



# DB Investment Managers, Inc.

## Form ADV Part 2A

July 11, 2018

345 Park Avenue  
New York, NY 10154  
Telephone number: 212-250-5500

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](http://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-**

This disclosure document (“the Brochure”) for DBIM is dated July 11, 2018, after the annual amendment dated March 29, 2018.

There have been no material changes to this document since the last annual update, dated March 31, 2017.

### Item 3 – Table of Contents

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## **Item 4 – Advisory Business**

DB Investment Managers, Inc. (“DBIM”) is a registered investment adviser with the Securities and Exchange Commission and has offered its products and services to clients, as a registered investment adviser, since 1991. DBIM is an indirect wholly-owned subsidiary of Deutsche Bank AG.

This brochure, including any brochure supplement, is intended for DBIM’s direct advisory clients. Investors in any DBIM-advised fund should rely solely on the fund’s prospectus or offering materials, and may therefore refer to this brochure, or any brochure supplement, for information purposes only.

DBIM is winding down its business and no longer accepting new clients or investors into its funds, and no longer engaging in new investing activities on behalf of its funds, which are in liquidation.

### **DBIM’s Fund of Funds Business**

DBIM furnishes investment advisory services to certain U.S. and non-U.S. unregistered pooled investment vehicle clients structured as “funds of funds,” which are hedge funds that are constructed by investing in other hedge funds (the “Portfolio 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”). The funds of funds to which it provides investment advice are 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 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.

### **Assets Under Management**

As of December 31, 2017, DBIM managed four (4) fund clients on a discretionary basis with assets under management of \$5,196,419.58.

## **Item 5 – Fees and Compensation**

### **DBIM’s Fund Clients**

DBIM provides investment advisory services to certain U.S. and non-U.S. unregistered pooled investment vehicles structured as funds 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.

## **Fee schedules, account minimums and payment arrangements**

As compensation for these investment advisory 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. 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.

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 \ 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 \ 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.

DBIM's fees are exclusive of other operational expenses associated with a fund client. Investors in the fund clients bear asset-based management fees and allocations at the 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.

## **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, 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 fees for its fund clients in liquidation.

## **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.

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.

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

### **Methods of Analysis, Sources of Information, and Investment Strategies**

DBIM is in the process of liquidating all of its client accounts, no longer engages in any active investment management strategies, and is no longer seeking or accepting new clients or fund investors.

### **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 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 follows liquidation procedures that outline the portfolio manager due diligence, portfolio oversight, sales of assets, and other operational processes.

### **Cybersecurity risk**

The computer systems, networks and devices used by DBIM and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses; interference with DBIM's ability to calculate the value of an investment in a Client account; impediments to trading; inability to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the

inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a Client invests; counterparties with which a Client engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

#### **Item 9 – Disciplinary Information**

DBIM has no disciplinary issues to report.

#### **Item 10 - Other Financial Industry Activities and Affiliates**

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. However, because DBIM is currently winding up its business and has very few fund investors left, this type of relationship is very unlikely.

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.

## **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 AG, London Branch has, from time to time, made proprietary investments in funds of funds for which DBIM serves as investment adviser, in connection with structured products.

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. DBTCA delegates investment discretion for two funds to DBIM as subadviser.

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.

Deutsche Bank (Cayman) Limited, an affiliate, provides custodial and administrative services to DBIM's pooled investment vehicles.

Deutsche International Corporate Services Limited (DICSL) is the Administrator's Agent of DB (Cayman) Limited. As an agent it performs Fund Administration Services, which covers Fund Accounting and Transfer Agency Functions. The relationship was established on October 2013.

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

### **Code of Ethics**

DBIM's Code of Ethics ("Code") imposes restrictions on the ability of DBIM's employees who are "Access Persons" as defined in the Investment Advisers Act to invest in securities that may be recommended or traded in DBIM 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 DBIM'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 DBIM 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 DBIM 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 five 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 to the Deutsche Bank Group 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.

