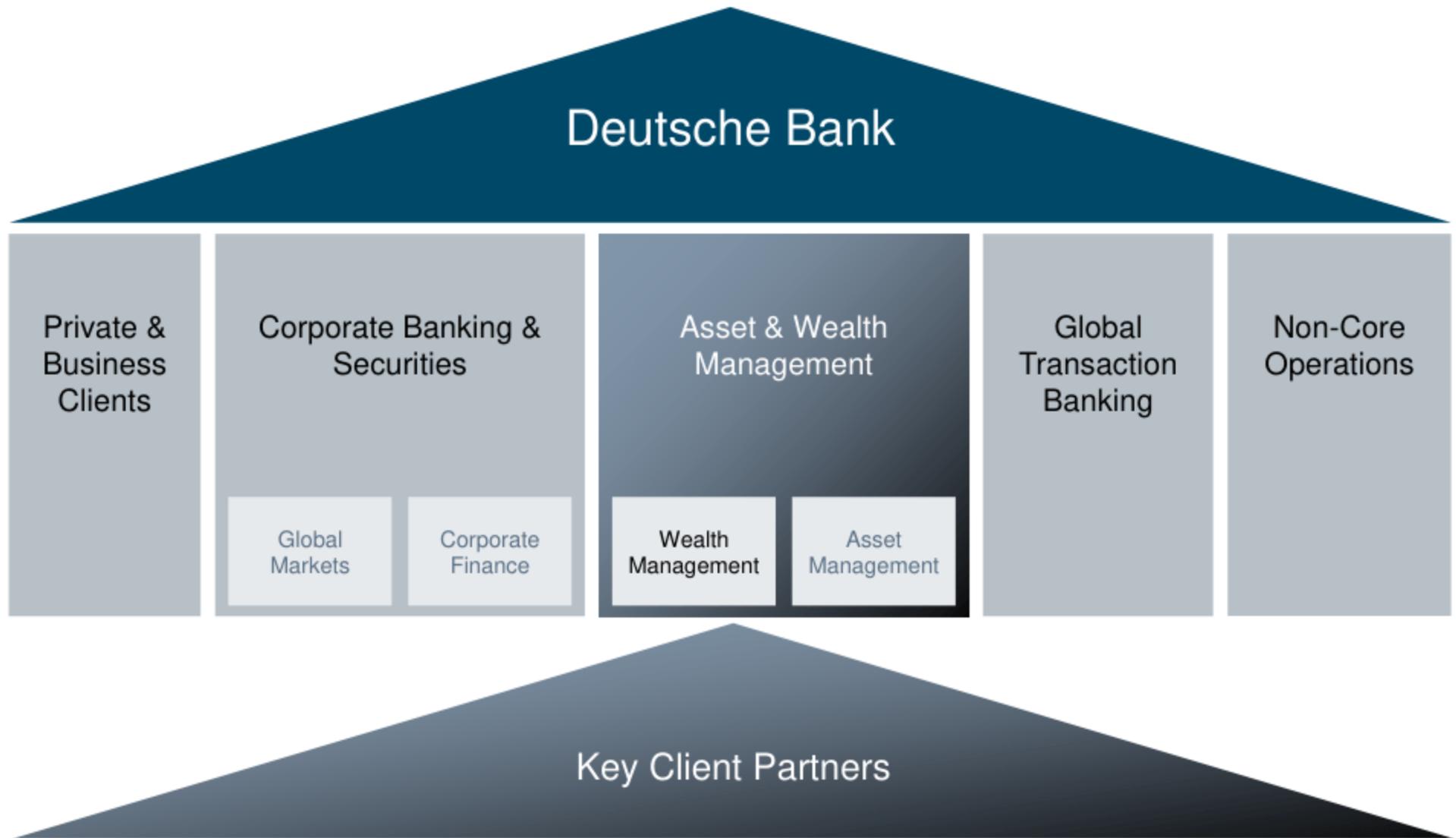
(1) Included in total global assets

(2) For a full list of awards visit: http://www.db.com/en/content/company/current_awards.htm

Source: Company data, as of June 30, 2014 (unless noted otherwise)

Wealth Management

One of Deutsche Bank's five core businesses



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 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

KCP capabilities & differentiated offering

Key Client Partners point of access:

Deutsche Asset & Wealth Management (DeAWM)

Corporate Banking & Securities (CB&S)

Global Transaction Banking (GTB)

3rd Party

KCP capabilities

Private Markets

- Direct investments
- Co-investments, tactical structured vehicles

Structured Finance & Lending

- Structured finance and lending solutions
- Structured credit and loan syndication

