



## Deutsche Bank Securities Inc.

60 Wall Street  
New York, NY 10005  
(212) 250-2500  
[www.db.com](http://www.db.com)

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This wrap fee program brochure provides information about the qualifications and business practices of Deutsche Bank Securities Inc. If you have any questions about the contents of this brochure, please contact us at (212) 250-2500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Deutsche Bank Securities Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Deutsche Bank Securities Inc. is an SEC-registered investment adviser. This registration does not imply any level of skill or training.

## Item 2 - Material Changes

There have been no material changes to the Form ADV Part 2 for the DBSI Corporate Cash Management Program since the brochure filed by Deutsche Bank Securities Inc. on January 16, 2015.

## Item 3 - Table of Contents

Item 1 Cover Page.....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Services, Fees and Compensation Introduction .....	4
Item 5 - Account Requirements and Types of clients.....	7
Item 6 - Portfolio Manager Selection and Evaluation.....	7
Item 7 - Client Information Provided to Portfolio Managers .....	8
Item 8 - Client Contact with Portfolio Managers.....	8
Item 9 - Additional Information.....	8

## Item 4 - Services, Fees and Compensation Introduction

Deutsche Bank Securities Inc. (DBSI, "we" "our" or "us") is a registered investment adviser and is also a registered broker-dealer. This disclosure brochure is being provided to you pursuant to Section 204 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and deals solely with the Corporate Cash Management Services offered by DBSI's Asset & Wealth Management division (also referred to herein as the "Services").

DBSI also provides other types of advisory programs and services that are described in separate disclosure statements. DBSI is an indirect, wholly-owned, nonbank subsidiary of Deutsche Bank AG. It is a member of the Financial Industry Regulatory Authority, Inc. and the New York Stock Exchange.

The information in this disclosure statement has not been approved or verified by any governmental or regulatory authority. The advisory services described in this disclosure statement are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency and involve risk, including the possible loss of principal.

DBSI personnel providing Corporate Cash Management Services are associated persons of DBSI in its capacity as an investment adviser and registered representatives of DBSI in its capacity as a broker-dealer.

In addition to the services provided by DBSI that are described below, DBSI may provide to its institutional clients proprietary published research that is not specially tailored for particular clients, as well as access to the research analysts who prepare that research. These services, which are paid for in cash by clients, may be offered to non-wealth management clients of DBSI and do not include any securities trading activity on a discretionary basis or otherwise.

### Description of Services

The Corporate Cash Management Account Program (CCM) is a wrap fee program, whereby DBSI provides certain discretionary investment advisory services to assist clients, which are generally corporations, partnerships, trusts or similar entities, in managing their assets based on the client's investment objectives, restrictions and relevant circumstances. DBSI generally manages assets with a view toward capital preservation, through investment in U.S. Government and Agency securities, commercial paper and other forms of corporate debt, bankers' acceptances, domestic and foreign certificates of deposit, municipal securities, preferred stock of closed-end investment companies and other money market instruments.

### Assets Under Management

DBSI's CCM had a total of \$479,972,662 discretionary client regulatory assets under management as of December 31, 2014.

### Fees

CCM fees are subject to negotiation. However, on an annualized basis, fees for new CCM accounts generally are as follows:

- 35 basis points (0.35%) of assets under management for accounts of less than \$50,000,000; and
- 30 basis points (0.30%) of assets under management for accounts over \$50,000,000.

For CCM accounts whose assets are custodied at Pershing, fees are debited monthly in arrears from client accounts based on one of the following options selected by the client: (1) based on month-end billable market value (including accrued interest); (2) based on average of the account's three month-end billable market values (including accrued interest); (3) same as (2), except that the dates used for the account's three month-end billable market values (including accrued interest) will be based on the account's corporate calendar; and (4) based on the average daily balance as the billable market value (including accrued interest). CCM accounts whose assets are not custodied at Pershing are invoiced on a monthly basis in arrears based on the same above options selected by the client.

Fees for services may be negotiated with each client on an individualized basis and may change over time. Additionally, in certain circumstances and upon negotiation with the client, related accounts may be aggregated for fee calculation purposes and a pro rata portion of the total fee will be charged to each such account or, upon negotiation with the client, may be charged to one or more of the client's accounts. Thus, some clients may pay more or less in fees than others for

the same or similar services depending, for example, on account inception dates, the number or value of related accounts, total assets committed to DBSI or a particular program, fee negotiation, fee waiver or the manner in which DBSI's services are obtained.

### **Other Costs**

Clients should consider that, depending on the level of the fee for the CCM Services, the amount of activity in the client's account, the value of the investment advisory and other services selected to be provided by DBSI, and other factors, the fee for such services may or may not exceed the aggregate cost of such services if they were provided separately. The combination of the services selected may or may not be available separately, or may require additional accounts, documentation and fees.

Clients should understand that wrap fee programs involve the provision of various services some or all of which are covered by a single, comprehensive fee, often based on a percentage of the value of the client's assets under management. Depending upon the rate of the wrap fee charged, the amount of account activity, the value of the services provided and other factors, the wrap fee may be more or less than the aggregate costs of the covered services if they were to be obtained separately and, with respect to brokerage, transaction-based commissions. However, the particular combination of services available or selected through a program may or may not be available separately, or may require additional accounts, documentation and fees.

The fees described herein do not cover transaction charges on trades effected through or with broker-dealers other than DBSI, mark-ups or mark-downs by such other broker-dealers, transfer taxes, margin interest, exchange fees, electronic fund and wire fees and any other charges not contemplated under the CCM Services. Clients may bear certain additional fees, including charges and taxes imposed by governmental authorities, self-regulatory bodies, transfer agents, and other outside entities with respect to securities transactions, including, but not limited to, redemption fees, transfer fees and any other charges mandated by law, regulation or organizations or exchanges of which DBSI is a member.

