

Private Wealth Management

Deutsche Bank

Outlook
4th Quarter 2009



The economic upswing gathers pace – but for how long?



Dr. Helmut Kaiser,
Global Chief
Investment Strategist

Dear Investors,

The global economic recovery is accelerating. The growth forecasts have been revised upwards again in almost all regions; Deutsche Bank now sees world economic growth at around 3.5 percent in 2010. The reasons: better financing conditions, a strong swing in the inventory cycle, and the effectiveness of the government economic stimulus programs. The key question now is whether private demand will fill the gap when the effects of the inventory cycle and the expansive fiscal policies are no longer as strong. The upswing is likely to weaken in the course of 2010 as the support programs are gradually phased out and monetary policy becomes less expansionary. The necessary reduction of fast-rising government debt is also a dampener on growth in the mid term.

A positive factor is the robust growth in many emerging markets which will contribute increasingly to world economic growth. Low capacity utilization and, on the whole, a fairly moderate upswing in the G7 countries should contain inflationary pressures and keep inflation rates low in 2010 as well.

While the central banks in the US and Europe are gradually reducing liquidity again in view of the stabilization in the banking sector and the economic recovery, rate hikes by the ECB and Fed can be expected at the earliest in the second half of 2010. The Fed will probably want to see private demand stabilize before tightening. We expect the ECB to make the first move.

The yields on long sovereign bonds have remained surprisingly low during the summer months despite the reduced risk aversion and the rally in equities. Nonetheless, the rising public-sector borrowing requirements in many countries will exert upward pressure on yields sooner or later, especially if the economic indicators surprise on the upside again. All the same, continued low central bank rates, moderate inflation, high global savings and weak credit demand in the private sector will keep the pick-up in yields relatively subdued.

A strong economic upswing, abundant liquidity and low interest rates are positive underlying conditions for a stock market rally.

The global rally that began in March continued in September, albeit with somewhat less momentum than in the summer. How much further can stock prices rise? This depends on to what extent the expected earnings improvement in 2010 has already been priced in. Other supporting factors are the expected inflows of funds into this asset class, the synchronous economic upswing in all regions, and the continued easy monetary policy conditions.

Developed Market Equities: A strong cyclical swing, abundant liquidity and low interest rates are positive fundamental conditions and point to further upside potential for equity markets in the US and Europe.

Emerging Market Equities: Despite the strong price gains already posted this year, the Asia region, Brazil and Mexico should still hold further potential on the back of buoyant domestic demand and the expected export recovery.

Fixed Income – Sovereign Bonds: Yields are anchored short term by continued low key rates and moderate inflation expectations. Better growth prospects and high public-sector borrowing requirements should lead to higher yields in 2010.

Fixed Income – Corporates/Credits: Despite the continued rally, the further potential for corporate bonds appears limited. The asset class is likely to be adversely affected once interest rates pick up. Hard currency emerging market bonds continue to be supported by the good fundamentals and high inflows of funds.

Cash & Foreign Exchange: We see no reversal of the weakening US dollar trend until there are clear signs of a departure from low interest rates and quantitative easing.

Real Estate & Infrastructure: While we consider a broad-based pronounced recovery in commercial property until into the year 2010 unlikely, some markets like the UK, for instance, are showing first signs of stabilization.

Commodities: Gold as a hedge against event risks in the portfolio. Low agricultural prices present favorable entry opportunities.

Private Equity: We consider the private equity strategies “distressed investing” and “mezzanine” attractive given the high refinancing and restructuring needs in the corporate sector.

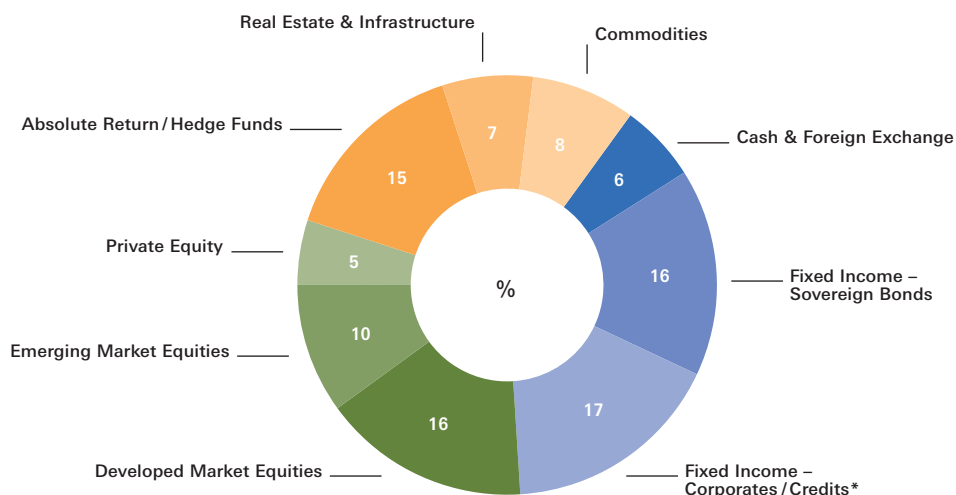
Hedge Funds: Hedge funds continue to be a firmly established part of the investment universe. Adding active trading strategies to the portfolio in the coming months is recommended.