Capital Markets

- Flow trading, listed & OTC derivatives
- Tactical trading opportunities

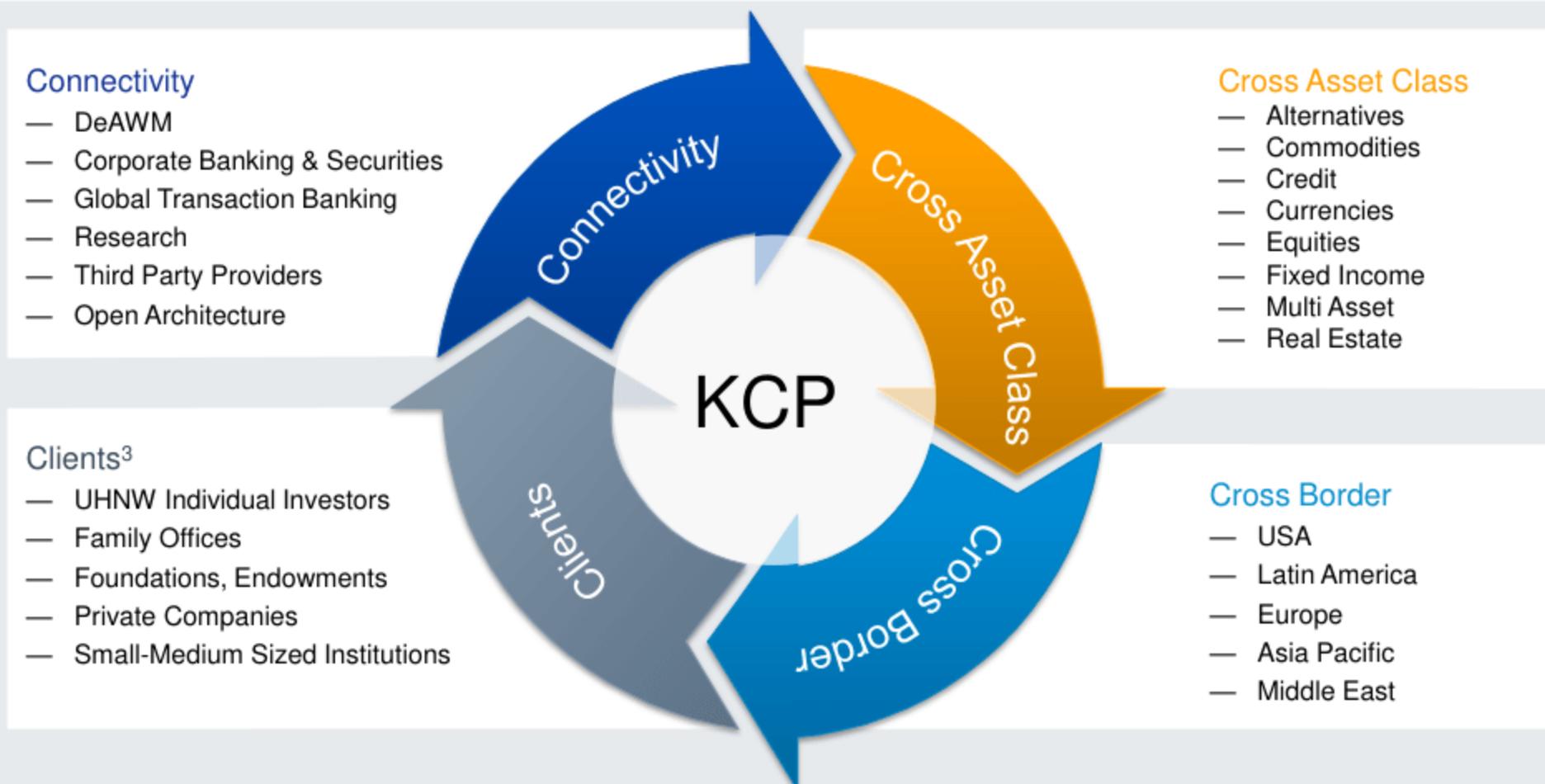
Alternatives

- Private equity, hedge funds
- Real estate, infrastructure

Access to exclusive offerings for qualified¹ clients



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 basis²



(1) Institutional investors only as defined by FINRA 2111

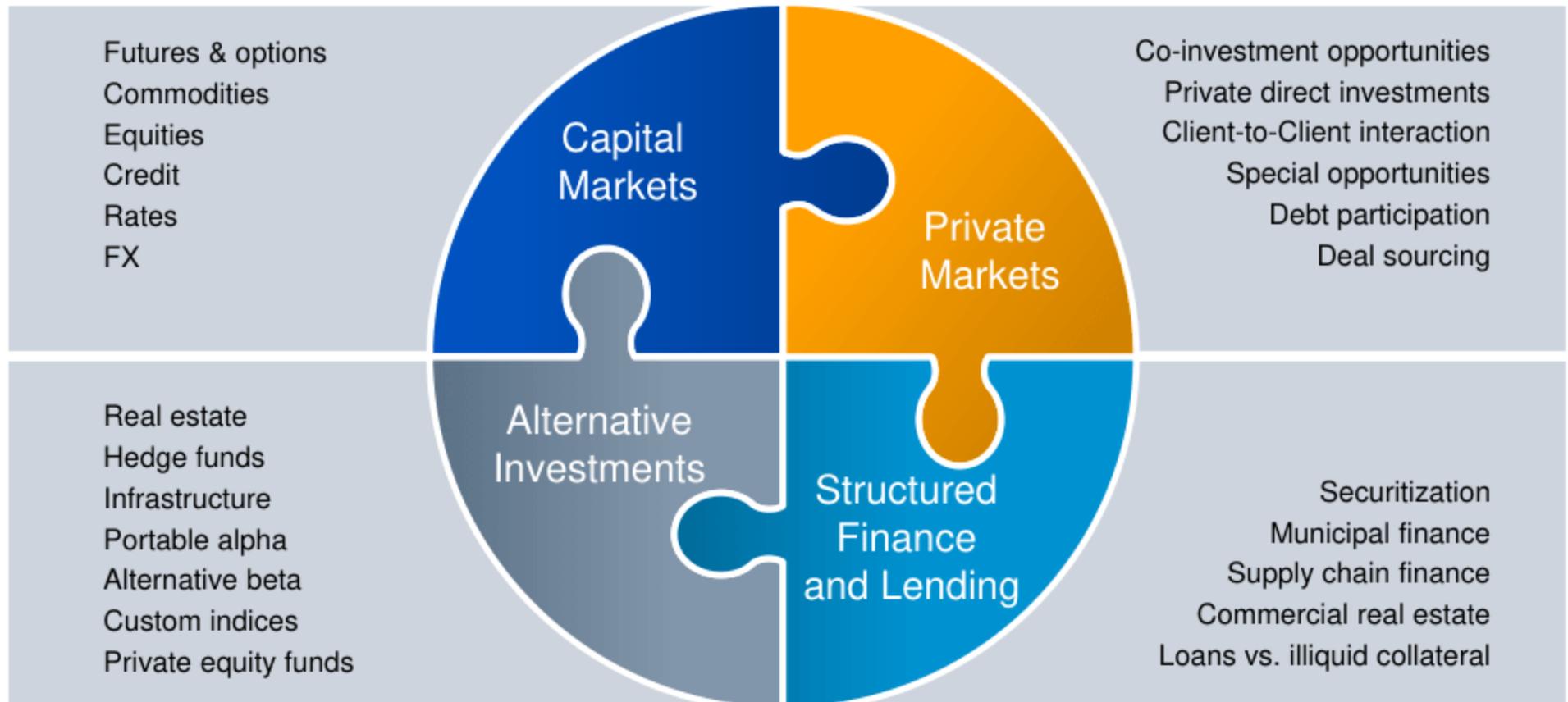
(2) KCP services are offered to a select group of DeAWM clients who are able to meet certain criteria including, without limitation, financial and sophistication qualifications. All KCP opportunities may not be available in all DeAWM locations