### **Mutual Funds; Other Trail Compensation**

Mutual funds may be purchased by the client either at net asset value with no sales load, or may, in certain circumstances, be purchased by the client at a price that includes a sales load, all or a portion of which may be retained by DBSI. The client also may incur a sales load or other charge in the event the client transfers fund shares out of a portfolio. DBSI may recommend that clients invest in (1) unaffiliated mutual funds or (2) mutual funds that are affiliated with DBSI because those funds are managed or administered by an affiliate of DBSI. With respect to all mutual funds, clients will pay DBSI the agreed-upon investment advisory fee and, in addition, will also indirectly pay to the mutual fund or its advisers or administrators (which may include affiliates of DBSI) any fees associated with the management, operations or distribution of the mutual fund, including but not limited to 12b-1 distribution fees, finder's fees, fees based upon fund management fees, custodial fees and any front-end or back-end load incurred with the purchase or sale of the mutual fund. Portions of any those fees may be shared with DBSI or its affiliates. The client, through its investment in a mutual fund, effectively pays its pro rata share of these mutual fund-based fees. The client is also responsible for all other expenses/fees associated with mutual funds (whether affiliated or unaffiliated). Expenses/fees vary with each mutual fund. Clients should read the prospectus of each mutual fund to get an accurate understanding of the mutual fund's fee structure.

In addition, DBSI may receive trail compensation in connection with sales of auction rate securities. DBSI may also receive from Pershing, LLC ("Pershing") all or a portion of administrative or similar fees that Pershing may charge to, and collect from, companies that are affiliated with mutual funds held by DBSI clients.

### **Agency Trades**

Unless the client agrees otherwise, all transactions will be executed through DBSI and the client will not be charged a commission for agency orders executed through DBSI. DBSI will not charge a mark-up or mark-down for any securities transaction conducted by DBSI on an agency basis for the client's account. If DBSI executes transactions through other broker-dealers, the client will be responsible for any expenses incurred in connection with such transactions, including, but not limited to, exchange fees, transfer taxes and commissions, mark-ups and mark-downs on securities transactions.

## **Principal Trades**

DBSI may, as principal, sell debt or equity securities to, or purchase such securities from, its advisory clients, as well as perform brokerage services for those clients. When acting in the capacity of principal, DBSI may be deemed to have a conflict of interest between the firm's financial interests and that of the client. Principal transactions will be executed and billed in accordance with applicable regulatory consent and disclosure procedures. Transactions in debt securities may be executed by DBSI as principal at a competitive market price including a mark-up or mark-down. DBSI, as well as the Client Advisor, will receive compensation for executing these transactions and such compensation is in addition to the advisory fee and, depending upon the number of transactions and the type of security, may substantially exceed this fee.

## **Agency Cross Transactions**

DBSI may effect agency cross transactions for advisory clients, meaning it may act as agent for the CCM client on the one hand and for the non-advisory brokerage client on the other hand. Such transactions may involve debt or equity securities. In acting in the capacity as agent, DBSI may receive commissions from the non-advisory brokerage client and may be deemed to have a potentially conflicting division of loyalties between DBSI's financial interests and that of the Corporate Cash Management client. All such transactions will be executed in accordance with applicable regulatory consent and disclosure procedures.

## **Custody and Execution Services**

Unless otherwise agreed, all transactions in the Corporate Cash Management Program will be executed through DBSI in the manner noted herein, and will be subject to best execution. Fees paid by clients for Services are exclusive of securities exchange fees, charges for securities transactions not executed through DBSI, or Pershing LLC (Pershing), and wire transfer and other costs and fees associated with securities transactions which may be imposed by organizations other than DBSI, including costs and fees that may be required by law.

In general, all accounts that participate in an aggregate transaction will participate on a pro rata, percentage or rotation basis. Additional allocation methodologies may be applied when mitigating factors render the standard allocation practice impractical due to client account restrictions. Adjustments in the number of securities acquired for or sold by a particular account may be made in order to meet certain requirements (for example, to maintain round lots, to fill to specific percentages and to avoid crossing certain ownership thresholds).

## **Syndicate Offerings**

Securities which are the subject of a syndicate offering will be purchased at the public offering price. However, DBSI will not exercise discretion with respect to syndicate offering purchases for the client's account. Corporate Cash Management clients pay an additional syndicate fee (included in the offering price), a portion of which may be payable to DBSI, to participate in syndicate offerings. Pursuant to regulatory requirements, certain categories of persons, including broker-dealers and their employees and affiliates, are not eligible to participate in initial public offerings. DBSI takes appropriate steps to comply with regulatory limitations on syndicate offerings and, especially, initial public offerings (or IPOs). IPOs which are "new issues," as defined in relevant rules established by the Financial Industry Regulatory Authority, Inc. (FINRA), will only be offered consistent with FINRA Rule 5130 (formerly NASD Rule 2790), which provides that broker-dealers, their affiliates and certain other persons ("restricted persons") may not be able to participate in new issues. Only accounts that are eligible under FINRA Rule 5130 to participate in profits and losses attributable to new issues ("eligible accounts") will be permitted to receive allocations of new issues; therefore, DBSI may elicit information from clients in order to determine whether the client is a restricted person and/or whether the client's account is an eligible account. Other persons, including officers and directors of public companies, may also be limited in their ability to participate in IPOs, including new issues. In connection with syndicate transactions, the client may be required to pay other syndicate fees.

