



Passion to Perform

DB Investment Managers, Inc

Form ADV Part 2A

March 31, 2014

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This Brochure provides information about the qualifications and business practices of DB Investment Managers, Inc. (DBIM). If you have any questions about the contents of this Brochure, please contact us at the number listed above.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about (DBIM) is available via the SEC's web site www.adviserinfo.sec.gov.

Note: DBIM is a registered investment adviser. The term registered investment adviser does not imply a certain level of skill or training.

Item 2 – Summary of Material Changes-

Since the last annual update of the brochure, which was made on March 31, 2013, there have been no material changes to this brochure.

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Item 4 – Advisory Business

DB Investment Managers, Inc. ("DBIM") is a registered investment adviser with the SEC and has offered its products and services to clients, as a registered investment adviser since 1991. DBIM is part of the global alternative investment management business of Deutsche Asset & Wealth Management ("Deutsche AWM"). Deutsche AWM is the brand name of the Asset & Wealth Management division of the Deutsche Bank Group.

DBIM's Fund of Funds Business

DBIM furnishes investment supervisory services and investment management services to certain U.S. and non-U.S. unregistered pooled investment vehicle clients structured as "fund of funds," which are hedge funds that are constructed by investing in other hedge funds, typically designed to suit specific risk return preferences, and that are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and the Investment Company Act of 1940, as amended (the "1940 Act"). DBIM views the fund of funds to which it provides investment advice as its clients (the "fund clients").

As of the date hereof, all of the fund clients advised by DBIM are in the process of liquidation. Investors in each fund have been informed that redemptions have been suspended in order to ensure fair and equitable treatment of all investors during the orderly liquidation of such fund's portfolio. DBIM is working to liquidate the fund holdings as expeditiously as possible while seeking to maximize investor value. Investors have been provided with estimated liquidation schedules based on DBIM's estimates, taking into account factors such as each underlying portfolio fund's standard redemption and payment terms, side pocket investments, current status of gates, suspensions, and other liquidity restrictions. These estimated liquidation schedules may extend out for several years for certain funds due to certain illiquid holdings and are updated from time to time to reflect cash received and/or updated information.

In the past, DBIM has also provided certain non-discretionary portfolio management services and hedge fund research services to entities affiliated with Deutsche Bank in connection with investment products offered by such affiliated entities to their respective clients. DBIM may provide such services from time to time in the future.

dbX-Markets

DBIM was engaged on or about July 1, 2010 to provide specific discretionary services to certain funds operated by Deutsche International Corporate Services Limited, Deutsche International Custodial Services Limited, and Deutsche Bank AG, London Branch each wholly-owned, indirect subsidiaries of Deutsche Bank AG (the "dbX-Markets clients").

The services provided to the dbX-Markets clients are comprised of making determinations regarding matters such as:

- the amendment of investment guidelines;
- approval of changes in key persons of a trading advisor;
- declaration of temporary suspensions of valuation; and
- termination of a trading advisor.

DBIM is not responsible for the selection of trading advisors or the direct investment management of the dbX-Markets clients' portfolios and, accordingly, does not advise them on specific investments.

As of December 31, 2013, DBIM managed twenty (17) fund clients on a discretionary basis with assets under management (AUM) of \$98,223,636.

As of December 31, 2013, DBIM provided discretionary services to forty-three (43) dbX-Markets clients with assets under management (AUM) of \$3,574,802,873.

Item 5 – Fees and Compensation

DBIM's Fund Clients

DBIM provides investment supervisory services and investment management services to certain U.S. and non-U.S. unregistered pooled investment vehicles structured as fund of funds. Currently, all of DBIM's fund clients are in process of liquidating their portfolios and interests in the funds are not being offered to new investors.

As compensation for these investment supervisory services and investment management services, DBIM generally receives a quarterly management fee, payable in arrears, in an amount equal to a percentage (generally ranging from 1% to 2% on an annualized basis) of the net assets of the fund client, as detailed in the applicable fund client's offering materials. DBIM also historically received an annual performance fee or allocation, accrued monthly and payable in arrears, in an amount equal to a percentage, generally ranging up to 10% of the amount by which net profits exceed a hurdle of realized and unrealized net profits, subject to a "high water mark" such that in the event the investor's series suffers a net loss in a particular performance period, no performance fee is due until such net loss is first recovered taking into account interim redemptions and subscriptions. Fees are prorated for partial periods.

The specific manner in which DBIM charges fees is established in a written agreement between the fund client and DBIM. As a general matter DBIM does not calculate or invoice the management or performance fee and has not been conferred the authority to deduct fees directly from the fund clients. Rather, the fund client's administrator, appointed pursuant to a separate administration agreement, calculates and pays to DBIM the investment management and performance fees. The investment management agreement for each of the fund clients expressly provides that DBIM has no right to withdraw or possess any funds or securities from any account of a fund client except to transfer to another account held in the name of the fund client or to a broker or counterparty of the fund client.

Management fees and performance-based fees and allocations may be reduced, waived, rebated, or calculated differently with respect to certain investors in the fund of fund. Effective as of January 1, 2009, DBIM has reduced the management fee it charges its fund clients by half and waived the performance based fee to which it is entitled for the fund clients' currently in liquidation.

DBIM's fees are exclusive of other operational expenses associated with a fund client. Investors in the fund clients will bear asset-based management fees and performance-based fees and allocations at the underlying portfolio fund level in addition to the fund client's pro rata allocation of the expenses and charges by other service providers, including, but not limited to:

- administrator's fees;
- custodial fees;
- legal fees;
- filing fees and expenses;
- accounting, audit, and tax preparation expenses;
- director's and conflicts advisory board fees;
- out-of-pocket expenses of the directors and administrator;
- interest expenses;
- currency hedging costs; and
- other investment and operating related expenses.

dbX-Markets Clients

DBIM's fees under the arrangement with dbX-Markets are paid and negotiated pursuant to the agreement for services entered into between both parties. As compensation for these services, DBIM receives a quarterly fee from Deutsche Bank AG, London Branch out of the fees it receives in its capacity as the risk monitor for the dbX-Markets clients. This fee comprises a flat fee plus an asset-based fee and is subject to a yearly aggregate maximum.

Other Compensation

DBIM and DBIM's supervised persons do not earn commissions for the sale of securities or other investment products. DBIM's supervised persons receive a base salary along with an annual discretionary bonus that is based upon a variety of factors including, but not limited to, the profitability of the parent company, profitability of Deutsche Asset & Wealth Management and DBIM businesses, and contributions of that individual to the success of the division and DBIM-related businesses.

Item 6 – Performance-Based Fees and Side by Side Management

Although DBIM is entitled to receive an annual performance fee or allocation from its fund clients, as of January 1, 2009, it has waived such fee for its fund clients in liquidation.

DBIM does not receive performance fees with respect to its arrangements with dbX-Markets.

Item 7 – Types of Clients-

DBIM offers advice to a number of fund clients with respect to interests in limited partnerships, limited liability companies, or other pooled investment vehicles set up in the form of other entities which, in turn, invest in a variety of securities and financial instruments. DBIM does not provide investment advice to its dbX-Markets clients.

All of DBIM's fund clients are in process of liquidating their portfolios and are not being offered to new investors. DBIM does not intend to sponsor or advise any new fund clients at this time.

Item 8- Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis, Sources of Information, and Investment Strategies

DBIM employs various methods of analysis and offers various investment strategies, which may be modified from time to time. Each investment strategy carries its own risk of loss that investors should be prepared to bear.

Fund Client Analysis

DBIM employed a two-step process in structuring fund clients' portfolios. First, DBIM determined an allocation for the fund client's assets across the universe of potential hedge fund strategies. Using data in order to categorize and analyze the historical returns of certain private funds in which DBIM considered acquiring an investment interest ("Portfolio Funds") on behalf of its fund clients, DBIM employed a number of quantitative modeling techniques in conjunction with fundamental research analysis to develop an optimized allocation of fund client assets among management strategies designated by DBIM ("Management Strategies"). DBIM's quantitative consideration of potential investments undertook a variety of analyses to evaluate prospective Portfolio Funds.

Quantitative considerations may have included an analysis of each Portfolio Fund's return, risk (standard deviation), draw downs, and correlations both on an individual basis and relative to its Management Strategy and to the broader markets. In addition, to the extent available, DBIM considered certain historical portfolio information (including performance attribution) for each prospective Portfolio Fund.

Second, the potential Portfolio Funds identified by DBIM through quantitative analysis was then evaluated on the basis of certain qualitative and due diligence criteria. These may have included:

- organizational profile;
- growth of assets under management;
- quality and experience of key investment personnel;
- quality of administrative systems;
- quality of support staff;
- document review; and
- portfolio oversight and risk management employed by the Portfolio Fund.

