

FINAL TERMS



for Hedge Fund Linked Certificates

Deutsche Bank AG

Up to 100,000 Hedge Fund Certificates relating to the DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series)

Issued under its TMX-markets Hedge Fund Certificate Programme

Issue Price EUR 1,000 per Hedge Fund Certificate

WKN: DB0PUQ

ISIN: DE000DB0PUQ5

The issuer (the "**Issuer**") of the securities described in this document is Deutsche Bank AG, London Branch, incorporated under the laws of Germany.

The Issuer is authorised to and may issue securities relating to fund shares and/or fund units and/or unitised account units and/or other securities and/or other assets as part of its general banking business (set out in article 2(1) of the Articles of Association of Deutsche Bank AG), including under its X-markets Hedge Fund Certificate Programme (the "**Programme**").

The Issuer has determined to issue up to 100,000 Hedge Fund Certificates (the "**Securities**") relating to the DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series) specified above upon the product conditions in Section VII A of this document (the "**Product Conditions**") and the general terms and conditions set out in Section VII B of this document (the "**General Conditions**", which together with the Product Conditions shall be referred to as the "**Conditions**"). References to the term "**Underlying**" shall be construed as references to the DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series) of the Fund specified above. A description of the Underlying is set out in detail in the section entitled "Information relating to the Underlying" below.

The Issuer has a right of substitution and a right to change the office through which it is acting, subject as provided in General Condition 8.

Application may be made to list the Securities, at the discretion of the Issuer, on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF, which is not a regulated market for the purpose of Directive 2003/71/EC. However, no assurance is given by the Issuer that any such application will be made. The Securities will not be admitted to the regulated market of any exchange.

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and should consider the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Securities should refer to the "Risk Factors" section of this document. The Securities will represent unsubordinated, unsecured contractual obligations of the Issuer which will rank *pari passu* in all respects with each other.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons defined as such in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of certain restrictions on the sale and transfer of the Securities, please refer to the General Selling and Transfer Restrictions section of this document.

The Base Prospectus is dated 8 January, 2007 (the "Base Prospectus") and provides information with respect to various types of financial instruments which are capable of issue under the Programme. This document constitutes Final Terms (the "Final Terms"), in relation to the Securities only, of the Base Prospectus and is dated 15 June 2007.

Deutsche Bank

IMPORTANT

Subject as provided in section VII.C "Information relating to the Underlying – 2. Prospectus of the Fund", the Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No dealer, salesman or other person is authorised to give any information or to make any representation other than those contained in this document in connection with the offering or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Agent. None of this document and any further information supplied in connection with the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this document or any further information supplied in connection with the Securities should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the risks involved in an investment in the Securities. Neither this document nor any other information supplied in connection with the Securities constitutes an offer by or on behalf of the Issuer or any other person to subscribe for or purchase any Securities, i.e. no subscription agreement or purchase agreement may be effectively concluded in connection with Securities by way of unilateral statement by or on behalf of the subscribing or purchasing party.

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. The Issuer does not represent that this document may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering. Accordingly, the Securities may not be offered or sold, directly or indirectly, and none of this document, any advertisement relating to the Securities and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes must inform themselves about, and observe, any such restrictions. Please refer to General Selling and Transfer Restrictions contained in the section entitled General Information contained in this document, and the additional information contained in the section "Country Specific Information" attached hereto.

This document may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about beliefs and expectations. Any statement in this document that states intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of the Issuer. Forward-looking statements therefore speak only as of the date they are made, and the Issuer undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Securities to differ materially from those contained in any forward-looking statement.

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I. SUMMARY

The information set out below is a summary only and should be read in conjunction with the rest of this document. This summary is intended to convey certain of the essential characteristics and risks associated with the Securities and the Issuer in relation to the Securities and does not purport to be complete. It is taken from, and is qualified in its entirety by, the remainder of this document, including the Conditions, which constitute the legally binding conditions of the Securities as attached to the global security. Accordingly, this summary should be read as an introduction to the document, and any decision to invest in the Securities should be based on consideration of the document as a whole.

Prospective investors should be aware that where a claim relating to the information contained in this document is brought before a court, the investor making the claim might, under the national legislation of the respective EU member state, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches to the Issuer who has tabled the summary including the translation thereof and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the document.

Defined terms used in this Summary have the meaning given to them in the Product Conditions of this document.

A. SUMMARY OF RISK FACTORS

Risks relating to the Securities. The Securities may decline in value and investors should be prepared to sustain a total loss of their investment in the Securities.

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange, interest rate, market volatility and economic, political, regulatory and other risks.

An investment in the Securities is intended to provide a return linked to the Underlying which comprises shares or units in a hedge fund. Investing directly or indirectly in hedge funds is generally considered to be particularly risky and involves special considerations not typically associated with investing in other securities. These include the fact that hedge fund investments tend to be particularly volatile and that hedge funds tend to invest in complicated markets using highly sophisticated financial instruments and high levels of leverage.

Prospective purchasers should therefore be experienced with respect to transactions in instruments such as the Securities and in investments in hedge funds or investment products linked to hedge funds.

Prospective purchasers should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial, tax and other circumstances, (ii) the information set out in this document and (iii) the Underlying. They should understand the risks associated with an investment in the Securities and in particular should familiarise themselves carefully with the Risk Factors set out in Section II below. In addition they should consider all information provided in the Registration Document with respect to the Issuer and consult with their own professional advisers if they consider it necessary.

Prospective purchasers should note that they are exposed to the creditworthiness of the Issuer, Deutsche Bank AG. Ratings assigned to the Issuer by certain independent rating agencies are an indicator of the Issuer's ability to meet its obligations in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. As of the publication date of this summary, the following ratings were assigned to Deutsche Bank:

Rating Agency	Long-term	Short-term
Standard & Poors (S&P)	AA-	A-1+
Moody's	Aa3	P-1
Fitch	AA-	F1+

Rating agencies may change their ratings at short notice. A change of rating may affect the value of outstanding Securities in the secondary market. A rating is not a recommendation to buy, sell, or hold Securities, and may be subject to suspension, downgrading, or withdrawal by the rating agency. Any such suspension, downgrading, or withdrawal may have a negative effect on the market price of the Securities.

B SUMMARY OF FINAL TERMS OF THE OFFER

1. Principal Terms

- Issuer:** Deutsche Bank AG, London
- Number of Securities:** Up to 100,000 Securities
- Issue Price:** EUR 1,000 per Security
- Underlying:** DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series) (the "**Fund Shares**") of the DB Global Masters Fund Ltd. (the "**Fund**"), each as described more fully in the section "Information Relating to The Underlying" set out below (as the same may be amended in accordance with its terms from time to time) subject to any successor series of shares into which such shares are "rolled-up" at the end of the Fund's fiscal year in accordance with the provisions of the prospectus of the Fund as set out in the section titled "Information Relating to the Underlying" below. Such prospectus should be read accordingly and any exercise of the Calculation Agent's discretion to use its powers under Product Condition 4.
- Issue Date:** 26 June 2007
- Primary Market Start Date:** 15 June 2007
- Primary Market End Date:** 21 June 2007
- Reference Level:** In respect of:
1. the Initial Valuation Date, EUR 1,000; and
 2. all subsequent Valuation Dates, an amount (which may not be less than zero) equal to the product of:
 - (1) the product of
 - (i) the Reference Level on the preceding Valuation Date; and
 - (ii) the quotient of: (i) the Fund Level in respect of the relevant Valuation Date (as numerator) and (ii) the Fund Level in respect of the preceding Valuation Date (as denominator); and
 - (2) one minus the Certificate Fee,
- Expressed as a formula:
- $$\text{MAX} \left[\text{ReferenceLevel}_{(t-1)} \times \frac{\text{FundLevel}_{(t)}}{\text{FundLevel}_{(t-1)}} \right] \times (1 - \text{Certificate Fee}), 0$$
- all subject to adjustment in accordance with Product Conditions 4.2 or 4.3, and determined by the Calculation Agent on the Determination Date in respect of the relevant Valuation Date.
- Initial Valuation Date:** 30 June 2007
- Fund Level:** In respect of a Valuation Date and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, an amount equal to the net asset value per one Fund Share on such Valuation Date as determined by the Calculation Agent .

Certificate Fee:	one twelfth of 0.30 per cent or
Exercise Date(s):	Subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the day falling fifty Business Days prior to each Calendar Quarter Valuation Date, from and including the first Calendar Quarter Valuation Date, to and including the Final Exercise Date if any.
Determination Date(s):	In respect of a Relevant Valuation Date, (a) fifty Business Days immediately following the Relevant Valuation Date; or (b) if applicable, such later date on which the Calculation Agent is able to determine the relevant Reference Level, subject to adjustment in accordance with Product Condition 4.2 or 4.3.
Settlement Date(s):	In respect of each Exercise Date and a Relevant Valuation Date, (a) fifty five Business Days immediately following the Relevant Valuation Date; or (b) if applicable, such later date on which the Calculation Agent is able to determine the relevant Reference Level, subject to adjustment in accordance with Product Condition 4.2 or 4.3, or (c) if any such day is not a Payment Day the immediately following Payment Day.
Settlement:	Cash Settlement
Valuation Date(s):	Subject to adjustment each of (i) the Initial Valuation Date and (ii) the last Business Day of each month or such other day falling on or about the last Business Day of each month as of which the Calculation Agent determines the Fund Level is determined commencing in July 2007.
Calendar Quarter Valuation Date(s):	The Valuation Date falling in each of December, March, June and September in each year, from and including September 2007 to and including the Final Exercise Date if any.
Relevant Valuation Date:	In respect of an Exercise Date, the the Calendar Quarter Valuation Date by reference to which that Exercise Date is fixed
Automatic Exercise:	Applicable as of the Final Exercise Date, if any.
Settlement Currency:	Euro
Cash Settlement Amount:	Subject to adjustment in accordance with Product Conditions 4.2 or 4.3, an amount (if any) per Security equal to the Reference Level in respect of the Relevant Valuation Date less any Securityholder Expenses and/or any Exercise Charges, all as determined by the Calculation Agent for value on the relevant Settlement Date. The Cash Settlement Amount (after deduction of any Securityholder Expenses and/or any Exercise Charges) will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards. The Cash Settlement Amount, after deduction of any Securityholder Expenses and/or any Exercise Charges, cannot be less than zero.
Exercise Charge	<p>Securities exercised on or before the Valuation Date in March 2008 will incur a Exercise Charge of 5% on the relevant Fund Level</p> <p>Securities exercised between the Valuation Date in (including) June 2008 and (including) September 2008 will incur a Exercise Charge of 3% on the relevant Fund Level</p> <p>The Exercise Charge will be deducted in the determination of the Cash Settlement Amount</p>
Listing and Trading:	Application may be made to list the Securities on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF, which is not a regulated market for the purpose of the Investment Services Directive (Directive 1993/22/EC), as inferred by Directive 2003/71/EC

No application has been made to trade the Securities on a regulated market of a stock exchange within the meaning of the European Directive 1993/22/EC, as inferred by Directive 2003/71/EC.

Calculation Agent: Deutsche Bank AG, London Branch

Principal Agent: Deutsche Bank AG, London Branch

ISIN: DE000DB0PUQ5

WKN: DB0PUQ

The Subscription Period: Applications to subscribe for the Securities may be made from the Primary Market Start Date until the Primary Market End Date as described in the section titled "Country Specific Information".

Cancellation of the Issuance of the Securities: The Issuer reserves the right for any reason to cancel the issuance of the Securities at any time prior to the Issue Date.

In particular, the issuance of the Securities is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Securities amounting to an aggregate subscription value of at least EUR 5,000,000 on or prior to the Primary Market End Date. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Securities as of the Primary Market End Date.

Early Closing of the Subscription of the Securities: In accordance with the section titled "Country Specific Information", the Issuer reserves the right for any reason to close the subscription period early.

2. Further information on the Terms of the Securities

The Securities do not provide any assured minimum payout (and do not pay any coupons or dividends).

The return on the Securities is based on the level of the "**Fund Shares**" issued by the Fund (the "**Underlying**") (as described in more detail below in the section "Information relating to the Underlying"). The Fund is a hedge fund of funds, managed by DB Absolute Return Strategies, that seeks to achieve the Fund's investment objective by investing all or substantially all of the Fund's assets in a multi-strategy investment portfolio through a "fund-of-funds" investment structure composed of various investments in underlying single manager hedge funds which are all managed by Deutsche Bank affiliated (or formerly Deutsche Bank affiliated) investment managers. These include hedge funds whose investment managers currently follow one or more of the following strategies (which are explained in more detail in the section "Information relating to the Underlying" below): equity and structured credit derivatives; multi-strategy; equity long/short; global macro; global market neutral; equity special situations and fundamental value trading and which may in the future follow other different strategies (some" of which are also explained in more detail in the section "Information relating to the Underlying" below).

Because the Securities are linked to the performance of the Underlying, the Securities will perform in a broadly similar fashion to a direct investment in the Underlying, with the exception of:

(i) the deduction of the Certificate Fee

Accordingly, prospective investors should note that the return (if any) on their investment in the Securities will depend upon the performance of the Underlying as reflected in the Reference Level. Investors who buy a Security on the Issue Date and hold it until exercise achieve a positive return on their initial investment when the value of the Underlying as reflected in the Reference Level in respect of the applicable Relevant Valuation Date exceeds the value of the Underlying as reflected in the Reference Level on the Initial Valuation Date. If the value of the Underlying as reflected in the Reference Level in respect of the applicable Relevant Valuation Date is less than the value of the Underlying as reflected in the Reference Level on the Initial Valuation Date, investors who buy a Security on the Issue Date and hold it until exercise will suffer a loss. Accordingly, an investment in the Securities involves a similar market risk to a direct investment in the Underlying and investors should take advice accordingly.

The market value of the Securities up to exercise depends primarily on the value and volatility of the Underlying during the life of the Securities (although other factors may also influence their market value). In general, if the value of the Underlying falls and/or there is a market perception that the value of the Underlying is likely to fall during the remaining life of the Securities, all other factors being equal, the market value of the Securities will be expected to fall. On the same basis, if the value of the Underlying rises and/or there is a market perception that the value of the Underlying is likely to rise during the remaining life of the Securities, all other factors being equal, the market value of the Securities will be expected to rise.

The value of the Underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the Underlying and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of the Underlying and therefore may affect the return on an investment in the Securities.

Investors have the opportunity to exercise their Securities at a Cash Settlement Amount, if any, (after deduction of any relevant Securityholder Expenses and/or any Exercise Charges) on monthly Exercise Dates. Normally the proceeds of exercise are paid within fifty five business days of the relevant Valuation Date. In addition the Securities contain terms, as described in Product Condition 4, allowing the Issuer to defer or adjust settlement upon the occurrence of certain specified disruption events. In addition, the Issuer has the right to exercise all the Securities as set out in Product Condition 3.

The Securities do not have a fixed maturity date.

The Cash Settlement Amount (if any) in respect of each Security will be the Reference Level in respect of the Relevant Valuation Date by reference to which the Exercise Date of the relevant Security is fixed. The Reference Level on any Relevant Valuation Date is the product of (a) and (b) multiplied by (c). Where (a) is the Reference Level on the preceding monthly Valuation Date (or on the Initial Valuation Date, EUR 1000); and (b) reflects the increase of the net asset value per one Fund Share since the preceding Valuation Date expressed as the Fund Level on the Relevant Valuation Date divided by the Fund Level on the immediately preceding monthly Valuation Date; and (c) is one minus the Certificate Fee which reflects a fee at the level of the Securities.

A further difference to a direct investment in the Underlying is that investors will forego the right to receive any dividends, interest or similar amounts paid in respect of the Underlying.

C. SUMMARY OF ISSUER DESCRIPTION

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. Deutsche Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

As of 31 December 2006, Deutsche Bank's issued share capital amounted to Euro 1,343,406,103.04 consisting of 524,768,009 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange. The Management Board has decided to pursue delisting on certain stock exchanges other than Germany and New York in order to benefit from the integration of financial markets. In respect of the stock exchanges of Amsterdam, Brussels, London, Luxembourg, Paris, Vienna, Zurich and Tokyo, this decision has now been implemented.

As of 31 December 2006, Deutsche Bank Group had total assets of EUR 1,126,230 million, total liabilities of EUR 1,093,422 million and total shareholders' equity of EUR 32,808 million on the basis of United States Generally Accepted Accounting Principles ("**U.S. GAAP**"). The consolidated financial statements for fiscal years starting 1 January 2007 will be prepared in compliance with the International Financial Reporting Standards (IFRS).

Deutsche Bank's long-term senior debt has been assigned a rating of AA- (outlook stable) by Standard & Poor's, Aa3 (outlook stable) by Moody's Investors Services and AA- (outlook stable) by Fitch Ratings.

II. RISK FACTORS

A. INTRODUCTION

Each prospective investor should review carefully the entirety of this document including the Conditions. This document is not, and does not purport to be, investment advice. **The Securities may decline in value and investors should be prepared to sustain a total loss of their investment in the Securities.**

The discussion below is intended to describe various risk factors associated with an investment in the Securities. No investment should be made in the Securities until after careful consideration of all those factors which are relevant in relation to the Securities. Prospective investors should note that while the statements below describe certain of the principal risks inherent in investing in the Securities, they are not an exhaustive list. Prospective investors should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision. Prospective investors should consider carefully the description of the Underlying (as defined below) in the sections "Product Conditions" and "Information relating to the Underlying" and should familiarise themselves with the further information in respect of the Underlying which is set out therein (and in particular the prospectus of the Fund and any additional risk factors relating to it set out therein).

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. An investment in the Securities is intended to provide a return linked to the Underlying which as a "fund-of-funds", which itself invests in other single manager Hedge Funds. Investing directly or indirectly in Hedge Funds is generally considered to be particularly risky and involves special considerations not typically associated with investing in other securities. These include the fact that Hedge Fund investments may be particularly volatile and that Hedge Funds may invest in complicated markets using highly sophisticated financial instruments and high levels of leverage.

Prospective purchasers should therefore be experienced with respect to transactions in instruments such as the Securities and in investments in Hedge Funds or investment products linked to Hedge Funds.

This document does not take into account the investment objectives, financial situation and particular needs of each prospective investor. In addition, it does not consider the income and other tax consequences that may apply to a prospective investor if it buys, holds or sells Securities, and nor does it consider any legal or other restrictions applicable to a particular prospective investor. Prospective purchasers should only reach an investment decision after careful consideration, with their own legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial, tax and other circumstances, (ii) the information set out in this document and (iii) the Fund. They should understand the risks associated with an investment in the Securities and in particular should familiarise themselves carefully with the Risk Factors set out in Section II below. In addition they should consider all information provided in the Registration Document with respect to the Issuer and consult with their own professional advisers in respect of it if they consider it necessary.

In addition to the Risk Factors which follow, prospective investors should also review section "C. Conflicts of Interest".

Terms and expressions defined in the Conditions (including in “Information relating to the Underlying”) shall have the same meaning when used in this discussion.

B. RISK FACTORS

1. General

a. Nature of the investment and overview of hedge funds

By investing in the Securities investors will gain exposure to a type of fund referred to as a "**Hedge Fund**". An investment in the Securities is intended to provide a return linked to the relevant Fund Shares.

Investments offering exposure to the performance of Hedge Funds are generally considered to be risky (see "Risk factors relating to investing in Hedge Funds" below).

A Hedge Fund is an investment vehicle which pools the investments of investors and uses the proceeds to invest in one or more particular investment strategies in order to try to achieve a positive return for investors. Hedge Funds typically engage in unconventional and alternative investment strategies. Hedge Funds are normally subject to little or no regulation and are often based in an "offshore" jurisdictions such as the Cayman Islands, the British Virgin Islands, Jersey or Guernsey, partly in order to avoid tax.

A direct investor in a Hedge Fund receives shares or units in that Hedge Fund. The shares or units may relate to the Hedge Fund generally or to a particular class or series of the Hedge Fund, each relating to one or more investment portfolios. The value of the investor's shares or units will be determined by reference to the value of the Hedge Fund's underlying investments.

The administration and operation of a Hedge Fund will be undertaken by a number of persons in relation to its management and operation (any such person a "**Service Provider**", which term also includes investment managers, trading advisers or other entities (referred to as "**Investment Managers**") appointed by Hedge Funds to pursue investment strategies. The most significant of its Service Providers will be the Investment Manager who will discharge the strategy and investment techniques of that Hedge Fund. The Hedge Fund, on the advice and recommendations of its Investment Manager, will apply the investment monies of its investors to particular investments which will make up its investment portfolio (which may include securities and derivative contracts). Since the Investment Manager will largely direct the investments of the Hedge Fund and to a greater or lesser extent may follow a particular strategy or investment technique in order to make these investments, the success or otherwise of the Hedge Fund may depend largely on the skill of its Investment Manager and the success or otherwise of the types of strategy or investment technique followed.

The Service Providers to a Hedge Fund other than the Investment Manager typically include its administrator (which may carry out record keeping, investor registration or similar formalities), its custodian (which may be appointed to hold the assets of the Hedge Fund), its corporate services provider (which may provide directors for the Hedge Fund, a registered office and arrange for meetings of the directors) and its brokers (including a "prime broker" which may execute transactions for the Hedge Fund, and may lend the Hedge Fund any of the money it decides is needed in excess of investor funds to enter into transactions).

b. Issuer's freedom to hedge / No rights relating to the Underlying

Investors should understand that although the Underlying comprises the Fund Share which will be referenced by the Securities for the purposes of determining various amounts in connection with the Securities, the Issuer is under no obligation to hedge the exposures created for it by making investments in the Underlying, or to hedge such exposures in any particular way or at all. Securityholders will have no legal or beneficial ownership interest in the Underlying. Securityholders will have no contractual relationship in any respect with the

manager, administrator or any Service Provider of the Fund or the custodian of the Underlying from time to time. The securities represent unsecured obligations of Deutsche Bank AG, Frankfurt am Main only, and are not insured or guaranteed by any governmental fund or other person.

c. Creditworthiness of the Issuer

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the value of the Securities. If bankruptcy proceedings are commenced in respect of the Issuer, the return to a Securityholder, if any, is likely to be limited and any recovery will likely be substantially delayed.

d. The Securities may be illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid. Although the Securities may be listed on a stock exchange this does not necessarily lead to greater liquidity. However, no assurance is given by the Issuer that any such application will be made.

e. Incentivisation

The Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the Issuer (collectively the "**Selling Agents**"). A fee may be payable to the Selling Agent(s) by the Issuer.

f. Rebates from the Fund

The Issuer may receive a rebate or fee from the Underlying in respect of investments made by the Issuer into such Underlying. Such rebates or fees may not be payable by the Underlying to other investors, or may be greater than similar fees or rebates paid to such other investors into the Underlying.

g. No payments until settlement

Prospective investors should note that no periodic interest payments or other distributions will be made in respect of the Securities.

h. Product, Fund Share and Underlying fees

Hedge Funds typically receive services from Service Providers including the Investment Manager in relation to their management and operation and therefore tend to suffer a high level of fees which are deducted from the returns available to investors.