## **Cash Sweep Vehicles**

DBSI may sweep clients' idle cash balances into affiliated funds, including affiliated or unaffiliated money market funds or products. Affiliated money market funds are advised by an affiliate of DBSI, and that affiliate receives a management fee from those funds for its advisory services. As with all mutual funds, the clients, through their investments in the money market fund are charged their pro rata shares of this fee. DBSI, advisory fee charges are based upon the client's total portfolio, inclusive of client cash balances. Clients that are "employee benefit plans" subject to Title I of ERISA or "plans" within the meaning of Section 4975(e)(1) of the Internal Revenue Code may not hold Firm-issued securities, inclusive of money market funds.

## **DBSI Client Advisors**

Client Advisors, as described below, generally receive a portion of the advisory fee and any other compensation derived by DBSI, from such introduced accounts. The amount of this compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services, and, therefore, the person may have a financial incentive to recommend the Corporate Cash Management Program over other programs or services.

## **Item 5 - Account Requirements and Types of clients**

In order to receive Corporate Cash Management Services, the client must open an account with DBSI by completing an Account Agreement and a Corporate Cash Management Account Investment Advisory Agreement. DBSI shall assign one or more Client Advisor representatives (each a "Client Advisor") to each account and such Client Advisor shall act as the client's primary contact with DBSI, and shall manage the client's account. As noted above, Client Advisors typically receive a percentage of the advisory fee that is payable by the client to DBSI, as well as a percentage of mark-ups and mark-downs on certain fixed income transactions.

Corporate Cash Management clients are generally public and private corporations, partnerships, trust accounts, charitable institutions as well as employee benefit plans. The minimum account size is generally \$10,000,000.

## **Item 6 - Portfolio Manager Selection and Evaluation**

DBSI offers discretionary, fee based CCM services through a select group of pre-approved Client Advisor teams. CCM Client Advisors must meet certain experience and qualification standards to manage accounts in the CCM Program. Prior to granting approval, DBSI considers each individual's experience, qualifications, compliance record, investment philosophy and other potential factors. In addition, CCM Client Advisors must adhere to the program's investment framework and guidelines. Investment guidelines provided by the client will supersede these program guidelines.

DBSI may remove and/or replace a CCM Client Advisor from the CCM Program without client consent. DBSI may replace a CCM Client Advisor who is no longer suitable for the client or the program due to issues affecting the CCM Client Advisor such as poor client service and failure to adhere to the Program's investment framework and guidelines.

DBSI provides the client with discretionary investment advice as to securities investments. The Client Advisor may also act as a broker for other clients who do not have investment advisory accounts, and on occasion, may act as a broker for clients who do have investment advisory accounts.

In most instances, the Client Advisor employs a capital preservation approach to portfolio management which entails examining risk-adjusted rates of return. The Client Advisor also takes into account factors such as current and CD equivalent yields, interest rate spreads and interrelationships, issuer and liquidity risk, market timing and economic, political and budgetary considerations. Additionally, DBSI subscribes to a number of outside research sources which are available to the Client Advisor. The investment strategy generally employed on behalf of Accounts is tailored on the basis of the client's individual needs and objectives, which may include client imposed restrictions on investing in certain securities or types of securities.

DBSI does not calculate composite performance for CCM Client Advisors.

### **Client Account Performance**

DBSI utilizes Clearwater Analytics, a web-based service that specializes in accounting and performance reporting for CCM clients. The service allows all CCM clients to access a full suite of reports on a daily basis using the most up-to-date information received from various independent data providers. Each client who utilizes Clearwater is provided online access to their account upon completion of the necessary documents. The client can generate daily, on-demand performance reports from this application. More information regarding Clearwater and its account reporting process is available upon request.

While DBSI believes the data provided by Clearwater to be reliable, we cannot guarantee its accuracy or completeness.

## **Types of Securities**

The types of securities utilized in Corporate Cash Management accounts include, but are not limited to: U.S. Government and Agency securities, commercial paper and other forms of corporate debt, bankers' acceptances, domestic and foreign certificates of deposit, municipal securities, preferred stock of closed-end investment companies and other money market instruments. With respect to certain of these securities, DBSI or an affiliate may be the issuer, sponsor, dealer, underwriter, investment adviser, investment manager or have a beneficial interest.

Client assets may also be invested in other securities of which DBSI or an affiliate of DBSI may be the issuer, sponsor or have a beneficial interest. These investments include, for example, certain structured notes and foreign currency investments. Affiliates of DBSI may receive compensation with respect to those investments in addition to the compensation paid to DBSI under the Corporate Cash Management Program. These investments will be made on a principal basis and are subject to disclosure and revocable client consent.

Certain investments made by a client in the Corporate Cash Management Program may not be insured by the Federal Deposit Insurance Corporation. Such investments are not deposits or obligations of a bank, nor are such investments guaranteed by any bank. Client assets are subject to investment risk, including the possible loss of principal amounts invested. DBSI does not guarantee a minimum level of performance by a Corporate Cash Management account.

## **Voting Client Securities**

Clients will assume responsibility for voting proxies for securities held in Corporate Cash Management accounts and making all elections in connection with any merger, acquisition, tender offer, bankruptcy proceeding or similar corporate action relating to securities held in the Account. DBSI will not advise or act for a client in any other legal proceedings affecting that client's account, including class actions.

## **Item 7 - Client Information Provided to Portfolio Managers**

When a client opens a CCM account, a copy of the client's executed CCM Agreement and Client Profile (or the information contained therein) is maintained by the CCM Client Advisor. CCM Client Advisors will periodically meet with the client to review the client's profile, financial situation, investment objectives and account restrictions to assess whether any changes in the client's circumstances, objectives or restrictions have occurred that could affect the management of the account.

In addition to the client Profile, which includes information regarding the client's financial situation, investment objectives and restrictions, DBSI may provide to affiliates of DBSI and to third party service providers (including Pershing) retained by DBSI and its affiliates, the client's identity, transactions and investments, including the results thereof, in connection with providing the Services to such client. At the time of opening a CCM account, and annually thereafter, the client will receive a copy of DBSI's Privacy Policy.