DBIM generally conducted an on-site due diligence meeting with the principals and staff of the investment manager of each Portfolio Fund in order to obtain a better understanding of the Portfolio Fund manager's investment process and ensure that the process is consistent with the relevant Management Strategy. Topics discussed during due diligence sessions may have included, but were not limited to:

- the investment background and philosophy of the investment manager's principals;
- the investment manager's rationale behind historical and current portfolio positions;
- the investment manager's infrastructure;

- Portfolio Fund's audited financial statements, if available;
- the investment manager's portfolio construction process;
- the investment manager's risk management approach; and
- a Portfolio Fund's service provider relationships.

Methods of Analysis with Respect to Liquidation of Fund Clients

As a result of the liquidation, the original investment objectives of the fund clients to which DBIM provides investment supervisory and investment management services have changed. The goal during the liquidation is to return cash to investors as quickly as reasonably possible while maximizing value and return to the fund clients.

DBIM has provided investors with estimated liquidation schedules based on DBIM's conservative estimates, taking into account factors such as each underlying Portfolio Fund's standard redemption and payment terms, side pocket investments, current status of gates, suspensions, and other liquidity restrictions. These estimated liquidation schedules generally extend out for several years due to certain illiquid holdings and are updated from time to time to reflect cash received and/or updated information.

No less than semi-annually, DBIM will make contact with each Portfolio Fund to which the fund clients have allocated capital in order to assess the operational risk associated with the Portfolio Fund.

DBIM also maintains liquidation procedures that outline the portfolio manager due diligence, portfolio oversight, sales of assets, and other operational processes.

General Risk Considerations with Respect to Fund of Funds Investments

- Hedge funds are private investment partnerships, funds or pools that may invest and trade in many different market strategies, and instruments (including securities, non-securities and derivatives) and that employ different investment, hedging, leverage and arbitrage methodologies. Fund of funds are hedge funds that are constructed by investing in other hedge funds, and are typically designed to suit specific risk return preferences. Hedge funds and fund of funds are generally exempt from registration under the 1933 Act, and the 1940 Act. Such unregistered hedge funds and fund of funds are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors;
- A fund of funds and its manager/advisor may rely on the trading expertise and experience of third-party managers or advisors, the identity of which may not be disclosed to investors;
- A fund of funds and its underlying portfolio funds will engage in speculative investment practices (e.g. short sales) that involve a substantial degree of risk and may increase the risk of investment loss;
- An investment in a fund of funds may be illiquid, have limited redemption rights and there may be significant restrictions on transferring interests in such fund of funds.

There is no secondary market for an investor's interest in a fund of funds and none is expected to develop; and

- A fund of funds may not provide any transparency regarding its underlying investments to its investors. In such a case there will be no way for an investor to discover or monitor the specific investments made by the fund of funds, to know whether the sub-fund investments are consistent with the fund of funds' investment strategy or risk parameters.

Item 9 – Disciplinary Information

In May 2005, DBIM was ordered by the Securities and Exchange Commission to cease and desist from committing or causing any violations and any future violations of Rule 105 of Regulation M under the Securities Exchange Act of 1934 ("1934 Act"), pay disgorgement and prejudgment interest in the amount of \$17,574, pay a civil money penalty in the amount of \$15,585, and comply with certain undertakings. On three occasions from January 1, 2001 to May 31, 2004, DBIM sold securities within five business days before the pricing of three separate public offerings and then covered the sales (which were technically short sales) with securities purchased in the offerings, in violation of Rule 105 of Regulation M.

Item 10 - Other Financial Industry Activities and Affiliates

Other Financial Industry Activities and Affiliations

DBIM is part of the global alternative investment management business of Deutsche Asset & Wealth Management ("Deutsche AWM"). Described below are certain affiliates with which DBIM has or may have arrangements that are material to its advisory business. Employees of DBIM may be authorized to act on behalf one or more of these entities. Additionally, employees of DBIM's related persons may be authorized to act on behalf of DBIM. DBIM may utilize, suggest, or recommend other services of any of its affiliates. The services involved will depend upon the services offered by the affiliate. The arrangements between DBIM and its affiliates may involve revenue sharing or joint compensation based upon each entity's activities for the client.

DBIM is registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and Commodity Pool Operator and is a member of the National Futures Association in such capacities. Certain management persons of DBIM may be registered as associated person(s) as necessary or appropriate to perform their responsibilities.

When DBIM enters into transactions or arrangements with one of the related persons listed below, this may create certain potential conflicts of interest, including, but not limited to:

- DBIM may have an incentive to negotiate terms that are less favorable than those available in an arm's length transaction;
- With respect to such transactions, DBIM may have certain incentives to direct purchase and sale transactions to an affiliate – and thus generate transactional revenue for that affiliate - when another broker-dealer or counterparty may be able to provide comparable execution quality; and
- DBIM may have an incentive to enter into arrangements for services with a related person when an unaffiliated party might be equally or better equipped to perform such services and/or might provide more favorable terms.

With respect to transactions or other arrangements that DBIM may enter into with a related person, consistent with its fiduciary obligations, it generally seeks to address such conflicts by:

- Eliminating them where possible (i.e., DBIM will not enter into or will otherwise prohibit such arrangements with an affiliate);
- Mitigating and managing them through various means, such as:
 - Policies and procedures requiring DBIM to confirm that the client is receiving terms comparable to those available in an arm's length transaction; or
 - To otherwise demonstrate that engaging with an affiliate is being done to satisfy DBIM's fiduciary obligations to its clients (e.g., DBIM engages in a transaction with an affiliate on behalf of a client in order to achieve best execution); and/or
- Disclosing them to clients via its Form ADV Part 2A or equivalent.

In addition, on a regular basis DBIM seeks to identify potential conflicts of interest with respect to its current business activities and the various means by which it addresses them. Where possible, DBIM seeks to manage and mitigate such conflicts by developing responsive policies, procedures, and practices. Where this is not possible, DBIM seeks to disclose material information to existing and prospective clients so that, in light of these potential conflicts of interest, they can make informed decisions about whether to enter into, or to continue, an investment advisory arrangement with DBIM.

Broker Dealers

DBIM has material arrangements with the following related persons that are registered broker dealers and may utilize their services to effect securities transactions for clients.

Deutsche Bank Securities Inc., ("DBSI"), New York, New York, is dually registered as a broker dealer under the 1934 Act and as an investment adviser under the 1940 Act. DBSI is also a member of the New York Stock Exchange and other principal exchanges in the United States.

DWS Investment Distributors, Inc., Chicago, Illinois, is a registered broker-dealer under the 1934 Act.

Investment Advisers

DBIM has material arrangements with the following related persons that are investment advisers.

Deutsche Bank AG, London Branch, which serves as risk monitor for the dbX-Markets funds, is an investment adviser domiciled in the UK. Deutsche Bank AG, London Branch has in the past, from time to time, made proprietary investments in fund of funds for which DBIM serves as investment adviser, in connection with structured products.

RLJ Select Investments, LLC is an investment adviser, organized in the State of Delaware. RLJ Select Investments, LLC serves as the investment adviser to certain fund of fund products for which DBIM serves as sub-adviser. RLJ Select Investments, LLC is owned by the RLJ Companies, LLC and Deutsche Investment Management Americas Inc. in the amounts of 75.1% and 24.9% respectively.

Banking Institutions

The following banking institutions are related persons of DBIM with which DBIM may have material arrangements:

Deutsche Bank AG is a publicly traded international commercial and investment banking concern listed on the Frankfurt and New York Stock Exchanges and is the indirect parent of DBIM and its affiliates.

Deutsche Bank Trust Company Americas ("DBTCA") is a New York chartered bank and member of the Federal Reserve. Pursuant to written agreements, DBIM and DBTCA provide certain investment, supervisory, administrative and research services to each other for the benefit of their clients.

Deutsche Bank AG- London Branch, DB AG Dublin Branch, Cayman Branch, Singapore Branch, Hamburg Branch and Sydney Branch, Deutsche Bank (Suisse) S.A., Deutsche Securities Limited, Tokyo Branch, Deutsche Bank Private Banking International Corporation, Deutsche Bank Florida N.A., Deutsche Bank SAE (Private Wealth Management Spain), Deutsche Bank Investments (Guernsey) Limited.