DBIM's existing and prospective clients may obtain a copy of the Code upon request by calling their client service representative.

### **Gifts and Entertainment**

DBIM has policies and procedures in place, including the Code of Ethics, which prohibits DBIM employees from accepting gifts, entertainment, and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. Additionally, DBIM 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 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 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 DBIM. The policy also sets forth parameters with respect to entertainment-related expenses.

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

### **Participation or Interest in Client Transactions**

DBIM is owned by Deutsche Bank AG, a multi-national financial services company and therefore 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 DBIM 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 DBIM's clients.

DBIM has adopted a variety of policies, procedures and disclosures designed to address conflicts of interest arising between advisory accounts and the Firm's businesses. Pursuant to these policies, DBIM 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 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 DBIM's policy to mitigate such conflicts, and generally to disclose the types of conflicts involving related persons that may arise through this Form ADV or other disclosure document. A discussion concerning additional conflicts of interest involving related persons is set out in Item 11 – Participation or Interests in Client Transactions.

DBIM 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. Such 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 such affiliates and third party service providers in connection with these functions. DBIM delegates middle and back office functions to an affiliate that delegates middle and back office functions to State Street Bank and Trust Company.

DBIM acts as a fiduciary with respect to its asset management activities and owes its clients a duty of undivided loyalty. As a fiduciary, DBIM 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 DBIM's duty of loyalty. To minimize these conflicts, as a general matter DBIM employees associated with the investment process (including portfolio managers, research analysts and traders) have no contact with employees of the Firm outside of DBIM regarding specific clients, business matters or initiatives, unless permitted by internal procedures, or approved by business management and DBIM 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 DBIM's advisory accounts directly and indirectly invest. As permitted by and in conformity with applicable laws and regulations, DBIM'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 DBIM's advisory accounts will undertake transactions in securities in which the Firm makes a market or otherwise has direct or indirect interests. DBIM 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 may have a negative or detrimental effect on advisory client accounts managed by DBIM.

DBIM 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 DBIM 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 DBIM's clients may, as result, be less favourable. The investment results for DBIM's

clients may differ from the results achieved by the Firm and other clients of the Firm. In addition, results among DBIM clients may differ.

For a summary of the restriction of the flow of certain information between DBIM and other parts of the Firm, please see "Information Barriers" below. As noted, DBIM 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.

The investment activities of Deutsche Bank Group may limit the investment opportunities for DBIM'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. DBIM 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 circumstances which, in the view of DBIM, would require aggregation of such client account positions held elsewhere in the Firm.

### **Information Barriers**

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

Should DBIM come into possession of material, non-public information, DBIM has procedures that prohibit trading activities based on such information by DBIM for its clients and by DBIM employees. DBIM may not use material, non-public information by DBIM for its clients. These procedures and prohibitions may preclude client accounts 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 DBIM, 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; nor may they pass that information along to personnel within DBIM involved in the investment process (e.g., portfolio managers, research analysts and traders) for use in investment activities. DBIM has developed policies and procedures to monitor such circumstances.

There may also be periods during which DBIM 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 DBIM for effecting securities transactions for clients is its advisory fees. Related persons of DBIM may receive brokerage commissions, commission equivalents, fees associated with acting as an issuer's paying agent, spread and other fees in connection with brokerage services provided. See Item 12 for more details.

### **Portfolio Holdings Disclosure Policy**

DBIM has a responsibility to their clients and investors not to disclose non-public portfolio holdings information unless such disclosure is consistent with relevant laws and regulations and with the fiduciary duties of DBIM owed to their clients.

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

## **Item 12 – Brokerage Practices**

### **Research and Soft Dollar Benefits**

DBIM does not accept research in exchange for brokerage.

### **Order Aggregation**

DBIM does not 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.

### **Selection of Broker-Dealers**

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

### **Directed Brokerage**

Clients may not direct brokerage with respect to accounts advised by DBIM.

### **Allocation of Investment Opportunities**

DBIM is no longer seeking new investment opportunities on behalf of its clients.