## **Item 8 - Client Contact with Portfolio Managers**

DBSI does not place any restrictions on contact between a client and a CCM Client Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

DBSI is required to disclose the following disciplinary events as they may be considered material to a client's or prospective client's evaluation of DBSI's advisory business.

### **Research Analyst Settlement**

In August 2004, the SEC, the NYSE, NASD Regulation (now FINRA) and DBSI agreed to a settlement in connection with a joint investigation into research analyst conflicts of interest at DBSI and several other large investment banking firms. The SEC filed a complaint (the "Complaint") against DBSI in the United States District Court for the Southern District of New York (the "District Court") in a civil action captioned Securities and Exchange Commission v. Deutsche Bank Securities Inc. DBSI executed a consent and undertaking in which DBSI neither admitted nor denied any of the allegations in the Complaint, except as to jurisdiction, but consented to the entry of a final judgment against DBSI by the District Court (the



"Final Judgment"). The Final Judgment, among other things, enjoined DBSI, directly or through its officers, directors, agents and employees, from violating Section 17(b) of the Securities Act of 1933 (the "Securities Act"), Section 17(b) of the Exchange Act, NASD Rules 2110, 2210 and 3010 and NYSE Rules 342, 401, 472 and 476. Additionally, the Final Judgment ordered DBSI to make payments of: (i) \$50 million, offset in the amount of \$25 million paid by DBSI pursuant to its agreements with state regulators in related proceedings; (ii) \$25 million to fund the provision of independent research to investors; (iii) \$5 million to promote investor education; and (iv) \$7.5 million in connection with allegations concerning Section 17(b) of the Exchange Act.

### **Market Timing Settlement**

In December 2006, the SEC and DBSI agreed to a settlement in connection with allegations by the SEC that a registered representative ("RR") of DBSI engaged in market-timing and late trading of mutual funds, and that DBSI had no procedures and systems to prevent and detect the RR's fraudulent conduct. The SEC alleged that the RR violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The SEC also alleged that DBSI violated Rule 22c-1, as adopted under Section 22(c) of the Investment Company Act of 1940, the RR aided and abetted DBSI's violations of Rule 22c-1, and DBSI failed reasonably to supervise the RR, with a view to preventing his violations of the antifraud provisions and Rule 22c-1 of the federal securities laws, pursuant to Section 15(b)(4) of the Exchange Act. Without admitting or denying the SEC's findings, DBSI agreed to be censured; agreed to cease and desist from committing or causing any violations and any future violations of Rule 22c-1(a), and agreed to pay \$202,835 in disgorgement and \$37,284 in prejudgment interest, plus a civil money penalty in the amount of \$202,835, for a total payment of \$442,954.

### **Initial Public Offerings**

In May 2004, DBSI paid a fine of \$481,000 and disgorged \$4.81 million in profits in connection with allegations that DBSI violated NASD Conduct Rule 2110 in connection with its allocation and sale of initial public offerings ("IPOs") from September 1999 through March 2000. The NASD found that DBSI received without inquiry \$4.81 million in unusually high agency commissions on listed agency trades from ten customers within one day of allocating IPO shares to such customers. DBSI received commissions set by these customers of up to \$1 per share to execute institutional-sized agency trades in listed securities. By receiving these payments from certain customers without inquiry while providing the customers with IPO allocations the NASD found that DBSI failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of NASD Rule 2110. DBSI neither admitted nor denied the NASD's findings.

### **Conflicts of Interest Disclosures in Research**

In July 2004, DBSI reported to the SEC, the NYSE and the NASD that it had experienced problems with its collection and processing of research report conflict disclosures. Specifically, during the period of July 2002 through July 2004, DBSI failed to include conflict disclosures on its published reports in violation of NYSE Rule 472(k). DBSI also violated NYSE Rule 476(a)(6) by engaging in conduct inconsistent with just and equitable principles of trade by publishing research reports without required conflict of interest disclosures and violated NYSE Rule 342 in failing to establish and maintain appropriate procedures and systems and establish separate systems of follow-up and review to adequately supervise the inclusion of required conflict of interest disclosures on published research reports and in connection with research analysts' public appearances. DBSI was censured and paid a monetary fine in connection with such activities amounting to \$950,000.

### **Prospectus Delivery**

In October 2007, the NYSE censured and fined DBSI \$1.25 million in connection with DBSI's failure to ensure delivery of prospectuses to customers who purchased securities and mutual funds, to deliver product descriptions to customers who acquired exchange-traded funds and to establish and maintain appropriate procedures of supervision and control with respect to these activities. As part of the settlement DBSI agreed to certify that its current policies and procedures are reasonably designed to ensure compliance with current federal securities laws and NYSE rules in these areas. DBSI neither admitted nor denied the NYSE's findings.