General Partnerships

From time to time, DBIM affiliates may act as general partner, managing member, or other controlling entity in private investment vehicles that may invest in securities, commodities, real estate or other investments in which clients of DBIM's affiliates may be solicited to invest. Absent specific authority, DBIM does not exercise any discretionary authority with respect to client decisions to invest in such vehicles.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Within the following section, references to Deutsche Asset & Wealth Management ("Deutsche AWM") are inclusive of DBIM.

Code of Ethics

The Deutsche AWM Code of Ethics ("Code"), to which DBIM's employees are subject, imposes restrictions on the ability of its employees who are "Access Persons" as defined in the Investment Advisers Act to invest in securities that may be recommended or traded in Deutsche AWM client accounts. The Code currently applies to most securities transactions (including transactions in equity or debt securities, municipal bonds, exchange-traded securities, securities indices, derivatives of securities and similar instruments) and certain mutual fund transactions (including transactions in open-end and closed end mutual funds, excluding money market funds and other mutual funds specifically designed for short-term investment). The Code applies to all securities and specified mutual fund transactions in which employees have direct or indirect beneficial interest, influence and/or control.

Generally, the Code classifies employees based on whether they are investment personnel involved in the investment management and trading activity of clients' assets (including portfolio managers, research analysts and traders) and imposes the greatest level of restriction on those most centrally involved in that process.

Pursuant to the Code, employees are required to pre-clear all of their personal securities transactions in securities that are not exempt from the Code. Employees must also receive prior approval before purchasing any securities in a private placement. Further, employees must receive prior approval to serve on a board of a publicly traded company or to engage in certain other outside activities that may conflict with Deutsche AWM's obligations to its clients. Finally, employees may not purchase a security pursuant to an initial public offering. The purchase or sale of securities of certain open-end mutual funds is not subject to pre-clearance. Trading in direct obligations of the US Government is not subject to the Code.

The Code imposes a thirty (30) day holding period between purchases and sales, or sales and purchases, in the same securities and certain mutual funds with certain exceptions (such as transactions in mutual funds subject to periodic purchase plans and other exceptions specifically granted by Deutsche AWM Compliance). The Code also imposes specific blackout period restrictions on securities that apply to certain employees. For example, as a general matter, Access Persons may not knowingly engage in a transaction of a security on the same day as it is known that Deutsche AWM is transacting that security for a client account, and Investment Personnel (defined as those involved in the investment decision-making and trading process) may not knowingly purchase or sell a security within seven days before and after a transaction of that security in a client account if he/she manages or provides advice to that client account.

All employees are subject to reporting obligations, including filing a quarterly personal securities transaction report (which provides information with regard to all securities and certain mutual fund transactions that are required to be reported, if any, effected during the previous quarter for their own accounts and any accounts over which they have direct or indirect beneficial interest, influence and/or control). Employees are also required to disclose their securities and mutual fund accounts upon hire and annually confirm the information.

Any employee who violates the Code may be subject to disciplinary actions, including possible dismissal. In addition, any securities transactions executed in violation of the Code, such as short-term trading or trading during blackout periods, may subject the employee to sanctions, ranging from warnings to trading privilege suspensions, including but not limited to, unwinding the trade and/or disgorging the profits as well as additional disciplinary action. Violations and suspected violations of criminal laws will be reported to the appropriate authorities as required by applicable laws and regulations.

Deutsche AWM's existing and prospective clients, including those serviced by DBIM, may obtain a copy of its Code of Ethics upon request by calling their client service representative.

Participation or Interest in Client Transactions

Deutsche AWM is owned by Deutsche Bank AG, a multi-national financial services company. Therefore, Deutsche AWM is affiliated with a variety of entities that provide, and/or engage in commercial banking, insurance, brokerage, investment banking, financial advisory, broker-dealer activities (including sales and trading), hedge funds, real estate and private equity investing, in addition to the provision of investment management services to institutional and individual investors. Since Deutsche Bank AG, its affiliates, directors, officers, and employees (the "Firm") are engaged in businesses and have interests other than managing its clients' investment advisory accounts, such other activities involve real, potential or apparent conflicts of interests. These interests and activities include potential advisory, transactional and financial activities and other interests in securities and companies that may be directly or indirectly purchased or sold by Deutsche AWM for its clients' advisory accounts. Present and future activities of the Firm, in addition to those described herein, may also result in conflicts of interest that may be disadvantageous to Deutsche AWM's clients.

Deutsche AWM has established a variety of policies, procedures and disclosures designed to address conflicts of interest arising between advisory accounts and the Firm's businesses. It is Deutsche AWM's policy that Deutsche AWM personnel involved in decision making for advisory accounts must act in the best interests of their advisory clients and generally (but not exclusively) without knowledge of the interests of proprietary trading and other operations of the Firm and/or personnel of the Firm. Where advisory personnel do know of conflicts or potential

conflicts between advisory accounts or between advisory accounts and the Firm and/or personnel of the Firm, it is Deutsche AWM's policy to disclose their existence in general form through this Form ADV Part 2A or equivalent.

Deutsche AWM has entered into and may in the future enter into arrangements with affiliates and third party service providers to perform various compliance, administrative, back-office and other services on behalf of, and relating to, client accounts. These affiliates and service providers may be located in the US or in non-US jurisdictions. Accordingly, certain information about client accounts may be shared with these affiliates and third party service providers in connection with these functions.

Deutsche AWM acts as a fiduciary with respect to its asset management activities and owes its clients a duty of undivided loyalty. As a fiduciary, Deutsche AWM is required to act solely in the best interests of the clients whose assets it manages. On occasion, other entities within the Firm may have engagements and responsibilities that could create the appearance of a conflict with Deutsche AWM's duty of loyalty. To minimize these conflicts, as a general matter Deutsche AWM employees associated with the investment process (including portfolio managers, research analysts and traders) have no contact with employees of the Firm outside of Deutsche AWM regarding specific clients, business matters or initiatives, unless permitted by internal procedures, or approved by business management and Deutsche AWM Compliance.

The Firm is a major participant in global financial markets and it acts as an investor, investment banker, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent and principal in the global fixed income, currency, commodity, equity and other markets in which Deutsche AWM's advisory accounts directly and indirectly invest. As permitted by and in conformity with applicable laws and regulations, Deutsche AWM's advisory accounts will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which the Firm performs or seeks to perform banking or other services. Additionally, it is likely that Deutsche AWM's advisory accounts will undertake transactions in securities in which the Firm makes a market or otherwise has direct or indirect interests. Deutsche AWM makes decisions for its clients in accordance with its fiduciary obligations as manager of its advisory accounts. As noted below, however, certain activities of the Firm (including those undertaken by affiliates) may have a negative or detrimental effect on Deutsche AWM's advisory client accounts.

Deutsche AWM may take investment positions in securities in which other clients or related persons within the Firm have different investment positions. There may be instances in which Deutsche AWM is purchasing or selling for its client accounts, or pursuing an outcome in the context of a workout or restructuring with respect to securities in which the Firm is undertaking the same or differing strategy in other businesses or other client accounts. Prices, availability, liquidity and terms of the investments may be negatively impacted by the Firm's activities and the transactions for Deutsche AWM's clients may, as result, be less favourable. The investment results for Deutsche AWM's clients may differ from the results achieved by the Firm and other clients of the Firm. In addition, results among Deutsche AWM clients may differ.

For a summary of the restriction of the flow of certain information between Deutsche AWM and other parts of the Firm, please see "Information Barriers" below. As noted, Deutsche AWM makes decisions for its clients in accordance with its fiduciary obligations as manager of its advisory accounts independent of what decisions made by or in other parts of the Firm.

Deutsche AWM and its affiliate's investment activities may limit the investment opportunities for Deutsche AWM's client accounts. This may occur in certain regulated industries, private equity markets, emerging markets, and in certain futures and derivative transactions where restrictions may be imposed upon the aggregate amount of investment by affiliated investors. Deutsche AWM may voluntarily limit transactions for client accounts or limit the amount of voting securities purchased for client accounts, or waive voting rights for certain securities held in client accounts in order to avoid circumstances which, in the view of Deutsche AWM, would require aggregation of such client account positions held elsewhere in the Firm.

Information Barriers

Deutsche AWM and its affiliates may come into possession of confidential, material non-public information particularly in connection with its commercial and investment banking activities. Deutsche AWM and its affiliates have internal procedures in place intended to prevent the potential flow of any such non-public information.