### **Agency Transactions**

DBIM does not engage in agency transactions on behalf of its clients.

### **Principal Trades**

DBIM does not engage in principal transactions.

### **Cross Transactions**

DBIM will not engage in cross transactions/trades on behalf of its clients.

### **Errors and Corrections**

A trading error is defined as an error in the placement, execution, or settlement of a client's trade. Trade errors include improper trades resulting from incorrect information being given to, and fully accepted by, the executing broker; trades that are inconsistent with a client's or fund client's investment guidelines, DBIM Policy or Procedure, applicable laws and regulations, and operational errors that cause trading or guideline breaches. A trading error does not include, for example, a situation where DBIM invests in a particular investment that does not perform as expected. Operational mistakes which can be promptly reversed so as not to affect the client account also are not considered operational errors. In accordance with its policy, any error that affects a client account must be resolved promptly and fairly, and in accordance with legal/regulatory restrictions and guidelines. All errors caused by DBIM which result in a loss to a client account must be reimbursed regardless of the amount. With respect to certain errors, DBIM may determine the amount of such reimbursement by offsetting losses against gains resulting from such errors to the extent

permitted by policies and procedures and applicable law. All errors are reported on a regular basis to DBIM management and/or DBIM 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's affiliates are actively engaged in transactions in the same securities and other instruments in which the Portfolio Funds 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 observes "Ethical Wall" policies and procedures to manage potential conflicts of interest.

### **Item 13 – 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.

### **Item 14 – Client Referrals and Other Referrals**

In light of the liquidation of DBIM's funds of funds, DBIM is not currently seeking new investors or other referrals.

DBIM may still pay a portion of its management fees received from a fund client to placement agents (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 Distributors, Inc. (“DDI”) and certain other affiliated entities, provide DBIM with technical sales support, client services to the distributors of various products, investor solicitation services. DBSI, DDI 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**

The assets of DBIM’s fund clients consist of interests in Portfolio Funds and cash holdings. The interests in the Portfolio Funds are maintained in book entry form, and the cash holdings are maintained at an affiliated custodian.

Neither DBIM, its affiliates nor their respective employees serve as a member of the board or as director, 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, Deutsche Bank (Cayman) 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.

DBIM uses Deutsche Bank (Cayman) Limited for four (4) fund clients and is deemed to have custody under the Investment Advisers Act of 1940 (Advisers Act).

### **Item 16 – Investment Discretion**

#### **Investment Discretion**

DBIM has discretionary investment authority over its fund clients’ assets. The funds are all in liquidation, and DBIM controls the acquisition and disposition of interests in the Portfolio Funds.

In making investment decisions, DBIM is guided by the investment policies and guidelines that are established at the inception of the fund. 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 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

### **Item 17 – Voting Client Securities**

DBIM has proxy voting responsibility for an advisory account as indicated in the investment advisory agreement, or pursuant to other delegated authority.

DBIM has adopted a proxy voting policy and procedure (collectively, the "Proxy Voting Guidelines"). The Proxy Voting Policy includes specific proxy voting guidelines that set forth the general principles DBIM uses to determine how to vote proxies for issuers in client accounts for which DBIM has proxy voting responsibility. DBIM believes that the Proxy Voting Policy is reasonably designed to ensure that client proxies are voted in the best economic interests of clients and to ensure that material conflicts of interest are avoided and/or resolved in a manner consistent with DBIM's fiduciary duties under applicable law.

The Guidelines set forth standard voting positions on a comprehensive list of common proxy voting matters. Guidelines are monitored and periodically updated based on considerations of current corporate governance principles, industry standards, client feedback, and the impact of the matter on issuers and the value of the investments, among other considerations.