### **Auction Rate Securities**

In June 2009, the SEC brought an action in the U.S. District Court for the Southern District of New York. The SEC's complaint (Complaint) alleged that DBSI misled its customers about the fundamental nature and increasing risks associated with auction rate securities (ARS) that it underwrote, marketed and sold. The Complaint further alleged that DBSI, through client advisers, third-party marketing materials and account statements, misrepresented ARS to its

customers as safe, highly liquid investments comparable to cash or money market instruments, and that DBSI reinforced this perception by committing its own capital to support ARS auctions for which it served as the lead manager to ensure that those auctions did not fail. Without admitting or denying the allegations in the Complaint, DBSI consented to the entry of an injunction permanently enjoining it from engaging in violations of Section 15(c) of the Exchange Act. In addition, DBSI must offer to buy back ARS that were purchased from DBSI and that have failed since February 13, 2008 from retail customers, legal entities forming investment vehicles for family members, charities and certain small and medium-sized businesses. DBSI made such an offer to eligible customers, which offer ended on June 30, 2009. In addition, DBSI is required to make its best efforts to provide liquidity solutions to institutions and other customers not covered by the buyback. DBSI is also obligated, by June 30, 2009, to reimburse certain customers who took out loans secured by ARS for any interest paid in excess of the interest or dividends received on the ARS, or who sold their ARS below par. DBSI will submit progress reports until the end of 2009 detailing its progress with respect to these undertakings. Finally, DBSI agreed, until December 31, 2009, not to liquidate its own inventory of a particular ARS without making that liquidity opportunity available to its institutional and other customers holding the same ARS in their accounts and that have placed a limit order to sell such securities at the same price or better, or otherwise have informed DBSI of their intention or willingness to sell such securities at the same price or better.

### **Vonage Directed Share Program**

In September 2009 FINRA found that DBSI, one of three lead underwriters for the May 2006 initial public offering of the common stock of Vonage LLC, failed to establish supervisory procedures and systems reasonably designed to supervise the activities of a third party company to whom DBSI outsourced communications with DBSI's customers through a website developed by the third party company to administer Vonage's directed share program. While neither admitting nor denying FINRA's findings, DBSI paid a \$100,000 fine in connection with the matter. Pursuant to the terms of the settlement, DBSI will, among other things, provide restitution to eligible customers who provide DBSI with certain executed certifications.

## **Other Financial Industry Activities and Affiliations**

### **General**

DBSI is a registered broker dealer under the U.S. Securities Exchange Act of 1934 (the Securities Exchange Act), and is a member of the New York Stock Exchange and other principal exchanges in the United States. As such, it executes orders to buy and sell securities as agent; purchases and sells securities as principal; acts as a primary dealer in U.S. Government securities; structures, underwrites and deals in money market instruments, commercial paper, and municipal, asset-backed and corporate debt and equity securities; arranges private placements of securities; renders investment banking and other financial advice to corporate clients; and acts as an agent in the origination and sale of loans.

DBSI may perform advisory and/or brokerage services for various clients and may give advice or take actions for other clients that differs from the advice given or the timing or nature of any action taken for any client's account.

Clients should be aware that, when serving in the capacity of broker, DBSI may have an incentive to recommend investment products to the client based on commissions to be paid to DBSI or an affiliate rather than the needs of the client. Moreover, as a registered broker-dealer and market maker, DBSI may hold, as inventory or otherwise, securities owned by or recommended to clients, and may, consistent with DBSI's policies and procedures and applicable law, and as described below, engage, as principal, in transactions with such clients or act as agent for one or more clients, including in respect to transactions where DBSI (or an affiliate) recommended the transaction or executed the transaction pursuant to a grant of discretionary authority. Accordingly, clients should be aware that they have the option to purchase investment products recommended by DBSI through other brokers or agents not affiliated with DBSI.

DBSI and its affiliates offer a wide range of investment services to hedge funds, money market funds and other mutual funds. These funds and their affiliates may utilize brokerage or other services of, or pay referral fees to, DBSI or an affiliate thereof. DBSI may recommend and exercise discretion with respect to securities, including interests in hedge funds and mutual funds, in which DBSI, its associated persons and/or its affiliates may have a position or beneficial interest, or for whom it or its affiliates provide other services.

In connection with the provision of Corporate Cash Management Program services, DBSI and/or its affiliates may receive licensing fees from ETFs or their affiliates in connection with indexes underlying the ETFs. They may also receive fees from the ETFs and/or the mutual funds or their affiliates in connection with the promotion, marketing and distribution of the

funds. DBSI may elect to use ETFs or mutual funds advised by affiliates of DBSI. Affiliates of DBSI will earn management and other fees and other benefits (such as the ability to grow the size of assets under management, which may increase the attractiveness of the fund to other potential investors) through the use of affiliated ETFs and mutual funds in connection with the Corporate Cash Management Program services. DBSI and its affiliates also act or may act as authorized participants and market makers for a number of the ETFs that may be used in connection with Corporate Cash Management Program services. In these roles, DBSI and such affiliates earn transaction-based compensation in connection with the trading of the instruments. These affiliations may create an incentive for DBSI to recommend these ETFs.

### **Other Affiliations**

DBSI is a wholly-owned, indirect subsidiary of Deutsche Bank AG, a publicly traded company on the Frankfurt Stock Exchange. Among Deutsche Bank AG's internationally held direct and indirect affiliates and related persons are various other broker-dealers, investment companies, investment advisers and banking organizations. A complete list of the affiliates of Deutsche Bank AG is available upon request

Since Deutsche Bank AG, its affiliates, directors, officers and employees (the "Firm") are engaged in businesses and have interests other than advising DBSI clients, such other activities involve real, potential or apparent conflicts of interest in engaging in these activities outside of investment management, these parties may act in their own interest or in the interests of third parties other than DBSI's clients. 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 DBSI for its clients' advisory accounts. These are considerations of which advisory clients should be aware and which may cause conflicts that could be to the disadvantage of DBSI's advisory clients. 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 DBSI's clients.

Described below are related persons that DBSI has arrangements with that may be material to its advisory business. Employees of DBSI may be authorized to act on behalf of one or more of these entities. Additionally, employees of DBSI related persons may be authorized to act on behalf of DBSI. DBSI 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 DBSI and its affiliates may involve revenue sharing or joint compensation based upon each entity's activities for the client.

DBSI 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 DBSI's policy that DBSI 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 among advisory accounts or between advisory accounts and the Firm and/or personnel of the Firm, it is DBSI's policy to disclose their existence in general form through this Form ADV or directly to clients.