Regards,

A handwritten signature in blue ink that reads "Helmut Kaiser". The signature is fluid and cursive, with the first name being the most prominent.

Asset Allocation and Market Performance

Global Investment Committee's current asset allocation



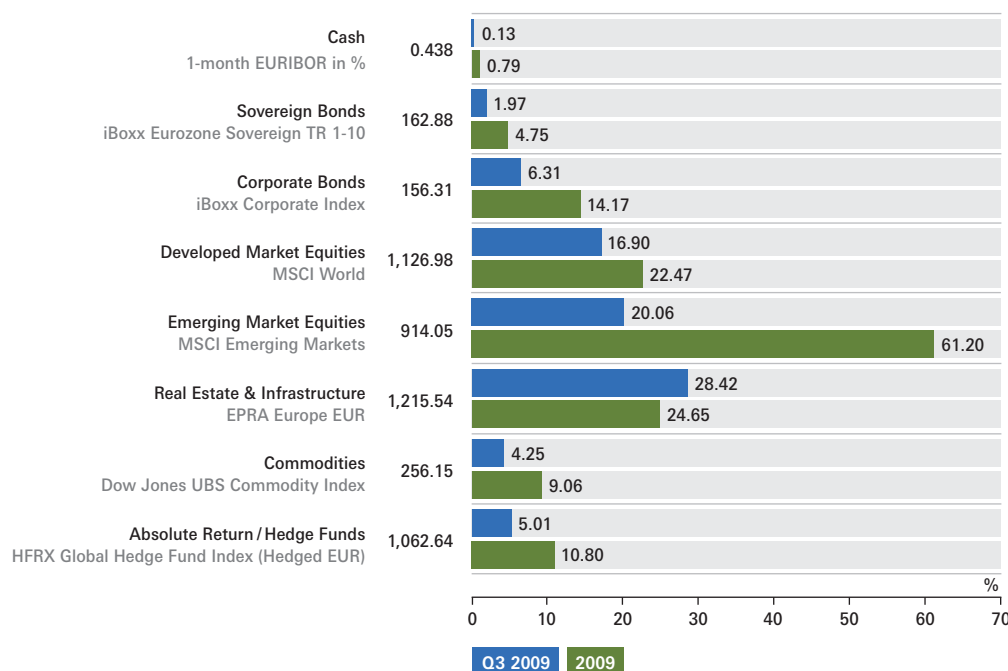
Restriction-free strategy based on the Global Investment Committee's asset allocation with the focus on capital protection and inflation-adjusted growth. The portfolio shown is a dynamic strategy reflecting our views of the global economy and capital markets. The portfolio structure is based on nine asset classes that are grouped under the broader categories of Equities, Fixed Income and Alternative Investments. Private equity is included under Equities to increase the flexibility for individual liquidity preferences.

*incl. bank bonds

Source: Deutsche Bank Global Investment Solutions

As of October 6, 2009

Quarter-on-quarter performance of individual asset classes (in local currency)



On the back of the strong economic recovery and the reviving appetite for risk opportunity-oriented asset classes such as equities and commodities posted further substantial gains in the third quarter. Emerging market equities again led the field. Corporate bonds also profited from the brightening economic environment and the high liquidity in the market. Sovereign bonds made modest advances against the backdrop of increasingly unattractive money market rates. Real estate and infrastructure continued to gain ground, supported by the government support programs and the economic recovery. Absolute return improved on its positive performance at the six-month mark in the third quarter.

Source: Bloomberg Finance LP

As of October 6, 2009

Wolfgang Stöhr

Positive earnings outlook leads to price gains

The developed equity markets, with the exception of Japan, posted strong gains again in the third quarter of 2009. Better-than-expected rising sentiment indicators worldwide and month-on-month improvements in real indicators such as new orders and industrial production signalled a marked economic recovery in the second half of 2009 and in 2010. The growing optimism this sparked among investors was reinforced further by better-than-expected company reports for the second quarter. The results released were still well down from the previous year, however. Equities profited additionally from the strong decline in bond yields, which significantly increased their relative attractiveness. At the end of the quarter some poorer-than-expected economic data and the upcoming third-quarter reporting season then led to a certain reserve among investors.

Better earnings situation gives a boost

The strong rally since March led, as usual on signs of an economic upturn, to a marked recovery of the, initially, still below-average market valuations. Further slight multiple expansion is likely. Drivers should be the high relative attractiveness of equities compared to other asset classes, especially bonds given still low market rates, and reviving risk appetite in view of investors' high liquidity. There is still room for higher earnings multiples especially in Euroland.