To avoid any conflicts, under normal circumstances, DBIM will vote proxies in accordance with the Guidelines or delegate to a third party to facilitate voting in accordance with the Guidelines. Any client proxy vote that is not addressed by specific client instructions, is not covered by the Guidelines, or is one in which DBIM believes that voting in accordance with the Guidelines may not be in the best economic interests of clients, will be evaluated and voted in accordance with the Proxy Voting Policy. In such circumstances, DBIM shall vote those proxies in accordance with what it, in good faith, determines to be the best economic interests of clients. Any proxy vote not covered by the Guidelines will be subject to prior review by the Conflicts of Interest Management Sub-Committee, established within DBIM, which will investigate whether there are any material conflicts of interest in connection with a particular vote. The Conflicts of Interest Management Sub-Committee will review, for example, whether DBIM has any known potential conflict of interest that can be reasonably determined, with the relevant issuer as well as whether any person participating in the proxy voting process may have a conflict of interest personally. In the event that the Conflicts of Interest Management Sub-Committee determines that there is a material conflict of interest, DBIM will either follow the proxy voting recommendations of an independent third party or will obtain proxy voting instructions from affected clients. It is possible that actual proxy voting decisions by DBIM may benefit DBIM other clients or businesses of DBIM or its affiliates. However, DBIM's proxy voting decisions are made in accordance with its fiduciary responsibilities and are independent of such considerations.

Clients can obtain a copy of the Proxy Voting Policy and Guidelines, or information about how DBIM voted proxies with respect to securities held in their account, by calling their client service representative.

It is the custodian's fiduciary responsibility to send clients proxy materials. If a client precludes DBIM from voting proxies on its behalf, the client is responsible for directing the custodian to send proxy voting material directly to the client or to a voting agent the client has selected to vote proxies on its behalf.

Clients who have delegated proxy voting responsibilities to DBIM may direct DBIM as to how to vote certain proxies on behalf of their accounts by contacting their client service representatives.

## **Item 18– Financial Information**

This section is not applicable.

## **Additional Disclosures**

### **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.

It is DBIM's policy that every unit of DBIM develops, implements, tests, 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.

### **Class Action and Legal Proceedings**

DBIM does not currently have any separate account clients and is not expected to have any separate account clients in the future. If it did have any separate account clients, its policy is not to act on behalf of client separate 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.

### **Know Your Customer ("KYC") and Customer Identification Program ("CIP") Policy**

To help the government fight the funding of terrorism and money laundering activities, U.S. laws require all financial institutions to obtain, verify, and record information that identifies each person and verifies the identity of each person who opens an account. KYC duties also mandate the on-going monitoring of relevant customer information.

Deutsche Bank Americas ("DBA") has established a US Bank Secrecy Act ("BSA") and Anti-Money Laundering ("AML") Compliance Policy ("Policy"), which applies to all Deutsche Bank ("DB") employees, all DB USA offices and all DB operations in the U.S., which includes, DBIM

KYC and CIP Policies are significant components of the Policy. DBIM is required to:

- Obtain at a minimum certain information such as an individual's name, address, date of birth and social security number and a driver's license, passport or other identity verification document. For Legal entities, it would include their formation documents and tax identification number. Information about the beneficial owners of legal entities may also be obtained
- Based upon its assessment of the level of risk, DBIM is allowed to collect as much information as it deems appropriate as well as request the source of funds and purpose of the investment
- KYC includes screening new and existing customers against Office of Foreign Assets Control ("OFAC") Embargo and Sanctions lists as well as the lists of persons and/or legal entities compiled by the US Department of Treasury pursuant to the USA Patriot Act and other lists such as the European Union Embargo and Sanctions list and the UN Embargo and Sanctions list
- KYC includes identifying customers unlawfully engaged in the Internet gambling business under Regulation GG, the Unlawful Internet Gambling Enforcement Act of 2006.
- KYC requires periodic review and update of a customer's KYC information and screening against appropriate lists
- A customer's refusal to provide KYC information can result in a decision to decline entering into a new client relationship or a decision to exit an existing customer relationship

### **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 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 us, including the Internet.

In the normal course of business, clients give DBIM non-public personal information on applications and other forms, on DBIM's 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.

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 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 Deutsche Bank AG.