DBSI acts as a fiduciary with respect to its advisory activities and owes its clients a duty of undivided loyalty. As a fiduciary, DBSI 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 which could give the appearance of a conflict with DBSI's duty of loyalty. To minimize these conflicts, as a general matter, DBSI employees associated with the investment process (including portfolio managers, research analysts and traders) have no contact with employees of the Firm outside of DBSI regarding specific clients, business matters or initiatives, unless permissible by internal procedures, or approved by DBSI Compliance.

### **Broker-Dealers**

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

DWS Investments Distributors, Inc. (DIDI) is a registered broker-dealer under the Securities Exchange Act and is a principal underwriter for the DWS Funds supporting the DeAM retail distribution channel. DIDI also supports the DeAM institutional distribution channel, Absolute Return Strategies and RREEF America (real estate investment management) groups.

## **Investment Companies**

DeAM acts in an advisory or sub-advisory capacity to a variety of U.S. and non-U.S. investment companies for which DeAM or an affiliate acts as adviser, manager or distributor. In connection with these investment companies, certain DeAM employees may serve as directors, trustees or officers. Arrangements with respect to the sale of US registered investment companies are disclosed in each mutual fund's prospectus in accordance with the disclosure requirements under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The sale and distribution of other pooled investment vehicles not subject to the Investment Company Act is made in accordance with applicable law.

## **Investment Advisers**

With respect to arrangements with a related person who is another investment adviser, DBSI has investment advisory affiliates in Australia, England, Germany, Hong Kong, Ireland, Italy, Japan, Singapore, Canada, Luxembourg, Poland and the United States. The following DBSI investment advisory affiliates are registered with the SEC as investment advisers: Deutsche Asset Management International GmbH, DB Investment Managers, Inc., Deutsche Investments Australia Limited, RREEF America LLC, Deutsche Asset Management (Japan) Limited, Deutsche Asset Management (Asia) Limited, Deutsche Asset Management (Korea) Company Limited, Deutsche Asset Management (Hong Kong) Limited and Deutsche Alternative Asset Management (Global) Limited.

The following DBSI investment advisory affiliates are not registered with the SEC as investment advisers: Deutsche Asset Management (Australia) Limited, DWS Investment GmbH, Deutsche Asset Management Investment GmbH, DWS Investment S.A., Deutsche Investment Trust Managers Limited, Deutsche Asset Management (India) Private Limited, DWS Polska TFI SA, Deutsche Asset Management Canada LTD, Deutsche Investments (Luxembourg) S.A., Deutsche Asset Management Schweiz AG, Deutsche Bank Trust Company Americas, Gordon Knott, Far Eastern Asset Management Limited, Harvest Fund Managements, Deutsche Asset Management SA and Deutsche Asset Management (UK) Limited.

DBSI may have co-advisory, sub-advisory or participating affiliate relationships with affiliated advisers as required for proper management of particular client accounts and in accordance with applicable law. In addition, DBSI may participate in sub-advisory, co-advisory or other joint projects related to investment companies with institutions not a part of the Deutsche Bank group of affiliates provided such relationships comply with applicable law.

## **Banking Institutions**

The following banking institutions are related persons of DBSI:

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 DeAM and its affiliates. Deutsche Bank AG New York Branch, New York, NY is a branch office of Deutsche Bank AG.

## **Partnerships**

From time to time, DBSI or its 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 DBSI's client may be solicited to invest. Absent specific authority, DBSI does not exercise any discretionary authority with respect to client decisions to invest in such vehicles.

DBSI is an affiliate of Deutsche Investment Management Americas Inc., which serves as the administrator and/or adviser of several mutual funds, including the DWS Family of Funds and the Cash Reserves Fund Institutional. These funds may be offered to the brokerage and advisory clients of DBSI. These funds also may utilize the brokerage services of DBSI in connection with their portfolio investments.

# Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

## Code of Ethics

Pursuant to the requirements of the Advisers Act, DBSI has implemented a code of ethics (the "Code of Ethics"), which is available to Clients at any time upon request, and is designed, among other things, to manage potential conflicts of interest arising in connection with personal trading and to ensure that employee personal trading and knowledge of client transactions does not impermissibly disadvantage any Client's account. Pursuant to the Code of Ethics, employees working in connection with DBSI's investment advisory programs must, among other things:

- Receive prior supervisory approval before purchasing any securities in a private placement;
- Receive prior supervisory approval to serve on a board of directors of a publicly traded company;
- Receive prior supervisory approval to engage in certain other outside activities that may conflict with DBSI's obligations to its clients;
- Pre-clear all of their personal securities transactions in securities that are not exempt from the Code of Ethics;
- Not purchase a security pursuant to an initial public offering; and
- Disclose their securities accounts to DBSI upon hire and annually thereafter.

Additionally, Corporate Cash Management Client Advisors may not enter an order to purchase or sell a security or option thereon based upon knowledge of an impending client order or trade in the same security. If on the same day that a client transacts a trade in a security, the Corporate Cash Management Client Advisor enters any order for an Employee or employee-related account and receives a better execution than their client, the trade will either be corrected to provide the client order with the better execution terms, or the employee trade will be canceled outright. Any loss will be borne by the employee.

DBSI Client Advisors with discretionary trading authority over client accounts may not effect the purchase or sale of a security or option for an Employee-Related Account within one calendar day before or one calendar day after the same security or option is traded in a discretionary client account. DBSI Client Advisors are, however, permitted to aggregate their Employee-Related trades with the trades of client accounts where the advisor has discretionary authority.