Investors should therefore be aware that the performance of the Securities will be affected by a number of fees which are charged in respect of the Fund Shares.

In addition, investors should be aware that the performance of the Securities will be affected by a number of fees which are charged in respect of the Securities themselves and which may be charged in respect of hedging arrangements utilised by the Issuer in respect of the Securities (in each case, if applicable to the relevant Securities).

These are all described, without limitation, in brief below:

Fees at the level of the Securities:

A Certificate Fee as described in Product Condition 1 is applied of one twelfth of 0.30 per cent..

A Exercise Charge, as described in Product Condition 3.4.1, of 5 per cent. of the relevant Fund Level is applied to any Securities exercised which relate to a Relevant Valuation Date falling on or before the Valuation Date falling in March 2008.

A Exercise Charge, as described in Product Condition 3.4.1, of 3 per cent. of the relevant Fund Level is applied to any Securities exercised which relate to a Relevant Valuation Date falling between (including) June 2008 and (including) September 2008.

Fees at the level of the Fund Shares:

The Fund deducts a basic investment advisory fee of 1.5% per cent. per annum. Investors should read carefully those sections of the prospectus of the Fund as set out below in the section "Information relating to the Underlying" which details the various fees imposed by the Fund.

These may include performance, administration, special management, audit and tax or other fees, and certain of these fees may be substantial or higher than the market average.

In addition, investors should note that because the Fund is a "fund-of-funds" which itself invests in other single manager Hedge Funds, each such single manager Hedge Fund will deduct its own performance, administration, special management or other fees, certain of which fees may be substantial or higher than the market average. Investors should read carefully those sections of the prospectus of the Fund as set out below in the section "Information relating to the Underlying" which detail the various fees imposed by the single manager Hedge Funds in which the Fund invests.

i. Taxation

Potential purchasers should consult their own independent tax advisers. Securityholders are subject to the provisions of General Condition 6 and payment of any amount due in respect of the Securities will be conditional upon the payment of certain taxes, duties and/or expenses as provided in the Product Conditions (referred to as Securityholder Expenses) and the payment of any applicable Exercise Charge.

j. Exercise

The failure to deliver any notices or certifications strictly in accordance with the relevant time period specified in the Conditions could result in the loss of (or inability to receive) amounts which might otherwise become due under the Securities. Upon exercise of the Securities, there will be a time lag between the time exercise occurs, the time the applicable Cash Settlement Amount (if any) relating to such exercise is determined, and the time such payment is made. In addition, investors should note that after any exercise of their Securities, they will not be able to participate in any positive performance of the Fund Shares during the period from (and including) the relevant Valuation Date.

k. Expiry

Investors should note that where the Calculation Agent determines that any Cash Settlement Amount (less any Securityholder Expenses and/or Exercise Charges which would apply) as of any Exercise Date would be equal to or less than zero (regardless of whether any

Securities have been exercised in respect of that Exercise Date) the Securities will expire worthless, as more fully set out in Product Condition 5.

I. Early termination for extraordinary reasons, illegality and force majeure

Pursuant to Product Condition 4 and General Condition 2, the Issuer may in certain circumstances cancel the Securities and Securityholders will receive an amount determined by the Calculation Agent to be the fair market value of the Securities notwithstanding the illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements. In the event of a cancellation of a Security, the Securityholder of such Security will not participate in any future positive performance (if any) of the Underlying and may suffer a loss if the fair market value of the Security at such point is less than the price that the investor originally paid for such Security.

m. Fund Level Adjustment Event /Extraordinary Fund Events

Following the occurrence of a Fund Level Adjustment, the Calculation Agent may take certain steps set out in Product Condition 4, to require the Calculation Agent to adjust the terms of the Conditions or relevant values or dates in respect of the Securities or, to treat the Fund Level Adjustment Event as an Extraordinary Fund Event. Fund Level Adjustment Events include circumstances in which the determination of the net asset value or redemption proceeds for the Fund Shares is disrupted or not reflective of the relevant hedge fund assets.

Following the occurrence of an Extraordinary Fund Event, the Calculation Agent may take certain steps set out in Product Condition 4 including requiring the Calculation Agent to adjust the terms of the Conditions or cancelling the Securities or substituting the Fund Shares with other fund shares or other specified assets. Extraordinary Fund Events include a wide range of events relating to tax and fees, the relevant Hedge Fund or its service providers, hedging arrangements for the Securities and connected fund entities. Investors should review Product Condition 4 carefully to determine how these may affect their investment.

2. Risk Factors relating to Hedge Funds

This section sets out particular risks which investors in Securities linked directly or indirectly to Hedge Funds should consider with regard to Hedge Funds and their respective Service Providers (as defined above).

a. General Risks

i. Very broad investment mandate

Hedge Funds may be largely unregulated and have relatively few restrictions in their investment powers.

ii. Economic conditions

The success of any investment activity is affected by general economic conditions, which may include changes in (amongst other things) the timing and direction of interest rates, credit spreads, foreign exchange rates, commodities prices and other macro-economic factors.

iii. Political and regulatory risks

The value of a Hedge Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the Hedge Fund's assets are invested or where the Hedge Fund is domiciled. More specifically the regulation of Hedge Funds and of many of the investments an Investment Manager is permitted to make on behalf of a Hedge Fund is not subject to the same degree of regulation as many other types of investment vehicle and investments, and the extent and manner of such regulation is still evolving and therefore subject to change.

iv. Currency risks

Investments of the relevant Hedge Fund may be subject to exchange-rate fluctuations, exchange controls and foreign exchange transactions charges may apply.

v. Past performance information

Hedge Funds may only be recently formed or have no operating or performance record and certain information may be private or only available on a confidential basis. Moreover, past results are not necessarily indicative of future performance. No assurance can be made that a Hedge Fund will achieve its objectives, that profits will be achieved or that substantial losses or total loss will not be incurred.

vi. Litigation and enforcement risk

Hedge Funds may accumulate substantial investment positions in the securities of a specific company or engage in a dispute, become involved in litigation, or attempt to gain control of a company. Under such circumstances, a Hedge Fund could be named as a defendant in a lawsuit or regulatory action. Further, there have been a number of widely reported instances of Hedge Fund violations of securities laws, including the misuse of confidential information. Such violations may result in substantial Hedge Fund liabilities for damages caused to others, for the repayment of profits realised, and for penalties. If that were the case, a Hedge Fund's value might be substantially diminished and the past performance of such Hedge Fund may be misleading.

b. Investment Managers, Service Providers and Counterparties

i. Dependence on Investment Managers and Service Providers

The performance of a Hedge Fund will depend on the performance of the investments selected by one or more Investment Managers it appoints to pursue its investment strategies. In practice a Hedge Fund depends heavily on key individuals associated with the day-to-day operations of the Investment Manager and upon the expertise of such key individuals. Any withdrawal or other cessation of investment activities on behalf of the Investment Manager by any of these individuals could result in losses and/or the termination or the dissolution of the relevant Hedge Fund. Terms of appointment of an Investment Manager and/or advisers, such as an investment management agreement (and other arrangements) may not have been negotiated at arm's length and it may be unlikely that an Investment Manager will be

replaced.

ii. Width of discretions; strategies may not be profitable

The investment strategies, investment restrictions and investment objectives of a Hedge Fund give its Investment Manager(s) considerable discretion to invest the assets thereof and there can be no guarantee that an Investment Manager's investment decisions will be profitable or will effectively hedge against the risk of market or other conditions. Hedge Funds may allow Investment Managers to determine strategies in their sole discretion and there can be no assurance that any investment strategy will be followed. Therefore the Fund Shares in which the Underlying invests (and hence the Securities) may not perform well even when Hedge Funds in general or Hedge Funds following similar investment strategies are performing well.

iii. Conflicts of interests

Conflicts of interests may arise between a Hedge Fund and its Investment Manager and/or its other Service Providers. Investment management companies normally manage assets of other clients that make investments similar to those made on behalf of a Hedge Fund and/or any funds in which it may invest. Such clients could thus compete for the same trades or investments and allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

iv. Fraud, wilful default, operational and human error

The success of a Hedge Fund depends in part upon the relevant Investment Manager's accurate calculation of price relationships, the communication of precise trading instructions and ongoing position evaluations. In addition, an Investment Manager's strategies may require active and ongoing management and dynamic adjustments to a Hedge Fund's positions. There is the possibility that, through human error, oversight or operational weaknesses, mistakes could occur in this process and lead to significant trading losses and have an adverse effect on the Hedge Fund's value. The reliance on the Investment Manager and other Service Providers, and in particular certain individuals employed by the Investment Manager (or relevant Service Providers), may increase the risk that internal fraud or wilful default will be perpetrated and not detected.

v. Holding of a Hedge Fund's assets

A Hedge Fund may appoint a bank, broker, prime broker or derivative counterparty to be responsible for clearing, financing and reporting services with respect to the securities transactions entered into by the relevant Investment Manager. In certain cases brokers, banks or derivative counterparties may not have the same credit rating as a large western European bank (or any credit rating) and may have limited or no statutory supervisory obligations. As a broker, prime broker, bank or derivative counterparty may in some cases have limited or no regulatory obligations, internal fraud may be much more difficult to detect. In the event of a broker's, prime broker's, bank's or derivative counterparty's insolvency the relevant Hedge Fund may lose some or all of the investments held or entered into with the broker, bank or derivative counterparty.

c. Fees, expenses, operational and structural risks

i. Fee arrangements

As referred to in Risk Factor 1.g. above, a Hedge Fund typically provides for a performance fee or allocation, over and above a basic advisory fee to be paid to its Investment Manager(s) and advisers and that this performance fee may be substantial. The manner of calculating such fees may create an incentive for the Investment Manager(s) to make investments that are riskier or more speculative than would be the case if such fees were not paid to the Investment Manager.

A Hedge Fund will usually be obliged to pay legal, accounting, auditing, administrative charges, and any extraordinary expenses regardless of whether it realises profits.

ii. Indemnification

Hedge Funds are generally required to indemnify their Investment Manager(s) or other Service Providers. Any indemnification paid by a Hedge Fund would reduce its value.

iii. "Soft Dollar" payments

In selecting brokers, prime brokers, banks and dealers to effect transactions on behalf of a Hedge Fund, an Investment Manager may consider such factors such as the products and services provided to it or expenses paid on its behalf. Such "soft dollar" benefits may cause an Investment Manager to execute a transaction with a specific broker, prime broker, bank, or dealer even though it may not offer the lowest transaction fees.

iv. Cost associated with high turnover

Hedge Funds may invest on the basis of certain short-term market considerations. As a result, the turnover rate within Hedge Funds is expected to be significant, potentially involving substantial brokerage commissions, fees and other transaction costs which may significantly exceed those of other investment schemes of comparable size.

v. Potential cross class liability

A Hedge Fund may offer various share classes. Usually each share class will be maintained by the Hedge Fund separately with separate accounting records and with the capital contributions (and investments made therewith) kept in segregated accounts. It should be noted, however, that the share classes are not separate legal entities but rather share classes in the Hedge Fund and the Hedge Fund as a whole, including all of such separate share classes, is normally one legal entity. Thus, all of the assets of the Hedge Fund are available to meet all of the liabilities of the Hedge Fund, regardless of the share class to which such assets or liabilities are attributable.

vi. Reliability of valuations

The constitutional documents of Hedge Funds usually provide that any securities or investments which are illiquid, not traded on an exchange or in an established market or for which no value can be readily determined, will be assigned such fair value as an Investment Manager, administrator (or other applicable third party valuation agent) may determine in its judgement based on various factors. Such valuations may not be indicative of what actual fair market value would be in an active, liquid or established market.

d. Nature of Hedge Fund investments and Hedge Fund investment techniques.

Illiquid investments

Hedge Funds may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists i.e. making the assets concerned difficult to realise. The market prices, if any, of such investments tend to be more volatile and it may be impossible to sell such investments when desired or to realise their fair value in the event of a sale. Furthermore, companies whose securities are not registered or publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were registered or publicly traded. As a result it may take some time for a Hedge Fund to realise all or part of these assets when an investor wishes to redeem its investment in the Hedge Fund. The Hedge Fund may delay redemptions or take other action to address this issue. In a situation where a large number of investors may wish to withdraw their investment in the Hedge Fund (e.g. in a market downturn) this may mean the Hedge Fund realises its investments on unfavourable terms, which will in turn have an adverse effect on the returns to Hedge Fund investors.

ii. Concentration of investments

An Investment Manager may invest a Hedge Fund's assets in a limited number of investments that may be concentrated in a few countries, industries, commodities, sectors of an economy or issuers. As a result, the negative impact on the value of the relevant Hedge Fund from adverse movements in a particular country, economy or industry or in the value of the securities of a particular issuer could be severe.

iii. Leverage

Hedge Funds may be able to borrow (or employ leverage) without limitation and may utilise various lines of credit and other forms of leverage, including swaps (including futures and options) and repurchase agreements. Accordingly, the losses (as well as gains) of a Hedge Fund may be exacerbated more greatly than would be the case if no leverage mechanisms were employed. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Hedge Fund will decrease.

iv. Risks associated with the use of margin borrowings

An Investment Manager may enter into certain positions or obtain further investment capacity by the use of short-term margin borrowings by pledging certain of its assets to brokers (or its prime broker) to secure its liabilities. In the event of a sudden drop in the value of the Hedge Fund's assets, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin debt and so the relevant broker (or prime broker) may liquidate additional assets of the Hedge Fund in order to satisfy such margin debt.

v. Short-selling

A short sale involves the sale of a security that a Hedge Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss. Such risk is increased if leverage is utilised. There can be no assurance that the security necessary to cover a short position will be available for purchase.

vi. Hedging risks

An Investment Manager may utilise various financial instruments for the purposes of establishing arbitrage positions as part of its trading strategies and to hedge against movements in the capital markets. Hedging against a decline in the value of a portfolio

position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Even where hedging is attempted a substantial risk of loss may still remain. Even where hedging is possible the Investment Manager may elect not to, leaving the Hedge Fund with substantial unhedged positions.

vii. Fund of Funds

Certain Hedge Funds pursue an investment approach which involves them investing some or all of their investment assets in further Hedge Funds. Such a Hedge Fund is often referred to as a "Fund of Funds". The Fund whose Fund Shares comprise the Underlying is a "Fund of Funds". The risks described in this section may be concentrated or exaggerated for Funds of Funds in a way which would not be the case with other Hedge Funds. Where a Hedge Fund's investments include other funds, any return on those funds will itself be after deduction of fees paid by such other funds to their managers and advisers. Consequently there may be a "layering" or duplication of fees.

C. CONFLICTS OF INTEREST

The following activities could present conflicts of interest and may affect the value of the Securities:

1. Transactions involving the Fund Shares

The Issuer and its affiliates may from time to time engage in transactions involving the Fund Shares and / or the constituent investments of the Fund for their proprietary accounts and for accounts under their management and, at any given time, the Issuer or its affiliates may be the principal or sole investor in the hedge funds which are the constituents of the Fund Shares. In such circumstances the Issuer or its affiliates may exercise their voting rights to approve changes or amendments to the relevant funds and will do so without reference to Securityholders or their interests. Such changes, amendments or transactions may have a positive or negative effect on the value of the Fund Shares and consequently upon the value of the Securities.

2. Acting in other capacities

The Issuer and its affiliates may from time to time act in other capacities with regard to the Securities, such as calculation agent, and/or agent. Such functions can allow the Issuer to determine the composition of the Underlying or to calculate its value, which could raise conflicts of interest including where securities or other assets issued by the Issuer itself or a group company can be chosen to be part of the Underlying, or where the Issuer maintains a business relationship with the issuer or investment manager of such securities or assets.

3. Rebates from the Fund

The Issuer may invest in units of the Underlying, whether to hedge its obligations under the Securities or in relation to other transactions involving the Underlying. In some cases the Issuer may agree that it is paid a fee or rebate by the manager of the Underlying in respect of such subscriptions and purchases of units in the Underlying, which may be greater than similar fees or rebates paid to other investors in the Underlying, if such fees or rebates are payable to other investors at all.

4. Conducting of hedging transactions

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions, which may include investments in the Fund Shares or investments in securities or other assets in which such funds also invest. It cannot be assured that the Issuer's hedging activities in respect of the Securities (or in respect of other investment products of the Issuer in respect of which the Issuer enters into hedging transactions) will not affect the value of the Securities. Because the Issuer may create other investment products and enter into similar hedging transactions in respect of those products, its hedging activities in respect of those other investment products may have an effect on the Securities as well as on those products.

5. Market-Making for the Securities

The Issuer, or an agent on its behalf, may act as market-maker for the Securities. In such market-making, the Issuer or its agent will, to a large extent, determine the price of the Securities. The prices quoted by such market-maker will usually not correspond to the prices which would have formed without such market-making and in a liquid market.

Furthermore, the prices quoted in the secondary market may be influenced by any premium or discount on the Securities' original value contained in their issue price.

The bid-offer spread for the Securities will be set by the market-maker based on supply and demand for the Securities and certain revenue considerations.

The prices quoted by the market-maker can substantially differ from the fair value of the Securities, or the value to be expected economically on the basis of the factors mentioned above, at the relevant time. In addition, the market-maker can at any time alter the methodology used to set the quoted prices, e. g. increase or decrease the bid-offer spread.

6. Obtaining of non-public information

The Issuer and/or its affiliates may acquire non-public information with respect to the Fund Shares and/or the constituents of the Fund, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Securityholder. In addition, one or more of the Issuer's affiliates may publish research reports with respect to the Fund Shares. Such activities could present conflicts of interest and may affect the value of the Securities.

7. Material relationships

The Issuer (in its capacity as such or as Calculation Agent) or any of its Affiliates may have an interest, relationship or arrangement that is material to, or may conflict with, the obligations it is to perform in relation to the Securities or the Underlying. Unless otherwise required by any applicable regulatory or legal obligation, the Issuer (in any of its capacities hereunder) shall not be required to disclose such interests, relationships or arrangements to any Securityholder, or to account for or disclose any profit, charge, commission or other remuneration arising in respect of such interests, relationships or arrangements and may continue to pursue its business interests and activities without disclosure to any Securityholder. The nature of the Issuer's activities are such that different areas of the Issuer may have relationships with the Fund that issues the Fund Shares. In addition, different areas of the Issuer, with different business objectives, may benefit from fees or rebates paid by the funds that constitute the Fund Shares or the Fund itself from time to time.

III. GENERAL INFORMATION ON THE PROSPECTUS

A. FORM OF DOCUMENT – PUBLICATION

This document constitutes, in relation to the Securities only, a completed version of the Base Prospectus incorporating: (i) a repetition of certain of the terms contained in the Base Prospectus which are applicable to issues of securities under the programme to which the Base Prospectus relates from time to time and (ii) all final terms applicable to the Securities only, including a completed version of the section I Summary (the "**Summary**") of the Base Prospectus, presenting only the information relevant for the Securities being issued. This document therefore constitutes Final Terms according to Art.5(4) of the Prospectus Directive (Directive 2003/71/EC), as implemented by the relevant provisions of EU member states, in connection with Regulation 809/2004 of the European Commission.

Although these Final Terms contain all terms relevant to the Securities the Base Prospectus is separately available (should investors wish to review it), and has been published, in English. In addition, the Base Prospectus and these Final Terms have been published and are available in German.

The Base Prospectus, together with the German translation thereof, has been published on the Issuer's website (**www.x-markets.db.com**). In addition, the Base Prospectus and the documents incorporated into it by reference are available at the registered office of the Issuer in Frankfurt am Main as set out at the end of this document.

These Final Terms, together with the German translation thereof, are published on the Issuer's website (**www.x-markets.db.com**). These documents are also available at the registered office of the Issuer as set out at the end of this document.

The annual reports and accompanying auditors' reports for 2004 and 2005 are also available on the Issuer's website (**www.db.com**). The annual reports and accompanying auditors' reports for 2004 and 2005 are also included in the Registration Document of Deutsche Bank AG which is (i) incorporated by reference into this document and (ii) published on the Issuer's website (**www.db.com**).

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of securities under the programme to which the Base Prospectus relates.

B. INFORMATION FOR INVESTORS

Information on the Conditions of the Securities

The relevant rights under the Securities which are being issued under this Final Terms document are laid down in the **Conditions** of the Securities. These consist of the **Product Conditions**, which are individually designed for the Securities which are being issued under this Final Terms document, and the **General Conditions**, which contain general rules relating to all securities which can be issued under the Base Prospectus from time to time and which apply to all securities issued under it including the Securities which are being issued under this Final Terms document.

Within the **Product Conditions**, **Product Condition 1 – Definitions** - contains the definitions applicable for the entire Product Conditions. This section, being a definitions section, should be read only in connection with the other Product Conditions, i.e. wherever defined terms are used in such parts, the applicable definitions would be looked up in Product Condition 1.

Product Condition 2 – Form – contains the relevant rules with regard to the form and transferability of the Securities.

Product Condition 3 – Exercise Rights, Procedure and Settlement - determines the right of the holder of a Security under the Security to receive payment of a cash amount (if any). Furthermore, Product Condition 3 contains rules on the exercise of the Securities and the exercise procedure as well as further rules in connection with this or the right to receive payment (if any) in respect of the Securities.

Product Condition 4 – Adjustment, Cancellation and Substitution of Fund Provisions – contains rules relating to the occurrence of an extraordinary fund event and relating to adjustments to or cancellation of the Securities in case of the occurrence of certain events. In addition, the Underlying may be substituted.

Product Condition 5 – Expiry – contains rules relating to the expiry of the Securities worthless upon the occurrence of certain events.

Product Conditions 6 – Governing Law and Place of Jurisdiction – determines the governing law, which is German law, as well as the jurisdiction for any proceedings in respect of the Securities.

C. DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this document:

	<u>Document</u>	Approved by:
	Base Prospectus dated 8 January 2007 for Hedge Fund linked Certificates (the " Base Prospectus ")	Approved by the <i>Commission de Surveillance du Secteur Financier</i> 8 January 2007

Any other information contained in the documents incorporated by reference referred to in this Cross Reference List but not listed above, is incorporated by reference for information purposes only.

The documents specified above and incorporated by reference shall be available at the registered office of the Issuer and in Luxembourg at the Issuer's branch office, Deutsche Bank Luxembourg Branch, 2, Boulevard Konrad Adenauer, L-1115 Luxembourg or at the Issuer's agent in Luxembourg, Banque de Luxembourg, at 55, rue des Scillas, L-2529, Luxembourg.