Besides valuation levels, we believe that earnings performance in the corporate sector is now moving more and more into focus as the main driver for the equity markets. Corporate earnings should pick up year over year from the current fourth quarter onwards and give an appreciable lift to equities. It is likely that,

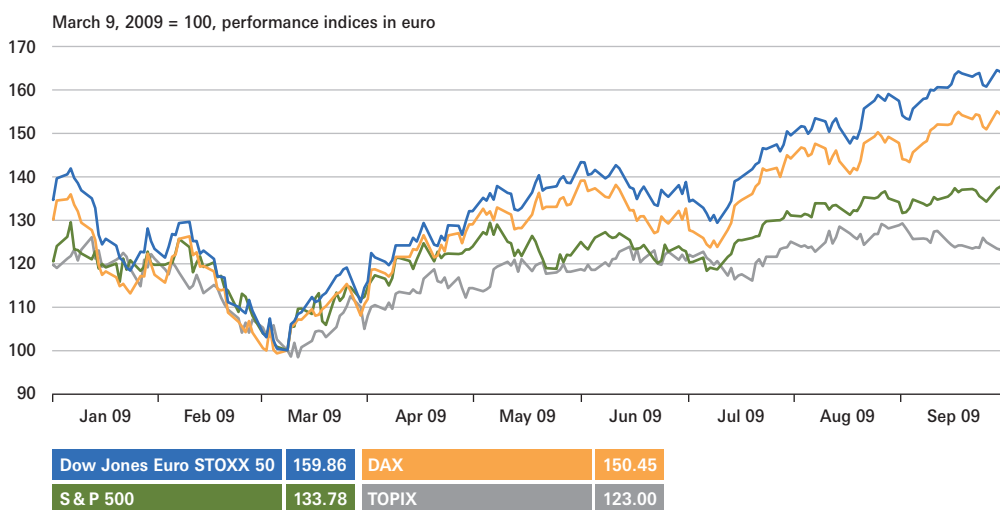
thanks to the sweeping fiscal and monetary policy support, the global economic upswing expected in 2010 combined with the restructuring and cost-cutting measures will result in disproportionately strong earnings growth in 2010. The positive earnings trend will be supported by rising capacity utilization as the economy picks up. The current consensus estimate of earnings growth of over 20 percent in the industrial countries looks feasible and is comparable with past earnings trends in the recovery phase after a recession.

More cyclical focus advisable

Some poorer-than-expected results in the upcoming third-quarter reporting season could unsettle investors again and lead to bouts of profit-taking. However, the reporting season as a whole should underpin the high earnings expectations thanks to generally positive company guidance on business development. Against this backdrop we recommend investments in developed market equities.

During the reporting season we favour the more defensive US equity market and the more cyclical and strongly financials weighted Euroland market. At the sector level, we recommend increasing the exposure to cyclicals in view of the economic recovery. The focus in the US should be on the energy and technology sectors and in Europe on industrials, media, travel & transport, and technology.

European equity markets strong outperformers since March thanks to the strength of the euro



The developed equity markets, with the exception of Japan, continued their upward trend that began in March in the third quarter. The markets in Euroland were the top performers with a gain of almost 20%. We expect further price advances for international equities in view of the favorable environment marked by rising corporate earnings and a strong global economic recovery in the coming quarters.

Sources: Deutsche Bank Global Investment Solutions, Thomson Reuters Datastream

As of October 1, 2009

Dr. Elke Speidel-Walz

Strong performance continues

The rally in emerging equity markets continued in September. Prices have risen 53 percent year to date (in euros). The macro-economic parameters remain positive: the **growth forecasts** for 2010 have been revised upwards again (see chart). A reversal of the interest rate cycle has, therefore, drawn closer but is not expected before 2010. However, even then interest rates are likely to remain at a level that is conducive to growth. The monetary policy reversal will probably begin in Asia because the recovery there is more dynamic, commodity prices have a high weighting in the inflation index, and asset prices (equities and property) are rising strongly.

Equity markets profit from buoyant domestic demand and expected export recovery

We see further upside potential on the whole for emerging market equities owing to the positive combination of rising local and global demand, low interest rates, low unit wage costs, and rising earnings. Almost all regions witnessed a rally during the summer months. **Eastern Europe** is profiting from the economic upturn in Western Europe. However, the domestic banking sectors are vulnerable due to rising credit default rates. Moreover, a negative effect is likely in the short term when the German automobile subsidies fall away. General weaknesses in the region: high debt and dependence on capital inflows.

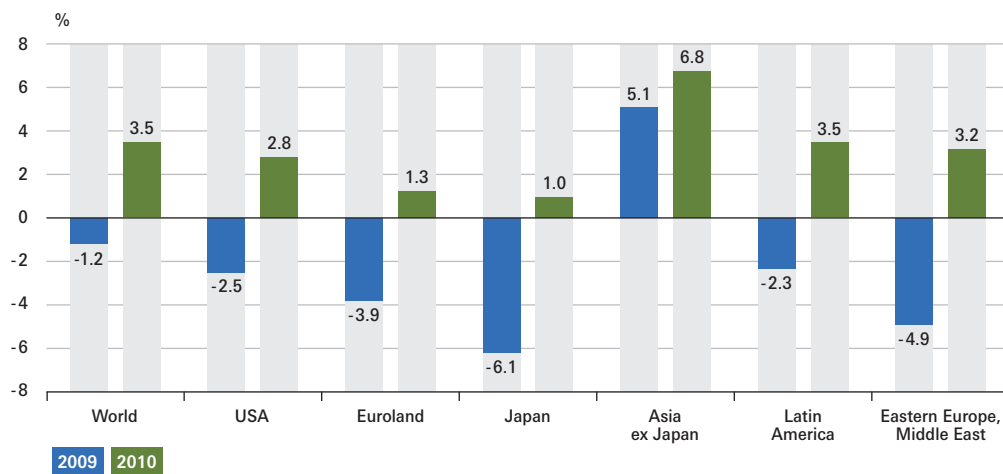
Asia and Latin America continue to be our favourite regions

Asia is where growth is the most dynamic, and the global export recovery should provide an additional boost in the coming months. Within Asia, the cyclically sensitive countries of **Taiwan, Singapore and Korea** are the most attractive in the near term.