Should Deutsche AWM come into possession of material, non-public information, Deutsche AWM has procedures that prohibit trading activities based on such information by Deutsche AWM for its clients and by Deutsche AWM employees. Deutsche AWM may not use material, non-public information obtained from any division of the Firm when making investment decisions for its clients. As a result of these procedures and prohibitions, client accounts may be precluded from purchasing or selling certain securities, which could have a detrimental effect on one or more client accounts. There may be instances in which senior management of Deutsche AWM, not involved in the investment process, may be privy to material, non-public information about transactions or securities due to discussions with senior personnel from other departments within the Firm. However, when in possession of material, non-public information, senior management may not participate or use that information to influence trading decisions or securities; nor may they pass that information along to personnel within Deutsche AWM involved in the investment process (e.g., portfolio managers, research analysts and traders) for use in investment activities.

There may also be periods during which Deutsche AWM may not initiate or recommend certain types of transactions, disseminate research, or may otherwise restrict or limit its advice given to clients in certain securities issued by or related to companies for which the Firm is performing banking or other services, or companies in which the Firm has a proprietary position. As a result, client accounts may be precluded from purchasing or selling certain securities, which could have a detrimental effect on one or more client accounts.

Trading with an Affiliate/New Issues

The only compensation received by Deutsche AWM for effecting securities transactions for clients is its advisory fees. Related persons of Deutsche AWM may receive brokerage commissions, commission equivalents, spread and other fees in connection with brokerage services provided. See Item 12 for more details.

Investment Companies

For registered investment company clients, agency and underwriting transactions with affiliated broker-dealers will be executed only pursuant to procedures adopted by the Boards of Directors of such companies under Rule 17e-1 and Rule 10f-3 under the Investment Company Act.

Portfolio Holdings Disclosure Policy

Unless consistent with the anti-fraud provisions of the federal securities laws and its fiduciary duty, Deutsche AWM is prohibited from disclosing non-public portfolio holdings information.

Deutsche AWM may make non-public portfolio holdings information available to certain clients upon request provided certain conditions are satisfied including complying with Deutsche AWM's portfolio holdings disclosure policy. Clients should contact their account representative in the event they would like more information regarding non-public portfolio holdings information.

Proprietary Account Trading and Hedging Activities

Deutsche AWM may invest and manage its own proprietary capital by investing in a variety of securities and other instruments. Proprietary capital investments will include investing in certain products and strategies managed by Deutsche AWM for its clients. The market risks of these investments may be hedged, while market risks of client assets may not be so hedged. Hedging activities may include purchasing instruments or using investment strategies such as short selling, futures (or options on futures) trading or employing other derivative techniques. Portfolio management and trading of the proprietary capital as well as any associated hedging activity is undertaken in accordance with Deutsche AWM policies and procedures. Investments made with proprietary capital may not perform the same as similarly managed client accounts for a variety of reasons, including regulatory restrictions on the type and amount of securities in which the proprietary capital may be invested, differential credit and financing terms, as well as any hedging transactions. While Deutsche AWM acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest or could potentially disadvantage its clients.

Gifts and Entertainment

Deutsche AWM has policies and procedures in place, including the Deutsche AWM Code of Ethics, which prohibit Deutsche AWM employees from accepting gifts, entertainment, and other things of material value that may create a conflict of interest or the appearance of a conflict of interest. In addition, Deutsche AWM employees may not offer gifts, entertainment, or other things of material value that could be viewed as attempting to unduly influence the decision making or objectivity of any client, clients' agents, or other business partner. In general, these policies dictate that giving and receiving of gifts and participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment is deemed excessive or extravagant. These policies impose specific restrictions and require Deutsche AWM Compliance approval of certain gifts and entertainment.

In general, the policy permits employees to accept gifts of nominal value (e.g., promotional items), which must be logged. Reporting and approval requirements and restrictions apply in the case of entertainment offered to or to be provided by Deutsche AWM. Deutsche AWM's policy also sets forth parameters with respect to entertainment-related expenses.

Additional restrictions regarding gifts and entertainment apply to Deutsche AWM employees who are registered representatives or other associates of Deutsche AWM's affiliated broker-dealers.

Item 12 – Brokerage Practices

DBIM does not generally engage in direct trading on behalf of its fund clients, and does not engage in direct trading at all on behalf of its dbX-Markets clients. However, to the extent that DBIM does engage in direct trading on behalf of its fund clients it would follow the practices of Deutsche AWM as described below. References to Deutsche AWM in the following section are inclusive of DBIM. Where DBIM's practices differ with respect to a particular area, specific reference to DBIM is made.

Broker Dealer Selection

When selecting a broker-dealer for client transactions, Deutsche AWM considers numerous factors including: price of the financial instrument, transaction costs, speed, likelihood of execution, and settlement, size, nature and any other consideration relevant to the execution of that order. The best possible result for a particular transaction will be determined by the relative importance given by Deutsche AWM to these factors, which will in turn result in the choice of a specific benchmark, trading strategy, and executing broker or execution venue. In determining the relative importance of these factors, Deutsche AWM will consider the following factors:

- the characteristics of the client order;
- the characteristics of the financial instruments or products involved;
- the current market circumstances; and
- the characteristics of the execution venues involved.

While the price of the financial instrument and the overall transaction cost are generally the most importance factors, their importance in the context of any given order will depend upon the criteria specified above and may also be affected by any specific instructions or restriction given to Deutsche AWM.

Consistent with its best execution obligations, Deutsche AWM maintains a Credit Department that is responsible for assessing and managing counterparty risk for all transactions undertaken on behalf of Deutsche AWM's clients. Deutsche AWM has established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. It seeks to maintain exposures within levels that are prudent relative the counterparty's financial resources for both credit and settlement risk. For certain transactions involving extended settlements, the Credit Department is heavily involved in the negotiation of special agreements with certain broker-dealers.

In less-developed markets, there may be a higher level of counterparty risk because broker-dealers may not be as well capitalized. In addition, there is often more limited and less reliable information about counterparties' financial condition, less regulatory supervision of securities markets, market policies that may require payment before delivery of securities, less automated clearance and settlement conditions, the uncertain enforceability of legal obligations, greater market volatility, and increased levels of sovereign and currency risk. In these markets, the effort to attain best execution may also tend to increase counterparty risk, and Deutsche AWM will attempt to balance these factors when selecting a broker-dealer to execute client transactions.

Commission Rates

Deutsche AWM's trading desk utilizes a schedule of commission rates that have been negotiated with approved broker-dealers. The schedule delineates the commission rates negotiated with the broker-dealer by country and by types of trades.

Deutsche AWM's Brokerage Governance Committee, which rolls up to the Deutsche AWM Americas Investment Risk Oversight Committee, is responsible for overseeing and monitoring overall trading practices and brokerage relationships. As part of its review, the Committee will review trade execution quality and commissions costs no less than quarterly.

Research and Soft Dollar Benefits

While Deutsche AWM seeks to achieve best execution, in reliance on Section 28(e) of the Securities Exchange Act of 1934 (as amended), it may pay commissions on behalf of its clients that are higher than those assessed by other brokers in recognition of the value of research and other services provided by the broker. Consistent with its best execution obligations, Deutsche AWM has the incentive to execute transactions with, and pay commissions to, the broker(s) who provide it with superior brokerage and research services. When client brokerage commissions are used, Deutsche AWM receives an inherent benefit because it does not have to produce or pay for the research, products, or services on its own. In accordance with Section 28(e), Deutsche AWM must determine in good faith that the value of any services received is reasonable in relation to the commission paid, either in terms of the particular transaction or Deutsche AWM's overall responsibilities to its clients. In some cases, brokerage products or services obtained with client commissions may have a mixed use and thus, only partially eligible under Section 28(e). In these cases, Deutsche AWM will make a reasonable allocation of the cost of the product or services according to its usage. In making such determination, Deutsche AWM faces an inherent conflict of interest; however, Deutsche AWM shall use its good faith judgment in making such mixed-use allocation decisions.

Deutsche AWM may enter into Commission Sharing Arrangements (CSAs) for third-party research in order to obtain best execution and access to valuable research services. In this regard, Deutsche AWM will direct client trades to a particular executing broker-dealer with the instruction that the broker dealer execute the transaction and allocate a portion of the commission to a research provider (either directly or through a CSA pool) to be paid at a later time. With respect to these arrangements, Deutsche AWM has established policies and procedures that govern allocations to research providers in order to ensure best execution.

Deutsche AWM may execute transactions with broker-dealers in order to obtain research and brokerage services from third parties (i.e., "third party research"). In addition, Deutsche AWM may execute transactions through broker-dealers in order to obtain research services provided by the executing broker-dealers (i.e., "proprietary research") and to obtain proprietary brokerage services. With respect to brokerage service arrangements, Deutsche AWM will execute, in reliance on Section 28(e) of the Exchange Act, transactions through broker-dealers in order to obtain brokerage services in the form of software and/or hardware to be used in connection with executing trades. Typically, Deutsche AWM uses this computer software and/or hardware to facilitate trading activity with certain broker-dealers. Deutsche AWM monitors regulatory developments and market practice in the use of client commissions to obtain brokerage and research services, whether proprietary or third party.