Client Advisors may aggregate similar orders at the time of order generation for all investment accounts, including proprietary accounts under management (accounts in which DBSI, its affiliates, its directors, officers or employees or its affiliates' directors, officers or employees have a direct or indirect proprietary interest other than non-material interests acquired through normal course purchases). In the event that similar orders are not aggregated, clients may incur greater execution expenses than if the orders had been aggregated.

All employees are subject to personal securities reporting obligations. Employees are also required to disclose their securities accounts to the Firm upon hire and annually confirm the information.

DBSI has policies and procedures in place which prohibit DBSI employees from accepting or offering gifts, entertainment and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. The policies impose specific restrictions and require supervisory approval of certain gifts and entertainment. In general, the policies dictate that giving and receiving gifts or participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment is excessive or extravagant. The policies impose specific restrictions and require approval of certain gifts and entertainment.

Any employee who violates the Code of Ethics may be subject to disciplinary actions, including possible dismissal. In addition, any securities transactions executed in violation of the Code of Ethics, 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.

## Errors and Corrections

In accordance with its policy, any error that affects a DBSI client account must be resolved promptly and fairly and in accordance with legal/regulatory restrictions and guidelines. It is DBSI's policy to make the client whole with respect to any trade error losses incurred by the client and caused by DBSI. Depending on the circumstances, corrective actions may

include canceling the trade, adjusting an allocation and/or reimbursing the account. Any gains incurred when correcting a client account's trade error caused by DBSI are retained by the client.

### **Information Barriers**

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 DBSI's advisory accounts directly and indirectly invest. As permitted by and in conformity with applicable laws and regulations, DBSI's advisory accounts will invest in, engage in transactions with, or obtain services from entities for which the Firm performs or seeks to perform banking or other services. Additionally, it is likely that DBSI's advisory accounts will undertake transactions in securities in which the Firm makes a market or otherwise has direct or indirect interests. DBSI 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 accounts of DBSI.

DBSI 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 DBSI is purchasing or selling for its client accounts 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 DBSI's clients may, as result, be less favorable. The investment results for DBSI's clients may differ from the results achieved by the Firm and other clients of the Firm. In addition, results among DBSI clients may differ.

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

The Firm may come into possession of confidential, material non-public information particularly in connection with its commercial and investment banking activities. The Firm, including DBSI, has internal procedures in place intended to limit the potential flow of any such non-public information. Should DBSI come into any material, non-public information, DBSI has procedures that prohibit trading activities based on such information by DBSI for its clients and by DBSI employees. DBSI 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 DBSI, 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 DBSI involved in the investment process (e.g., portfolio managers, research analysts and traders) for use in investment activities.

## **Review of Accounts**

Investment performance and investment objectives and guidelines are reviewed with the client on at least an annual basis. Clients are encouraged to consult with their DBSI Client Advisors periodically to discuss their portfolios and account information and to report promptly any changes to their investment objectives, restrictions and guidelines.

As noted above, each client is provided online access to their account upon completion of the necessary documents. The client can generate daily, on-demand performance reports from this application. In addition, DBSI will also provide standard performance reports to the client upon request utilizing the same online application.

Clients that obtain custodial services through DBSI, receive a monthly account statement and transaction confirmations for trades executed through DBSI. In addition, those clients may elect to waive receipt of paper trade confirmations and accept trade confirmations in electronic form.

## Oversight and Advisory Personnel

The services described in this disclosure statement are overseen by the management of DBSI in general, and, principally, by William Seugling and Joseph Vinci.

William Seugling (born 1969) is a Managing Director and the Head of DBSI's Registered Investment Advisor business, where he is responsible for the development and management of products and services in the areas of Investment Advisory Programs. Before joining DBSI, Mr. Seugling was a Managing Director and Head of Solutions and Marketing for Morgan Stanley's Private Wealth Management group. In that role he oversaw more than \$30 billion of discretionary assets under management. Prior to Morgan Stanley, he was a Senior Research Associate for Greenwich Associates, focusing on risk management consulting programs. Mr. Seugling earned a B.S.B.A., cum laude, from Bucknell University. He holds the Chartered Financial Analyst designation and is a member of the New York Society of Security Analysts and the CFA Institute.

Joseph A. Vinci (born 1967) is a Director and Product Manager for Deutsche Bank's Advisory Solutions & Mutual Funds Group, Americas. In his role, Joseph is responsible for separately managed accounts (Adviser Select, Consulting Direct and Corporate Cash Management), mutual fund wrap (Fund Select), CA directed programs (Managed Select and NDA Select) and firm discretionary strategies (DB CIO Select, DB CIO Select Funds, DB Dynamic ETF Portfolio and DB Dynamic ETF Aggressive Growth Portfolio). His responsibilities also include oversight of mutual funds lines focusing on initial product launch, positioning and marketing to Client Advisors and Bankers. Joseph has over 20 years of experience in the financial services industry. Prior to joining DBSI in December 2006 he was a Program Manager supporting the sub-advised and dual contract managed account programs at UBS Financial Services Inc./PaineWebber. Joseph received a B.S. from New York University, Leonard N. Stern School of Business.

## Client Referrals and Other Compensation

DBSI may pay referral fees to affiliated or unaffiliated persons or entities that refer clients to the Corporate Cash Management Program. Such referral arrangements are designed to comply with applicable provisions of the Advisers Act. The fees paid to any such entity will typically consist of a payment as a percentage of the wrap fee program fee or as a percentage of assets under management.

## Withdrawal of Securities or Cash

Clients may withdraw securities or cash from their CCM account subject to any applicable provisions in the CCM Agreement or any agreement with their custodian for such securities or cash.