The documents incorporated by reference shall also be available for viewing on the website of the Luxembourg Stock Exchange: www.bourse.lu.

Material Adverse Change in Deutsche Bank's Financial Position and Significant Change in Deutsche Bank's Financial or Trading Position

Save as disclosed herein (including the documents incorporated by reference) there has been no material adverse change in the prospects of Deutsche Bank since 31st December, 2006.

Post Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying any issues of Securities under this Programme.

Use of Proceeds

The net proceeds from the issue of any Securities under this document will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Securities may be used to hedge market risk with respect to such Securities.

IV. TERMS OF THE OFFER

Number of Securities

Up to 100,000 Securities will be issued.

The Subscription Period

Applications to subscribe for the Securities may be made from the Primary Market Start Date until the Primary Market End Date as described in the section titled "Country Specific Information" below.

Cancellation of the Issuance of the Securities

The Issuer reserves the right for any reason to cancel the issuance of the Securities.

In particular, the issuance of the Securities is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Securities amounting to an aggregate subscription of at least EUR 5,000,000 on or prior to the Primary Market End Date. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Securities as of the Primary Market End Date.

Early Closing of the Subscription of the Securities

In accordance with the section titled "Country Specific Information" below, the Issuer reserves the right for any reason to close the subscription period early

Delivery of the Securities

The Securities will be delivered against payment of the Issue Price, in accordance with applicable law and any rules and procedures for the time being of any clearing agent through whose books any of the Securities are transferred. Investors purchasing Securities will receive delivery of them on the value date through an account with a financial institution that is a member of one of the respective clearing agents.

V. GENERAL TAXATION INFORMATION

1. Introduction

Purchasers and/or sellers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price of the Securities.

Transactions involving the Securities (including purchases, transfers, exercise or non-exercise or redemption), the accrual or receipt of any interest payable on the Securities and the death of a holder of any Securities may have tax consequences for holders and potential purchasers which may depend, amongst other things, upon the tax status of the holder or potential purchaser and may relate to – amongst other taxes and duties – stamp duty, stamp duty reserve tax, income tax, corporation tax, trade tax, capital gains tax, withholding tax, solidarity surcharge and inheritance tax.

For more specific information on the tax consequences please see the appropriate Country Specific Information.

General Condition 6 (Taxation) in the General Conditions should also be considered carefully by all potential purchasers of any Securities.

Potential purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities.

2. Taxation in Luxembourg

The following summary is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

2.1 *Non-resident Holders of Securities*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

However, under the Luxembourg laws of 21st June, 2005 (the "**Laws**"), implementing the Council Directive 2003/48/EC of 3rd June, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax

is applied, it will be levied at a rate of 15% during the first three-year period starting 1st July, 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 15%.

2.2 *Resident Holders of Securities*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

However, under the Luxembourg law of 23rd December, 2005 (the "**Law**") payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10%.

3. **Stamp Duty and Withholding Tax in Germany**

The following paragraphs, which are intended as a general guide on stamp duty and withholding tax only, are based on current legislation and German tax authority practice. They summarise certain aspects of German taxation only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold, transfer or redeem the Securities. In particular, this general summary does not consider any specific facts or circumstances that may apply to a particular purchaser. Potential purchasers of the Securities who are in any doubt about their tax position on purchase, ownership, transfer or exercise or non-exercise or redemption, as the case may be, of any Security should consult their own tax advisers.

The purchase or sale of a Security is not subject to stamp, value added or similar taxes or charges in Germany, regardless of the place of issuance, execution and delivery of the Security.

Payments in respect of interest (if any) made in respect of a Security to its holder if made by an Agent having its specified office in Germany or any other financial institution in Germany or if made by the Issuer from Germany may be subject to withholding tax. For a more detailed description of the German withholding tax position the appropriate Country Specific Information should be considered carefully.

4. **Stamp Duty and Withholding Tax in the United Kingdom**

The following paragraphs, which are intended as a general guide only, are based on current legislation and United Kingdom HM Revenue & Customs practice. They summarise certain aspects of United Kingdom taxation only and customs which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Securities. In particular, this general summary does not consider any specific facts or circumstances that may apply to a particular purchaser. Potential purchasers of the Securities who are in any doubt about their tax position on purchase, ownership,

transfer or exercise or non-exercise or redemption, as the case may be, of any Security should consult their own tax advisers.

A purchaser or a Security may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price of such Security.

Potential purchasers of the Securities should note that the Global Security may constitute an instrument which is subject to United Kingdom stamp duty on issue by reference to the amount of the consideration paid or the value of the Security. However, the Global Security will be executed and delivered outside the United Kingdom and should not be brought into the United Kingdom save for the purposes of enforcement. So long as the Global Security is held outside the United Kingdom, it will not be necessary to pay United Kingdom stamp duty or interest or penalties in connection therewith. However, if the Global Security were brought into the United Kingdom (for example, for enforcement purposes), United Kingdom stamp duty may be required to be paid on the Global Security (subject to the availability of exemptions and reliefs). In addition, where the Global Security is executed outside the United Kingdom is subsequently brought into the United Kingdom and stamped, interest on the amount of the unpaid stamp duty will be payable in addition to the stamp duty in respect of the period from the expiry of 30 days from the date of execution of the Global Security to the date of stamping, unless the Global Security is stamped within 30 days of execution, in which case no interest is payable. No penalties are payable where the Global Security is executed outside the United Kingdom and subsequently brought into the United Kingdom and stamped, provided the Global Security is stamped within 30 days of being brought into the United Kingdom. If the Global Security is subject to United Kingdom stamp duty, it would be inadmissible in evidence in civil (as opposed to criminal) proceedings in an English court unless duly stamped. It should be noted however, that the United Kingdom HM Revenue & Customs have recently indicated that cash-settled warrants are not subject to stamp duty on issue. The Securities have some of the features of warrants (such as the requirement for there to be an exercise before any amounts become payable to holders). However, other features of the Securities are less warrant-like (such as the Issuer's right to redeem). It is possible that HM Revenue & Customs would be prepared to treat the Securities as warrants for stamp duty purposes, in which case they would not be stampable on issue.

The comments above relate to United Kingdom stamp duty on issue only.

Any interest payable on the Securities, any original issue discount in respect of the Securities and/or any proceeds on redemption or exercise of the Securities will not be subject to United Kingdom withholding tax.

VI. GENERAL SELLING AND TRANSFER RESTRICTIONS

1. Introduction

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

2. United States of America

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act (the "**Commodity Exchange Act**"). Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder. No Securities, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. No Securities may be exercised or redeemed by or on behalf of a U.S. person or a person within the United States. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means either a U.S. person as defined in Regulation S under the Securities Act or a person who does not come within the definition of a non-United States person under Rule 4.7 of the Commodity Exchange Act.

3. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Securities have not been offered and will not be offered to the public in that Relevant Member State except, with effect from and including the Relevant Implementation Date, the Securities may be offered to the public in that Relevant Member State:

(a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

4. United Kingdom

(a) An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")), may only be communicated or caused to be communicated in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would, if the Issuer was not an authorised person, apply to the Issuer; and

(b) all applicable provisions of the FSMA must be complied with in respect to anything carried out in relation to any Securities in, from or otherwise involving the United Kingdom.

VII. INFORMATION RELATING TO THE SECURITIES

A. PRODUCT CONDITIONS

These Product Conditions relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions set out in this document. The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

The Securities entitle each holder of a Security to receive from the Issuer a Cash Settlement Amount (if any) less Securityholder Expenses **and/or any Exercise Charges** subject to and in accordance with the Conditions of the Securities. In particular, if the Calculation Agent determines that the Cash Settlement Amount less any Securityholder Expenses **and/or any Exercise Charges** which would apply as of any Exercise Date would be equal to or less than zero (regardless of whether any Securities have been exercised in respect of that Exercise Date), the Securities will expire worthless, all as more fully set out in Product Condition 5.

Product Condition 1. Definitions

Unless otherwise defined herein, the following expressions shall have the following meanings:

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "**controlled by**" and "**controls**" shall be construed accordingly;

"**Agent**" means, subject as provided in General Condition 5, Deutsche Bank AG, acting through its principal office in Frankfurt am Main as principal agent (the "**Principal Agent**") and through its branch office in London (Deutsche Bank AG, London Branch), each an "**Agent**" and together, the "**Agents**";

"**Business Day**" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Frankfurt am Main, New York, Cayman Island and London;

"**Calculation Agent**" means the Issuer acting in accordance with General Condition 5;

"**Calendar Quarter Valuation Date**" the Valuation Date falling in each of December, March, June and September in each year, from and including September 2007 to the Final Exercise Date if any;

"**Cash Settlement Amount**" has the meaning given to it in Product Condition 3.4.1 below;

"**Certificate Fee**" means one twelfth of 0.30 per cent;

"**Clearing Agent**" means Clearstream Banking Aktiengesellschaft, Abt. CNF, Neue Boersenstrasse 1, Frankfurt am Main, Germany, and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Securityholders in accordance with General Condition 4 (each a "**Clearing Agent**" and together the "**Clearing Agents**", which term will

include any depositary holding the Global Security on behalf of the Clearing Agent(s));

"Determination Date" means, in respect of a Relevant Valuation Date, (a) fifty Business Day immediately following the Relevant Valuation Date; or (b) if applicable, such later date on which the Calculation Agent is able to determine the relevant Reference Level, subject to adjustment in accordance with Product Condition 4.2 or 4.3;

"Exercise Date" means, subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the day falling fifty Business Days prior to each Calendar Quarter Valuation Date and including the first Calendar Quarter Valuation Date, to and including the Final Exercise Date if any or if any such day is not a Business Day the immediately following Business Day. As used herein **"exercise"** shall be construed to apply to any Securities which are exercised at the option of a Securityholder or in any Deemed Exercise in accordance with Product Condition 3.2, or automatically on the Final Exercise Date, in accordance with Product Condition 3.3 and such Securities shall be cancelled on payment of the Cash Settlement Amount (if any) on the relevant Settlement Date, and **"exercised"**, **"due exercise"** and related expressions shall be construed accordingly;

"Exercise Notice" means the notice described in Product Condition 3.2.1;

"Final Exercise Date" means, subject to adjustment in accordance with Product Conditions 4.2 or 4.3, if a valid Final Exercise Date Acceleration Notice is given by the Issuer, the Final Exercise Date designated in such notice. The Final Exercise Date shall be deemed to be an Exercise Date;

"Final Exercise Date Acceleration Notice" means an irrevocable notice given by the Issuer to the Securityholders that the Issuer is exercising its right in accordance with Product Condition 3.3.1 to declare a Final Exercise Date;

"Fund Level" means, in respect of a Valuation Date and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, an amount equal to the net asset value per one Fund Share on such Valuation Date as determined by the Calculation Agent;

"Global Security" has the meaning ascribed thereto in Product Condition 2;

"Initial Valuation Date" means 30 June 2007;

"Issue Date" means 26 June 2007;

"Issuer" means Deutsche Bank AG, acting through its office in London;

"Payment Day" means any day which is (i) a day on which each Clearing Agent is open for business and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

"Reference Level" means in respect of:

1. the Initial Valuation Date, EUR 1,000; and
2. all subsequent Valuation Dates, an amount (which may not be less than zero) equal to the product of:
 - (1) the product of

- (i) the Reference Level on the preceding Valuation Date; and
 - (ii) the quotient of: (i) the Fund Level in respect of the relevant Valuation Date (as numerator) and (ii) the Fund Level in respect of the preceding Valuation Date (as denominator); and
- (2) one minus the Certificate Fee;,

Expressed as a formula:

$$\text{MAX} \left[\text{Reference Level}_{(t-1)} \times \frac{\text{Fund Level}_{(t)}}{\text{Fund Level}_{(t-1)}} \right] \times (1 - \text{Certificate Fee}); 0$$

all subject to adjustment in accordance with Product Conditions 4.2 or 4.3, and determined by the Calculation Agent on the Determination Date in respect of the relevant Valuation Date;

"Relevant Valuation Date" means, in respect of an Exercise Date, the the Calendar Quarter Valuation Date by reference to which that Exercise Date is fixed;

"Securities" means up to 100,000 cash settled Certificates relating to the Underlying represented by the Global Security and each a **"Security"**;

"Securityholder" has the meaning given to it in Product Condition 2 below;

"Securityholder Expenses" has the meaning given to it in Product Condition 3.4.1 below;

"Settlement Currency" means euro ("**EUR**");

"Settlement Date" means, in respect of each Exercise Date and a Relevant Valuation Date, (a) fifty five Business Days immediately following the Relevant Valuation Date; or (b) if applicable such later date on which the Calculation Agent is able to determine the relevant Reference Level, subject to adjustment in accordance with Product Condition 4.2 or 4.3, or (c) if any such day is not a Payment Day the immediately following Payment Day.

"Underlying" means the DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series) (the **"Fund Shares"**) of the DB Global Masters Fund Ltd. (the **"Fund"**), each as described more fully in the section "Information Relating to The Underlying" subject to any exercise of the Calculation Agent's discretion to use its powers under Product Condition 4; and

"Exercise Charge" has the meaning given to it in Product Condition 3.4.1 below;

"Valuation Date" means, subject to adjustment in accordance with Product Conditions 4.2 or 4.3; each of (i) the Initial Valuation Date and (ii) the last Business Day of each month or such other day falling on or about the last Business Day of each month as of which the Calculation Agent determines the Fund Level is determined commencing in July 2007.

Terms in capitals which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

Product Condition 2. Form

The Securities are represented by a global security (the **"Global Security"**) which will, if deposited with a Clearing Agent in Germany, be in bearer form for the purposes of German law. The Global Security has been deposited with the Clearing

Agent(s) as defined in Product Condition 1 above. No definitive Securities will be issued.

The Securities are transferable in accordance with applicable law and rules and procedures for the time being of any Clearing Agent through whose books any of the Securities are transferred. The terms "**Securityholders**" and "**holders of Securities**" in the Conditions will be construed to mean those persons recognised as the legal owners of the Securities pursuant to German law.

Product Condition 3. Exercise Rights, Procedure and Settlement

3.1. Exercise

The Securities may be exercised on any Exercise Date other than the Final Exercise Date by delivery of an Exercise Notice as detailed below ("**Securityholder Exercise**"). If the Securities have not been previously exercised they may at the option of the Issuer be exercised on the Final Exercise Date ("**Automatic Exercise**"). The procedures and relevant restrictions for Securityholder Exercise are set out in Product Condition 3.2 and for Automatic Exercise are set out in Product Condition 3.3. Following the due exercise of a Security, settlement shall take place in accordance with Product Condition 3.4.

3.2 Securityholder Exercise

3.2.1 Exercise Notice

In respect of any Exercise Date prior to the Final Exercise Date, Securities may be exercised by the delivery of a duly completed Exercise Notice to the Principal Agent with a copy to a Clearing Agent at or prior to 10.00 a.m. (Central European Time) on the relevant Exercise Date. The form of the Exercise Notice may be obtained during normal business hours from the specified office of each Agent.

An Exercise Notice shall:

- 3.2.1.1 specify the number of Securities being exercised;
- 3.2.1.2 specify the number of the account with the Clearing Agent to be debited with the Securities being exercised;
- 3.2.1.3 irrevocably instruct and authorise the Clearing Agent to debit on or before the Settlement Date an account with the relevant Securities and authorise the Principal Agent to so direct the relevant Clearing Agent on behalf of the relevant Securityholder;
- 3.2.1.4 specify the number of the account with the Clearing Agent to be credited with the Cash Settlement Amount (if any) less, if applicable, any Securityholder Expenses and/or any Exercise Charge for such Securities;
- 3.2.1.5 include an undertaking to pay all Securityholder Expenses and/or any Exercise Charge and an authority to the Clearing Agent to deduct an amount in respect thereof from any Cash Settlement Amount due to such Securityholder and/or to debit a specified account with the Clearing Agent in respect thereof and to pay such Securityholder Expenses and/or any Exercise Charges;

3.2.1.6 certify that neither the Securityholder nor any person on whose behalf the Security is held is a U.S. person or a person within the United States. As used herein, "U.S. person" means either a U.S. person as defined in Regulation S under the United States Securities Act of 1933, as amended, or a person who does not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended; and

3.2.1.7 authorise the production of such notice in any applicable administrative or legal proceedings or to the Clearing Agent.

3.2.2 *Verification*

In respect of each Exercise Notice the relevant Securityholder must provide evidence reasonably satisfactory to the Principal Agent of its holding of such Securities and/or other matters as the Principal Agent may deem appropriate or reasonably require in connection with the exercise or settlement of the Securities.

3.2.3 *Determinations*

Failure to properly complete and deliver an Exercise Notice may result in such notice being treated as null and void. Any determination as to whether an Exercise Notice has been properly completed and delivered shall be made by the Principal Agent and shall be conclusive and binding on the Issuer and the relevant Securityholder. Any Exercise Notice determined to be incomplete or not in proper form, or which is not copied to the relevant Clearing Agent as provided in the Conditions, shall be void *provided, however, that* if such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall constitute a new Exercise Notice submitted at the time such correction is delivered to the Principal Agent with a copy to the relevant Clearing Agent.

The Principal Agent shall use all reasonable endeavours to promptly notify the relevant Securityholder if it has determined that an Exercise Notice is incomplete or not in proper form. In the absence of gross negligence or wilful misconduct on its part, neither the Issuer nor the Principal Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

3.2.4 *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Securityholder to exercise the Securities specified and no Exercise Notice may be withdrawn after receipt by the Principal Agent and the relevant Clearing Agent as provided above. After the delivery of an Exercise Notice the Securities that are the subject of such notice may not be transferred. Any Security with respect to which an Exercise Notice has been delivered after 10.00 a.m. (Central European Time) on any Exercise Date shall be exercised on the next following Exercise Date subject to Product Condition 3.3.

3.3 *Automatic Exercise*

3.3.1 *Declaration of the Final Exercise Date*

The Issuer may, upon delivery of a Final Exercise Date Acceleration Notice (as defined in Product Condition 1) designate a Final Exercise Date. Any Final Exercise Date Acceleration Notice must be given to Securityholders in

accordance with General Condition 4.1 not later than the day falling on the same calendar day as the Final Exercise Date designated in the Final Exercise Date Acceleration Notice (without regard to any adjustment) in the year immediately preceding the calendar year in which such designated Final Exercise Date falls.

3.3.2 *Automatic Exercise on the Final Exercise Date*

Any Security which has not been previously exercised will be automatically exercised on the Final Exercise Date. In respect of the Final Exercise Date only, no Securityholder will be required to complete an Exercise Notice and any purported delivery of an Exercise Notice or any Deemed Exercise in respect of the Final Exercise Date shall be disregarded.

3.4. *Settlement*

The provisions of this Product Condition 3.4, as with other parts of the Conditions, are subject to any adjustment made in accordance with Product Condition 4.

3.4.1 *Cash Settlement Amounts, Exercise Charge and Securityholder Expenses*

In respect of any Exercise Date, each Security upon due exercise entitles its holder to receive from the Issuer, subject to adjustment in accordance with Product Conditions 4.2 or 4.3, an amount (if any) per Security equal to the Reference Level in respect of the Relevant Valuation Date (the "**Cash Settlement Amount**") less (A) all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with (i) the exercise of such Security and/or (ii) any payment due following exercise or otherwise in respect of such Security, (the "**Securityholder Expenses**"), (B) in respect of any Securities exercised which relate to a Relevant Valuation Date falling on or before the Valuation Date falling in March 2008, an exercise charge (the "**Exercise Charge**") equal to 5 per cent of the Fund Level on such Relevant Valuation Date, and (C) in respect of any Securities exercised which relate to a Relevant Valuation Date falling between (including) June 2008 and (including) September 2008, a Exercise Charge equal to 3 per cent of the Fund Level on such Relevant Valuation Date, all as determined by the Calculation Agent for value on the relevant Settlement Date. The Cash Settlement Amount (after deduction of any Securityholder Expenses) will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards. The Cash Settlement Amount, after deduction of any Securityholder Expenses and/or Exercise Charges, cannot be less than zero.

In respect of each Security, all Securityholder Expenses and Exercise Charges in respect thereof shall be for the account of the relevant Securityholder and no payment of any Cash Settlement Amount in respect of a Security shall be made until all Securityholder Expenses and Exercise Charges in respect thereof have been paid or deducted to the satisfaction of the Issuer.

3.4.2 *Payment Provisions*

Payment of the Cash Settlement Amount will be made by an Agent on behalf of the Issuer by credit or transfer to the relevant Clearing Agent for the account of the relevant Securityholder which, if an Exercise Notice is

required, shall be the account specified in such Exercise Notice, such payment to be made in accordance with the rules of such Clearing Agent.

The Issuer will be discharged of its payment obligations by payment to, or to the order of, the relevant Clearing Agent in respect of the amount so paid. Each of the persons shown in the records of a Clearing Agent as the holder of a particular amount of the Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the relevant Agent to, or to the order of, the relevant Clearing Agent.

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and subject to the provisions of General Condition 6.

If a payment of any amount to be paid to a Securityholder, according to the rules of the relevant Clearing Agent, cannot be made in the Settlement Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to securityholders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Settlement Currency, using the rate of exchange determined by the Calculation Agent by reference to such source(s) as the Calculation Agent may determine to be appropriate.

3.4.3 Exercise and Settlement Risk

Exercise and settlement of the Securities (whether Securityholder Exercise or Automatic Exercise) is subject to all applicable laws, regulations and practices in force on the Exercise Date and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in respect of the performance of its duties in connection with the Securities.

3.4.4 General

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent or any Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount. The purchase and/or holding of Securities does not confer on any holder of any Securities any rights (whether in respect of voting, distributions or otherwise) in respect of the Fund Shares or any asset of any kind whatsoever by reference to which the Cash Settlement Amount is calculated.

Product Condition 4. Adjustment, Cancellation and Substitution of Fund Provisions

Upon the occurrence of a Fund Level Adjustment Event or an Extraordinary Fund Event, the Issuer may instruct the Calculation Agent to make the relevant adjustments or may cancel the Securities or may substitute the Fund, in each case as provided in the relevant part of this Product Condition 4. Solely for the purposes of ascertaining the occurrence of any Fund Level Adjustment Event or Extraordinary Fund Event in accordance with this Product Condition 4, any references in this Product Condition 4 to “**Fund Share(s)**” shall be deemed to be a reference to any or all of the 31 July 2007 Series, 31 August 2007 Series or 30 September 2007 Series, Class AE-EUR Shares in the Fund (each a “**Relevant Series**”), or the successor series of units into which the units of the Relevant Series are “rolled-up” at the end of the Fund’s fiscal year in accordance with the provisions of the prospectus of

the Fund (as set out in the section titled "Information relating to the Underlying" below).