Research provided by brokers may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities,

technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and measurement and analysis of corporate responsibility issues. These research services are typically received in the form of written reports, telephone contacts, and in person meetings with security analysts. Research services may also be provided in the form of access to various computer software and associated hardware, and meetings arranged with corporate and industry representatives.

Deutsche AWM may use a particular broker (whether the broker was selected by Deutsche AWM or by a client that has directed Deutsche AWM to use that broker) to execute securities transactions for a client account where that broker-dealer also provides research to Deutsche AWM. The research received by Deutsche AWM in this manner will from time to time be used in servicing any or all of Deutsche AWM's client accounts, including client accounts that did not pay the commissions used to obtain the research.

Deutsche AWM may enter into agreements with various vendors who provide platforms for Deutsche AWM to gain electronic access to various participating broker-dealers. These broker-dealers may include certain affiliates of Deutsche AWM. Deutsche AWM will use these platforms to execute trades in equity and fixed income securities through such broker-dealers as well as to obtain data, research and other information provided by participating broker-dealers. In general Deutsche AWM does not pay fees to the vendor in connection with the licensing agreement entered into between the vendor and Deutsche AWM. The various broker-dealers pay the vendors to participate on the platforms.

Order Aggregation

Consistent with its best execution obligations, Deutsche AWM may aggregate multiple client orders for the purchase or sale of the same security on a trading desk and allocate such transactions on a pro rata or other fair and equitable basis.

Generally, the amount of securities to be purchased or sold for each account participating in the aggregate order must be designated prior to trade execution, except in situations of simultaneous trades, where trade orders and trade execution occur simultaneously. In such cases, the allocation must be made immediately after purchase according to pre-determined methodologies or procedures.

Any aggregated order that is not completely filled will generally be allocated on a pro rata basis to all accounts participating in the order. When an aggregated order is executed at more than one price over the course of a day, the executed transactions are allocated so that each account receives the weighted average execution price per broker and bears its pro rata share of the commissions, fees, and charges, to the extent reasonably practicable. In instances in which an additional order is received for the same security prior to the completion of the aggregated order, at the discretion of the trader Deutsche AWM will close out the remainder of the aggregated order and place a new order.

Certain orders (e.g., small orders for exchange traded equity securities) may be auto-routed to an electronic trading network for execution and therefore will not be aggregated with other orders. There may be instances in which other Deutsche AWM client orders for the same security are being placed through a broker. In those instances, the auto-routed and the direct orders may potentially compete against each other in the market. Prices and availability of a security may differ depending on whether an order was auto-routed or aggregated, and this may

result in certain client accounts receiving more or less favorable prices than the other client accounts in contemporaneous trades.

To the extent orders remain unfilled following allocation, the unfilled amount may be combined with subsequent orders in the security, if any, for allocation of subsequent transactions. If an order extends beyond a trading day, the same procedure is applied at the end of each trading day in respect of all trades entered into during the day. When Deutsche AWM determines that pro rata allocation is not appropriate under a particular circumstance, the allocation may be made based on other factors that Deutsche AWM deems fair and equitable to all clients.

Certain affiliated advisers of Deutsche AWM may utilize the Deutsche AWM trading desk to facilitate the routing and execution of their client orders. In such cases, consistent with its best execution obligations, the Deutsche AWM trading desk will execute these client orders along with Deutsche AWM client orders in the manner described above so as to treat all client accounts in a fair and equitable manner.

Selection of Broker-Dealers

DBIM generally does not select or recommend broker-dealers to its fund clients.

In the extraordinary event that DBIM engages in the activity of selecting a broker for a fund client, DBIM may consider various factors in selecting brokers or dealers, including, but not limited to:

- a broker-dealer's willingness to enter into difficult transactions, including transactions in which the broker-dealer's capital is put at risk;
- the size of the order;
- the facilities that the broker-dealer makes available (including trading networks and access to multiple floor brokers and markets);
- the broker-dealer's access to unique connections and intelligence or expertise in security ownership histories, which may allow the broker-dealer to effect difficult trades in less liquid, smaller capitalized, and more closely held issues;
- the broker-dealer's demonstrated ability to achieve the best net results on transactions in a particular sector or of a particular size;
- the broker-dealer's operational efficiency; and
- the broker-dealer's ability to complete the transaction satisfactorily through to clearance, confirmation and delivery.

Directed Brokerage

Clients may limit Deutsche AWM's authority by (i) requiring that all or a portion of the client's transactions be executed through the client's designated broker-dealer ("Designated Broker") and/or (ii) restricting Deutsche AWM from executing the client's transactions through a particular broker-dealer. In situations in which a client directs or restricts brokerage for their accounts ("Directed/Restricted Brokerage"), because the client has placed limitations on the selection of broker-dealers to execute Directed/Restricted Brokerage, Deutsche AWM may be unable to obtain best execution for such trades. Similarly, where a client directs Deutsche AWM to use a particular counterparty for swaps, OTC options, etc., Deutsche AWM may be unable to obtain best execution for such trades. Further, client orders subject to directed/restricted brokerage

may not be aggregated or "blocked" for execution with transactions in the same securities for other clients and may trade after aggregated trades and/or directed trades effected for other Deutsche AWM clients. As a result, these clients may pay higher commissions or receive less favorable net prices than would have otherwise been the case had the clients participated in the aggregated trading order.

Where clients have directed brokerage in place for their account and Deutsche AWM remains subject to best execution obligations, Deutsche AWM may aggregate those directed orders along with orders executed on behalf of other client accounts through the broker-dealer Deutsche AWM believes to offer the best execution for such transaction and, thereafter, instruct that broker-dealer to "step-out" or allocate a portion of the trades to the client's Designated Broker for billing and settlement.

In agreeing to follow a client's instruction to execute transactions for its account through a Designated Broker, Deutsche AWM understands that the client is responsible for ensuring that all services provided by the Designated Brokers are:

- Provided solely to the client's account and any beneficiaries of the account and are proper and permissible expenses of the account; and
- Provided in consideration for brokerage commissions or other remuneration to be paid.

With respect to such arrangements, the clients are responsible for determining whether they are in the best interest of the client's account and any beneficiaries of the account, taking into consideration the services provided by the Designated Brokers. Further, such arrangements must not conflict with any obligations that persons acting on behalf of the client's account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations those persons may have to obtain the most favorable price and execution for the account and its beneficiaries. Persons acting for the client's account must have the requisite power and authority to provide the directions on behalf of the account and must have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under applicable law or instruments governing the account.

Allocation of Investment Opportunities

DBIM and its affiliates have other investment advisory clients and investment vehicles and have discretion to allocate investment opportunities and dispositions fairly among all clients or accounts. DBIM may determine that an investment opportunity in a Portfolio Fund is appropriate for a particular fund client, or for itself, but not for another fund client. Situations may arise in which fund clients managed by DBIM or its affiliates have made investments that would have been suitable for investment by that fund client but, for various reasons, were not pursued by, or available to, the fund client. To the extent that DBIM, its affiliates or another client invests in Portfolio Funds, the ability of the fund client to invest in the same Portfolio Funds may be adversely affected by any limitation on availability of the investment. In addition, DBIM may be required to choose between a fund client and other clients in allocating investments in Portfolio Funds. In the event that a determination is made that the fund client and another client of DBIM and its affiliates should trade in the same investments on the same day, such investments will be allocated between the fund client and other accounts in a manner that DBIM determines in its discretion, provided that the fund client will be treated fairly and equitably over time. Circumstances may occur in which an allocation could have adverse effects on the fund client or the other client with respect to the price or size of securities positions obtainable or saleable.

Investments in Affiliated Funds

In accordance with the offering memoranda disclosure of certain fund clients, some of the Portfolio Funds into which DBIM may invest assets of a fund client may be affiliated funds (the term “affiliated funds” being defined as either being advised by an investment manager controlled by or under common control with DBIM, or having a substantial proprietary investment by DBIM). In the selection and termination of an affiliated fund, DBIM has a potential conflict of interest between its obligation to act in the best interests of the fund client and any interest it may have in generating advisory fees for itself or its affiliates or promoting such affiliated funds. A fund client's investment may enable an affiliated fund to commence operations or may increase the capital invested with such affiliated fund thereby making an affiliated fund more attractive to other investors (thus increasing the fees earned by DBIM and affiliates). DBIM's dealings with such affiliated funds (e.g., capital investment decisions and redemption decisions) will not be conducted at arm's length. To address these conflicts of interest, these affiliated funds are subject to the selection criteria described herein for affiliated funds, and generally require approval by an unaffiliated advisory board, which is composed of members unaffiliated with DBIM, who have the necessary expertise to evaluate the relevant transactions (the “Conflicts Advisory Board”).