The **Chinese equity market** took a breather in September after a steep rise since March. Growing new issuance is weighing on the market but we see further upside potential by the end of the year as the concerns over tightening liquidity are exaggerated, in our view. In **Indonesia** there are a number of arguments for the market's long-term potential: strong economic and earnings growth, room for lower interest rates, currently still the highest bond yields in Asia, and a more stable political situation. The equity market has largely priced this in and was the top performer in Asia this year. So there is the risk of setbacks in the very short term. For the **Indian equity market**, a weather-induced decline in agricultural production harbors the risk of a temporary setback but our view of the market mid term is positive. Monetary and fiscal policy should continue to provide support, even if rates are gradually tightened again. The financial and IT sectors are particularly attractive thanks to the benefits from G7 recovery.

In **Latin America**, the outlook remains positive for the coming months. This holds especially for **Mexico** where a 10 percent swing in GDP growth from 2009 to 2010 appears likely, in line with the strong growth expected in the third and fourth quarters in the US. In **Brazil**, the equity markets are profiting from the strong economic upswing but it is becoming increasingly probable that central bank rates will be raised again in the course of next year in view of the country's expansive fiscal policy. However, in the coming months the equity market should continue to benefit from higher earnings expectations and strong inflows of funds.

The emerging markets also head the field in the GDP forecasts



The emerging markets account for the bulk of world economic growth in 2010. In Asia (ex Japan) the economies have grown strongly even in the crisis year 2009.

Sources: Deutsche Bank Global Investment Solutions, Deutsche Bank Global Market

As of October 1, 2009

Dr. Konrad Aigner

Money market rates hold yields down

Money is extremely cheap at present; money market rates are at all-time lows. As little interest can be earned on cash, many investors are seeking alternatives that yield higher returns at slightly more risk. Inflows of funds into longer-term sovereign bonds have, therefore, picked up appreciably. Despite record new issuance of US Treasuries and a rally in equity markets, the yields on long government bonds have fallen in recent weeks. On 10-year maturities, we are approaching the 3 percent mark again in the US and the Eurozone. Besides the capital flows and the resulting favorable issuing results, other drivers behind the price gains in international bonds markets have been deflation fears, the quantitative easing measures by central banks and slightly weaker US economic data than expected in the financial markets, such as the labour market report and new orders.

Inflation-linked bonds fairly valued

Low capacity utilization and a modest economic recovery in the industrial countries will hold inflation rates down. Inflationary effects from higher energy prices should be only temporary. In this environment, inflation-linked bonds, which had performed better than nominal bonds of late, are therefore fairly valued, in our view. In light of our favorable short-term inflation outlook, we do not expect inflation-linked bonds to do better than nominal bonds in the coming weeks. We, therefore, advise investors to wait for more favorable entry levels for new investments.

Bond market environment not without risks

There are a number of arguments to suggest that yields on international bond markets will remain low for the time being. Both the US Fed and the ECB will probably leave their key rates

unchanged until well into next year. This will be an important support also for yields on longer-term government bonds. Low inflation rates, switchings out of money market investments that are earning little interest and economic uncertainties make a strong pick-up in yields appear unlikely for the present. Nonetheless, the environment is not without risks for investments in long government bonds. The transition from quantitative easing measures such as bond purchases to “normal” market conditions is not without risks and could trigger fairly pronounced movements in bond markets at times. The upward pressure on yields is also likely to increase as the economy picks up. Owing to the generally low yield level, the advantage of a slightly higher yield on longer maturities can be eroded very quickly by price losses. Investments in sovereign bonds are, therefore, not all that attractive at present from risk-reward considerations.

Outlook

After the strong falls in yields over the past weeks investments in sovereign bonds offer limited potential at present. Recently, there has been a trend towards longer maturities in new government bond issuance. Supply pressure is, therefore, likely to be a factor at the present price level. We expect to see slightly rising yields on both a 3-month and 12-month horizon. As central banks will leave their key rates unchanged at a low level and money market rates, therefore, appear well anchored, investors should align themselves to a slightly steeper yield curve and adopt a more defensive duration positioning.

Yields on 10-year government bonds



The yields on 10-year government bonds in the US and the Eurozone are both approaching the 3% mark. US yields have reacted more strongly to changes in the growth outlook and the yield gap has narrowed.

Source: Thomson Reuters Datastream

As of October 5, 2009

Matthias Pannhorst

Further potential limited in view of interest rate environment

The rally in corporate bonds has gained a little more momentum again of late. Higher-risk assets such as high-yield and emerging market bonds have done better than classic investment grade bonds in the past month. This is largely due to the generally still positive equity market trends, from which higher-yielding bonds usually profit more.