4.1 *Definitions:*

"**Extraordinary Fund Event**" means the occurrence of any of the following as determined by the Calculation Agent in its reasonable discretion:

(A) Tax and Fees:

1. the Fund, on or after the Issue Date, introduces or imposes any restriction, charge or fee (or increased restriction, charge or fee) in respect of the purchase, subscription, sale, transfer or redemption of any Fund Share;
2. any action is taken as a result of which a Relevant Investor would, if holding, purchasing, transferring or selling any Fund Share, (i) be required to pay an amount in respect of tax (howsoever arising), or (ii) receive a payment in respect of which an amount in respect of tax (howsoever arising) would be deducted;

(B) Fund/Service Provider:

1. the cancellation of the registration or the approval of the Fund or any Service Provider by any relevant authority; or any suspension of the Fund or any Service Provider by any relevant authority; or the Fund or any Service Provider becomes subject to any investigation, action or sanction by any relevant governmental, legal or regulatory authority;
2. the insolvency, liquidation (whether voluntary or involuntary) or bankruptcy of, or any analogous proceedings affecting the Fund or any Service Provider;
3. a change of control, consolidation, subdivision, reclassification, amalgamation or merger of the Fund or any Service Provider;
4. the Fund redeems any Fund Share in the form of a distribution of non-cash assets;
5. the Fund ceases to trade and/or a Service Provider ceases its activity as a service provider of the Fund;
6. the Fund makes or declares any distribution or dividend;
7. any event that may have a dilutive, concentrative or other effect on the Fund Shares;
8. the Fund or any Service Provider violates any leverage or investment restriction that is applicable to it;
9. any material representation or statement is made by the Fund or any Service Provider is or becomes (or would with the lapse of time or the giving of any notice be likely to become) materially inaccurate (for which purposes a material

representation or statement may cover the status, incorporation, authority or capacity of the Fund or any Service Provider, as applicable);

10. any change in Service Provider or change and/or modification of the currency, strategy, objectives, guidelines and/or investment policies of the Fund as in effect on the Issue Date;
11. the Fund mandatorily designates that a portion of each actual holder of Fund Shares' holding shall be converted into non-redeemable shares (or redeemable shares with significantly reduced liquidity rights) relating to an illiquid special investment of the Fund, howsoever described;

(C) Hedging

1. the inability of the Issuer to acquire, maintain or dispose of any Hedge Asset on any relevant day at such price as it determines is appropriate, and in the case of any Fund Share, at, or at a value that equates to, the net asset value of such Fund Share for such day;
2. any event that, for any reason, may make it unlawful or impractical for the Issuer to hold, acquire, maintain, transfer or dispose of any Hedge Asset;
3. the Issuer becomes unable, or it is not reasonably practical, in each case, for the Issuer, after using commercially reasonable efforts, without incurring a materially increased amount of tax, duty, expenses or fees, to: (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Asset, or (ii) realise, recover or remit the proceeds of any Hedge Asset, including, without limitation, where such inability, or impracticability or mismatch in values has arisen by reason of any restrictions or charges imposed by the Fund or any mandatory redemption of the Fund;

(D) General

1. any Fund Level Adjustment Event occurs which is to be treated as an Extraordinary Fund Event in accordance with the provisions of Product Condition 4.2 (i) or (ii); or
2. any event or circumstance which is likely to have a material adverse effect on the Fund, any Hedge Asset, any Service Provider, or the Issuer;

"Fund Information Document" means, in respect of the Fund and a Fund Share, any offering circular, prospectus, information memorandum or similar document relating to the Fund and/or Fund Shares (including any document between the Fund and one or more investors supplementing, amending or restating the same), all as determined by the Calculation Agent;

"Fund Level Adjustment Event" means that the Calculation Agent reasonably determines that:

- (i) the Fund Level does not accurately reflect the net redemption proceeds that would be received by any Relevant Investor; and/or
- (ii) any Relevant Investor would receive any such relevant net redemption proceeds in more than one payment or later than would normally be the case whether in accordance with the relevant Fund Information Document and/or the practice or procedures of the Fund or otherwise; and/or
- (iii) it is impossible or impractical, for reasons beyond the reasonable control of the Calculation Agent, to determine the Fund Level in respect of any Valuation Date in a timely manner as provided in Product Condition 1 by reason of a delay or failure to publish the Fund Level continuing for more than two Business Days after the date on which such publication would ordinarily occur; and/or
- (iv) the Fund Level is unrepresentative of or is not an accurate reflection of the value of the relevant assets held by or on behalf of the Fund determined by reference to the available market information;

"Hedge Asset" means any transaction(s), arrangement(s) or asset(s) (including for the avoidance of doubt any Fund Shares) which the Issuer deems necessary to acquire or enter into (as applicable) in order to hedge the Issuer's risk of entering into and performing its obligations with respect to the Securities;

"Relevant Investor" means a hypothetical or actual investor (as determined by the Calculation Agent (acting reasonably) in the context of any relevant situation) in Fund Shares, which is deemed: (a) to have the benefits and obligations, as provided in any relevant Fund Information Document, of an investor holding Fund Shares at any relevant time; (b) in the case of any subscription for Fund Shares, to have submitted a valid and duly completed subscription notice and to have paid subscription monies to the Fund, on or before the last date on which it would be permitted, according to the Fund Information Document, to submit a subscription notice and subscription monies that would be timely for a subscription in respect of any relevant amount of Fund Shares in respect of any relevant Valuation Date; and (c) in the case of any redemption of Fund Shares, to have submitted a valid and duly completed redemption notice on or before the last date on which it would be permitted, according to the Fund Information Document, to submit a redemption notice that would be timely for a redemption in respect of any relevant amount of Fund Shares in respect of any relevant Valuation Date. The Relevant Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer (as determined by the Calculation Agent (acting reasonably) in the context of any relevant situation); and

"Service Provider" means, in respect of the Fund, any entity (or any person(s) acting on its behalf) or any person(s) who are appointed to provide services, directly or indirectly, for the Fund Shares, whether or not specified in any documentation relating to the Fund Shares, and including without limitation any director, official, adviser, administrator, manager, investment manager, trading advisor or any other entity providing similar services, operator, management company, depository, custodian, sub-custodian, prime broker, trustee, registrar and transfer agent or domiciliary agent.

4.2 Fund Level Adjustment Event

Upon the occurrence of a Fund Level Adjustment Event in respect of a Valuation Date which the Calculation Agent determines is material, the Issuer may at its option:

- (i) instruct the Calculation Agent to make such adjustments as it determines appropriate with regard to or to account for any Fund Level, Cash Settlement Amount, Settlement Date, Determination Date, Reference Level, as applicable, and/or any other provisions of the Conditions and determine the effective date(s) thereof, and the Calculation Agent shall thereupon make such adjustments; or
- (ii) elect to treat the Fund Level Adjustment Event as an Extraordinary Fund Event to which Product Condition 4.3.2.1 or 4.3.2.2 applies (*mutatis mutandis*).

Any adjustment made in accordance with this Product Condition 4.2 or Product Condition 4.3.1, may without limitation, take into account, as the Calculation Agent deems appropriate, any hedging arrangements carried out by the Issuer and/or any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in the tax consequences) for the Issuer. Such adjustment as described in (i) above may (a) apply in respect of those Securities that have been exercised immediately prior to the relevant Valuation Date; and/or (b) apply for the purposes of determining the Reference Level and related values for subsequent Valuation Dates.

4.3 Extraordinary Fund Events

4.3.1 If an Extraordinary Fund Event which the Calculation Agent determines is material has occurred or is continuing in respect of the Fund or any Fund Shares, the Issuer may require the Calculation Agent to determine such adjustment, if any, to be made to any one or more of the Conditions as it determines appropriate with regard to or to account for the Extraordinary Fund Event and to determine the effective date(s) thereof, which adjustment may be to any variable, method of calculation, valuation or any other terms in respect of the Securities and which may, without limitation, include any or all of: (i) an adjustment to the Cash Settlement Amount(s) paid in respect of any Securities outstanding as of the occurrence of the Extraordinary Fund Event; (ii) an adjustment to the number of Securities exercised; (iii) an adjustment to the timing of any Settlement Date(s) or (iv) payment by instalments of any relevant amount in respect of the Securities.

4.3.2 If an Extraordinary Fund Event has occurred or is continuing and *either* (a) it is impractical or impossible (in the determination of the Calculation Agent) to take the action described in Product Condition 4.3.1, *or* (b) the Calculation Agent reasonably determines that the relevant Extraordinary Fund Event is significantly material and detrimental and cannot in the determination of the Calculation Agent be resolved in accordance with Product Condition 4.3.1, then the Issuer may take the action described in Product Condition 4.3.2.1 and/or 4.3.2.2 below:

- 4.3.2.1 cancel the Securities by giving notice to Securityholders in accordance with General Condition 4. If the Securities are so cancelled, the Issuer will pay an amount to each Securityholder in respect of each Security

held by such Securityholder equal to the fair market value of a Security having considered the effect of the Extraordinary Fund Event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent. Payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 4; and/or

- 4.3.2.2 determine that the Fund Shares shall be substituted with New Fund Shares or Replacement Investments in accordance with Product Condition 4.4 or 4.5 respectively below and determine the date on which the substitution shall take effect by reference to such factor(s) as it may select including, without limitation, any hedging arrangements carried out by the Issuer in respect of the Securities.

The Issuer shall decide in its reasonable discretion whether any adjustments made shall (a) apply only in respect of Securities that have been exercised as of any relevant Exercise Date; or (b) apply to all Securities exercised on or after any relevant Exercise Date.

The Calculation Agent may determine the appropriate adjustment for the purposes of Product Condition 4.3.1 above by reference to the redemption proceeds a Relevant Investor would have obtained had it redeemed all or part of its interest in the relevant Fund Shares on or about the date on which the Calculation Agent determines that the relevant Extraordinary Fund Event has occurred. Any adjustment or replacement made in connection with an Extraordinary Fund Event may also take into account, as the Calculation Agent deems appropriate, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in the tax consequences) for any Relevant Investor as a result of the Extraordinary Fund Event. Such change in tax consequences may include any changes resulting from any hedging arrangements carried out by the Issuer in respect of the Securities.

If any adjustment or replacement is made in connection with any Extraordinary Fund Event, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4, stating the adjustment or replacement made and giving brief details of the Extraordinary Fund Event.

4.4 Fund Substitution

If the Issuer determines that the Fund Shares should be substituted into other fund shares or units in accordance with Product Condition 4.3.2.2 above, the Calculation Agent shall substitute the Fund Shares with new fund shares or units (the "**New Fund Shares**") and the related fund, the "**New Fund**") provided the New Fund has the same or similar strategy and objectives as specified in the Fund Information Document (as determined by the Calculation Agent) and provided that the currency of the New Fund Shares is the same as that for the Fund Shares.

If Fund Shares are substituted in accordance with this provision, the Calculation Agent shall make such adjustments to the Conditions as it deems appropriate with respect to such substitution. Any such adjustments may take into account the realisation value to the Issuer of the Fund Shares and/or any related Hedge Asset in respect of the Fund Shares, in order to pass on to Securityholders the effect of any fall in the value of the Fund Shares.

The Issuer shall promptly notify Securityholders following any substitution of the Fund Shares into new fund shares or units made in accordance with this Product Condition 4.4.

Nothing in this Product Condition 4.4 shall be construed as requiring the Issuer to substitute the Fund Shares for new fund shares or units at all or in any particular circumstances. The Issuer's right to accelerate the exercise of or cancel the Securities in accordance with Product Condition 4.3.2 or General Condition 2 shall not be limited by, or subject to, this Condition.

4.5 Replacement of the Underlying with a Replacement Investment

If the Issuer determines that the Fund Shares should be substituted into Replacement Investments in accordance with Product Condition 4.3.2.2 or the Securities would otherwise be redeemed, terminated or exercised in accordance with the provisions of General Condition 2, the Issuer may in its reasonable discretion determine to substitute a Replacement Investment (as defined below) for the Fund Shares.

For the purposes of this Condition 4.5, "**Replacement Investment**" means commercial paper which is rated, money market investments, bank deposits, cash or such other assets as the Issuer may determine in its reasonable discretion, in each case denominated or held (as the case may be) in the Settlement Currency.

If the Fund Shares are replaced in accordance with this provision, the Calculation Agent shall make such adjustments to the Conditions as it deems appropriate to account for such replacement. Any such adjustments may take into account the realisation value of any hedging arrangements of the Issuer, in order to pass on to Securityholders the effect of any fall in the value of the Fund Shares.

The Issuer shall promptly notify Securityholders following any substitution of the Fund Shares into other investments made in accordance with this Product Condition 4.5.

Nothing in this Product Condition 4.5 shall be construed as requiring the Issuer to substitute the Fund Shares for a Replacement Investment at all or in any particular circumstances. The Issuer's right to accelerate the exercise of or cancel the Securities in accordance with Product Condition 4.3.2 or General Condition 2 shall not be limited by, or subject to, this Condition.

Product Condition 5. Expiry

If the Calculation Agent determines that the Cash Settlement Amount less any Securityholder Expenses and/or Exercise Charges which it determines would apply in respect of the exercise of a Security on any Exercise Date would be equal to or less than zero (regardless of whether or not any Securities have been exercised with respect to that Exercise Date) the Calculation Agent shall give notice of such determination to Securityholders in accordance with General Condition 4.1. All Securities then outstanding will expire worthless as of the date on which such notice is deemed given and notwithstanding any other provision of the Conditions the Issuer shall have no further obligations in respect of the Securities other than in respect of the payment of any Cash Settlement Amounts in respect of any valid exercise of Securities on any previous Exercise Date where such payment(s) have not already been made.

Product Condition 6. Governing Law and Place of Jurisdiction

The Securities are governed by and shall be construed in accordance with German law. The non-exclusive place of jurisdiction for all proceedings arising from matters provided for in these Conditions shall be Frankfurt am Main.

B. GENERAL CONDITIONS

These General Conditions relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions set out in this document. The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

General Condition 1. Status of the Securities

The Securities constitute unsubordinated, unsecured contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

General Condition 2. Early Exercise, Redemption or Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Securities for any reason, the Issuer may at its discretion and without obligation deem exercised, redeem or terminate the Securities early by giving notice to the Securityholders in accordance with General Condition 4.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer exercises, redeems or terminates the Securities early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder equal to the fair market value of a Security notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its reasonable discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 4.

General Condition 3. Purchases

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

General Condition 4. Notices

4.1. Validity

Notices to the Securityholders will be valid if delivered to the Clearing Agent(s) for communication by the Clearing Agent(s) to the Securityholders provided that so long as the Securities are listed on any stock exchange or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange and each such jurisdiction. In the Federal Republic of Germany it is expected that any notices to the Securityholders will normally be published in the *Börsen-Zeitung*.

4.2. Delivery

Notices given pursuant to 4.1 above will become effective on, if delivered to the Clearing Agent(s), the third day after such delivery to the Clearing Agent

or all the Clearing Agents (if more than one) or, if published (whether or not also so given), on the date of such publication, or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers.

General Condition 5. Agents, Calculation Agent, Determinations and Modifications

5.1. Agents

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country if so required by the rules and regulations of each such stock exchange and the securities regulators in each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Securityholders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

5.2. Calculation Agent

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor calculation agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent, provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any such termination or appointment will be given to the Securityholders in accordance with General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

5.3. Determinations by the Issuer

Any determination made by the Issuer pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

5.4. Modifications

The Issuer may, to the extent permitted by applicable law, modify the Conditions without the consent of the Securityholders or any of them in any manner which the Issuer may deem reasonably necessary in order to maintain or preserve the intended commercial purpose of the Conditions if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or intended to correct a manifest error or to cure, correct or supplement any defective provision contained therein. Notice of any such modification will be given to the Securityholders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

General Condition 6. Taxation

In relation to each Security the relevant Securityholder shall pay all Securityholder Expenses and/or Exercise Charges as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, any payment and/or any delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Securityholder such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Securityholder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such holder.

General Condition 7. Further Issues

The Issuer shall be at liberty from time to time without the consent of Securityholders or any of them to create and issue further securities so as to be consolidated and form a single series with the Securities.

General Condition 8. Substitution

8.1. Substitution of Issuer

The Issuer, or any previous substituted company, may at any time, without the consent of the Securityholders substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any subsidiary or affiliate of the Issuer, subject to:

- 8.1.1. the obligations of the Substitute under the Securities being guaranteed by Deutsche Bank AG (unless it is the Substitute);
- 8.1.2. all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;

8.1.3. the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Condition 4.

In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall henceforth be construed as a reference to the Substitute.

8.2. *Substitution of Office*

The Issuer shall have the right upon notice to Securityholders in accordance with General Condition 4 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

General Condition 9. Replacement of Securities

Should any Security be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have been given in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and as to indemnity as the Issuer may reasonably require. Mutilated or defaced Securities must be surrendered before replacements will be issued

General Condition 10. Adjustments for European Monetary Union

10.1. *Redenomination*

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro;

The election will have effect as follows:

10.1.1. where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;

10.1.2. where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and

10.1.3. such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.

10.2. *Adjustment to Conditions*

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

10.3. *Euro Conversion Costs, etc.*

Notwithstanding Condition 10.1 and/or Condition 10.2, none of the Issuer, the Calculation Agent and any Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

10.4. *Definitions*

In this General Condition, the following expressions have the following meanings:

“Adjustment Date” means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

“Established Rate” means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 I (4) of the Treaty;

“National Currency Unit” means the unit of the currency of a country, as those units are defined on the day before the start of the third stage of European Economic and Monetary Union or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage;

“Treaty” means the treaty establishing the European Community.

General Condition 11. Definitions

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

C. INFORMATION RELATING TO THE UNDERLYING

1. DESCRIPTION OF THE UNDERLYING

The Underlying comprises DB Global Masters Fund Ltd. Class AE-EUR Shares (30 June 2007 Series) in the DB Global Masters Multi-Strategy Fund or such successor series of shares into which such shares are “rolled-up” at the end of the Fund’s fiscal year in accordance with the provisions of the prospectus of the Fund as described in section 3 below.

The Issuer accepts responsibility for accurately extracting and reproducing such information from the source described above and as far as the Issuer is aware and is able to ascertain from information published by the Fund or its Investment Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not independently verified any such information and takes no further or other responsibility (express or implied) in respect of such information.

A redacted version of the prospectus of the Fund dated December 2004 and a supplement dated May 2007 is attached at the end of this document. Text which has been removed relates to issues which are not relevant for making an assessment of the Securities.

Further information relating to the Fund can be requested from the Investment Manager.

2. INVESTMENT STRATEGY EMPLOYED BY THE INVESTMENT MANAGER OF THE FUND

The Investment Manager of the Fund is permitted to invest the assets of the Fund in a wide range of securities and instruments. It is currently anticipated that the Investment Manager will follow the strategy, broadly described below. However, the Investment Strategy of any Hedge Fund, including the Fund, may change or be amended from time to time at the discretion of the Investment Manager or its directors and no assurance can be given that the Fund will continue to follow its current Investment strategy in the future. Investors should consult any relevant sections of the Fund prospectus set out in Section 2 "Prospectus of the Fund" below.

Fund-of-Funds Approach

The Investment Manager seeks to achieve the Fund’s investment objective by investing all or substantially all of the Fund’s assets in a multi-strategy investment portfolio through a “fund-of-funds” investment structure composed of various investments in underlying single manager hedge funds which are all managed by Deutsche Bank affiliated (or formerly Deutsche Bank affiliated) investment managers. These include hedge funds whose investment managers currently follow one or more of the following strategies and some of which are explained below: multi-strategy; equity hedge; global macro; market neutral; special situation; fundamental value trading; event driven; and which may in the future follow other different strategies (some of which are also described below).

Multi-Strategy

The Fund will seek to achieve its objective by investing on a multi-strategy basis in global markets. Investment areas include the equity and the bond markets with specific weights determined according to the strategy that the fund intends to adopt in a particular economic phase. The single strategies include Equity Hedge, Event Driven, Directional Trading, Arbitrage, Volatility Long-Short and Credit Long-Short.

Equity Hedge

Hedge fund trading advisers using an equity hedge strategy, also known as long/short equity investment strategy typically seek to produce returns from investments in the global equity markets. The trades executed in implementing this investment strategy are based on the hedge fund trading adviser's views of the outlook for, among other things, specific equity markets, regions, sectors and securities. A long/short equity investment strategy involves taking both long and short positions in various equity securities. To have a long position in an equity security is to own that security, to have a short position in an equity security is to sell such equity security for settlement at a future date without owning it. Long positions profit when the value of the equity security increases and short positions profit when the value of the equity security decreases.

Long/short equity hedge fund trading advisers may take a long position in a security if they believe that the market price of the security is less than the fair or intrinsic value of the assets or earning power of the issuer of the security. Long/short equity hedge fund trading advisers may take a short position in a security if they believe that the issuer of the security exhibits an absence of certain of the qualities exhibited by issuers in whose securities the hedge fund trading adviser would take a long position.

The returns on the long/short equity investment strategies used by the hedge fund trading advisors relate less to the absolute direction of the market and more to the specific long and short equity positions held by a specific hedge fund.

Market Neutral

Hedge fund trading advisers using a market neutral investment strategy seek to generate capital appreciation through a portfolio of positions that are generally neither net long nor net short. However, this market neutral approach may relate to an individual sector, market, industry or region rather than to the hedge fund's aggregate portfolio. The returns on hedge funds using a market neutral approach will not be affected by absolute directional movements in equity markets to the same degree as hedge funds with a net short or net long market weighting. As a result, hedge funds using a market neutral investment strategy may be significantly more dependent on the relative price movements of individual securities than hedge funds engaged in other investment strategies.

Special Situations

Hedge fund trading advisers using as special situations strategy typically seek to generate capital appreciation by taking significant positions in undervalued companies in respect of which a catalyst can be identified which will cause the share price to increase (these may include, among other things, mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, recapitalisations, liquidations, divestitures, spin-offs, and similar transactions). A special situations hedge fund trading advisor may, in certain limited circumstances, invest in securities of issuers which are not currently involved in any of the foregoing transactions, but about which publications or other sources of public information suggest a possibility

of such future activity. The portfolios of special situations hedge fund trading advisers may be actively traded but may also involve significant positions in illiquid assets.

Fundamental Value Trading

These are strategies that are based on quantitative trading models that may try to take advantage of the predicted economic relationship between financial instruments and may involve a very high volume of trading of highly liquid securities globally or in one or more geographical markets.