Preferential Terms

DBIM, its affiliates, or accounts other than a fund client managed by DBIM may invest in Portfolio Funds on terms more favorable than those available to the fund client and as investors in such Portfolio Funds may act in ways adverse to the interests of the fund client.

Agency Transactions

DBIM is a related person of various broker-dealers through which it may execute agency transactions. To the limited extent DBIM engages in direct trading, DBIM has policies and procedures reasonably designed to ensure that agency transactions executed with these related broker-dealers acting as agent comply with applicable law. If any client portfolio transaction is executed with such related broker-dealers, the broker-dealers may charge a commission in connection with these transactions; however, the commissions must not exceed the usual and customary commissions that the broker-dealers would charge their own customers. DBIM will execute agency transactions on behalf of its clients with these related broker-dealers only if DBIM has determined in good faith that the client will receive best execution in the transaction, and only in compliance with applicable law. Executing transactions with affiliates of DBIM presents conflicts of interest, including that affiliates will earn fees with regard to such transactions.

Principal Trades

The only compensation currently received by DBIM for effecting securities transactions for clients is its advisory fees. DBIM has waived its right to performance based fees for its liquidating fund-of-funds clients. Subject to applicable law and consistent with its best execution obligations, DBIM may cause its clients to enter into principal transactions with related persons in accordance with Section 206(3) of the Advisers Act. In addition, DBIM may cause its clients to effect portfolio brokerage transactions with related persons of DBIM. All such transactions are effected on arms' length terms, and commissions paid are in line with those paid to non-

related broker dealers. It may be beneficial for a fund client to purchase from an affiliate rather than directly from a Portfolio Fund because a fund client can step into a reduced lock-up period or access an otherwise closed portfolio fund. In analyzing such principal trades, DBIM will have a conflict between acting in the best interests of the fund client and assisting its affiliate by selling or purchasing a particular security. DBIM seeks approval of principal transactions by the Conflicts Advisory Board. The Conflicts Advisory Board receives full disclosure of all material terms of the transactions, including the amount of compensation to be received or expected to be received by DBIM or an affiliate by virtue of such transaction.

Cross Transactions

DBIM may cause a client to purchase securities from or sell securities and interests in Portfolio Funds or securities to other fund clients or vehicles when DBIM believes such transactions are appropriate and in the best interests of a client. In the event DBIM wishes to cross Portfolio Funds or securities, it may effect such transactions by directing the transfer of the interests between clients or affiliates. In addition, DBIM may recommend that a client purchase or sell an investment that is being sold or purchased, respectively, at the same time by DBIM, or affiliate or another advisory client. Cross transactions involving client accounts will be conducted in accordance with DBIM's internal policies, which are intended to ensure that each account is treated fairly, and the transactions meet applicable regulatory requirements. Cross transactions are not permitted between any account deemed to comprise the Employee Retirement Income Security Act of 1974 ("ERISA") plan assets pursuant to regulations under ERISA and/ or governmental plans.

Among other things, DBIM's policies establish the pricing mechanism to be used in this context. In these circumstances, DBIM does not receive any additional compensation other than its advisory fee.

Agency Cross Trades

DBIM and its affiliates may, where authorized, execute agency cross transactions between clients and may receive commissions from both parties to such transactions when DBIM believes such transactions are in the best interests of the clients. A fund client may at any time, upon written notice to DBIM, revoke its consent to such transactions. Agency cross transactions will be effected by DBIM or its affiliates only to the extent permitted by applicable law.

Errors and Corrections

In accordance with its policy, any error that affects a Deutsche AWM client account must be resolved promptly and fairly, and in accordance with legal/regulatory restrictions and guidelines. All errors caused by Deutsche AWM which result in a loss to a client account must be reimbursed regardless of the amount. With respect to certain errors, Deutsche AWM may determine the amount of such reimbursement by offsetting losses against gains resulting from such errors to the extent permitted by Deutsche AWM's policies and procedures and applicable law. All errors are reported on a regular basis to Deutsche AWM management and/or Deutsche AWM Compliance.

Portfolio Fund Transactions with Affiliates

DBIM or its affiliates, including its brokerage affiliates, may invest in and have other relationships with Portfolio Funds in which a fund client invests that may give rise to potential conflicts. DBIM or its affiliates may, for example, enter into transactions, as principal, with any of the Portfolio Funds, including derivative transactions, or perform routine broker-dealer transactions. Other relationships may include, but are not limited to, providing seed capital, lending transactions in which an affiliate provides financing, serving as placement agent or prime broker, the provision of general financial advisory services to a Portfolio Fund, or the provision of infrastructure services relating to middle office or fund administration or corporate governance activities. Accordingly, DBIM may face a conflict of interest in evaluating investments in and withdrawals from Portfolio Funds (e.g., a withdrawal from a Portfolio Fund could adversely impact the business relationships between DBIM or its affiliates and such Portfolio Fund). In addition, situations may arise in which an affiliate believes that, to protect its own commercial interests, it may be necessary to take action with respect to a Portfolio Fund that may be detrimental to such Portfolio Fund (e.g., terminating a trading facility or foreclosing on collateral), and therefore inadvertently detrimental to the fund client of DBIM. DBIM or its affiliates may keep any profits, commissions and fees accruing to it in connection with its activities for itself and other clients, including such Portfolio Funds, and the fees payable from the fund client to DBIM will not be reduced thereby.

Material Non-Public Information

Due to the relationships described above, affiliates of DBIM may have access to material non-public information regarding the Portfolio Funds in which a fund client invests. DBIM will generally be unable to access such information due to confidentiality and information barriers. As a result, DBIM may make investment decisions that differ from those it would make if it had such access to such information. These decisions may result in a material loss to a fund client. DBIM's affiliates are not required to afford DBIM access to all relevant information they may possess. In the event that DBIM does receive such material non-public information, it may be prohibited from effecting transactions in a Portfolio Fund that it would desire to effect and thus incur losses. Further, by reason of the advisory, due diligence, committee participation and other activities of DBIM and its affiliates, DBIM or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. DBIM and its affiliates will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, DBIM may not initiate a transaction for a fund client account that DBIM otherwise might have initiated, and the fund client may be frozen in an investment position that it otherwise might have liquidated or closed out.

Underwriting

A Portfolio Fund may purchase investments that are issued, or the subject of an underwriting or other distribution, by an affiliate of DBIM. A Portfolio Fund may invest, directly or indirectly, in the securities of companies affiliated to DBIM or in which a DBIM affiliate has an equity or participation interest. The purchase, holding and sale of such investments may enhance the profitability of such affiliate's own investments in such companies. From time to time, due to regulatory requirements applicable to DBIM's related persons, DBIM may be restricted in investing in certain securities for its clients, due to such related person's participation in a securities offering or other financial advisory assignments.

Proprietary Trading

Affiliates of DBIM are major participants in the equity, fixed-income, global currency, commodity, derivative and other markets. As such, DBIM and affiliates are actively engaged in transactions in the same securities and other instruments in which DBIM or Portfolio Funds of DBIM's fund clients may invest. DBIM's affiliates are not under any obligation to share any investment opportunity, idea or strategy with the fund client or a Portfolio Fund. As a result, DBIM's affiliates may compete with a fund client and the Portfolio Funds for appropriate investment opportunities. DBIM's affiliates may also have material non-public information about an issuer in whose securities DBIM's client has invested and generally will not share such information with DBIM, the fund client or the Portfolio Funds.

DBIM, the managers of the Portfolio Funds, and their respective principals, affiliates, and employees may trade in the securities and derivatives markets for their own accounts and the accounts of their clients, and in doing so may take positions opposite to, or ahead of, those held by a fund client or such Portfolio Fund or may be competing with the fund client or such Portfolio Fund for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to the fund client.

The proprietary activities or portfolio strategies of affiliates of DBIM or the activities or strategies used for accounts managed by affiliates of DBIM for other customer accounts could conflict with the transactions and strategies employed by a fund client or a Portfolio Fund and affect the prices and availability of the securities and instruments in which the fund client or a Portfolio Fund invests. Issuers of securities held by Portfolio Funds may have publicly or privately traded securities in which DBIM's affiliates or DBIM are investors or make a market. The trading activities of affiliates of DBIM generally are carried out without reference to positions held directly or indirectly by DBIM or a Portfolio Fund client and may have an effect on the value of the positions so held or may result in affiliates having an interest in the issuer adverse to that of the fund client or Portfolio Fund.