Although the positive trend in the market for corporate bonds has now lasted for more than six months and spreads have meanwhile returned to levels before the Lehman bankruptcy, they are still elevated compared to the average in earlier cycles. Growing appetite for risk, further stabilising economic fundamentals and, above all, sustained high flows of funds into bonds continue to provide a positive background, but further spread narrowing is likely to be much slower than in the second and third quarters of this year. Above all, in the present low-interest environment further price gains will depend increasingly on stable yields on sovereign bonds, especially US Treasuries. We expect to see rising capital market rates over the next twelve months, so the yields on corporate bonds could also come under pressure during that period.

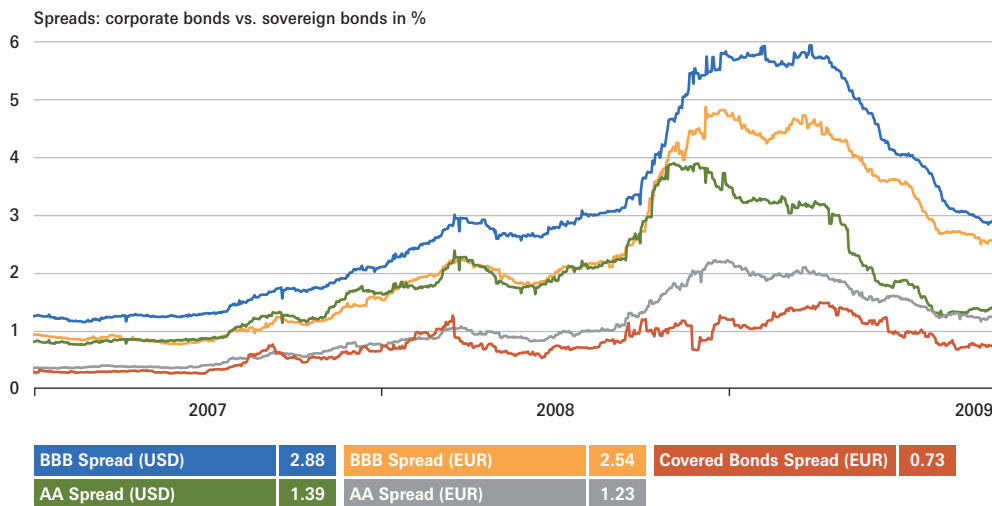
Government guaranteed bonds not an alternative to good corporate bonds

Within this asset class we continue to favour financials over non-financial corporate bonds. The spread narrowing is not as far advanced in the case of bonds from the financial sector. Moreover, this segment should receive additional support from the restructuring of banks' balance sheets, which is still in progress.

European covered bonds, too, should continue to be well supported, although the valuations in this segment are generally not cheap any more. Still, only about 15 billion of the 60 billion euros earmarked under the ECB programs for purchases of covered bonds have been used so far. Moreover, most of the government programs for the issuance of state guaranteed bonds are due to expire towards the end of the year. It appears very probable given the strongly reduced spreads that at least a large part of the refinancing forthcoming then at European financial institutions will be through covered bonds. However, even if the programs are extended, there will be less and less need for state guaranteed issues in view of the meanwhile much improved financing conditions. With this in mind, guaranteed bonds that are already in circulation hold attractions then more as an alternative to sovereign bonds.

In the emerging markets, we still consider hard currency bonds to be attractive. Spreads are currently around 350 basis points and should come down towards 300 basis points, although dollar bonds have already reached yields of around 25 percent this year. Local bonds (8 – 10 percent year to date) have catch-up potential and should be supported by the economic recovery, inflows of funds and stable currencies.

Rapid normalisation of spreads: pricing out depression scenarios



Corporate bonds have become more expensive again. The spreads on US bonds especially are now well below the levels in September 2008 when the investment bank Lehman Brothers had to file for bankruptcy.

Source: Bloomberg Finance LP

As of October 5, 2009

Matthias Pannhorst

Market sentiment and central banks are the shaping factors

While the four leading currencies, the US dollar, pound sterling, yen and euro traded fairly uneventfully during the summer months, their movements have become more pronounced in recent weeks. The US dollar and pound sterling have suffered losses, while the yen and euro have gained ground. Markets are reacting to the anticipated future interest rate environment and are already pricing in the expectation that the major central banks will probably start exiting their exceptionally expansive monetary policies – in other words both low interest rates and quantitative easing – at different times. This fact is likely to have a significant influence on the global currency landscape over the next twelve months until the economic upswing and monetary tightening come to converge more and more around the world next year.

USD expected to remain weak

We assume that the US Fed will start raising rates later than the other major economies. Over the past months, it has been repeatedly stressed that the Fed is preparing an exit strategy but that it is not very likely that it will be implemented in the near future so as to avoid stifling the still very fragile recovery. The US dollar continues to be burdened by high liquidity and low interest rates. The dollar's anti-cyclical character still holds, so a positive market environment will probably continue to have a negative effect on the currency. We do not expect a lasting turnaround in the US dollar until a real reversal of the quantitative easing is in the offing.