## Custodial and Clearing Services

Except as otherwise provided herein, client assets are held by, and transactions are cleared through, Pershing, which also acts as our qualified custodian. In addition, DBSI will settle securities transactions executed for the client's account, as well as provide clients with transaction confirmations and account statements with respect to securities transactions conducted for the client's account. DBSI has entered into a correspondent agreement with Pershing, which is an unaffiliated clearing firm, to execute and clear transactions for client accounts. Clients who receive account statements from us as well as from Pershing are urged to compare the account statements received from Pershing with those received from DBSI.

## Use of Assets as Collateral

In certain circumstances, the client may wish to enter into a loan agreement with DBSI and utilize assets in the client's CCM account as collateral for the loan. In these situations, the loan would not be used to acquire securities for the client's CCM account or for any other advisory account at DBSI. However, the loan may be used by the client to acquire securities in a non-advisory brokerage account (also known as a margin loan), or for purposes unrelated to the purchase and sale of securities (also known as a non-purpose loan). DBSI is not recommending that the client enter into the loan or suggesting, if the client determines to enter into the loan, that the client use DBSI or any of its affiliates as the lender. The client is responsible for independently evaluating whether the loan is suitable for it and its account, whether the terms on which

DBSI is willing to lend to the client are acceptable to the client and whether the loan will have adverse tax, investment, accounting or other implications for the client and the account.

At the client's election and assuming it is acceptable to DBSI, securities in the client's CCM account may be used as collateral for these loans using the values and haircuts provided by DBSI, in its sole discretion. DBSI may use different valuations for the securities in connection with any loan than those values reflected on your statements or for other purposes. The collateral values that DBSI provides may be materially different than the fair value of the instruments.

There are certain risks and conflicts of interest that arise when DBSI lends to a client against a pledge of the client's advisory assets, including: (i) DBSI receives fees and interest from the client in connection with the loan (which fees and interest may be substantially higher than those charged by other lenders); (ii) a situation could arise where the value of the account is zero and the client still owes money on the loan; (iii) the client will no longer have the benefit of segregation rights for its pledged assets but, instead, will grant DBSI full rights to re-hypothecate the pledged assets and use them in DBSI's own business, thereby increasing the client's credit exposure to DBSI upon an insolvency of DBSI to the extent that the value of the pledged assets are greater than the value of the loan; (iv) DBSI may force the sale of assets in the client's Investing Consulting account if the value of those assets falls below certain levels; (v) DBSI is not obligated to contact the client before selling assets to enforce its right under the loan and may sell the assets in any manner it chooses in its sole discretion, including for prices that are less than the value that the client believes the assets are worth or are not the best available; (vi) the client is not entitled to select which assets are liquidated to meet a margin call or satisfy a repayment requirement under the terms of the loan and DBSI may select assets for liquidation that the client wishes to retain, or that may be difficult for the client to replace, or that have a low tax basis and, thus, through the liquidation, create an adverse taxable event for the client; (vii) DBSI is entitled to require the client to provide collateral substantially in excess of statutorily required margin levels and to increase the amount of required margin in the client's CCM account at any time (including intra-day) without prior notice to the client; (viii) the client is not entitled to an extension of time on a margin call; (ix) the timing and sizes of sales by DBSI of securities in the account in connection with DBSI's enforcement of its rights pursuant to the loan might be different than if those securities were not used as collateral in connection with the loan; (x) the loan itself as well as the selling of collateral in the accounts by DBSI pursuant to the terms of the loan may negatively impact the performance of the account and, in the event of quick liquidations of securities pledged as collateral, may adversely affect the price of the underlying securities and, thus, the value of other accounts of the client; (xi) with respect to the loan and collateral, DBSI will act in the capacity of a lender and may take the actions described above, which may be in conflict with the client's best interests and with DBSI's role as an investment adviser to the client's CCM account including, without limitation, selling the loan to a third party that has no relationship with the client; (xii) since DBSI has not developed customer statements or performance reports that reflect the impact of the loans on a client's account, clients must review the different types of reports generated for their margin loan, their advisory account and any account in which the loan proceeds are reinvested to determine the impact of the loan on their investment performance, including material adverse trends; (xiii) DBSI or any person to whom it has transferred or sold the loan may call the loan at any time, even if such time is unfavorable to the client or the client does not, to the knowledge of DBSI or such transferee, have sufficient funds to repay the loan at such time; and (xiv) DBSI does not act as an investment adviser to the client with respect to any assets (including securities) which the client may acquire with the proceeds of the loan. In addition, to the extent that assets in a CCM account managed by a third party manager are used as collateral for a loan and DBSI is required to liquidate assets in that account to meet a margin call or satisfy a repayment requirement, that third party manager will not have any control or discretion over which assets DBSI selects to liquidate and the liquidation may adversely impact the manager's strategy.

DBSI will not notify the third party manager of the loan or of its liquidation of assets in the account due to actions taken in connection with a loan. In authorizing the use of margin and the entering into a loan with DBSI, the client will be: (i) deemed to consent to incurring the risks described above, (ii) deemed to consent to the conflicts of interest on the part of DBSI and its affiliates, including, without limitation, conflicts arising due to their dual role as lender and as investment manager for the client, and (iii) required to provide written representations, agreements and consents to DBSI, on which DBSI will rely in extending a loan, concerning a number of risks and conflicts, including those described herein, as well as representations regarding the client's sophistication, understanding of the role of margin, including that the use of margin increases the risk of loss to the client, and non-reliance on DBSI and its affiliates for advice regarding the loan.



## Privacy Policy

At the time of opening a CCM account, and annually thereafter, the client will receive a copy of DBSI's Privacy Policy. Additional copies of such Privacy Policies are available upon request.

## Terms of Agreement

DBSI may change the terms of the CCM Program at any time on 30 days' written notice to a client. DBSI or the client may terminate the services hereunder at any time, and in such case, the client will be refunded any prepaid fees, prorated to the date of termination.