In particular, various affiliates of DBIM are significant investors in Portfolio Funds for their proprietary accounts and to hedge derivative transactions linked to such Portfolio Funds. Such affiliates' investments in and withdrawals from such Portfolio Funds will be made in their best interests and without regard to the fund client's interests. DBIM may share information regarding Portfolio Funds with such affiliates and may receive referrals regarding such Portfolio Funds from such affiliates. DBIM observes "Ethical Wall" policies and procedures to manage potential conflicts of interest.

Counterparty Risk

Counterparty risk is the risk that a broker-dealer will not be able to complete a client's transaction, whether due to financial difficulties or otherwise, which may result in opportunity cost and/or loss of principal. While Deutsche AWM cannot guarantee the creditworthiness of brokers and counterparties, Deutsche AWM has a Credit Department which is responsible for assessing and managing counterparty risk in connection with client accounts of Deutsche AWM, including clients of DBIM.

Deutsche AWM has established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. It attempts to maintain exposure, for both credit and settlement risk, within levels that, in DBIM's judgment, are prudent with regard to the counterparty's financial resources. For certain transactions involving extended settlements, the Credit Department is involved in the negotiation of special agreements with certain broker-dealers.

In less-developed markets, there may well be a higher level of counterparty risk because broker-dealers may not be as well capitalized. In addition, there is often more limited and less reliable information about counterparties' financial condition, less regulatory supervision of securities markets, market practices that may require payment before delivery of securities, less automated clearance and settlement conditions, the uncertain enforceability of legal obligations, greater market volatility, and increased levels of sovereign and currency risk. In these markets, counterparty risk is generally managed by attempting to limit clients' exposure to a given counterparty at a given time, and by seeking to do business with well established counterparties. In these markets, the effort to attain best execution may also tend to increase counterparty risk, and Deutsche AWM will attempt to balance these factors when selecting a broker-dealer to execute client transactions.

Item 13 – Review of Accounts

Review of Accounts

Meetings of the Board of Directors or the Advisory Board (as appropriate) of DBIM's fund clients are held no less than annually. At such meetings, the Board of Directors or Advisory Board members or other applicable corporate governance functionary are presented with reports by the fund administrator, fund auditor, and DBIM concerning matters such as cash inflows and outflows, fund performance, changes in net asset value, financial statements, and service provider performance.

The Board of Directors or Advisory Board members are provided with the opportunity to direct questions to DBIM regarding matters pertaining to fund clients. The Board of Directors or Advisory Board authorizes the fund administrator to provide monthly (unaudited) and annual (audited) reports to the investors of the respective fund clients.

As DBIM's scope of responsibility is limited to providing specific discretionary services to the dbX-Markets clients, which does not include the selection of trading advisors or investment management services, it does not review dbX-Markets client accounts or financial plans.

Item 14 – Client Referrals and Other Referrals

In light of the liquidation of DBIM's fund of fund clients, DBIM is not currently seeking new investors for its fund clients or other referrals.

DBIM may still pay a portion of its management fees received from a fund client to placement agents and third party solicitors (both affiliated and unaffiliated with DBIM) in connection with the sale of units or interests in a fund client prior to the fund client's liquidation. The compensation will be made in accordance with requirements under the Investment Advisers Act. When required under law, the policies and procedures require regulatory disclosure of the compensation arrangement between DBIM and the non-affiliated referring entity. The compensation paid to any such entity will typically consist of a cash payment stated as a percentage of the advisory fee, but may include cash payments determined in other ways. Affiliates of DBIM, including Deutsche Bank Securities Inc. ("DBSI"), DWS Investment Distributors, Inc. ("DWS") and certain other affiliated entities, provide DBIM with technical sales support, client services to the distributors of various products, investor solicitation services. DBSI, DWS and such other affiliated entities may be compensated by DBIM for these services based on a percentage of the investment advisory fee charged to that investor.

In the past DBIM and/or its affiliates have also been referred advisory clients by unaffiliated consultants that are retained by clients or prospective clients. DBIM and/or its affiliates may have made cash payments to these consultants to participate in conferences sponsored by such consultants in order to, among other things, obtain information about industry trends and client investment needs. In addition, DBIM and/or its affiliates may have purchased products or services from these consultants or their affiliates. Such cash payments for conferences, products or services were not paid in connection with any advisory client referral by the consultants.

Item 15 – Custody

Fund Clients

With respect to its fund clients, DBIM is not deemed to have custody of the fund clients' assets.

The assets of DBIM's fund clients consist of interests in underlying Portfolio Funds and cash holdings. The interests in the underlying portfolio funds are maintained in book entry form, and the cash holdings are maintained at unaffiliated custodians.

Neither DBIM, its affiliates nor their respective employees serve as a member of the board or directors, trustee, general partner or managing member for the fund clients and DBIM has not otherwise been conferred the authority to deduct fees directly or to calculate/invoice fees. Rather, International Fund Services (Ireland) Limited, DB Alternative Fund Services, Deutsche Bank (Cayman) Limited, DB Fund Services LLC, DB Hedgeworks and Citco Fund Services (Ireland) Limited serves as the administrator to the fund clients and, pursuant to the Administration Agreement, calculates and pays the investment management fees.

Furthermore, the investment management agreement for each of the fund clients expressly provides that DBIM shall have no right to withdraw or possess any funds or securities from any account of the fund client except to transfer to another account held in the name of such fund client or to a broker or counterparty of the fund client.

dbX Markets Clients

DBIM does not hold, directly or indirectly, dbX Markets clients' funds or securities, or have any authority to obtain or possess them pursuant to the limited decision-making services it provides under the Commodity Pool Operator Agreement pursuant to which DBIM is appointed.

However, DBIM is deemed to have custody because certain "related persons" have custody, as follows:

- Deutsche Bank AG (London) or Deutsche Bank Securities Inc. serve as the prime broker;
- Cash accounts are held with Deutsche Bank Trust Company Americas; and
- Deutsche International Custodial Services Limited serves as the trustee to the dbX Markets Clients.

By virtue of the pooled vehicle exemption available under the SEC's Custody Rule, DBIM is exempt from an annual surprise examination by a Public Company Accounting Oversight Board ("PCAOB") Accountant. dbX-Markets sends its investors audited financial statements prepared by a PCAOB Accountant in accordance with US GAAP within 120 days following the fiscal year-end (or the date of liquidation) of such client.

dbX-Markets intention to obtain audited financial statements in accordance with US GAAP is disclosed in the form of dbX Markets client offering memorandum; and Deutsche International Corporate Services Limited has undertaken to use reasonable efforts to comply with this timing of delivery in the CPOA.

In the event DBIM is no longer able to comply with the pooled vehicle exemption requirements under the SEC's Custody Rule, it intends to rely upon the "operationally independent" exemption (i.e., where an adviser that is deemed to have custody solely because it uses a related person as a custodian for client assets but is "operationally independent" from the related person).

In addition, DBIM has received from Deutsche Bank AG (London) , Deutsche Bank Securities Inc. and Deutsche Bank Trust Company Americas, each a "qualified custodian" a SSAE 16 or equivalent report on its internal controls relating to the custody of client assets from a PCAOB Accountant.

Item 16 – Investment Discretion

Investment Discretion

With respect to its fund clients, DBIM has discretionary investment authority over the fund client's assets. DBIM determines the specific Portfolio Funds in which the fund client will invest and the amount of such allocation and controls the acquisition and disposition of interests in the underlying Portfolio Funds.

As a general matter, whether a decision to allocate or not to allocate (and, if so, in what amounts) is fair and equitable will depend upon the facts and circumstances, including the current overall portfolio composition, risk parameters, investment objectives, guidelines and restrictions, liquidity considerations, available cash, and legal restrictions. DBIM seeks to ensure that purchases and sales of hedge fund securities on behalf of its fund clients are allocated fairly and equitably among all of its fund clients in accordance with such investment objectives, guidelines, and restrictions, as well as certain policies and procedures adopted by DBIM. As a consequence, DBIM may determine not to cause a fund client to participate in a transaction for which it is otherwise legally and financially able to participate.

In making investment decisions, DBIM is guided by the investment policies and guidelines that are established at the inception of the adviser-client relationship. From time to time, DBIM may modify investment upon consent or notification, as applicable, to the fund client.