(3) The KCP on-boarding process applies

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



Agenda emphasis



01 Areas of expertise

02 Key investable themes

03 Implementation of themes

KCP areas of expertise



Private Markets	Structured Finance and Lending	Capital Markets	Alternative Investments
<ul style="list-style-type: none"> Co-investment opportunities Private direct investments Client-to-Client interaction Special opportunities Debt participation Deal sourcing 	<ul style="list-style-type: none"> Loans vs. illiquid collateral Commercial real estate Supply chain finance Municipal finance Securitization 	<ul style="list-style-type: none"> Futures & Options Commodities Equities Credit Rates FX 	<ul style="list-style-type: none"> Real estate Private equity funds Alternative beta Custom indices Portable alpha Infrastructure Hedge funds
<p>Facilitate the sourcing, trading, structuring, arranging and executing of opportunistic, asset backed debt and equity related investments</p>	<p>Provide industry leading solutions that vary in terms of complexity, customization, and underlying asset type</p>	<p>Provide superior expertise and execution capabilities for all traded investment and liability management products</p>	<p>A leader in the alternative investment space which can provide a clients portfolio with exposure to opportunistic special situations and targeted sources of return</p>

KCP investment themes and solutions



01 Areas of expertise

02 Key investable themes

03 Implementation of themes

Themes for UHNW investors



I. Sources of current income

II. Hard assets

III. Transitional capital

IV. Uncorrelated/risk management

V. Current tactical ideas

KCP investment themes and solutions



01 Areas of expertise

02 Key investable themes

03 Implementation of themes

November agenda for implementation of themes



Alternative investments

- Rated Infrastructure Notes Ltd (RIN)

Private markets

- Marinas: Suntex NewCo
- Lift One: Aspen resort property
- Home Partners of America
- Proton therapy bonds

Structured finance and lending

- Structured finance: an overview
- Structured finance: corporate credit transactions
- Equity bridge financing for financial sponsors

Capital markets

- Harvesting volatility risk premia in commodities: DB Brent Short Volatility II index
- CLO mezzanine debt
- Short duration CLO mezzanine debt
- Hedging and monetization
- Hedging and monetization: case study

Rated Infrastructure Notes Ltd. (RIN)

Area of expertise: Private markets

Theme: Sources of current income/transitional capital



Overview

- There is a long-term need for infrastructure investment; the total shortfall in U.S. infrastructure funding over the next 10 years is estimated to be \$2tn¹ (i.e. \$200bn per annum)
- Estimates project approximately \$50bn² of U.S. private infrastructure loans maturing by 2017
- As U.S. infrastructure needs increase, more private capital, both equity and debt, will be required to replace and augment inadequate public funding

Investment opportunity

- RIN Ltd. (the "Issuer") is a newly formed private debt investment, utilizing CLO structuring, that will seek to originate a diversified portfolio of private infrastructure loans
 - The Issuer is seeking \$75mm of commitments from institutional investors to fund junior interests in the form of preferred shares ("Equity")
 - The first round closed in November, with a second close planned for December
- The risk profile is attractive, as data demonstrates that infrastructure loans have lower default and loss characteristics than non-infrastructure debt
 - Stable nature of infrastructure operating cash flows and tangible asset coverage
 - Lender protections provide ability to monitor borrowers and allow lenders to actively address underperformance
- **Risks: Possibility of loan default, lack of liquidity, increase in raw material prices, loss of principal, loss of share value, and deflation**

Management team

- Provided approximately \$14.0bn (€10.7bn) of financing to 18 infrastructure businesses
- Pioneers of infrastructure finance involved in marquis transactions in Europe and North America
- Over 40 years of collective infrastructure experience
- Extensive experience across geographies and infrastructure sub-sectors



(1) Source: The American Society of Civil Engineers report, March 2013

(2) Source: DeAWM's proprietary database of infrastructure financing details for approximately 500 transactions between January 1, 2005 and August 31, 2013 in Western Europe and North America

Marinas: Suntex NewCo

Area of expertise: Private markets

Theme: Hard assets/sources of current income



Overview

- Suntex Ventures, LLC is forming a new company, Suntex NewCo, for the purpose of acquiring and managing institutional quality marinas
- Suntex intends to create an investment vehicle that will aggregate these marinas with the goal of listing in the public markets as an internally managed pure play REIT in a three year timeframe
- An investment in Suntex is intended to provide investors with a highly predictable and durable current income with the potential for significant capital growth

Investment overview of marinas

Marinas may 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; in addition, the asset class now qualifies for REIT status. Marinas provide yields at the top of the range for all REIT asset classes (~8.5% nominal cap rate)
- **Stability:** Quality marinas are historically stable throughout economic cycles and resistant to down turns while closely mirroring inflationary trends
- **Barriers to entry:** The number of marinas hardly fluctuates due to limited appropriate land, regulations and environmental protection laws, and high initial capital investments
- **Consolidation opportunity:** In the U.S. there are 2,500-3,000 institutional quality marinas. ~90% of owners are “mom and pop” businesses poised for acquisition and operational improvement
- **Risks: Economic downturn that results in fall in marina values, unforeseen weather events, changing environmental regulation**

The Suntex advantage

Suntex is uniquely positioned to capitalize on today's market opportunity and be the standard bearer for the institutionalization of the marine real estate sector:

- **Leading marina industry sponsor:** the Suntex team has been operating marinas since 1995. Today Suntex is one of the largest and most reputable marina companies in the U.S, owning and/or operating 22 institutional quality marinas across the U.S.
- **Proven track record:** Suntex principals and management have over 100 years of aggregate experience in managing marinas
- **Actionable pipeline:** Suntex will take advantage of fragmentation in the marina industry to acquire high quality assets at attractive initial yields. The pipeline exceeds \$1.5bn of current opportunities with \$200mm in the acquisition and closing process¹



(1) As of 10/14

Lift One: Aspen resort property

Area of expertise: Private markets

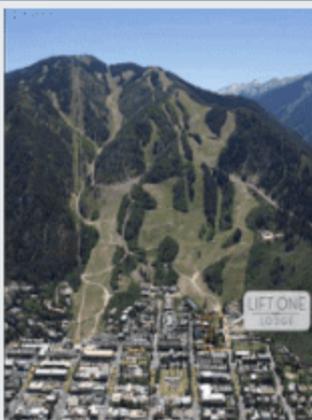
Theme: Hard assets



Overview

- KCP is partnering with an established Sponsor to find co-investors for the acquisition, development and sellout of a world-class luxury residence and private ski club in Aspen, Colorado; it is the last remaining ski-in/ski-out development parcel directly on Aspen Mountain known as “Lift One”
- The Sponsor is an independent investment group engaged in acquisitions and repositioning of prime properties, with a proven track record in the development of ultra-luxury real estate assets
- The opportunity allows equity investors to generate returns resulting from the sale proceeds of luxury residences and memberships in an exclusive private ski club; revenues constitute sale proceeds from condo-hotel fractional units, whole ownership luxury units, exclusive club memberships and commercial retail space on the mountain
- **Risks: challenges in the development and sale of the property, potential full loss of investment**

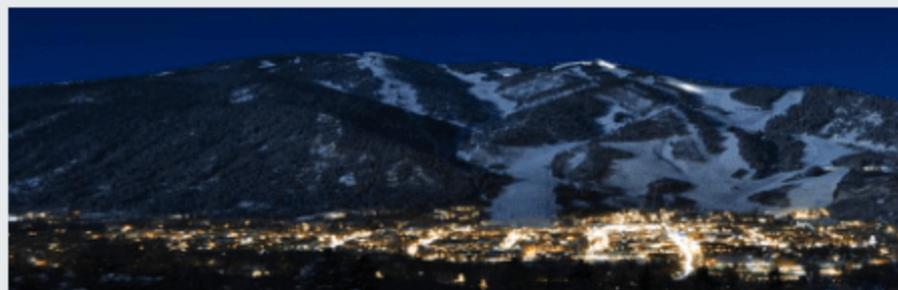
Investment highlights



- **Strong sponsorship:** the Sponsor has significant experience within luxury development and real estate
- **Rare generational opportunity:** the remaining supply of Aspen’s mountain-side development parcels is essentially non-existent, and this real estate rests within a long-favored destination that is a pinnacle of luxury mountain resorts
- **Alignment of interest:** Sponsor agrees to commit 5% of capital and equity investors are given priority to net profit via a high hurdle rate
- **Branding:** expected affiliation with world class brands including Bulgari, Cheval Blanc and Baccarat
- **Already entitled:** current ownership spent over 8 years entitling the site and the Sponsor believes amendments will be swift
- **Pro-development political climate:** the current City Commission is expected to be very receptive to the development, especially in light of the 2017 FIS World Cup Ski Competition coming to Aspen, finishing at Lift One
- **Compelling fundamentals:** rapidly escalating pricing, strong sales velocity and pent up demand for luxury product all coexist in the Aspen market

Deal terms

Offer size	Up to \$30mm
Minimum	\$3mm
Term	3-5 years, expected
Leverage	Transaction financed with 75% debt, procured at a later date



Home Partners of America

Area of expertise: Private markets

Theme: Hard assets as inflation protection/sources of current income



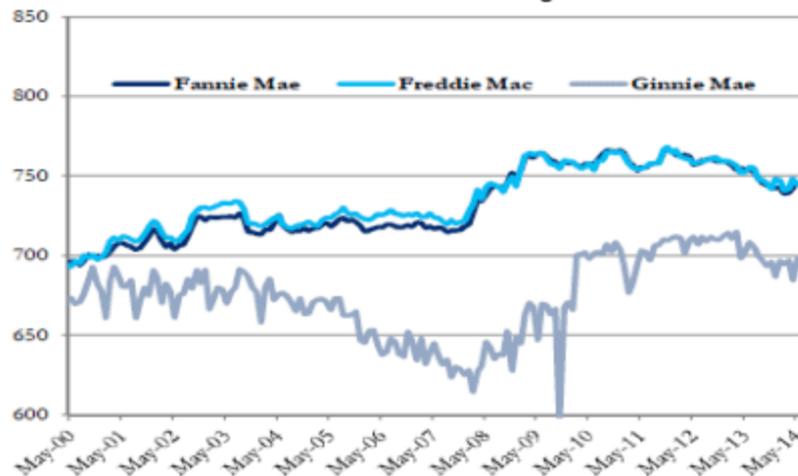
Overview

- Home Partners of America (“HPA,” formerly Hyperion homes) is a single-family housing investment platform launched in November 2012 with the goal of providing responsible households that cannot access mortgage credit a new path to ownership
- The program is built on a resident led model: approved clients are allowed to find a home from all available housing stock in agreed communities; HPA purchases the home, leases it and provides a purchase right to the client
- DB and other institutional investors like BlackRock and KKR have committed to invest an aggregate of more than \$480mm in HPA
- Target unlevered cash on cash returns above 6%, leveraged gross IRRs between 14-23%, and five year total returns in excess of 2x capital

Market opportunity

- HPA believes that the current lending environment has created an attractive opportunity to invest in single-family homes
- Compared to the market pre-housing crisis, significant numbers of middle class American households cannot obtain mortgage credit
- Access to middle market mortgage credit is almost exclusively driven by government programs which may not be sustainable. Government sponsored enterprises are currently responsible for 93% of all mortgage credit
- Strict lending standard across all credit sources now require FICO scores that are well above the national average, creating a need for alternative methods of financing
- **Risks: potential loss of full investment, lack of operating history, limited liquidity**