Event Driven

Hedge fund trading advisers using an event driven investment strategy, also known as risk arbitrage, seek to generate capital appreciation through a portfolio of investments in the securities of issuers that are involved in, among other things, mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, recapitalisations, liquidations, divestitures, spin-offs, and similar transactions. A risk arbitrage hedge fund trading advisor may, in certain limited circumstances, invest in securities of issuers which are not currently involved in any of the foregoing transactions, but about which publications or other sources of public information suggest a possibility of such future activity. Hedge fund trading advisers engaged in this strategy must try to determine the probability that a transaction will be consummated. The portfolios of risk arbitrage hedge fund trading advisers are generally actively traded and may exhibit a high degree of turnover.

Arbitrage

Arbitrage strategies are strategies commonly used by hedge funds where the aim is to take advantage of perceived value discrepancies between equivalent, fungible or similar groups of securities. The hedge fund trading advisers seek to capitalise on the differences in value of economically similar investments by simultaneously buying and selling securities. In doing so, the "spread" or value differential between the securities or investments to the hedge fund aims to achieve greater returns with less emphasis on the performance of the underlying market.

Global Macro

Global macro investment strategies focus on investment opportunities in numerous markets, sectors, industries and instruments. Global macro hedge fund trading advisers may take either long or short positions in, among other things, equities, fixed income markets, currencies and commodities (e.g., agricultural products, metals and energy), and may trade in futures contracts, options and other derivative instruments.

Managed Futures

Hedge fund trading advisers employing a managed futures trading adviser strategy generally trade futures (including foreign exchange futures) and options whose returns are based on, among other things, interest rates, equity securities, market indices, precious metals and commodities.

Credit

Credit strategies aim to exploit the perceived miss pricing of credit risks. Credit strategies can be arbitrage or investing strategies.

Directional Trading

Directional trading strategies are based upon speculating on the direction of market prices of currencies, commodities, equities and bonds in the futures and cash markets. Some Hedge Funds employing these types of strategies rely on model-based systems to generate buy and sell signals.

Volatility Long-Short

This strategy is primarily based on the use of options and other structured products in order to attempt to implement an arbitrage between implied and future realised volatilities or to exploit arbitrage opportunities between different types of instruments.

Credit Long-Short

This strategy relies on attempting to identify price anomalies within the credit market. The objective is to build a diversified portfolio of "long" and "short" positions in credit sensitive instruments. The sensitivity of the portfolio to the behaviour of the global credit market should be reduced significantly and the success will rely on the relative out-performance of the various positions.

Hedge Funds are generally not limited in the types of investment strategies they employ and they may develop new strategies at any time in response to, without limitation, market conditions and trends. In addition, Hedge Funds may employ strategies that are not described in this document and/or do not exist as of the date of this document. Any of these strategies may involve investing in markets or instruments that are not described in this document and/or do not exist as of the date of this document. Accordingly, it is impossible to predict all the investment strategies that may be employed by the Fund to which the Securities will be linked, whether directly or indirectly. Nevertheless, all such investment strategies should be considered speculative, volatile and no less risky than the investment strategy described herein.

3. PROSPECTUS OF THE FUND

None of the Investment Manager of the Fund nor the Fund accept any responsibility for the information contained in this document.

The information in this section "Prospectus of the Fund" consists of extracts from, or summaries of, information provided by the Fund. The Issuer accepts responsibility for accurately extracting such information. The Issuer has not independently verified any such information and takes no further or other responsibility (expressed or implied) in respect of such information.

DB GLOBAL MASTERS FUND LTD.

(A Cayman Islands Exempted Company)

Redeemable Participating Shares

DB ABSOLUTE RETURN STRATEGIES

Investment Adviser

December 2004

GENERAL NOTICES

PROSPECTIVE INVESTORS SHOULD READ THIS CONFIDENTIAL OFFERING MEMORANDUM (THE “MEMORANDUM”) CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE SHARES AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION SET FORTH UNDER THE HEADING “RISK FACTORS.” INVESTMENT IN THE SHARES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK. INVESTORS SHOULD UNDERSTAND SUCH RISKS AND HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THEM FOR AN EXTENDED PERIOD OF TIME.

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR THE SECURITIES LAWS OF ANY STATE OR JURISDICTION AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS. THE SHARES HAVE NEITHER BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES COMMISSION OR GOVERNMENTAL AUTHORITY NOR HAVE ANY OF THE FOREGOING PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF WITHOUT THE CONSENT OF DB GLOBAL MASTERS FUND LTD. (THE “FUND”) AND COMPLIANCE WITH APPLICABLE SECURITIES LAWS.

THE SHARES ARE NOT INSURED OR GUARANTEED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THE SHARES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK OR OTHER FINANCIAL INSTITUTION, AND ARE NOT GUARANTEED BY ANY BANK OR OTHER FINANCIAL INSTITUTION.

DB INVESTMENT MANAGERS, INC. (“DBIM”) IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (“CFTC”) AS A COMMODITY POOL OPERATOR IN RESPECT OF THE FUND BECAUSE THIS POOL IS OPERATED PURSUANT TO THE FOLLOWING CRITERIA: (I) SHARES OF THE POOL ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND SUCH SHARES ARE NOT OFFERED AND SOLD THROUGH A PUBLIC OFFERING IN THE UNITED STATES; AND (II) (A) EACH NATURAL PERSON PARTICIPANT IS A NON-“UNITED STATES PERSON” AS DEFINED IN CFTC REGULATION SECTION 4.7 OR A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT OR A “KNOWLEDGEABLE EMPLOYEE” AS THAT TERM IS DEFINED IN CFTC REGULATION SECTION 4.7(a)(2); AND (B) EACH NON-NATURAL PERSON PARTICIPANT IS A NON-“UNITED STATES PERSON” AS DEFINED IN CFTC REGULATION SECTION 4.7 OR A “QUALIFIED ELIGIBLE PERSON,” AS THAT TERM IS DEFINED IN CFTC REGULATION SECTION 4.7, OR AN “ACCREDITED INVESTOR,” AS THAT TERM IS DEFINED IN SECTIONS 501(A)(1)-(3), (7), AND (8) OF REGULATION D UNDER THE SECURITIES ACT. UNLIKE A REGISTERED COMMODITY POOL OPERATOR, DBIM IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT COMPLYING WITH CFTC REGULATIONS TO PARTICIPANTS IN THIS POOL. THE FUND WILL, HOWEVER, DELIVER THIS MEMORANDUM AND THE PERIODIC AND ANNUAL REPORTS DESCRIBED HEREIN.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH RESPECT TO THE SHARES EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF THE NAME OF AN OFFEREE APPEARS IN THE APPROPRIATE SPACE PROVIDED ON THE COVER PAGE OF THIS MEMORANDUM AND ONLY IF DELIVERY OF THIS MEMORANDUM IS PROPERLY AUTHORIZED BY THE FUND OR AN APPROVED PLACEMENT AGENT.

THIS MEMORANDUM HAS BEEN PREPARED BY THE FUND SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED SALE OF THE SHARES, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND IS PROHIBITED. ANY CONTRARY ACTION MAY PLACE THE PERSON OR PERSONS TAKING SUCH ACTION IN VIOLATION OF APPLICABLE SECURITIES LAWS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY OFFER, SOLICITATION, OR SALE OF THE SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE ANY SUCH OFFER, SOLICITATION, OR SALE. THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PROSPECTUS OR ADVERTISEMENT, AND THE OFFERING CONTEMPLATED IN THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF SHARES.

THIS MEMORANDUM CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE INFORMATION PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE IS MADE TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND THE OTHER AGREEMENTS, DOCUMENTS, STATUTES, AND REGULATIONS REFERRED TO HEREIN FOR THE EXACT TERMS OF SUCH MEMORANDUM AND ARTICLES OF ASSOCIATION, OTHER AGREEMENTS, DOCUMENTS, STATUTES, AND REGULATIONS.

THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSTRUED AS INVESTMENT, LEGAL, OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL, AND TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN THE FUND.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

THIS MEMORANDUM IS BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN THE CAYMAN ISLANDS AND IS SUBJECT TO CHANGES THEREIN. THIS MEMORANDUM SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND.

ALL REFERENCES HEREIN TO DOLLARS (\$) ARE TO UNITED STATES DOLLARS.

**DB GLOBAL MASTERS FUND LTD.
FUND DIRECTORY**

Registered Office

DB Global Masters Fund Ltd.
c/o Caledonian Bank & Trust Limited
Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043 GT
George Town, Grand Cayman
Cayman Islands, British West Indies

Investment Adviser of the Fund and the Affiliated Portfolio Funds

DB Absolute Return Strategies
(Deutsche Bank Trust Company Americas, DB Capital
Advisers, Inc., and DB Investment Managers, Inc.)
25 DeForest Avenue, Suite 205
Summit, New Jersey 07901
U.S.A.

Administrator, Registrar, and Transfer Agent of the Fund and the Affiliated Portfolio Funds

International Fund Services (Ireland) Limited
Third Floor, Bishop's Square
Redmond's Hill, Dublin 2
Ireland

Placement Agents

Divisions of the Deutsche Bank Group

Auditors

PricewaterhouseCoopers
P.O. Box 258 GT
Strathvale House
George Town, Grand Cayman
Cayman Islands, British West Indies

United States Counsel to the Investment Adviser

Sidley Austin Brown & Wood LLP
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60603
U.S.A.

Cayman Islands Counsel to the Fund and the Affiliated Portfolio Funds

Maples and Calder
P.O. Box 309 GT
Ugland House, South Church Street
George Town, Grand Cayman
Cayman Islands, British West Indies

DB GLOBAL MASTERS FUND LTD.

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INTRODUCTION

DB Global Masters Fund Ltd. is a Cayman Islands exempted company (the “Fund”) incorporated on November 29, 2001. The Fund’s investment objective is to generate attractive rates of return by investing all or substantially all of its assets in a multi-strategy investment portfolio through a “fund-of-funds” investment structure comprised of various underlying investment vehicles (the “Portfolio Funds”). Deutsche Bank Trust Company Americas, a New York banking corporation (“DBTCA”), and DB Capital Advisers, Inc., a Delaware corporation (“DB Cap”), serve as the investment adviser of the Fund and certain Portfolio Funds (the “Affiliated Portfolio Funds”). DBTCA and DB Cap have delegated their investment advisory responsibilities for the Fund, and may delegate such obligations with respect to the Affiliated Portfolio Funds, to DB Investment Managers, Inc., a Delaware corporation (“DBIM”), collectively with DBTCA and DB Cap providing services hereunder as DB Absolute Return Strategies (collectively, the “Investment Adviser”). DBIM is an indirect, wholly owned subsidiary of Deutsche Bank AG (“Deutsche Bank”) and is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). DBIM also currently serves as the Fund’s commodity pool operator and acts as commodity trading advisor. Although DBIM is currently registered as a commodity pool operator with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”) in such capacity, DBIM has elected to treat the Fund as an exempt pool pursuant to CFTC Rule 4.13(a)(4) on the basis that redeemable participating shares of the Fund (“Shares”) are only issued to “qualified purchasers” (as defined in the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), and regulations thereunder) and non-U.S. investors and may in the future cease to be registered as a commodity pool operator. Consequently, DBIM will not be required by CFTC rules to deliver to investors a disclosure document or a certified annual report complying with CFTC regulations.

The Fund was originally established to allocate the Fund’s assets to Deutsche Bank portfolio managers and trade along with Deutsche Bank proprietary capital. Thus, the Fund allocated assets among various Portfolio Funds advised by advisers (“Advisers”) who were Deutsche Bank portfolio managers advising Deutsche Bank proprietary capital. Over time, some of these Deutsche Bank portfolio managers left Deutsche Bank and established their own investment management companies. Further, Deutsche Bank has now determined that it is in the best interests of both Deutsche Bank and its clients to separate its proprietary and fiduciary investment activities. Consequently, the portfolio managers who are advising the Portfolio Funds either (i) will leave or have left Deutsche Bank and become “Former DB Managers” advising “Non-Affiliated Portfolio Funds” to which the Fund allocates assets or (ii) will join the Investment Adviser (or serve as consultant to the Investment Adviser) and continue to advise Portfolio Funds but no longer manage Deutsche Bank proprietary capital in separate *pari passu* accounts. Thus, the Fund will be comprised of Portfolio Funds advised by Former DB Managers (*i.e.*, Non-Affiliated Portfolio Funds) and Affiliated Portfolio Funds advised by Advisers who are portfolio managers employed by the Investment Adviser or who have otherwise entered into consulting agreements with the Investment Adviser. Thus, the Fund will now be run more like a traditional fund-of-funds allocating capital either to Former DB Managers or to in-house portfolio managers who advise client capital. These changes will generally be effective as of January 1, 2005, although certain portfolio managers may leave Deutsche Bank over time.

Each Adviser pursues on behalf of its respective Portfolio Fund(s) one or more distinct investment strategies (“Strategies”). The current Strategies pursued by the Advisers on behalf of the Portfolio Funds may be summarized as follows: global diversified trading; emerging market currency; U.S. equity long/short; systematic computer trading; quantitative value trading; equity special situations; global statistical arbitrage; and international equity long/short. The Investment Adviser may in the future elect to change (i) the number of Portfolio Funds in which the Fund invests and/or (ii) the number and nature of the Strategies pursued by the Portfolio Funds.

The Fund commenced operations as of January 1, 2002.

SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Confidential Offering Memorandum (the “Memorandum”) and in the Fund’s Memorandum and Articles of Association (the “Memorandum and Articles of Association”).

The Fund

The Fund	DB Global Masters Fund Ltd., incorporated on November 29, 2001 as a Cayman Islands exempted company.
Investment Adviser	Deutsche Bank Trust Company Americas, a New York banking corporation, and DB Capital Advisers, Inc., a Delaware corporation, which have delegated their investment advisory obligations with respect to the Fund, and which may delegate such obligations with respect to the Affiliated Portfolio Funds, to DB Investment Managers, Inc., collectively performing services as DB Absolute Return Strategies.
Investment Program	The Fund’s investment objective is to generate attractive rates of return by investing all or substantially all of the Fund’s assets in a multi-strategy investment portfolio of Portfolio Funds. There can be no assurance that the Fund will achieve this investment objective or that the investment strategy implemented on behalf of the Fund or any Portfolio Fund will be successful.
Portfolio Funds	Each of the Affiliated Portfolio Funds is a company formed with limited liability under the laws of the Cayman Islands, and the Investment Adviser expects that all Non-Affiliated Portfolio Funds will be limited liability vehicles formed outside the United States.
Advisers	Each Portfolio Fund has an Adviser that implements its Strategies. The Investment Adviser serves as the Adviser for Affiliated Portfolio Funds, while certain Former DB Managers serve as the Advisers to the Non-Affiliated Portfolio Funds.
Sub-Advisers	The Investment Adviser has retained DB Advisors, L.L.C. (London Branch) as a sub-adviser with respect to the Global Statistical Arbitrage Strategy. It is currently anticipated that during the first half of 2005, Jonathan Hiscock, portfolio manager for the Global Statistical Arbitrage Strategy, and certain other personnel will leave Deutsche Bank and become Former DB Managers managing Fund assets in a Non-Affiliated Portfolio Fund. After Mr. Hiscock’s departure, the Investment Adviser does not contemplate using any sub-advisers, but this may change.
Placement Agents	Divisions of Deutsche Bank and its affiliates (the “Deutsche Bank Group”) serve as placement agents for the Fund (collectively, the “Placement Agents”). The Fund may also appoint additional Placement Agents.
Administrator	The Fund and the Affiliated Portfolio Funds have appointed International Fund Services (Ireland) Limited (the “Administrator”) to carry out their day-to-day administration of the Fund and each Affiliated Portfolio Fund.
Risks	<i>An investment in the Fund is speculative and involves substantial risks. Shares are intended for sale to a limited number of experienced and sophisticated investors. Investors must be willing to bear the risks of this</i>

investment, including the possible loss of all or a substantial part of their investment. In addition, there are a number of conflicts of interest in the structure and operation of the Fund and the Portfolio Funds. See “Risk Factors” and “Conflicts of Interest.”

The Offering

Offering

The Fund is offering various Classes of Shares in Series at a price of \$1,000 per Share as of the first business day of each month (a “business day” being any day on which banks are open for business in New York City and the Cayman Islands) and as of any other date in the discretion of the Fund’s board of directors (the “Directors”). The Fund currently offers Class A Shares, which participate fully (or will participate to a limited extent) in gains or losses attributable to “new issues,” meaning initial public offerings of equity securities, and Class B Shares, which do not participate (or will participate to a limited extent) in such gains and losses. Class A Shares and Class B Shares will be available for purchase through March 1, 2005. Thereafter, the Fund will offer Class C Shares (fully participating in new issues) and Class D Shares (no or limited participation in new issues). The Class C Shares and Class D Shares are identical to Class A Shares and Class B Shares, respectively, except that the Class C Shares and Class D Shares have a four-quarter lock-up period during which they may not be redeemed.

Eligible Investors

Shares are offered to investors that are (A) non-U.S. Persons as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and Regulation 4.7 under the U.S. Commodity Exchange Act, as amended (the “CEA”), or (B) (i) “accredited investors” (as defined in Regulation D under the Securities Act), (ii) “qualified eligible persons” (as defined in the regulations under the CEA) and (iii) “qualified purchasers” (as defined in the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), and the regulations thereunder). In general, sales to U.S. Persons will be limited to certain tax-exempt employee benefit plans, individual retirement accounts, and other U.S. tax-exempt entities.

Base Currency

The base currency of the Fund is U.S. Dollars; *i.e.*, the currency in which it maintains its books, records, and financial statements and in which it is charged applicable fees.

Loans to Shareholders

The Fund may enter into agreements with financial institutions, including Deutsche Bank and its affiliates (collectively, the “Lending Banks”), to facilitate loans to Shareholders collateralized by the Shares.

Fees and Expenses

Organizational Expenses

The Fund bears its organizational and initial offering costs as well as its *pro rata* share of all such costs incurred by the Portfolio Funds. Such costs with respect to the Fund are being amortized on a straight-line basis over the first five years following the commencement of the Fund’s investment operations.

No Direct Management Fee or Performance Fee

The Fund will bear no management fee or performance fee or allocation at the Fund level. Instead, all such fees will be calculated and paid at the Portfolio Fund level, separately with respect to each Portfolio Fund. This structure is effective as of January 1, 2005, as prior thereto certain fees were borne at the Fund level.

Fund Operational Expenses

The Investment Adviser bears all of its separate expenses arising out of its services to the Fund, including all of its general overhead expenses (including the rent of its offices, compensation and benefits of its administrative staff, maintenance of its books and records, and its fixed expenses, telephones, and general purpose office equipment), but is not responsible for any expenses of the Fund. In particular, the Fund bears (without limitation) the following expenses: offering expenses associated with each offering; research expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses; legal and recording fees and expenses; professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting, auditing, and tax preparation expenses; custodial expenses; taxes; insurance; printing and mailing costs; costs and expenses related to exchange listings; all investment expenses (*i.e.*, expenses which the Directors or the Investment Adviser reasonably determines to be directly related to the investment of the Fund's assets); costs and expenses of entering into and utilizing credit facilities and structured notes, swaps, or derivative instruments; the Investment Adviser's legal expenses in relation to the Fund; Conflicts Advisory Board fees and expenses; reasonable out-of-pocket expenses of the Investment Adviser, for example, travel expenses related to due diligence investigations of existing and prospective investments; the Administrator's fees and expenses; and other expenses associated with the operation of the Fund, including any extraordinary expenses (such as litigation and indemnification).

Portfolio Fund Fees and Expenses

The Fund will bear its *pro rata* share of the expenses incurred by the Portfolio Funds in connection with their trading and investment activities. Such expenses include (without limitation) the following: research expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses; legal and recording fees and expenses; professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting, auditing, and tax preparation expenses; administrator's fees and expenses; custodial expenses; taxes; insurance; printing and mailing costs; all investment expenses (*i.e.*, expenses which the directors of the Portfolio Fund or the Adviser reasonably determines to be directly related to the investment of the Portfolio Fund's assets, such as brokerage commissions, expenses related to short sales, clearing and settlement charges, bank service fees, spreads, interest expenses, borrowing charges, short dividends, and other investment expenses); costs and expenses of entering into and utilizing credit facilities and structured notes, swaps, or derivative instruments; the Adviser's legal expenses in relation to the Portfolio Fund; conflicts advisory board fees and expenses; reasonable out-of-pocket expenses of the Adviser, for example, travel expenses related to due diligence investigations of existing and prospective investments; and other expenses associated with the operation of the Portfolio Fund, including any extraordinary expenses (such as litigation and indemnification). Non-Affiliated Portfolio Funds may also pay additional operational costs. The Fund also bears the management and performance fees payable at the Portfolio Fund level. Each Portfolio Fund will pay its Adviser, which will be either a Former DB Manager, the Investment Adviser, or the Sub-Adviser, a monthly management fee ("Management Fee") equal to 0.166% of each such Portfolio Fund's net asset value (2.0% on an annual basis). This Management Fee is generally payable in arrears as of the last business day of each month, after adjustments for profits and losses but before any accrual or payment of the performance fees paid to the Adviser with respect to such Portfolio Fund. Each Portfolio Fund also pays its Adviser an annual performance fee ("Performance Fee") equal to 20% of the net profits of such Portfolio Fund.

The Performance Fee will be calculated separately for each Portfolio, Fund, generally net of all fees and expenses (including the Management Fee) of such Portfolio Fund, without any set-off against the performance or performance fee of any other Portfolio Fund. Any loss carryforward amounts will be tracked for the Fund as a whole and not with respect to any particular Shareholder and will further be treated separately by each Portfolio Fund and will not be set-off against the performance of any other Portfolio Fund. The Fund's future investments in Non-Affiliated Portfolio Funds managed by a Former DB Managers may bear fees that differ from those described above; in such event the Fund will promptly notify investors of any materially different fees.

Compensation of the Investment Adviser and Affiliates by Portfolio Funds

Former DB Managers will compensate the Investment Adviser and its affiliates out of the Management and Performance Fees paid to such Former DB Managers by payments of up to 50% of such Management and Performance Fees. In addition, the Investment Adviser may perform infrastructure, risk monitoring, or other services for Non-Affiliated Portfolio Funds and receive fees therefor at its customary rates. Further, the Investment Adviser and its affiliates may act as broker, dealer, counterparty, bank, placement agent, or other service provider to Portfolio Funds and receive compensation therefor.

Selling Commissions

An up-front commission of up to 2.50% of the Net Asset Value of each Share sold is paid to the applicable Placement Agent by each investor. Such commission may be waived or reduced by the Placement Agent in respect of particular investors. Placement Agents may also receive a portion of the Management and Performance Fees paid to an Adviser.