In connection with the liquidation of its fund clients, DBIM will regularly evaluate illiquid underlying Portfolio Fund positions to determine options to dispose of such illiquid positions given the expected timing and probable realization value of each illiquid position balanced against, amongst other things, the fund client's remaining portfolio composition and the projected expenses associated with keeping the fund client in operation

With respect to its arrangements with dbX-markets, DBIM is not responsible for the selection of trading advisors or the direct investment management of the dbX-Markets clients' portfolios and, accordingly does not advise them on specific investments.

Item 17 – Voting Client Securities

Voting Client Securities

DBIM has adopted and implemented proxy voting policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best economic interests of fund clients, as determined by the designee in good faith upon appropriate review.

Underlying Portfolio Funds may, from time to time, seek to revise their investment terms (e.g., liquidity, fees, etc.) or investment structure. In such event, the Portfolio Funds may require approval/consent from its investors to ratify the proposed changes. The following procedures detail further steps to be taken when voting such proxies on behalf of DBIM's fund clients.

- Consent notices and proxies ("Proxies") relating to proposed changes in the terms of Portfolio Funds are generally received by the fund administrator. All such Proxies are directed to a designated DBIM employee ("the designee"). After reviewing the proposed amendments, the designee will provide the original Proxy and a voting recommendation summary to both DBIM Business Management and the Chief Operating Officer ("COO") of the DB Advisors Hedge Fund Group ("DBAHFG");
- Compliance will determine whether the designee is conflicted by virtue of holding any interest in the underlying Portfolio Fund. In the event of such a conflict, the Proxy will be voted by the COO. In the event that Compliance determines the fund client is conflicted by virtue of any interests held by a DB affiliate in the underlying Portfolio Fund, the Proxy will be voted by the fund's independent Board of Directors, General Partner, or Trustee;
- Upon receipt of the Proxy, the designee charged with voting the Proxy will review the documentation for completeness and content;
- After consultation with both Legal and Compliance, the designee will provide written direction to the custodian and the COO, with respect to the voting of the Proxy; and
- The custodian will procure (directly or through the fund administrator or custodian as appropriate) the completion and submission of the Proxy and will request an executed copy of the consenting document(s). Executed copies will be maintained by the custodian for record-keeping purposes in accordance with the Deutsche Asset Management Proxy Voting Policies and Procedures, and made available upon request.

With respect to its arrangements with dbX-markets, DBIM is not responsible for voting proxies on behalf of its dbX-Markets clients.

Environmental, Social and Governance Issues

Deutsche AWM may incorporate environmental, social and governance issues ("ESG") considerations into both investment decisions and proxy voting decisions (also see the attached Proxy Voting Policy and Guidelines) – particularly if the financial performance of a company in which Deutsche AWM invests in on behalf of clients could be impacted. Companies or states in

which Deutsche AWM is considering such investment that seriously contravene internationally accepted ethical principles may be subject to heightened scrutiny.

The relevant chief investment officers and/or business heads of Deutsche AWM may implement such controls regarding socially responsible investment as may be deemed appropriate with the ultimate investment decision being placed with portfolio management, with approval as necessary by the relevant chief investment officer, chief operating officer or its designee, as applicable. Portfolio management decisions must always be made in the first instance in the best interest of our clients. Determinations regarding socially responsible investing are complex and will be made on a case-by-case basis. Deutsche AWM Portfolio Management may consider such factors in accordance with investment mandates and must always act in the best interests of our clients.

Deutsche AWM portfolio management may consider reputational impact to our prospective clients, or how such prospective clients might view these issues in making investment decisions. AM Portfolio Management, however, may not consider reputational impact to Deutsche AWM or the Bank for existing mandates or clients. Furthermore, the application of socially responsible investment considerations may differ greatly based on the region, type and preferences of a particular client or account and business line (i.e., Retail, Institutional or Insurance).

In addition, Deutsche AWM may be required to comply with controls regarding socially responsible investment implemented by affiliates of Deutsche AWM representing other businesses within the Deutsche Bank Group with respect to certain prospective investments. Such controls or requirements implemented by Deutsche AWM's affiliates will apply solely to prospective investments and will not impact existing investments made by Deutsche AWM on behalf of its clients at the time such Deutsche Bank Group ESG-related controls or requirements are effective.

All ESG related materials that are made available to the public or communications to the press or/media must be approved in accordance with existing Deutsche AWM Policies and Procedures.

Item 18– Financial Information

This section is not applicable.

Additional Disclosures

Anti-Money Laundering

For new and existing customer accounts, Deutsche AWM has a regulatory obligation to seek information regarding customers' identities, addresses, source of funds, and, if necessary, legal representatives, authorized signatories, beneficial owners or control structures and collect requisite documentation to substantiate the information. Also, enhanced anti-money laundering requirements require that should any of the above personal or institutional information change, clients must notify Deutsche AWM promptly of the change(s) and provide Deutsche AWM with relevant documentation to verify these changes.

Customer Identification Program

As part of its Customer Identification or "Know Your Customer" Program, before engaging in a transaction with a prospective customer, Deutsche AWM may request certain information and documentation from the prospective customer in order to (a) confirm the identity of such customer (and such customer's beneficial owners or control persons, if any) and (b) ascertain whether applicable anti-money laundering or trade sanction laws, rules or regulations prohibit us from engaging in the proposed transaction with such customer. Among other things, Deutsche AWM may check lists maintained by governmental agencies, including the Department of the Treasury's Office of Foreign Assets Control ("OFAC"), to determine whether the prospective customer (or such customer's beneficial owners or control persons, if any) appear on such lists.

Business Continuity

DBIM is committed to protecting its staff and ensuring the continuity of critical DBIM businesses and functions in order to protect the franchise, mitigate risk, safeguard revenues, and sustain both stable financial markets and customer confidence.

DBIM requires that every business unit develop, implement, test, and maintains appropriate, comprehensive, and verifiable Business Continuity and Disaster Recovery strategies and plans in compliance with the goals and planning assumptions as defined by the policy.

Legal Proceedings

Except as otherwise addressed in DBIM Policy or Procedure, or as specifically agreed to by DBIM (e.g., DBIM-sponsored funds), DBIM does not act on behalf of client accounts (including sub-advised accounts) in any legal proceeding involving assets maintained in (and/or transactions effected for) the account. "Legal proceedings" include, but are not limited to, class actions, insolvency filings, SIPC filings and settlement filings. If DBIM receives documentation relating to such a legal proceeding, DBIM will forward the documentation to the client and/or its trustee/custodian of record.

Privacy Notice

DBIM collects information about clients from account application forms and other written and verbal information that clients provide to DBIM. DBIM uses this information to process the client's requests and transactions (for example, to provide them with additional information about services performed, to open an account for the client or to process a transaction). In order to service the client account and effect transactions, DBIM may provide the client's personal information to firms that assist DBIM in servicing the client account, such as third party administrators, custodians and broker-dealers. DBIM also may provide client's name and address to one of its agents for the purpose of mailing account statements and other information about DBIM's products and services to the client. DBIM requires these outside firms, organizations, and individuals to protect the confidentiality of client information and to use the information only for the purpose for which the disclosure is made. DBIM does not provide customer names and addresses to outside firms, organizations, or individuals except in furtherance of its business relationship with clients, or as otherwise required or permitted by the law.

DBIM will only share information about clients with those persons who will be working with it and its affiliates to provide products and services to clients and to manage DBIM's relationship.

DBIM maintains physical, electronic, and procedural safeguards to protect our clients' personal information.

DBIM does not sell customer lists or individual client information. DBIM considers privacy fundamental to its client relationships and adheres to the policies and practices described below to protect current and former clients' information. Internal policies are in place to protect confidentiality while also allowing client needs to be served. Only individuals who have a business need to know in carrying out their job responsibilities may access client information. DBIM maintains physical, electronic, and procedural safeguards that comply with federal and state standards to protect confidentiality. These safeguards extend to all forms of interaction with DBIM, including the Internet.

In the normal course of business, clients give DBIM non-public personal information on applications and other forms, on DBIM websites, and through transactions with DBIM or affiliates. Examples of the non-public personal information collected are: name, address, Social Security number, and transaction and balance information. To be able to service client accounts, certain client information is shared with affiliated and non-affiliated third party service providers such as transfer agents, custodians, and broker-dealers to assist DBIM in processing transactions and servicing client accounts with DBIM. In addition, DBIM may disclose all of the information it collects to companies that perform marketing services on its behalf or to other financial institutions with which DBIM has joint marketing agreements. The organizations described above that receive client information may only use it for the purpose designated by the companies listed in the first paragraph of this Privacy Statement.

DBIM may also disclose non-public personal information about clients to other parties as required or permitted by law. For example, DBIM is required or it may provide information to government entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain circumstances, to law enforcement authorities, or at any time it believes it is necessary to protect the Firm.