GSA and FHA Credit Scores at Underwriting¹



(1) Citigroup

Indicative terms

Term	Permanent, with investors holding a specific percentage of shares having ability to seek certain liquidity events beginning after two years
Investment period	18 months
Management fee	None – the company is internally managed and will bear its G&A load
Minimum commitment	\$5mm, though the Company reserves the right to accept subscriptions of lesser amounts
Distributions	Required to distribute to its stockholders each year at least 90% of taxable income

Proton therapy bonds

Area of expertise: Private markets

Theme: Sources of current income



Overview

- The Provision Center for Proton Therapy (PCPT) is an ancillary healthcare facility providing cutting edge proton therapy treatment to cancer patients in Knoxville, Tennessee
- The bonds were issued through the Health, Education & Housing Facilities Board of the County of Knox, Tennessee with a 20 year fully amortizing term maturing in 2034. They are secured by a first mortgage on all property, plant and equipment comprising the project as well as a pledge of gross revenues
- The amortization profile of the bonds provides a WAL of 6 years for the 2025 bonds and 16 years for the 2034 bonds
- Debt service coverage ratio is expected to climb to 1.75x by the end of 2015
- **Risks: Interest rate risk, credit risk of issuer, medical reimbursement risk**

Implementation

Bond structure:

Maturity	Par/mm	Coupon	Average life	Turbo A/L
5/1/2034	75.60	6.00%	9/19/2030	8/1/2020
5/1/2025	53.97	5.25%	11/4/2020	.

- Unlevered, the bonds provide a tax exempt return of approximately 5-6% with upside potential once the project is stabilized
- The tax exempt municipal bonds backed by the fully stabilized proton therapy center in Jacksonville, FL, recently traded at 3.60% yield to worst, illustrating the value the market assigns to a stabilized project
- Applying TRS leverage, an investor can receive mid to high teens in taxable interest
- For investors that value the tax exempt income, DB can utilize a Senior/Sub trust structure to achieve low double digit tax exempt yield

Credit strengths

Timeline

Project completed on time and budget. Ramp-up accelerating with all three initial treatment rooms operational, partially mitigating stabilization risk

Business model

Requires 8.8% market share (515 annual patients) of primary service area proton-eligible patients to reach breakeven, and just 2.3% when extended to secondary service area

Protected market share

Provided through restrictive state certificate of need process. Strong location on a mature cancer-care medical campus shared with clinical partners. Nearest competitor over 500 miles away

Management team

Considerable experience managing new medical technologies from both a facilities management and reimbursement development standpoint

Operating results

Impressive YTD operating results with the May through July period producing above budget patient volume, net patient revenues and cash collections, offsetting initial ramp off softness

Structured finance: an overview

Area of expertise: Structured finance and lending

Theme: Transitional capital



Overview

- DB Structured Credit team works on a fully integrated basis with the entire Structured Credit group to provide financing, structuring and risk management solutions for clients with capital needs that are not well served by traditional banking products
- Through a continued partnership with KCP, Client Coverage and Structuring, the DB Structured Credit team is able to provide innovative financing solutions to an expanding universe of investors and clients
- As of 9/29/14 the group has closed over 25 deals and deployed over \$4.5bn of capital⁽¹⁾
- **Risks: loss of capital, adverse movement of underlying asset value**

Corporate credit transaction types

- High growth debt & equity upside
- Turnarounds
- Complex contract monetization
- Trophy asset financing with complex collateral pool
- Transformational financings (novocure cancer therapy, renovation)
- Financing acquisition of assets out of bankruptcy
- Bridge to event

Natural resources transaction types

- Oil and gas producers
 - Mature field acquisitions: stretch first lien + second lien
 - New developers: PUD margin loans
 - Securitization: rated ABS distributed to Capital Markets
- Logistics and infrastructure: structured PF debt
- Metals & mining: refinancing of combined equipment finance, contract monetization, cash flow lending

**DB Structured
Credit**

Financial assets transaction types

- Esoteric securitization (franchises, royalties, broadcast/wireless towers, ground leases, license fees, long-term service contracts, vendor loans, rental contracts)
- Purchases of portfolios of hard asset leases (containers, aircraft, rail cars, ships)
- Single asset financings (loans against concentrated distressed debt positions and concentrated private equity)

Hard assets transaction types

- Aircraft & components
- Rail cars and rail lines
- Marine assets (container, cargo ships, drill ships)
- Auto/truck fleets
- Energy: solar, wind, biomass

(1) DB Structured Credit release

Structured finance: corporate credit transactions

Area of expertise: Structured finance and lending

Theme: Transitional capital



Recapitalization on gas station properties

Overview:

- Senior secured credit solution consisting of first, second and third lien non-revolving term loans, secured by the assets of the borrower and subsidiaries
- This transaction appealed to the owner because it would allow (i) the refinancing of all existing term and subordinated debt and (ii) the payment of a dividend to equity holders by using the residual proceeds from the new facility
- Allows the owner to consolidate multiple facilities and remove an expensive piece of mezzanine debt
- ~300 underlying gas stations provide a unique, diversified, recession-proof asset with high barriers to entry

Terms:

Financing amount	~\$260mm
Tenor	5 years
Undrawn fee	2% per annum on any undrawn proceeds under the facility
Security	First, second and third lien secured by priority interests on all the assets of the borrower and the applicable subsidiaries
Indicative interest rate	First lien: L + 4.75% Second lien: L + 8.00% Third lien: L + 14.00%

Resort lease monetization

Overview:

- Senior financing to borrower secured by contracted lease payments from a credit-worthy counterparty to conduct the operations at the resort owned by the borrower

Terms:

Financing amount	~\$300mm
Tenor	4 years + 1 year option to extend
Economics	Mid single digits

Medical device company – pre-IPO financing

Overview:

- Senior secured debt to venture capital-backed company seeking to expand clinical trials and provide liquidity prior to a potential IPO

Terms:

Financing amount	~\$50mm
Tenor	3 years
Economics	Mid teens

Equity bridge financing for financial sponsors

Area of expertise: Structured finance and lending

Theme: Transitional capital



Overview

- Before realizing synergies, financial sponsors are often required to inject a large amount of capital to finance the acquisitions of target companies or the construction of hard assets (ships, aircrafts, mines, power plants, pipelines, large properties, etc.)
- Equity bridge financing funds a large percentage of the capital contribution required for these projects while also offering delayed capital investment by the financial sponsor (until permanent financing available at higher LTVs), higher IRRs and multiples of capital, and lower operational intensity with fewer draws
- DB Structured Credit can syndicate this bridge loan credit, offering investors the asset side of the transaction with higher yields on a market-comparable underlying credit
- **Risks: loan default, potential loss of full investment**

Case study: transportation assets liquidity financing

- DB provided delayed draw term financing to a portfolio company of a large US private equity fund
- The financing was used to fund almost 100% of the capital contribution required for the construction and acquisition of shipping vessels
- The facility benefits from the credit support of various Sponsor funds. Each fund is required to maintain a certain amount of unfunded commitments to meet its credit support obligations
- Direct recourse to Sponsor's funds allows meaningfully tighter pricing and the efficient structure allows the Sponsor to effectively bridge the capital contributions required for the acquisition and construction of the vessels until permanent financing is available at a higher LTV (and thus better IRRs)
- While providing benefits to the Financial Sponsor, these facilities also become opportunities for investors to participate in an economically compelling, recourse investment with an advantageous risk/reward profile



Financing amount	\$100mm	Draw conditions	— Prior written notice of borrowing
Tenor	3 years		— Accuracy of representations and warranties
Economics	Low-mid single digits	Covenants	— Absence of default
Security	Credit supported by various funds of the Sponsor		— Limitations on distributions and additional indebtedness
			— Minimum liquidity & maximum leverage

Harvesting volatility risk premia in commodities: DB Brent Short Volatility II index



Area of expertise: Capital Markets
Theme: Current tactical ideas

Overview

- **Rationale:** Historically, the uncertainty risk (implied volatility) priced in by market participants tends to overestimate the realized risk (realized volatility)
- Commodity markets are said to exhibit one of the highest volatility risk premia across markets, partly caused by risk management activities of consumers and producers¹
- DB's offering of algorithmic Short Volatility Strategies allow investors to monetize this implied/realized spread in different commodities
- DB Brent Short Volatility Strategy offers investors a simple and convenient vehicle to monetize the implied volatility premium in Brent Crude. This strategy is available for WTI crude and other commodities such as Gold, Copper, Nickel and Natural Gas

Implementation

- **Description:** DB Brent Short Volatility II strategy aims to capture the differential between implied and realized volatility in the Brent crude oil market by systematically selling straddles and subsequently delta hedging these straddles
 - The index is constructed as an equally weighted average of 3 sub-indices, each rolling on different dates in order to minimize path dependency and keep an (almost) constant volatility duration exposure at all times
 - On the relevant quarterly roll date, each sub-index sells an equal number of call and put options
 - Every day the delta position implied by these options is hedged by buying the delta amount of underlying futures at market close
 - Profit and loss from each sub index is the sum of:
 - Product of number of options sold on previous rebalance date and the change in option price from the previous day, for both the call and put
 - Product of number of options sold, the implied delta position on previous day and the change in underlying future price from previous day

Commodity markets offer persistent implied/realized premium²

	Implied vs. Realised Premium (long-term) ³	Implied vs. Realised Premium (since 2010)
Brent crude oil	5.52%	6.67%
WTI crude oil	3.30%	4.84%
Natural Gas	3.19%	1.23%
Aluminium	1.32%	1.65%
Copper	0.93%	4.02%
Nickel	1.40%	2.72%
Gold	1.10%	0.84%
Silver	-0.55%	-0.98%

Index returns⁴



(1) Academic Background: Pimco Viewpoint (2012), "The Volatility Risk Premium"

(2) Figures in the table represent the 3m implied volatility risk premium. Historical implied volatility based on DB internal data. *Data since 1999 for energy, 1997 for industrial metals, 2003 for precious metals and 2007 for agriculture; data until June 2014

(3) Data since 1999 for energy, 1997 for industrial metals, 2003 for precious metals and 2007 for agriculture; data until June 2014

(4) Source: Bloomberg. DB Brent Short Volatility II Index has been retrospectively calculated and did not exist prior to 04 March 2014. Accordingly, the results shown during the retrospective periods do not reflect actual returns. Past performance is not necessarily indicative of how the index will perform in the future. The performance of any investment product based on the DB Brent Short Volatility II Index have been lower than the Index as a result of fees and / or costs. Statistics shown are for excess return indices except S&P 500 (SPTR <index>), which is a total return index. Data is as of 14 Oct 2014

Harvesting volatility risk premia in commodities: DB Brent Short Volatility II index (cont.)



Area of expertise: Capital markets
Theme: Current tactical ideas

Index summary

- **Transparent:** the strategy is fully transparent as it is based on listed option prices
- **Market Neutral:** the strategy is constructed using a basket of options and implies limited directional exposure to Brent front month prices
- **Rebalancing:** the index is rebalanced every year to provide equal exposure over the course of the year
- **Embedded Cost:** index cost is embedded in the after cost implied volatility calculation
- **Transparency:** rules-based index with the closing level published on Bloomberg page DBCMBSV2 <index>
- **Risk: losses , and mark to market losses , resulting from increase in volatility**