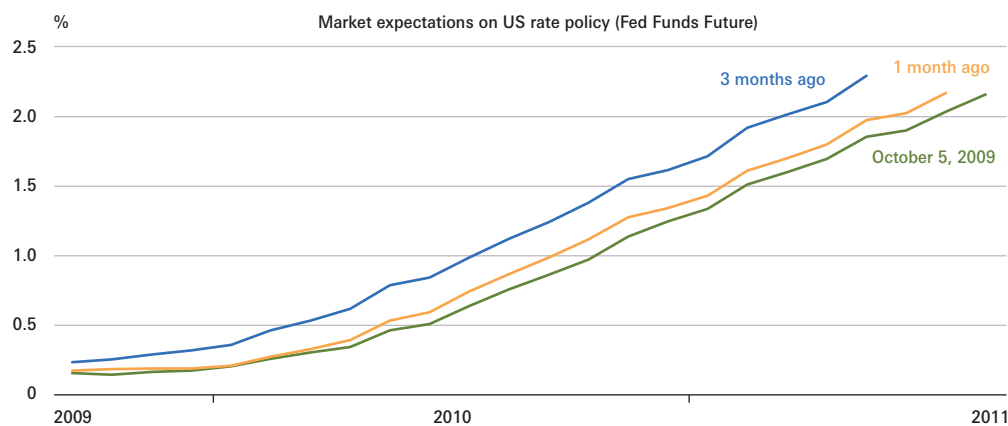
The pound sterling has come under renewed pressure of late after official indications became public that a weak currency would not be unwelcome in the present economic situation. Further rate cuts – even from the already historically low level of

currently 0.50 percent – are also under discussion. We see rates of around 0.95 EUR/GBP as a long-term buy opportunity but would warn that sentiment for the pound sterling continues to be very fragile. In view of the fact that inflation in the UK is still at a comparatively high level – the last figure was 1.6 percent annualized yoy for August – a crucial factor will be how far the Bank of England can continue to pursue its inflation-focused mandate and prevent price escalation in future.

The yen profited from the now explicit statement that the new Japanese government wants to pursue a less interventionist policy in currency matters than in the past. Other positive factors for the yen are the continued downward convergence in global inflation rates and the general interest rate environment. Real interest rates in Japan are currently around one percent, while in the US they are still well into negative territory. So, coupled with our moderately negative dollar outlook, there should be further downward potential for the USD/JPY rate, also below the 90 mark, through to the end of the year.

A risk scenario for the yen would be if the flow of funds into carry trades were to pick up appreciably again. After all, a sustained switch from JPY into USD as a financing currency is hardly likely at present because the rate increases in the tightening cycle, once it has begun, should be much smaller in Japan than in the US.

Rate tightening expectations recede further into the future



The expectations regarding Fed tightening reflected in the term market have receded further and further into the future in recent months. We expect a first rate hike at the earliest in the second half of 2010.

Dr. Eric Jahn

Commercial property: still no broad-based recovery as yet

Despite isolated rays of light, there are still no signs of a broad-based recovery in the commercial property markets. Although the market prices of commercial properties on long-term lease in prime locations should not fall significantly, vacancy levels will probably rise further in many areas and keep rental rates under pressure into next year because the commercial property markets are likely to continue to suffer from the generally low absolute level of economic activity and new completions. Furthermore, in the past, commercial property markets have responded to economic trends with a time lag.

Refinancing risk remains

The still high refinancing risk is another factor burdening developments in commercial property markets. So far, the scale of forced sales on the commercial property market has been lower than originally feared as many lenders have been willing to restructure problem loans. The generally more conservative lending standards compared to the years before the outbreak of the crisis and the difficult restructuring of securitized loans, where there are a great many creditors, harbour a persistent risk given the high refinancing requirements.

Signs of stabilization on individual markets

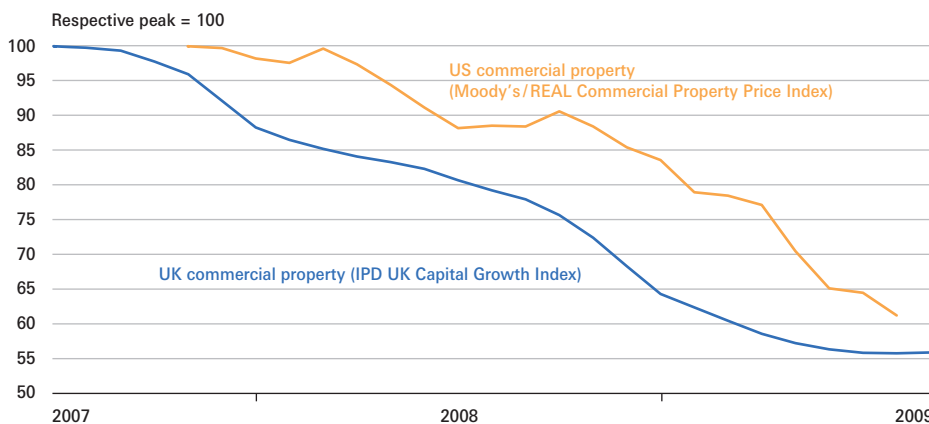
Despite the generally weak fundamental environment and the continued refinancing risk, some commercial property markets have shown first signs of stabilization. For instance, the marked rise in initial yields following the strong price fall on the commercial property market in the UK has revived interest in core investments – high-quality properties on long-term lease in prime locations – especially in central locations in London. Nonetheless, in

the third quarter the volume of transactions on the British market was well down from the levels in the years 2004 to 2007. While the UK market, too, is unlikely to see a major recovery before 2010/11, currently high initial yields, averaging over 7 percent, provide a certain buffer against a further moderate deterioration in rental rates and vacancy levels. Similarly positive trends as on the UK or London market can be seen also in other locations such as the inner city of Paris. However, the stabilization is confined in almost all cases to core investments with solid tenant demand.