Distributions

The Fund does not currently anticipate making any distributions, but may, after consultation with the Investment Adviser, determine to do so at any time.

Miscellaneous

Fiscal Year

December 31.

Auditors

PriceWaterhouseCoopers (Cayman Islands).

Reports

Audited financial reports will generally be delivered within 120 days after each Fiscal Year. Within 30 days following the end of each quarter, each Shareholder will be mailed a quarterly financial report containing performance information on an unaudited basis.

Legal Counsel

Sidley Austin Brown & Wood LLP, Chicago, Illinois, served as U.S. legal counsel to the Investment Adviser in connection with the preparation of this Memorandum. Sidley Austin Brown & Wood LLP, which does not represent the Fund, may also advise the Investment Adviser on its obligations to the Fund. Maples and Calder, Cayman Islands, serves as Cayman Islands counsel to the Fund. Neither firm represents the Shareholders in the Fund and no other counsel has been engaged to act on behalf of the Shareholders.

THE INVESTMENT PROGRAM

Investment Objective

The investment objective of the Fund is to generate attractive rates of return by investing all or substantially all of the Fund's assets into a multi-strategy investment portfolio. There can be no assurance that the Fund will achieve its investment objective.

Investment Strategy

The Investment Adviser seeks to achieve the Fund's investment objective by investing all or substantially all of the Fund's assets in a multi-strategy investment portfolio accessed through a "fund-of-funds" investment structure composed of various Portfolio Funds. The Investment Adviser currently serves or will soon serve as investment adviser to each Affiliated Portfolio Fund, while Former DB Managers currently serve as the investment adviser to each Non-Affiliated Portfolio Fund. Each Portfolio Fund is advised by an Adviser that implements the Strategy specific to such Portfolio Fund. Former DB Managers currently serve as the Advisers for the Non-Affiliated Portfolio Funds implementing the Quantitative Value Trading and Equity Special Situations Strategies. The Investment Adviser currently serves or will soon serve as the Adviser for all other Strategies, although the Investment Adviser has engaged the Sub-Adviser to advise with respect to the Global Statistical Arbitrage Strategy. The Investment Adviser in the future may elect to change (i) the number of the Portfolio Funds in which the Fund invests and/or (ii) the number and nature of Strategies pursued by the Portfolio Funds.

One or more Advisers may elect to pursue the Strategy employed on behalf of one or more Portfolio Funds by entering into one or more derivative contracts with Deutsche Bank. Such contracts may at any time constitute the sole assets of such Portfolio Funds, and are intended to provide synthetic exposure to the profits and losses of some or all of the investments that such Portfolio Funds otherwise might make directly.

Set forth below are the Strategies that the Advisers' portfolio managers (the "Portfolio Managers") currently employ on behalf of the Portfolio Funds (aside from the Equitech Global Matched Book Strategy, which will be terminated as of December 31, 2004). Certain current Strategies may be terminated and/or additional Strategies may be added in the future.

Quantitative Value Trading. The Quantitative Value Trading ("QVT") Strategy is implemented by QVT Financial LP ("QVT Financial"), a Former DB Manager, through a Non-Affiliated Portfolio Fund. QVT Financial employs several strategies, including convertible arbitrage, closed-end fund arbitrage, credit arbitrage, high yield and distressed debt intra-capital structure arbitrage, relative value-driven equity trading, and a variety of special situations. These strategies are implemented in the markets of the United States, Canada, Latin America, Europe, Asia, and Africa, with a slight majority of the positions arising from the U.S. markets. The QVT Strategy is executed by a team of professionals with extensive education and experience in derivatives modeling theory, statistical analysis, credit and financial statement analysis, securities law, mergers and acquisitions law, bankruptcy law, computer science, the construction of complex software systems, and the management of large, multi-country and multi-currency portfolios of diverse instruments.

Equity Special Situations. The Equity Special Situations Strategy is implemented by Altima Partners LLP, a Former DB Manager, through a Non-Affiliated Portfolio Fund. The Equity Special Situations Strategy seeks to find stock on a global basis that is underpriced on a historical, absolute, and relative basis, using the Portfolio Manager's extensive network of contacts and proprietary valuation systems. This Strategy then looks to identify the factors or perceptions that cause the stock to be undervalued. Using the Portfolio Manager's expertise in deal analysis, structuring, and implementation involvement, this Strategy takes significant positions in these companies in an effort to unlock the value of the stock. As such, this Strategy tends to hold relatively few positions, all or many of which may be illiquid.

Noetic Global Diversified Trading. The Global Diversified Trading Strategy is a systematic trading program that attempts to profit from short, medium, and long-term trends in the global futures markets for fixed income,

currencies, equities, and physical commodities. This Strategy seeks to achieve long-term volatility levels similar to or less than the long-term volatility levels of the Standard & Poor's 500 Composite Index ("S&P 500"). The portfolio is diversified across several underlying currencies and over thirty distinct futures contracts. The portfolio also may include investments in cash and forward currency transactions. The holding period for an individual trade is medium-term, typically between two and five weeks.

Noetic Emerging Market Currency. The Noetic Emerging Market Currency Strategy is a systematic trading program that attempts to profit from extended trends in forward contracts on the currencies of emerging market nations in Asia, South America, and Eastern Europe. This Strategy seeks to achieve long-term volatility levels similar to the long-term volatility levels of the S&P 500. The holding period for an individual position is medium-term, typically between four and seven weeks.

Noetic Equity Long/Short (formerly U.S. Equity Long/Short and International Equity Long/Short). The Noetic Equity Long/Short Strategy is a market neutral trading program in U.S. and international equity markets. The equity model invests in a portfolio of long and short U.S. and international equities on a systematic basis, attempting to capture short-term mispricing in the relative value of U.S. and international stocks. This Strategy seeks to achieve long-term volatility levels similar to the long-term volatility levels of the S&P 500. The long and short portfolios are about equal in dollar value and are diversified across sectors and industries, with hundreds of names on each side. The holding period for an individual position is short-term, typically less than two weeks. It is also expected that during the first quarter of 2005 this Strategy will also incorporate a high frequency trading program to take directional positions on individual stocks for only brief periods of time for momentum trading.

Global Statistical Arbitrage. The Global Statistical Arbitrage Strategy is a market neutral, model-driven trading strategy that attempts to exploit statistical inefficiencies in major equity markets. The Portfolio Managers of this Strategy seek to maximize risk-adjusted returns through their continuous research and efforts to improve return forecasting, reduce transaction costs, and minimize risk. This Strategy's portfolio is generally diversified across approximately 3,000 names and is subject to extremely high turnover, entailing an average holding period per position of one to two weeks. It is currently expected for Jonathan Hiscock and some or all of the Global Statistical Arbitrage team to leave Deutsche Bank during the first quarter of 2005. The Investment Adviser intends to continue to allocate Fund assets to this Strategy after such departure, but would then allocate assets through a Non-Affiliated Portfolio Fund.

Radix (Systematic Computer Trading). The Radix Strategy, applying the notion that each asset class has its own "signature" in the global marketplace, emphasizes asset class-specific design and non-correlation amongst each sub-model used by this Strategy. This Strategy focuses on strict risk management techniques and a commitment to ongoing macro and technical research for systematic implementation. This Strategy features a specific model for each asset class, using a blend of technical and fundamental analysis to generate positions in fixed income, currency, and equity futures.

It is currently expected that additional Strategies will be allocated Fund assets during the first quarter of 2005. Such Strategies are expected to include a fundamental value trading strategy, several long/short trading strategies, a healthcare strategy, and a Latin America strategy. Additional information will be provided at a later date about the Strategies being implemented.

There can be no assurance that any Strategy or the investment strategy of the Fund will be successful.

No *Pari Passu* Program

Although the Fund was originally set up to allow investors to access internal Deutsche Bank Portfolio Managers and have their capital trade *pari passu* with Deutsche Bank proprietary capital, as indicated above, Deutsche Bank has determined that it is in the best interests of both Deutsche Bank and its clients to separate its proprietary and fiduciary investment activities. Thus, Advisers who have joined or will join the Investment Adviser will not manage Deutsche Bank proprietary capital in separate *pari passu* accounts (although Deutsche Bank may invest seed capital in the Fund or a Portfolio Fund). Thus, the Affiliated Portfolio Funds are not managed *pari passu* with Deutsche Bank proprietary capital any more.

With respect to Former DB Managers and Non-Affiliated Portfolio Funds, some of such Former DB Managers may continue to trade Deutsche Bank proprietary capital. Such Former DB Managers will observe their fiduciary duties to allocate investment opportunities equitably over time, but there can be no assurance that such Non-Affiliated Portfolio Fund will be traded *pari passu* with any Deutsche Bank proprietary capital allocated to such Former DB Manager.

U.S. Rules on Initial Equity Public Offerings

The Fund may, from time to time, indirectly participate in the purchase of equity securities in an initial public offering. Pursuant to Rule 2790 of the National Association of Securities Dealers, Inc. (the “NASD”), certain persons and entities may not be able to participate or participate fully in gains or losses from the initial public offering of equity securities (“new issues”). The Fund has issued Shares designated as Class A Shares and Class B Shares to enable the Fund to participate, through the accounts and investment vehicles in which the Fund invests, in new issues. Class A Shares may be purchased or held only by investors who are not “restricted persons,” as defined in the Subscription Agreement. Class B Shares may be purchased or held by “restricted persons.” To the extent “restricted persons” may not participate or may not participate fully in such gains and losses, such Shareholders are not compensated for the use of their capital in such trading. Shareholders who may not participate in allocations from investments in new issues may experience materially different performance than Shareholders who are not so restricted. The Subscription Agreement sets forth questions which determine whether a Shareholder falls within the NASD restrictions relating to new issues. “Restricted person” Shareholders receive no or only a limited allocation of any appreciation or depreciation in the Fund’s assets from investments in new issues.

Allocation of New Issues

The Investment Adviser seeks to achieve fair and equitable treatment of all client accounts with respect to the allocation of new issues. Shares of a new issue received by the Investment Adviser represent an investment opportunity that the Investment Adviser strives to make available to all clients. However, due to the limited availability of new issues, with respect to Affiliated Portfolio Funds, the Investment Adviser has adopted procedures regarding the allocation of the new issues among clients. To ensure that client accounts are treated in a fair and equitable manner, and that allocations do not unfairly advantage or disadvantage any one client, allocation of new issues is usually done on a pre-determined *pro rata* basis. Any deviations to the applicable allocation methodologies must be approved by compliance personnel.

The descriptions contained herein of specific investment strategies and methods that may be engaged in by the Fund should not be understood as in any way limiting the Fund’s investment activities. The Fund may engage in investment strategies and methods not described herein that the Investment Adviser considers appropriate.

The Fund’s investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Fund will be achieved or that the Fund will not incur losses, which may be material.

MANAGEMENT

Board of Directors

The Fund has a Board of Directors which meets at least once a year to review and assess the investment policy and performance of the Fund and generally to supervise the conduct of its affairs. Directors may be elected or removed at a meeting of the Shareholders by a simple majority of the votes cast at such meeting. Also, the Directors may elect one or more additional persons to serve as directors of the Fund or to fill vacancies. The Directors have ultimate authority over the Fund's operations, although the Directors have delegated authority to make investment decisions to the Investment Adviser and have delegated responsibility for administration of the Fund to the Administrator. The Directors have also delegated to a conflicts advisory board (the "Conflicts Advisory Board") the responsibility for approving any transactions between the Fund and the Investment Adviser or its affiliates in accordance with the policies and procedures adopted by the Investment Adviser. At all times, a majority of the Directors will be unaffiliated with the Investment Adviser, although they may (and the current Directors do) serve as directors for other funds advised by the Investment Adviser and its affiliates.

The following individuals currently serve as the Directors of the Fund:

David S. Sargison. Mr. Sargison has over twenty-two years' experience working in the offshore financial industry, and is currently Managing Director of Ogier Fiduciary Services (Cayman) Limited. Prior to joining Ogier, Mr. Sargison was, from April 2003, the Director of a private client mutual fund portfolio. From July 1989 to April 2003, he was Managing Director of Caledonian Bank & Trust Limited in the Cayman Islands, with the responsibility for all operational departments and business development. He was an Assistant General Manager of The Bank of Butterfield in the Cayman Islands from 1986 to 1989, after having worked for The Bank of Butterfield since 1981. Mr. Sargison was an Audit Supervisor for Peat Marwick & Mitchell from 1979 to 1981. From 1975 to 1979, he worked for Deloitte & Co. He holds a B.Sc. Hons. from Hull University, England, and was admitted as a member of the Institute of Chartered Accountants in England and Wales in 1979.

Jan A. Kregel. Mr. Kregel served as Professor of International Economics in the Johns Hopkins University Paul Nitze School of Advanced International Studies from 1985 to 1990 and as Associate Director and Adjunct Professor from 1990 to 1998. He held a Chair in Political Economy at the Università degli Studi di Bologna from 1990 to 2002. He has been a Visiting Senior Scholar at the Jerome Levy Economics Institute of Bard College since 1997. Since 2000, he has been a Visiting Distinguished Research Professor at the University of Missouri at Kansas City, and has served as a consultant to the United Nations since 1998.

Ian G. Sampson. Until 2002, Mr. Sampson served as a member of the panel of arbitrators of the U.K. Securities and Futures Authority. Between 1988 and 1992, Mr. Sampson acted as Managing Director for the Sun Life Unit Trust Company, now part of the AXA Group. Prior to that, he acted as Managing Director of Schroders U.K. Unit Trust Company and several other group companies in various jurisdictions from 1980 to 1988. Mr. Sampson has also been involved in financial regulation, having served as Deputy Chairman of LAUTRO, now subsumed into the U.K. Financial Services Authority, and has been a member of several other regulatory committees.

David S. Walker. Mr. Walker is a Director of Caledonian Bank & Trust Limited in the Cayman Islands. He holds a B.A. in Political Science from Dalhousie University, Halifax, Nova Scotia, Canada, an M.Sc. from Heriot-Watt University in Edinburgh, Scotland, and a L.Ib. Hons. from Liverpool University in Liverpool, England. He was admitted to practice as an attorney at law in the Cayman Islands in February 1997, at which time he commenced working as an attorney with one of the largest law firms in the Cayman Islands. Mr. Walker joined Caledonian Bank & Trust Limited in August 1999 and was appointed Managing Director on May 1, 2003.

Pursuant to the Articles of Association of the Fund, the Directors and their personal representatives will be indemnified, out of the assets of the Fund, from and against all actions, proceedings, costs, charges, losses, damages, and expenses they may incur or sustain by reason of any act done or omitted in or about the execution of their duties except such (if any) as they would incur or sustain by or through their own willful neglect or default, and no such Director or officer will be answerable for the acts, receipts, neglects, or defaults of any other Director or officer or

for the solvency or honesty of any banker or other person with whom any monies or effects belonging to the Fund may be lodged or deposited for safe custody or for any insufficiency of any security upon which the monies of the Fund may be invested or for any other loss or damage that may happen in or about the execution of his office unless the same happens through the willful neglect or default of such Director or officer.

A Director may vote on a proposal, arrangement, or contract in which he is materially interested as provided for in the Memorandum and Articles of Association. A Director may be a director or other officer or employee of any company that provides services to the Fund or in which the Fund may be interested and, unless otherwise agreed, no such Director will be accountable to the Fund for any remuneration or other benefits received thereby.

All Directors will be reimbursed for their out-of-pocket expenses incurred in connection with the performance of their duties as members of the Board of Directors and will each receive a nominal annual fee.

The Conflicts Advisory Board

The Fund and Affiliated Portfolio Funds have each appointed a Conflicts Advisory Board responsible for approving any principal transactions and other significant conflicts of interest transactions for which Fund or Affiliated Portfolio Fund consent, as the case may be, is required pursuant to policies and procedures adopted by the Investment Adviser, and other significant transactions between the Fund and the Investment Adviser or its affiliates which are put to the Conflicts Advisory Board by the Investment Adviser pursuant to the policies and procedures adopted by the Investment Adviser. The Investment Adviser and its affiliates are not required to obtain Conflicts Advisory Board approval for any transaction unless such approval is required by law. Such transactions may be approved by any single member of the Conflicts Advisory Board. Members of the Conflicts Advisory Board are unaffiliated with the Investment Adviser.

The Directors of the Fund or an Affiliated Portfolio Fund, as the case may be, appoint the members of the Conflicts Advisory Board, and any potential investor may contact the Administrator to ascertain the identity of the members of such Conflicts Advisory Board. Members of the Conflicts Advisory Board serve from the date of their appointment until their retirement, resignation, or removal by the Directors unaffiliated with the Investment Adviser. The Fund or an Affiliated Portfolio Fund may fix the compensation of the members of the Conflicts Advisory Board as it deems fit.

No member of the Conflicts Advisory Board will incur any liability in respect of any loss arising out of any instruction, advice, or recommendation given by such Conflicts Advisory Board, unless such loss arises by reason of the gross negligence, bad faith, or willful misfeasance of such member. Each member of the Conflicts Advisory Board will be indemnified out of the assets of the Fund against any actions, costs, claims, damages, expenses, or demands incurred by them in connection with the exercise or performance of their powers and duties, other than any such actions, claims, costs, damages, expenses, or demands incurred by reason of the gross negligence, bad faith, or willful misfeasance of such member.

A member of the Conflicts Advisory Board may be a director or other officer or employee of any company that provides services to the Fund or in which the Fund may be interested and, unless otherwise agreed, no such member of the Conflicts Advisory Board will be accountable to the Fund for any remuneration or other benefits received thereby.

Investment Adviser

DBTCA and DB Cap serve as the investment adviser to the Fund and each Affiliated Portfolio Fund. DB Cap is registered with the CFTC as a commodity trading advisor (“CTA”) and a commodity pool operator (“CPO”), and is a member of the NFA. DBTCA and DB Cap have delegated their investment advisory responsibilities for the Fund, and may delegate such obligations with respect to Affiliated Portfolio Funds, to DBIM. DBTCA, DBIM, and DB Cap are each indirect, wholly owned subsidiaries of Deutsche Bank. Deutsche Bank is a major global banking institution that is engaged in a wide range of financial services, including investment management, mutual funds, retail and commercial banking, investment banking, and insurance.

DBIM serves as the commodity pool operator of the Fund. Although DBIM is currently registered as a commodity pool operator, it has elected to treat the Fund as an exempt pool under CFTC Rule 4.13(a)(4) on the basis that Shares of the Fund are offered only to investors that are “qualified purchasers” and “non-U.S. persons.” DBIM may in the future cease to be registered as a commodity pool operator. DBIM is not required by CFTC regulations to deliver to Shareholders a disclosure document or a certified annual report complying with CFTC regulations.

Set forth below is a brief biography of Raymond C. Nolte, who is primarily responsible for the Investment Adviser’s activities with respect to the Fund.

Raymond C. Nolte. Mr. Nolte is Managing Director and Global Head of Funds-of-Funds for DB Absolute Return Strategies, where he is responsible for the investment management and development of the Investment Adviser’s multi-manager hedge fund products. Additionally, he manages several strategy-specific fund-of-funds and multi-manager separate accounts. Mr. Nolte joined Bankers Trust Company, the predecessor to DBTCA, in May 1983 as part of the Foreign Exchange Sales and Trading and International Fixed Income groups. He was in the Corporate Capital Markets group and was involved in structuring and executing risk management and diversification strategies for high net worth clients as well as developing derivative investment products. Prior to his current position, he was responsible for developing and managing global balanced portfolios. Mr. Nolte received a B.B.A. from George Washington University.

DBTCA and DB Cap have entered into a discretionary investment management agreement with the Fund (the “Investment Advisory Agreement”) and with each Affiliated Portfolio Fund (each, a “Portfolio Fund Investment Advisory Agreement” and, together with the Investment Advisory Agreement, the “Investment Advisory Agreements”). Each of the Investment Advisory Agreements provides that the Investment Adviser has sole responsibility (except as otherwise provided below) for directing the investment and reinvestment of the Fund’s assets and the Affiliated Portfolio Funds’ assets. The Investment Advisory Agreements provide that the Investment Adviser may delegate some or all of its investment decision-making responsibilities on behalf of the Fund and the Portfolio Funds to one or more sub-advisers.

The Investment Advisory Agreement has an initial term of three years and thereafter is automatically renewable for subsequent three-year terms. The Investment Adviser may terminate the Investment Advisory Agreement for cause upon 60 days’ prior written notice to the other party. The Fund may terminate the Investment Advisory Agreement upon thirty days’ written notice (i) if the Shareholders, by a simple majority vote, resolve to terminate the Investment Advisory Agreement or (ii) for “cause,” defined in the Investment Advisory Agreement as gross negligence, willful neglect, or bad faith of the Investment Adviser with respect to its performance or non-performance of its duties under the Investment Advisory Agreement.

The Investment Advisory Agreements provide that the Investment Adviser may assign to one or more parties some or all of the Investment Adviser’s rights, duties, and liabilities under any or all of the Investment Advisory Agreements. The Investment Adviser may make any such assignment to one or more affiliates of the Investment Adviser without prior notice to, or the consent of, the Fund or any Affiliated Portfolio Fund.

The Investment Advisory Agreement provides that the Investment Adviser will not be liable to the Fund except for any act or omission that is found to have constituted willful neglect, gross negligence, or bad faith. The Investment Adviser will not be liable to the Fund for any losses resulting from (i) actions of the Fund, (ii) compliance with, or failing to comply with, unlawful, imprudent, or unreasonable directions of the Fund, or (iii) events beyond the control of the Investment Adviser.

The Investment Advisory Agreement provides that the Fund will indemnify and hold harmless the Investment Adviser and its shareholders, directors, officers, employees, affiliates, agents, and principals from and against any and all loss, liability, claim, demand, damage, cost, or expense to which any of them may become subject arising out of or based upon the exercise of, or the failure to exercise, the discretionary authority granted to the Investment Adviser in the Investment Advisory Agreement, except in the case of willful neglect, gross negligence, or bad faith. The Fund has agreed to indemnify the Investment Adviser against certain other liabilities, including liabilities under U.S. federal and state securities and commodities laws.

The Investment Adviser has entered into Portfolio Fund Investment Advisory Agreements with the Affiliated Portfolio Funds on similar terms.