Comparative performance analysis¹

Jan 2008 – Oct 2014 ²	DB Brent Short Volatility II	S&P 500
Annualized Returns	21.4%	6.0%
Volatility	12.8%	23.3%
Sharpe Ratio	1.67	0.26
Maximum Drawdown	-27.2%	-52.5%
Start Date	Jan-08	Dec-07
End Date	Dec-08	Mar-09
Max Monthly Consecutive Loss	-19.6%	-29.6%
Start Date	Sep-08	Sep-08
End Date	Dec-08	Nov-08
Max / Min Returns		
Rolling 12 Months	83.7% / -25.9%	72.3% / -47.5%
Rolling 3 Months	25.8% / -20.6%	40.4% / -40.9%
Average Monthly Returns	1.7%	0.7%
% Months with Gains	71.6%	64.2%
Correlation		
S&P 500	0.28	1.00

Year on year performance comparison¹

Calendar Year	Annual Returns for Excess Return Indices	
	DB Brent Short Volatility II	S&P 500
2008	-25.95%	-37.00%
2009	83.19%	26.46%
2010	30.65%	15.06%
2011	22.60%	2.11%
2012	38.04%	16.00%
2013	20.22%	32.39%
2014 YTD	3.50%	3.22%
Annualized Return	21.40%	5.98%

(1) Source: Bloomberg. DB Brent Short Volatility II Index has been retrospectively calculated and did not exist prior to 04 March 2014. Accordingly, the results shown during the retrospective periods do not reflect actual returns. Past performance is not necessarily indicative of how the index will perform in the future. The performance of any investment product based on the DB Brent Short Volatility II Index have been lower than the Index as a result of fees and / or costs. Statistics shown are for excess return indices except S&P 500 (SPTR <index>), which is a total return index. Data is as of 14 Oct 2014

CLO mezzanine debt

Area of expertise: Capital markets

Theme: Structural solutions



Overview

- Bank loan strategies have grown in popularity due to the unique features of the asset class (i.e. senior secured status and attractive cash coupons)
- Investors recognize that the yield and stability of bank loans offer a prime opportunity to apply leverage and generate higher returns
- CLO mezz is a floating rate product, so the coupon will rise with short term rates
- CLO mezz offers high spread levels vs. loans and similar assets:
 - CLO 1.0 (pre-crisis) mezz offers upside in the event of deals being called, and ratings upgrades due to deleveraging of the deals and fast prepayment rates
 - At current levels CLO 2.0 (post crisis) mezz spreads carry the widest spreads vs. other structured products, relative to ratings
- **Risks: default of underlying collateral, credit risk of manager, liquidity risk**

Implementation – vehicle 1

Buy Ba2 ACAS CLO debt

- American Capital, Ltd. “ACAS” is a leading manager of alternative assets, with an AUM of \$93bn¹
- The Leveraged Finance Group of American Capital “LGG” manages syndicated corporate debt for ACAS with \$1.5bn in CLO debt and equity²

CLO:

- This is vanilla CLO managed by ACAS, arranged by DB
- It is risk retention compliant, meaning ACAS retains an economic interest of at least 5% of the deal balance in the equity tranche of the CLO
- We believe this feature adds value versus other U.S. CLOs as it shows an alignment of interest between the manager and investor
- This tranche is approximately 108.5% over-collateralized

Indicative Terms

Ticker	ACASC 2014-1A E
Size	\$9.5mm
Offer	90.50px
Model Discount Margin ⁴	650-680bps (dependent on call date)
Rating	Ba2/BB
Coupon	3 month Libor + 495bps
Maturity	7/18/26 legal final, 6-8.5 year WAL expected
Yield to maturity	~8.5%

Implementation – vehicle 2

Buy BB ING/VOYA CLO debt

- Voya Alternative Asset Management (previously ING U.S. Investment Management), is a leading manager of alternative assets with an AUM of \$213bn³
- The Senior Loan Group consists of a team of 27 investment professionals and 25 support staff. It manages \$19bn in assets in its portfolio that includes 19 CLOs⁴

CLO:

- This is a short deal from ING/VOYA, a conservative manager
- It has significant subordination vs. other new issue CLOs (approaching subordination of an Investment Grade bond)
- This tranche is approximately 110.0% over-collateralized
- Its reinvestment period is over and is de-leveraging rapidly

Indicative Terms

Ticker	INGIM 2011-1A D
Size	\$5.0mm
Offer	99.97px
Model Discount Margin ⁵	451bps
Rating	Ba2/BB
Coupon	3 month Libor + 450bps
Maturity	6/22/21 legal final, 2.5-3 year WAL expected
Yield to maturity	~6.2%

(1),(2) As of 12/31/13

(3),(4) As of 3/2013

(5),(6) Fixed spread over swap discount curve

Short duration CLO mezzanine debt

Area of expertise: Capital markets
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 U.S. market in May 2014 for the leading credit manager, Ares Management

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:

- Very little or no reinvestment period, and one year non-call period
- Capped amend-to-extend activity and capped reinvestment of prepayments gives more certainty over debt and equity life when compared to typical CLOs
- These deals are debt friendly and simplified (no issuer repurchase of notes nor modification of weighted average life rule)
- **Risks: default of underlying collateral, credit risk of manager, liquidity risk**

	CLO 1.0	CLO 2.0	Short Duration CLO
Launch	Pre Credit Crisis	Post Credit Crisis	2014
Non-Call Period	3-5 years	~2 years	1 year
Reinvestment Period	6-7 years	3-4 years	1 year
Final Maturity	14-16 years	11-12 years	10 years
WAL	1-4 years (depending on amortization)	6-8 years	5 years

Implementation

Buy BBB Regiment Capital Cavalry V short duration CLO debt

- Regiment Capital Advisers is a Boston based independent investment manager
- It was formed in 1999 by several principals who had provided investment management services to Harvard Management Company
- Regiment team members have an average of over 20 years of experience in the leveraged credit markets
- Its investor base is diverse and is comprised of endowments, foundations, insurance companies, pension funds, and family offices
- Regiment manages \$1.3bn in structured products, with a total AUM of \$3.8bn¹