Continue to operate defensively

We advise investors to continue to operate defensively in the commercial property markets. This means concentrating on core investments in prime locations with sustainable rental income, even though the competition for such properties has already picked up in many places. To diversify location risks, investments should be spread as broadly as possible. We also advise caution in the case of property stocks, as the rally since March has lifted valuations very strongly while the underlying property markets have generally not shown any major signs of recovery.

Development of UK and US commercial property prices since their respective peaks



Since their peak in June 2007, British commercial property prices fell by about 44% through to the end of August 2009. At the end of July 2009, US commercial property prices were down almost 39% from their peak in October 2007. The British market has shown signs of stabilization of late.

Sources: Bloomberg Finance LP, Deutsche Bank Global Investment Solutions

Moody's/Real as of July 31, 2009; IPD as of August 31, 2009

Dr. Konrad Aigner

Weak spell

With the exception of gold, precious metals and certain agricultural goods, commodity prices fell in the third quarter. The fact that in the same period most equity indices (except Japan) posted double-digit gains suggests that in the third quarter companies were still largely running off stocks, adjusting capacities and restructuring. In these circumstances, the demand for commodities remained weak. A global economic upturn, as we expect next year, is, therefore, an important precondition for a revival of demand and a broad-based price rally in the commodity markets.

Uncertainty caused by debate over regulation

In the wake of the financial market crisis, regulatory changes are being discussed in the US that to some extent also involve trading in commodities futures. This might have unsettled market participants, because the nature, scope and consequences of these changes are difficult to predict. As the physical trading of commodities would not be affected, this might cause demand to shift to the physical markets. Commodities that are not perishable and can be stored well, such as gold and oil, could possibly profit from these shifts.

Solid demand for gold

The fundamental environment for gold continues to be very favorable. There is little competition from cash and time deposits as alternatives at the moment as they offer poor returns. As a real asset and safe-haven metal, gold provides protection in times of economic and geopolitical uncertainty. It is still unclear whether the unprecedented scale of monetary and fiscal policy stimulus can be guided back down successfully in an ordered manner without political errors. The demand for gold among financial

market investors in the form of certificates and ETFs (exchange traded funds), which had surged during the financial market crisis, is, therefore, likely to continue.

High oil stockpiles

Despite comparatively high stockpiles, the oil price has been trading in a range between USD 65 and 75 per barrel for some time. The International Energy Authority (IEA) recently revised its demand forecast for 2010 upwards, and we expect the oil price to rise as the economy recovers and demand picks up again.

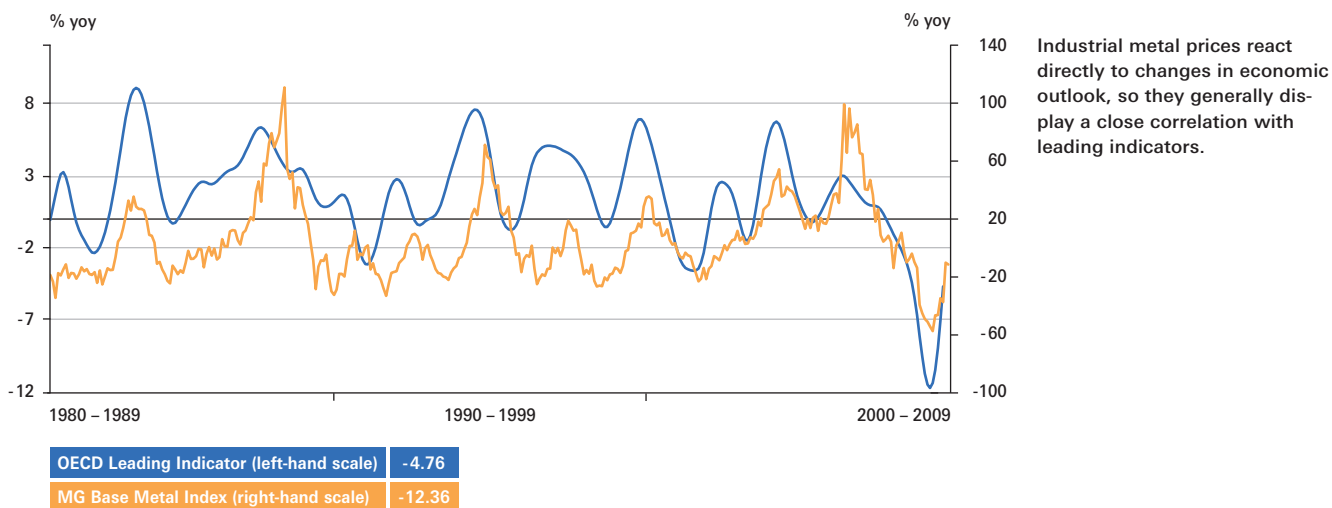
Demand for industrial metals from China has subsided

China took advantage of the low prices to build up its industrial metals reserves in the second quarter. This boost to demand subsided in the third quarter, but prices should still be well underpinned on the downside at the present level. Mining companies have cut back their production capacities in the crisis, so prices can be expected to rise again as the economy picks up.