Advisers

The Portfolio Funds are each advised by an Adviser implementing the Strategy for each Portfolio Fund. The Investment Adviser serves or will soon serve as Adviser for all Affiliated Portfolio Funds, although it has engaged DB Advisors, L.L.C. (London Branch) to act as sub-adviser with respect to the Global Statistical Arbitrage Strategy, and it has also entered into a consulting arrangement for Dr. Vasant Dhar to advise it with respect to the Radix (Systematic Computer Trading) Strategy. However, Former DB Managers currently serve as the Adviser for the Quantitative Value Trading and Equity Special Situations Strategies. Information on the Investment Adviser appears above and information on the Former DB Managers and the Portfolio Managers, both at the Investment Adviser and elsewhere, appears below.

QVT Financial

QVT Financial LP is a Delaware limited partnership organized in July 2003. QVT Financial is a Former DB Manager and serves as the Adviser for the Quantitative Value Trading Strategy. Mr. Dan Gold is a Managing Partner and the Chief Executive Officer of QVT Financial and Messrs. Lars Bader, Nick Brumm, and Tracy Fu are also Managing Partners of QVT Financial. QVT Financial is owned and controlled by the Managing Partners and other key personnel of QVT Financial.

Dan Gold. Mr. Gold has built and managed since its inception the group that is now QVT Financial. He is a Managing Partner and the Chief Executive Officer of QVT Financial and acts as the chief risk manager for accounts managed by QVT Financial, as well as the head trader of the convertible arbitrage and related portfolios managed by QVT Financial. Mr. Gold was formerly a Managing Director of DB Advisors, an indirect subsidiary of Deutsche Bank. He founded the QVT team shortly after joining Deutsche Bank in 1992, having previously developed and traded a variety of proprietary trading systems and models at Daiwa Securities America as an Assistant Vice President from 1990 to 1992 and at Bear, Stearns & Co. as an Associate and member of the Options department from 1989 to 1990. Mr. Gold received an A.B. in Physics from Harvard College in 1989.

Altima Partners LLP

Altima Partners LLP is a limited liability partnership incorporated in England in February 2004, and is authorized and regulated by the United Kingdom's Financial Services Authority. Altima Partners LLP is a Former DB Manager and serves as the Adviser to the Equity Special Situations Strategy.

Mark Donegan. Mark Donegan is the senior Portfolio Manager of the Equity Special Situations Strategy. Over the last sixteen years, he has worked at James Capel, Morgan Grenfell, and Deutsche Bank in the areas of corporate finance, research, sales, and trading equity investments. Other positions Mr. Donegan has held include Head of Regional Equity Sales and Trading and Co-Head of Regional Investment Banking. Mr. Donegan graduated with a degree in history from Durham University.

DB Advisors, L.L.C.

DB Advisors, L.L.C. (London Branch), a Delaware limited liability company ("DB Advisors"), presently serves as the Sub-Adviser with respect to the Global Statistical Arbitrage Strategy. DB Advisors is registered with the CFTC as a CTA and a CPO, is a member of the NFA, and is registered with the SEC as an investment adviser under the Advisers Act. It is currently contemplated for Jonathan Hiscock and the other Portfolio Managers implementing the Global Statistical Arbitrage Strategy to leave Deutsche Bank and form their own Former DB Manager, at which point DB Advisors will cease to be Sub-Adviser to the Fund with respect to any Portfolio Fund.

Jonathan Hiscock. Jonathan Hiscock is the senior Portfolio Manager of the Global Statistical Arbitrage Strategy. Prior to joining Deutsche Bank in 2001, Mr. Hiscock worked for Credit Suisse First Boston, where, commencing in 1997, he served as a trader in the Equity Proprietary Trading group. From August 1995 to November 1996, he

worked in quantitative research at Barclays Global Investors and, thereafter, joined the Equities Division of BZW. Mr. Hiscock graduated with a degree in Mathematics from Oxford University in 1995.

The principal Portfolio Managers and other principals affiliated with the Investment Adviser as Advisers who are actively involved in its day-to-day business are Shengbei Guo and Dr. Vasant Dhar.

Shengbei Guo. Shengbei Guo is the senior Portfolio Manager of the Noetic Global Diversified Trading Strategy, the Noetic Emerging Market Currency Strategy, and the Noetic Equity Long/Short Strategy, and was formerly a Director of DB Advisors. Prior to joining Deutsche Bank in 1997, Mr. Guo worked for Morgan Stanley in New York, where from 1996 until 1997 he was a trader and researcher in the Proprietary Technical Trading Department and from 1994 until 1996 was employed by the Equity Division as a project manager of risk management and accounting systems. From November 1992 until February 1994, Mr. Guo worked for the Equity Division of Morgan Stanley in Tokyo, where he developed portfolio management and risk management software systems for equity and derivative trading. Mr. Guo received his B.S. degree in Computer Science from Beijing University in July 1990, his M.S. degree in Computer Science from Columbia University in May 1991, and his M.B.A. degree from Wharton School at University of Pennsylvania in May 1999.

Dr. Vasant Dhar. Dr. Vasant Dhar is the Portfolio Manager for Radix (Systematic Computer Trading) Strategy. Dr. Dhar has been serving as a consultant to the Investment Adviser or its affiliates since 1997. Prior to that, Dr. Dhar developed systematic trading strategies for proprietary trading at Morgan Stanley from 1994 to 1997. Dr. Dhar has also been on the faculty of the Stern School of Business at New York University since 1983, where he teaches financial engineering and systems. He has written two books and over sixty research articles in the areas of Artificial Intelligence, Optimization, and Financial Engineering over the last twenty years. Dr. Dhar received a Ph.D. from the University of Pittsburgh in Artificial Intelligence in 1984 and a Bachelor of Technology in Chemical Engineering from the Indian Institute of Technology, Delhi in 1978.

Administrator

International Fund Services (Ireland) Limited (the “Administrator”) serves as the Fund’s administrator, registrar, and transfer agent. The Administrator is registered with the Irish Financial Services Regulatory Authority as an approved fund administration company and is an indirect, wholly owned subsidiary of State Street Corporation. The Administrator provides administrative services for a number of corporations and partnerships throughout the world and currently administers net assets in excess of U.S. \$110 billion.

Pursuant to an Administrative Services Agreement (the “Administration Agreement”) between the Administrator and the Fund, the Administrator provides all day-to-day administrative matters related to the Fund, including establishing and maintaining bank accounts, acting as registrar and transfer agent with respect to the Shares, processing the issuance, transfer, conversion, redemption, and cancellation of the Shares, maintaining all appropriate Shareholder registers and ledgers, convening and conducting all meetings of the Shareholders, if any, distributing annual and other reports to Shareholders, responding to inquiries received from Shareholders, preparing and maintaining all financial and accounting books and records, verifying the Net Asset Value and Net Asset Value per Share, maintaining the Fund’s principal administrative records, disbursing payment of expenses of the Fund, and notifying the Investment Adviser of redemption requests.

The Fund has agreed to indemnify the Administrator against any expenses or losses it may suffer arising out of its service as administrator, transfer agent, and registrar, except to the extent caused by the Administrator’s gross negligence, fraud, willful misconduct, or willful default of its duties. In addition, the Administrator will not have any liability for any losses or expenses incurred by the Fund, except those arising as a result of the Administrator’s gross negligence, willful misconduct, fraud, or willful default of its duties.

The Administration Agreement may be terminated at any time without penalty by either party upon not less than 90 days’ written notice, or by the Fund at any time if the Administrator has not cured any Administrator breach of the Administration Agreement in thirty days. The Fund pays the Administrator an administration fee at customary rates.

The Administrator has entered into a comparable administrative services agreement with each of the Affiliated Portfolio Funds.

THE PORTFOLIO FUNDS

Organization

The Fund will invest all or substantially all of its investable assets in, and conduct its trading and investment activities through, various Portfolio Funds. Each of the current Affiliated Portfolio Funds has been incorporated as an exempted company with limited liability under the laws of the Cayman Islands, British West Indies and conducts business as an open-end investment fund. Each Portfolio Fund issues participating shares (“Portfolio Fund Shares”) for the Fund’s allocation of assets to such Portfolio Fund, and holders of Portfolio Fund Shares are referred to as “Portfolio Fund Shareholders.”

The Fund will contribute substantially all of its assets to the Portfolio Funds in exchange for Portfolio Fund Shares at the then-current Net Asset Value per Portfolio Fund Share or at an initial price of \$1,000 per Portfolio Fund Share for newly issued Shares of Affiliated Portfolio Funds. Upon future subscriptions to the Fund, redemptions from the Fund, or reallocations of the Fund’s assets among the various Portfolio Funds, the Fund will purchase or redeem (as applicable) Portfolio Fund Shares at their respective Net Asset Values as of the time of such subscriptions, redemptions, or reallocations. Certain Portfolio Funds may restrict redemptions through the use of “lock-ups” (where investors are prohibited from redeeming Shares for a specified period following investment in the Portfolio Fund) and/or “gates” (where redemptions at any given redemption date are restricted to a specified percentage of the Portfolio Fund’s assets). Currently, only the QVT Strategy Portfolio Fund has imposed any such limits, imposing both a one year lock-up and a gate.

The Affiliated Portfolio Funds may issue non-voting shares (“Non-Voting Portfolio Fund Shares”) to Deutsche Bank or its affiliates and other investors. Deutsche Bank is not obligated to purchase any Portfolio Fund Shares or Non-Voting Portfolio Fund Shares, or to notify Shareholders or Portfolio Fund Shareholders in the event that Deutsche Bank purchases or redeems any Portfolio Fund Shares or Non-Voting Portfolio Fund Shares.

Amendments

Each Affiliated Portfolio Fund’s Memorandum of Association and Articles of Association may be amended generally by special resolution of its voting Portfolio Fund Shareholders. However, unless otherwise provided by the terms of issue of a class of Portfolio Fund Shares, no changes may be made to the rights relating to that class of Portfolio Fund Shares without the unanimous consent in writing by all Portfolio Fund Shareholders of that class having a right to vote or by a resolution passed by a 75% majority (as determined by Net Asset Value) of the holders of Portfolio Fund Shares of that class, represented in person or by proxy, having a right to vote at a general meeting of Portfolio Fund Shareholders of that class.

Dividends

Dividends, in cash or in kind, may be declared at any time by any Portfolio Fund’s Directors in their discretion. It is not anticipated that the directors of any Affiliated Portfolio Fund will declare any dividends.

Indemnification

The Affiliated Portfolio Funds will indemnify each of their respective directors, officers, and trustees, if any, against liabilities arising in connection with their service as a director, officer, or trustee of the Affiliated Portfolio Funds, except in the case of willful neglect or default. In addition, any Affiliated Portfolio Fund may purchase a liability insurance policy covering the directors of such Affiliated Portfolio Fund.

U.S. Tax Classification

Each Affiliated Portfolio Fund has made or will make an election to be treated as a partnership for U.S. federal income tax purposes. It is expected that the Non-Affiliated Portfolio Funds will make the same election, although there can be no assurance in that regard.

Non-Affiliated Portfolio Funds

Non-Affiliated Portfolio Funds typically have different boards of directors and service providers than Affiliated Portfolio Funds, and typically the Investment Adviser's relationship with such Non-Affiliated Portfolio Funds is an arm's-length relationship, and, therefore, the Investment Adviser exercises little or no influence over such Non-Affiliated Portfolio Funds or the relevant Former DB Manager. The Investment Adviser will negotiate with such Former DB Managers with respect to obtaining the best possible terms for the Fund's investment into such Non-Affiliated Portfolio Fund, but there can be no assurance that such Non-Affiliated Portfolio Funds will have the same or similar terms as the Affiliated Portfolio Funds (as set forth above) or that other investors in such Non-Affiliated Portfolio Funds will not have better terms than the Fund.

BROKERAGE PLACEMENT PRACTICES

The Investment Adviser believes that brokerage commissions are client assets and should be utilized, in accordance with fiduciary principles, for the benefit of clients. The objective of the Investment Adviser's brokerage policy is the achievement of the most favorable net results for its clients. The Investment Adviser believes the key components to achieving the most favorable net results are, among other things, price, the full range of brokerage services provided by the broker, as well as the broker's capital strength and stability, and the quality of the brokerage and research services provided by the broker. The following applies to Affiliated Portfolio Funds where the Investment Adviser also serves as Adviser implementing the relevant Strategies.

While the Investment Adviser seeks to achieve best execution, the Investment Adviser at times pays commissions on behalf of its clients which may be higher than those obtainable from other brokers in order to achieve best execution. Subject to the criteria of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), the Investment Adviser may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage and research services provided by the broker, provided that the Investment Adviser has made a good faith determination that the value of such services is reasonable in relation to the commission paid, viewed either in terms of the particular transaction or the Investment Adviser's overall responsibilities to its clients. The Investment Adviser may also pay the same broker a lower commission rate for "execution only" transactions.

The Investment Adviser's use of a particular broker to execute securities transactions for a client account may provide the Investment Adviser with research services and/or other benefits. These research services may be used by the Investment Adviser in serving all of its client accounts, regardless of whether the client's account generated the research services and/or other benefits. Similarly, for added efficiency, direction of securities transactions on behalf of the Investment Advisers' affiliates to a particular broker may result in the provision of administrative and/or research benefits which may be used by the Investment Adviser for the benefit of its clients, and vice versa. The Investment Adviser and its affiliates expect, however, that the benefits achieved by their direction of securities transactions in such a manner generally should average out over time.

Other factors that the Investment Adviser may consider in selecting brokers or dealers for effecting trades for its clients' accounts include: a broker-dealer's willingness to enter into difficult transactions, including transactions in which the broker-dealer's capital is put at risk; the size of the order; the facilities that the broker-dealer makes available (including trading networks and access to multiple floor brokers and markets); the broker-dealer's access to unique connections and intelligence or expertise in security ownership histories which allows the broker-dealer to effect difficult trades in less liquid, smaller capitalized, and more closely held issues; the broker-dealer's demonstrated ability to achieve the best net results on transactions in a particular sector or of a particular size; the

broker-dealer's operational efficiency; special expenses of regional delivery; and the broker-dealer's ability to complete the transaction satisfactorily through to clearance, confirmation, and delivery.

Generally, research services provided by brokers may include, but are not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and measurement and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts.

Where the Investment Adviser itself receives both administrative benefits and brokerage and research services from the services provided by brokers, it makes a good faith allocation between the administrative benefits and the research and brokerage services, and will pay for any administrative benefits with cash.

From time to time, the Investment Adviser, on behalf of clients, purchases new issues of securities for an account in a fixed price offering. In these situations, the seller may be a member of the selling group that will, in addition to selling the securities to clients, provide the Investment Adviser with research. Generally, the seller will provide research "credits" in these situations at a rate that is higher than that which is available for typical secondary market transactions. These arrangements may not fall within the safe harbor of Section 28(e).

In accordance with Section 28(e), brokers may enter into contractual arrangements to pay the providers of the research and other services directly. Brokers sometimes suggest a level of business they would like to receive in return for the various services that they provide. Actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions because total brokerage is allocated on the basis of the considerations described above. A broker will not be excluded from executing transactions for an Affiliated Portfolio Fund because it has not been identified as providing soft dollar items. None of the Fund, an Affiliated Portfolio Fund, or the Investment Adviser will enter into any contract with, nor give any guarantee of, any minimum amount of brokerage commissions to be paid to a broker as a condition for receiving research and other services through these soft dollar arrangements.

The Investment Adviser will continue to utilize a broker that provides soft dollar items only if, in the sole judgment of the Investment Adviser, it provides best execution to the relevant Affiliated Portfolio Fund and other clients of the Investment Adviser. The Investment Adviser reserves the right at any time to cancel without penalty any soft dollar arrangement with a broker and discontinue effecting brokerage transactions with such firm. Furthermore, in all cases the Investment Adviser will continue a soft dollar arrangement only for so long as the Investment Adviser determines in good faith that the commissions charged by such broker are reasonable in relation to the nature of the brokerage, research, and other services provided.

In order to seek lower commissions or a more advantageous net price, the Investment Adviser may, when feasible, combine or "bunch" orders of various clients, including an Affiliated Portfolio Fund, into a single combined transaction with the broker. There may be occasions when proprietary funds are traded with client accounts. The Investment Adviser has allocation policies and procedures that have been designed to address conflicts of interests that may arise due to the bunching of orders. The Investment Adviser may determine that an investment opportunity is appropriate for a particular client account, or for itself or its affiliates, but not for the relevant Affiliated Portfolio Fund.

Generally, the Investment Adviser's Portfolio Managers are required to designate the amount of securities to be purchased or sold for each account participating in the bunched order at the time the order is communicated to the trading desk. Such pre-determined allocation will be based upon the risk parameters of each client. If a bunched order is not completely filled, it will typically be allocated on a *pro rata* basis to all accounts participating in the order promptly following execution. Where a combined order is executed at more than one price over the course of a day, the executed transactions are allocated so that each account receives the average unit price and bears its *pro rata* share of the transaction costs, to the extent reasonably practicable. To the extent that any of those orders remains unfilled following that allocation, the unfilled amount is combined with subsequent orders in that security, if any, for allocation of subsequent transactions. In certain cases, when the Investment Adviser determines that *pro*

rata allocation is not appropriate under the particular circumstances, the allocation will be made based on other factors that the Investment Adviser deems appropriate, including, without limitation, the avoidance of a client holding odd lots or similar *de minimis* number of shares. In such cases, the Investment Adviser will increase or decrease the amount of securities that would otherwise be allocated to each account by reallocating the securities in a manner which the Investment Adviser deems fair and equitable to clients over time.

The Investment Adviser may direct the purchase of securities on behalf of clients in secondary market transactions, in public offerings directly from an underwriter, or in privately negotiated transactions with an issuer. When the Investment Adviser believes the circumstances so warrant, securities purchased in public offerings may be resold shortly after acquisition in the immediate aftermarket for the security in order to take advantage of price appreciation from the public offering price or for other reasons. Short-term trading of securities acquired in public offerings, or otherwise, may result in higher portfolio turnover and associated brokerage expenses.

The Investment Adviser may engage in certain practices in connection with securities transactions, such as step-out transactions, in which the Investment Adviser, consistent with its fiduciary duties and achieving best execution, will direct securities to a specific broker for execution and instruct this broker to execute the transactions and transmit, or “step-out,” a portion of the commissions that are generated by these transactions to another broker. The Investment Adviser may request that a broker step out a portion of the commissions for many reasons, including, but not limited to, rewarding a broker for its activities in connection with the broker’s provision of research and related services.

The Investment Adviser may effect client transactions through brokers affiliated with the Investment Adviser, subject to applicable law and subject to the Investment Adviser’s general policy of best execution. The Investment Adviser will not, however, use research provided by such affiliated brokers as a basis for paying a commission in excess of commissions on comparable trades effected by unaffiliated brokers.

If the Investment Adviser believes it would be beneficial, the Investment Adviser may effectuate cross trades among its advisory client accounts, provided that such transactions are consistent with applicable regulatory and contractual requirements. Cross transactions involving client accounts will be conducted in accordance with the Investment Adviser’s internal policies, which are intended to ensure that each account is treated fairly, and applicable regulatory requirements are met. Among other things, Investment Adviser’s policies establish the pricing mechanism to be used in this context. In these circumstances, the Investment Adviser does not receive any additional compensation.

The Investment Adviser may utilize Deutsche Bank and its affiliates as a prime broker and may execute trades through Deutsche Bank and its affiliates, on both a principal and agency basis. A Portfolio Fund may also purchase derivative instruments from Deutsche Bank and its affiliates. As a result of these business relationships, the Investment Adviser’s affiliates may receive, among other benefits, commissions, mark-ups/mark-downs, and revenues associated with providing prime brokerage and securities borrowing and lending services. Commissions will be charged at market rates but will not be negotiated at arm’s length. Moreover, as a result of such relationships, Deutsche Bank and its affiliates may take actions with respect to the a Portfolio Fund, such as making a margin call, that adversely affect such Portfolio Fund.

To the extent permitted by applicable law, a Portfolio Fund also may purchase investments that are issued, or the subject of an underwriting or other distribution, by Deutsche Bank or its affiliates. A Portfolio Fund may invest in the securities of companies affiliated with Deutsche Bank and its affiliates or in which Deutsche Bank and its affiliates have an equity or participation interest. The purchase, holding, and sale of such investments by a Portfolio Fund may enhance the profitability of Deutsche Bank’s or its affiliates’ own investments in such companies.

Deutsche Bank and its affiliates are major participants in the equity, fixed-income, global currency, commodity, derivative, and other markets. As such, Deutsche Bank and its affiliates, including the Investment Adviser, are actively engaged in transactions in the same securities and other instruments in which the Portfolio Funds may invest. Deutsche Bank and its affiliates are not under any obligation to share any investment opportunity, idea, or strategy with the Portfolio Funds. As a result, Deutsche Bank and its affiliates may compete with a Portfolio Fund for appropriate investment opportunities. Deutsche Bank may also have material non-public information about an issuer in whose securities a Portfolio Fund has invested and will not share such information with such Portfolio Fund or the Investment Adviser’s personnel responsible for such Portfolio Fund’s trading.

The brokerage placement practices of the Non-Affiliated Portfolio Funds will not be under the Investment Adviser's control and may differ from time to time from those set forth above.

DESCRIPTION OF THE SHARES

The Fund has an authorized share capital consisting of \$50,000, divided into 5,000,000 Shares, which may be issued in multiple Classes. Currently, the Directors have designated the following Classes: Class A US\$ Denominated Shares, par value \$0.01 ("Class A Shares"); Class B US\$ Denominated Shares, par value \$0.01 ("Class B Shares"); Class C US\$ Denominated Shares, par value \$0.01 ("Class C Shares"); and Class D US\$ Denominated Shares, par value \$0.01 ("Class D Shares"). The Directors may also issue up to 1,000,000 Shares as redeemable, participating, non-voting shares, par value \$0.01 ("Non-Voting Shares").

The Class A, B, C, and D Shares are identical in all respects, and entitle the Class A, B, C, and D Shareholders to the same rights, powers, preferences, and privileges and subject the Shareholders of such Shares to the same liabilities, qualifications, limitations, and restrictions, except that (i) only Class A Shares and Class C Shares participate in the proceeds from trading in new issues, while Class B Shares and Class D Shares do not, and (ii) Class C Shares and Class D Shares are subject to the four-quarter lock-up period and are not subject to the Redemption Charge. The Fund intends to issue Non-Voting Shares only to Deutsche Bank AG and its affiliates, although other investors may purchase Non-Voting Shares. Deutsche Bank is not obligated to purchase any Shares or Non-Voting Shares, or to notify Shareholders in the event that Deutsche Bank purchases or redeems any Shares or Non-Voting Shares.

A separate Series of Shares will be issued for each successive issuance of Shares. Each Share of a Series will be equal to every other Share of the same Series with respect to earnings, assets, dividends, and voting privileges. All Shares will be issued in book entry form. The Directors in their sole discretion may authorize additional Classes of Shares with different fees, liquidity, voting rights, currency denominations, and other terms.