Class	Rating (Moody's)	Par amount (\$)	%	WAL/years	Price talk ²	Spread talk ³ (bps)
A	[Aaa]	\$ 244,000,000.00	66.35	2.8	Par	137
B	[Aa2]	\$ 35,750,000.00	9.72	5.1	99	235
C	[A2]	\$ 18,000,000.00	4.89	5.1	97.5	330
D	[Baa2]	\$ 14,000,000.00	3.81	5.1	96.5	430
E	[Ba2]	\$ 20,000,000.00	5.44	5.1	96.5	630
Eq	NR	\$ 36,000,000.00	9.79	N/A	n/a	n/a
		\$ 367,750,000.00	100.0			

(1) As of 09/15/14

(2)(3) "Price talk" and "Spread Talk" refer to estimates, provided by DB's Syndicate team, of the prices and spreads expected for the bonds on the primary market

Hedging and monetization

Area of expertise: Capital markets

Theme: Sources of current income and risk management



Strategy	Description	Implementation	Advantages	Disadvantages
Zero Premium Collar	<p>Customized equity collars can be created to protect value and provide continued exposure to a stock position</p> <p>Implementation: Client purchases a put option and sells a call of equivalent value</p>		<ul style="list-style-type: none"> — Upside participation up to call strike — Downside protection below put strike 	<ul style="list-style-type: none"> — Upside is capped — Some downside exposure — Investor remains undiversified
Put Spread Collar	<p>Collars can be customized to create a risk profile that protects only a strategic portion of the hedged stock's value, which may allow for an increase in upside participation beyond a standard collar</p> <p>Implementation: Client purchases a put, sells a lower put and also sells a call</p>		<ul style="list-style-type: none"> — Potential for higher upside participation versus standard collar — Moderate downside protection 	<ul style="list-style-type: none"> — Upside is capped — Moderate downside protection — Investor remains undiversified
Variable Delivery Forwards (VDFs)	<p>Variable Delivery Forwards ("VDF") are used to monetize a client's position such that the cash proceeds can be freely invested without any limitations</p> <p>Implementation: Collar structure with upfront payment of proceeds of a future sale of the stock</p>		<ul style="list-style-type: none"> — Downside protection — Upside participation to threshold level — Immediate liquidity and potential for diversification 	<ul style="list-style-type: none"> — Upside is capped — Some downside exposure possible — Potential option cost within structure
Covered Call	<p>Covered calls can create or enhance yield from an underlying stock position, while participating in price gains up to the call price</p> <p>Implementation: Client sells calls on his long position</p>		<ul style="list-style-type: none"> — Moderate liquidity — Downside protection to extent of premium received 	<ul style="list-style-type: none"> — Upside is capped — No downside protection beyond premium received — Investor remains undiversified

Risks: OTC Derivative transactions involve numerous risks including market, counterparty default and illiquidity risk. In certain transactions you could lose your entire investment or incur unlimited loss

Hedging and monetization: case study

Area of expertise: Capital markets

Theme: Sources of current income and risk management



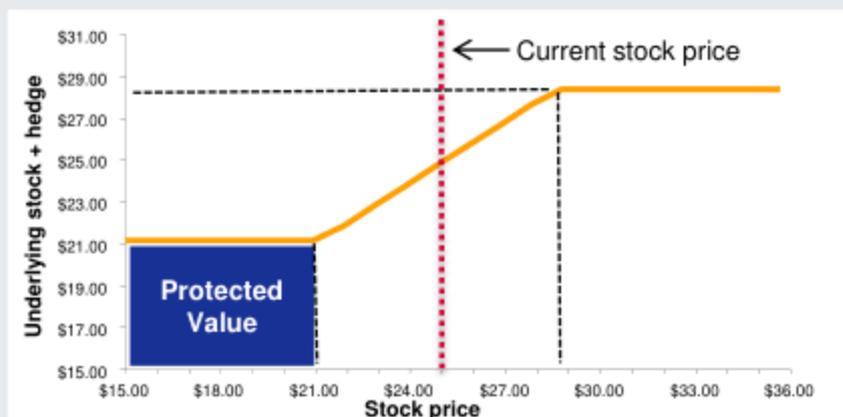
Overview

- An investor holds 70% of their net worth in XYZ currently trading at \$25.00 per share
- Client has a long-term bullish view on XYZ but is concerned about a general market pullback
- Client recognizes the need to diversify their portfolio
- Client is interested in generating income since the stock pays no dividend

Solution

Solution part 1: zero-premium collars

- Objectives: protect value, upside participation
- Solution: zero-premium collar on 100,000 shares

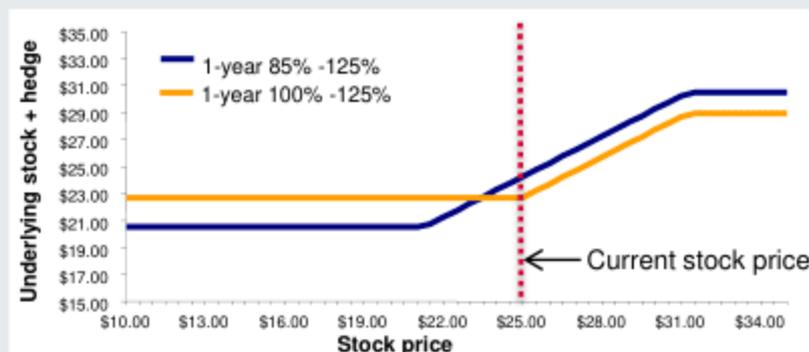


- Put strike 85% (\$21.25), call strike 115% (\$28.75)
- Full downside protection below the put-strike and appreciation up to the call strike

Solution part 2: VDFs

- Objectives: protect value, monetization, upside participation
- Solution: VDF on 100,000 shares
- The VDF provides downside protection and capped upside protection, similar to a collar while monetizing the protected value

Structure	PV of floor level	Cost of option	Upfront payment
1 year 85-115%	84.00%	0.00%	84.00%
1 year 85-125%	84.00%	2.00%	82.00%
1 year 100-125%	98.80%	8.00%	90.80%



Risks: OTC Derivative transactions involve numerous risks including market, counterparty default and illiquidity risk. In certain transactions you could lose your entire investment or incur unlimited loss



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