Mixed trends in agricultural commodities

Sugar is currently a good example of the effect that weather-induced disruptions in supply can have on prices. The sugar price (sugar futures contract No. 11) has more or less doubled since the beginning of the year. Cereal prices, on the other hand, have declined due to the good growth conditions and harvest yields in the northern hemisphere. In the coming weeks, the focus is likely to shift from the supply situation to the demand dynamic and the still low level of global stockpiles.

OECD Leading Indicator and Metal Prices



Sources: Deutsche Bank Global Investment Solutions, Thomson Reuters Datastream

As of September 15, 2009

Dr. Eric Jahn

Deal flow remains weak

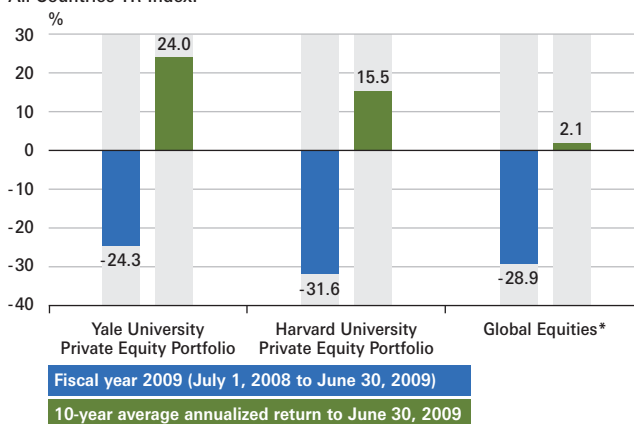
The global volume of private equity deals in the first nine months of this year was 67 percent lower than in the same period last year. As the limited availability of leveraged loans, which is one of the main reasons for the decline, is likely to persist for the foreseeable future, we assume that larger private equity transactions will not play a significant role in the fourth quarter either.

Corporate restructuring and financing attractive

However, this does not mean that there are no attractive investment opportunities for private equity firms in the present market environment. At the moment, instead of larger buyout deals, private equity firms are focusing on corporate financing (especially mezzanine finance) and restructuring (distressed investing) given that the need for refinancing and restructuring in the corporate sector remains high and access to subordinated debt is still difficult. Moreover, in the wake of the financial crisis negotiating power has shifted from borrowers to lenders.

Harvard and Yale private equity returns on comparison

Although well into negative territory in the past fiscal year, the private equity portfolios of the Harvard University and Yale University endowment funds still show attractive returns for the last ten years that have significantly beaten the performance of global equities on the basis of the MSCI World All Countries TR Index.



*MSCI World All Countries TR gross Index; all returns in USD

Sources: Bloomberg Finance LP, Deutsche Bank Global Investment Solutions, Harvard University, Yale University
As of June 30, 2009

Hedge Funds

Dr. Dirk Steffen

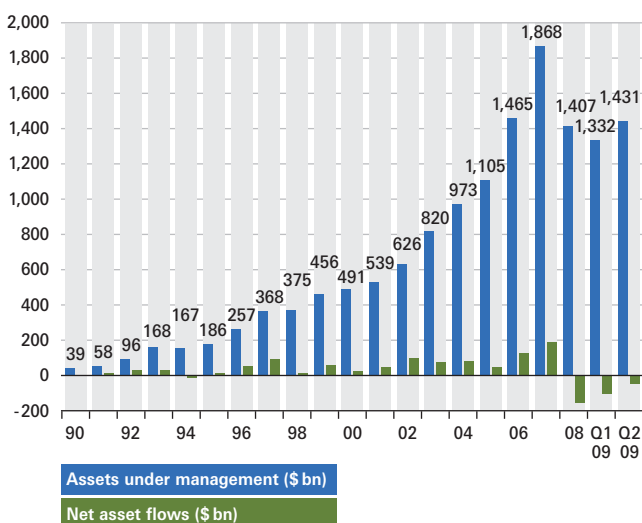
Hedge funds still firmly established in the investment universe

One year on from the Lehman crisis, comparative calm has returned to the financial markets. This holds for hedge funds as well. A look at the development of hedge fund assets shows signs of stabilization, characterized by positive performance and declining outflows of funds. New investments can be expected to follow, and sustained growth in assets under management would be the consequence. Still, this does not mean that there will be an instant return to the "old" hedge fund industry. The industry has responded quickly to changed customer needs. More liquid and more closely regulated investment vehicles are now being successfully offered.

Adding active trading strategies to the portfolio recommended

When it comes to balancing a portfolio's opportunities and risks, many investors currently face the following dilemma: low yields on sovereign bonds but high perceived risks for equities despite relatively good prospects for the asset class. We, therefore, advise a substantial exposure to active trading strategies with a moderate risk profile. Diversified hedge fund investments can be one way to cover this part of the asset allocation.

Hedge fund assets slightly up again



Sources: Deutsche Bank Global Investment Solutions, HFR

As of July 2009

Deutsche Bank
Private Wealth Management
280 Park Avenue
New York, NY 10017

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