At the end of each calendar year, each Series of each Class (other than the first Series issued (the "Initial Series")) may be redesignated and converted (by simultaneous redemption and resubscription of the proceeds) into the Initial Series or the oldest outstanding Series of that Class, as the case may be. Such redesignation and conversion will be effected at the then-prevailing Net Asset Value per Share of the Initial Series or the oldest outstanding Series of that Class, as the case may be.

No certificates will be issued for the Shares, and all Shares of the Fund, when duly issued, will be fully paid and non-assessable. There are no preemptive or other preferential subscription rights. In the event of liquidation, each Share is entitled to its *pro rata* proportion of the Net Asset Value of the Series of which it is a part.

Except with respect to the material adverse variation or abrogation of rights attached to any separate Class of Non-Voting Shares, the holders of the Non-Voting Shares do not have any right to vote.

The rights attached to any separate Class of Shares may, subject to the laws of the Cayman Islands and unless otherwise provided by the terms of issue of the Shares of that Class, be varied with the unanimous consent in writing of the holders of the issued Shares of that Class or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of that Class by a majority of three-fourths of the votes cast at that meeting. The Directors may treat all Classes of Shares as forming one class if the Directors consider that any such Classes would be affected in the same way by the proposed variation. The rights conferred upon the Shareholders of any Class of Shares will not, unless otherwise expressly provided by the terms of issue of the Shares of such Class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

There are no preemptive rights in connection with the Shares. All Shares, when duly issued, will be fully paid and non-assessable. In the event of liquidation, each Share is entitled to its *pro rata* proportion of the Net Asset Value of the Series of which it is a part.

The Fund from time to time by ordinary resolution may increase its capital, consolidate any of its Shares into a smaller number of Shares, sub-divide any of its Shares into a larger number of Shares, or cancel any Shares not

taken or agreed to be taken by any person. The Fund from time to time by special resolution may reduce its share capital in any way permitted by the laws of the Cayman Islands.

ELIGIBILITY TO PURCHASE SHARES

Shares are offered investors that are (A) non-U.S. Persons as defined in Regulation S under the Securities Act and Regulation 4.7 under the CEA, or (B) (i) “accredited investors” (as defined in Regulation D under the Securities Act), (ii) “qualified eligible persons” (as defined in the regulations under the CEA) and (iii) “qualified purchasers” (as defined in the Investment Company Act). In general, sales to U.S. Persons will be limited to certain tax-exempt employee benefit plans, individual retirement accounts, and other U.S. tax-exempt entities.

For this purpose, “United States” means the United States, its states, territories, and possessions, and any enclave of the United States government, its agencies or instrumentalities, and the following persons are not considered to be “United States persons”: (1) a natural person who is not a resident of the United States; (2) a partnership, corporation, or other entity, other than an entity organized principally for passive investment, organized under the laws of a non-U.S. jurisdiction, and that has its principal place of business in a non-U.S. jurisdiction; (3) an estate or trust, the income of which is not subject to U.S. federal income tax regardless of source, provided that no executor or administrator of such an estate or trustee of such a trust, as the case may be, is a “United States person”; (4) an entity, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction, organized principally for passive investment such as a pool, investment company, or other similar entity, provided that (a) units of participation in the entity held by persons who do not qualify as non-United States persons or otherwise as “qualified eligible persons” under CFTC rules represent in the aggregate less than 10% of the beneficial interest in the entity, (b) such entity was not formed principally for the purpose of facilitating investment by “United States persons” in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being non-“United States persons,” and (c) such entity was not formed by a United States person principally for the purpose of investing in securities not registered under the Securities Act (unless it was organized or incorporated and is owned exclusively by “accredited investors,” as defined in SEC rules, who are not natural persons, estates, or trusts); and (5) a pension plan for the employees, officers, or principals of an entity organized and with its principal place of business outside the United States, provided that such plan is established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country.

FEES AND EXPENSES

Organizational and Initial Offering Costs

The Fund bears its organizational and initial offering costs as well as its *pro rata* share of all such costs incurred by the Portfolio Funds. Such costs with respect to the Fund are being amortized on a straight-line basis over the first five years following the commencement of the Fund's investment operations. Although the amortization of organizational expenses over a five-year period is a divergence from generally accepted accounting principles, the Board of Directors believes that doing so is more equitable than requiring the initial Shareholders of the Fund to bear all of the Fund's organizational expenses as would otherwise be required under generally accepted accounting principles. The Fund's independent accountants may issue a qualified opinion on the Fund's annual financial statements as a result of the Fund's decision to so amortize its organizational costs.

Fund Operational Costs

The Investment Adviser bears all of its separate expenses arising out of its services to the Fund, including all of its general overhead expenses (including the rent of its offices, compensation and benefits of its administrative staff, maintenance of its books and records, and its fixed expenses, telephones, and general purpose office equipment), but is not responsible for any expenses of the Fund. In particular, the Fund bears the following expenses: offering expenses associated with each offering; research expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses; legal and recording fees and expenses; professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting, auditing, and tax preparation expenses; custodial expenses; taxes; insurance; printing and mailing costs; costs and expenses related to exchange listings; all investment expenses (*i.e.*, expenses which the Directors or the Investment Adviser reasonably determines to be directly related to the investment of the Fund's assets); costs and expenses of entering into and utilizing credit facilities and structured notes, swaps, or derivative instruments; the Investment Adviser's legal expenses in relation to the Fund; Conflicts Advisory Board fees and expenses; reasonable out-of-pocket expenses of the Investment Adviser, for example, travel expenses related to due diligence investigations of existing and prospective investments; the Administrator's fees and expenses; and other expenses associated with the operation of the Fund, including any extraordinary expenses (such as litigation and indemnification).

The Investment Adviser, in its discretion, may retain the services of independent third party professionals, including, without limitation, attorneys, accountants, and consultants, to advise and assist it in connection with the performance of its activities on behalf of the Fund, and the Fund bears full responsibility therefor and the expenses of any fees and disbursements arising therefrom.

The Fund will not bear any management or performance fees or allocations at the Fund level, but will pay the Management and Performance Fees set forth herein at the Portfolio Fund level.

Portfolio Fund Costs

Generally

The Fund will bear its *pro rata* share of the expenses incurred by the Portfolio Funds in connection with their trading and investment activities. Such expenses include the following: research expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses; legal and recording fees and expenses; professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting, auditing, and tax preparation expenses; the administrator's fees and expenses; custodial expenses; taxes; insurance; printing and mailing costs; all investment expenses (*i.e.*, expenses which the directors of the Portfolio Fund or the Adviser reasonably determines to be directly related to the investment of the Portfolio Fund's assets, such as brokerage commissions, expenses related to short sales, clearing and settlement charges, bank service fees, spreads, interest expenses, borrowing charges, short dividends, and other investment expenses); costs and expenses of entering into and utilizing credit facilities and structured notes, swaps, or derivative instruments; the Adviser's legal expenses in relation to the Portfolio Fund; conflicts advisory board fees and expenses; reasonable

out-of-pocket expenses of the Adviser, for example, travel expenses related to due diligence investigations of existing and prospective investments; and other expenses associated with the operation of the Portfolio Fund, including any extraordinary expenses (such as litigation and indemnification). Non-Affiliated Portfolio Funds may also pay additional operational costs.

Management Fee

Each Portfolio Fund will pay its Adviser, which will be either a Former DB Manager, the Investment Adviser, or the Sub-Adviser, a monthly Management Fee equal to 0.166% of each such Portfolio Fund's net asset value (2.0% on an annual basis). This Management Fee is generally payable in arrears as of the last business day of each month after adjustments for profits and losses but before any accrual or payment of the Performance Fees paid to the Adviser with respect to such Portfolio Fund.

Performance Fee

Each Portfolio Fund will also pay its Adviser an annual Performance Fee equal to 20% of the net profits of such Portfolio Fund. The Performance Fee will be calculated separately for each Portfolio Fund, generally net of all fees and expenses (including the Management Fee) of such Portfolio Fund, without any set-off against the performance or performance fee of any other Portfolio Fund. Any loss carryforward amounts will be tracked for the Fund as a whole and not with respect to any particular Shareholder and will further be treated separately by each Portfolio Fund and will not be set-off against the performance of any other Portfolio Fund.

Fee Variations

Future Fund investments in Non-Affiliated Portfolio Funds managed by Former DB Managers may bear fees that differ from those described herein; in such case, the Fund will promptly notify investors of any materially different fees.

Compensation of Investment Adviser and Affiliates by Portfolio Funds

Former DB Managers will compensate the Investment Adviser and its affiliates out of the Management and Performance Fees paid to such Former DB Managers by payments of up to 50% of such Management and Performance Fees. In addition, the Investment Adviser may perform infrastructure, risk monitoring, or other services for Non-Affiliated Portfolio Funds and receive fees therefor at its customary rates. Further, the Investment Adviser and its affiliates may act as broker, dealer, counterparty, bank, placement agent, or other service provider to Portfolio Funds and receive compensation therefor.

Selling Commissions

The Investment Adviser or affiliates of Deutsche Bank serve as Placement Agents. The Fund may also appoint additional Placement Agents in its discretion. The Placement Agents will charge an up-front selling commission to be borne solely by each investor of up to 2.5% of the subscription amount. Any such selling commission may be waived or reduced by the Placement Agents in their sole discretion. Placement Agents may also receive a portion of the Management and Performance Fees paid to Advisers.

NET ASSET VALUATION

The Net Asset Value of the Fund will be based principally on the Net Asset Value of each Portfolio Fund allocated to the Fund's Portfolio Fund Shares, determined as of the close of business on the last business day of each month. The Net Asset Value of the Fund will consist of the value of the assets directly held by the Fund, together with the value of the assets of the Fund held in any separate entity or account. All such assets will be valued in accordance with the following valuation principles.

"Net Asset Value," with respect to the Fund or the Affiliated Portfolio Funds (as applicable), means the value of all assets (including all cash and cash-equivalents (valued at cost), accrued interest, and the fair value of all open securities, commodities, and currency positions and other investments and assets), less all liabilities (including brokerage and floor commissions and fees and other transaction costs, legal, accounting, and auditing fees, organizational and offering expenses, Portfolio Fund Management and Performance Fees, administrative and operating expenses, and any extraordinary expenses), determined in accordance with U.S. generally accepted accounting principles applied on a consistent basis (other than with respect to organizational costs) under the accrual basis of accounting.

The Net Asset Value per Share of each Series will be the Net Asset Value of such Series divided by the number of Shares outstanding in such Series.

The Directors or the Administrator on their behalf, in consultation with the Investment Adviser, will conduct all asset valuations for the Fund. Unless U.S. generally accepted accounting principles require otherwise:

- (i) Assets listed or traded on a stock exchange or over-the-counter market (other than those referred to at (iv) and (vi) below) for which market quotations are readily available will be valued at the official close of business price on the stock exchange or over-the counter market for such investment, provided that the value of the investment listed on a stock exchange or over-the counter market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or over-the counter market may be valued by using the mid-quotation provided by an independent broker or market maker for such assets as at the date of valuation of the investment.
- (ii) If the assets are listed or traded on several stock exchanges or over-the-counter markets, the official close of business price on the stock exchange or over-the-counter market which, in the opinion of the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, constitutes the primary market for such assets will be used; provided that the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, may instead utilize a composite price from multiple exchanges when they believe doing so appropriate.
- (iii) If for specific assets the official close of business prices do not, in the opinion of the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, reflect their fair value or are not available, the value will be determined with care and in good faith by the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, with a view to establishing the probable realization value for such assets as at the close of business on the valuation date.
- (iv) Exchange-traded derivative instruments will be valued at the settlement price for such instruments on such exchange, except that securities options traded on U.S. exchanges will be valued at the mid between their bid and asked prices. If such price is not available, such value will be the probable realization value estimated with care and in good faith by the Directors or the Administrator on their behalf, in consultation with the Investment Adviser. Over-the-counter derivatives will be valued at each valuation date by the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, based upon the values received from the counterparty. Open forward foreign exchange contracts will be valued with reference to the

prevailing forward foreign exchange rates, which the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, deem appropriate in the circumstances. Closed-out forward foreign exchange contracts that have not yet reached the maturity date will have locked-in a fixed currency gain or loss. This fixed currency amount will be revalued at the same spot exchange rates used for other assets.

- (v) Cash and other liquid assets will be valued at their face value with interest accrued, where applicable.
- (vi) Units or shares in open-ended collective investment schemes will be valued at the latest available net asset value as at the date of valuation of the investment; units or shares in closed-ended collective investment schemes will, if listed, quoted, or traded on an exchange, be valued at the latest trade price or a mid-quotations or, if unavailable, a bid quotation or, if a bid quotation is unavailable or unrepresentative, the probable realization value as at the date of valuation of the investment estimated with care and in good faith by the Directors or the Administrator on their behalf, in consultation with the Investment Adviser.
- (vii) In the event that any of the investments are not listed or traded on any stock exchange or over-the-counter market as at the valuation date, such securities will be valued at their probable realization value as at the valuation date, as determined by the Directors or the Administrator on their behalf with care and in good faith, in consultation with the Investment Adviser. Such probable realization value will be determined, using the criteria set forth below, utilized on a consistent basis:
 - (A) if the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, believe a mid-quotations provided by an independent broker or market maker for such assets is reliable, by using such a mid-quotations or, if unavailable, a bid quotation;
 - (B) where there have been trades with substantial volumes after the Fund's purchase date, by using the last traded price provided that the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, consider such trades to be at arm's length;
 - (C) where the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, believe the investment has suffered a diminution or increase in value, by using the original purchase price which will be discounted or increased to reflect such a diminution or increase; and
 - (D) by using the original purchase price.

Alternatively, the Directors or the Administrator on their behalf, in consultation with the Investment Adviser, may use such probable realization value estimated with care and in good faith as may be recommended by a competent professional appointed by the Administrator or the Investment Adviser.

- (viii) Any value expressed otherwise than in U.S. Dollars (whether of an investment or cash) will be converted into U.S. Dollars at the applicable spot rate as determined by the Administrator.

The Directors or the Administrator on their behalf, in consultation with the Investment Adviser, may follow some other prudent method of valuation other than that referred to above if it considers that, under the circumstances, such other method of valuation should be adopted to reflect fairly the values of relevant investments or liabilities.

The Directors or the Administrator on their behalf, in consultation with the Investment Adviser, are entitled to exercise their reasonable judgment in determining the values to be attributed to assets and liabilities and provided

that they are acting in the interest of the Fund as a whole, such valuation is not open to challenge by current or previous investors.

The Directors or the Administrator on their behalf, in consultation with the Investment Adviser, may establish reserves for future liabilities, including legal fees, and indemnification expenses. Any such reserve would reduce net assets for all purposes, including calculation of redemption proceeds.

The Directors or the Administrator on their behalf, in consultation with the Investment Adviser, may treat a liability or expense that arises in one accounting period but relates to a prior accounting period as a reduction of net assets in such current accounting period or in the prior accounting period (in which case the Fund may collect any amounts due from Shareholders during such prior period).

The valuation methodologies of the Affiliated Portfolio Funds are generally the same as those set forth above for the Fund. The valuation methodologies of any Non-Affiliated Portfolio Fund to which the Fund allocates assets may differ from those set forth above, and will typically be set forth in the constituent documents of the relevant Non-Affiliated Portfolio Fund.

Distributions

The Fund may make distributions in the discretion of the Directors, after consultation with the Investment Adviser. However, the Fund does not intend to make any distributions.

RISK FACTORS

The following discussion of certain risks does not purport to be an exhaustive list or a complete explanation of all of the risks involved in an investment in the Fund. All investments such as the Shares involve the risk of the loss of all or part of an investor's capital. No guarantee or representation is made that the Fund will achieve its investment objective. The Portfolio Funds in which the Fund invests may purchase certain instruments or utilize certain investment techniques that carry specific risks. The following risks also apply to the Fund's investments in the Portfolio Funds, and should be deemed to include investments by the Portfolio Funds and the Portfolio Funds' positions and Strategies and risks thereto, unless the context requires otherwise. Accordingly, an investment in the Fund involves considerations and risk factors that prospective investors should consider before subscribing.

THE FUND HAS A LIMITED OPERATING HISTORY AND CERTAIN PORTFOLIO FUNDS MAY HAVE NO OR A LIMITED OPERATING HISTORY WITH WHICH INVESTORS MAY EVALUATE THEIR LIKELY PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED BY THE FUND AND THE PORTFOLIO FUNDS. THE FUND IS NOT A COMPLETE INVESTMENT PROGRAM AND SHOULD REPRESENT ONLY A PORTION OF AN INVESTOR'S PORTFOLIO MANAGEMENT STRATEGY.

Fund Structure Risks

Certain risks are inherent in the structure of the Fund itself.

Lack of Transferability of Shares. The Shares offered hereby have not been registered under U.S. federal or state securities laws, or the securities laws of any other jurisdiction, and are subject to restrictions on transfer contained in such laws. The Shares are not transferable except with the consent of the Directors. There is not expected to be any market for the Shares.

Limited Right of Redemption. A Shareholder may redeem Shares only as of the end of each calendar quarter upon 65 days' prior written notice (subject to the four-quarter lock-up period applicable in the case of Class C Shares and Class D Shares), and a partial redemption may be made only if the Shareholder retains Shares with a Net Asset Value of at least \$500,000. Class A Shares and Class B Shares redeemed prior to the termination of the six-month period immediately following the acquisition of such Shares will be subject to a Redemption Charge.

Involuntary Redemptions of Shares. The Fund may require the redemption of any or all of a Shareholder's Shares.

Withdrawal of Deutsche Bank Investment. One or more affiliates of the Investment Adviser has made or may make seed capital or other investments into the Fund or specific Portfolio Funds. However, such affiliate or affiliates may withdraw such investments in part or in whole at any time, without notice to other Shareholders, upon the terms set forth herein. In addition, if new client subscriptions are received on or after January 1, 2005, such Deutsche Bank seed capital may be withdrawn as of any month-end without the standard prior notice period to permit the Fund or DB Global Masters Fund L.P. (or any series thereof) to accept such new client subscriptions if at such time the Fund and DB Global Masters Fund L.P. (or any series thereof) are at a capacity or would be with such new subscriptions. For this purpose, capacity means U.S. \$750 million plus or minus net profits/losses thereon, subject to the Investment Adviser's discretion to set a new capacity level.

Credit Facilities. In the discretion of the Directors or the Investment Adviser, any redemption may be funded through credit facilities provided at prevailing market rates by the Investment Adviser, the Administrator, or their respective affiliates, or from unaffiliated third parties. Should such credit facilities be utilized, the Fund would be subject to greater risk than if it did not utilize such credit facilities. Moreover, the Fund would incur additional interest and other expenses with respect to such facilities.

Limited Operating History. The Fund has a limited operating history upon which potential investors may evaluate its likely performance. Similarly, some of the Portfolio Funds in which, or Sub-Advisers or other investment advisers with which, the Fund may invest will have short performance records that may not be indicative of their longer-term performance, or no performance record at all.

Fund Not Registered. The Fund is not registered under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which are applicable to the Fund. The Fund is a commodity pool structured to permit DBIM to treat them as exempt pools (or to exempt DBIM from registration as a commodity pool operator) and to afford DBIM and DB Cap exemptions from certain otherwise-applicable disclosure requirements. Consequently, Shareholders will not benefit from such requirements with respect to the Fund. The Shares are not insured or guaranteed by the U.S. Federal Deposit Insurance Corporation or any other governmental agency. The Shares are not deposits or other obligations of any bank or other financial institution, and are not guaranteed by any bank or other financial institution. The Shares are subject to investment risks, including the possible loss of the amount invested.

Illiquid Portfolio. The Portfolio Fund Shares purchased as investments by the Fund are unregistered under the Securities Act and the Investment Company Act and are subject to legal or other restrictions on transfer. It may be impossible for the Fund to redeem its Portfolio Fund Shares when desired or to realize their fair value in the event of such redemption. Certain Portfolio Funds may restrict redemptions through lock-ups, gates, and/or suspensions. Further, although the Investment Adviser will have access to information about Affiliated Portfolio Funds, the Investment Adviser may not have access to Non-Affiliated Portfolio Funds, which as unregistered and non-publicly traded securities are not subject to the disclosure and other investor protection requirements applicable to registered or publicly traded securities.

Impact of Lending Bank Liquidations. Pursuant to certain lending arrangements with the Fund, a Lending Bank that makes loans to Shareholders and accepts Shares as collateral for loans (i) will be permitted to become a Shareholder in respect of the Shares that are the subject of its security interest when such Lending Bank acts to realize on such collateral (subject to limited exceptions), and (ii) will be permitted, subject to the same redemption limitations applying to all other Shareholders, to require the redemption of all Shares held by it as collateral upon foreclosure under such Lending Bank's agreement with the Shareholder. If any such Lending Bank were to require such redemption, the Fund might be required to liquidate positions and take other measures that might have adverse tax and financial effects on the Fund. Such redemption might also have an adverse effect on any remaining Shareholders.

Multi-Class Structure. Certain Portfolio Funds may permit investors other than the Fund to subscribe for differing classes of Portfolio Fund Shares than those held by the Fund. Because each Portfolio Fund is a single legal entity, creditors of a Portfolio Fund may, absent contractual provisions, enforce claims against all assets of the Portfolio

Fund notwithstanding that the creditor's claims may relate to a single class of Portfolio Fund Shares. Therefore, in the event of a deficit in one class of shares, assets of another class might have to be used to cover such deficit. To the extent that a Portfolio Fund offers classes of shares that trade on an unleveraged basis or utilize a different trading strategy, there is a greater chance of such shares incurring a deficit.

Multiple Portfolio Funds. The Fund employs a multi-manager strategy, and each Portfolio Fund will trade independently of the others. There can be no assurance that the use of a multi-manager approach will not effectively result in losses by certain of the Portfolio Funds offsetting any profits achieved by others. Such offsetting could result in a significant reduction in a Portfolio Fund's assets, as Performance Fees may be payable to those Portfolio Funds that recognized profits irrespective of the offsetting losses. Various Portfolio Funds may also from time to time compete with the others for the same positions. Conversely, opposite positions held by the Portfolio Funds will be economically offsetting. As long as Portfolio Funds hold positions that offset those held by other Portfolio Funds, the Fund as a whole will be unable to recognize any gain or loss on such positions, while at the same time incurring brokerage commissions in respect of the offsetting positions and paying Management Fees.

Limited Management Rights. Subject to certain limited approval rights of the Shareholders, and certain limitations imposed by law, the Directors have full, exclusive, and complete power and discretion, without the need for consent or approval of any Shareholder, to make all decisions and do all things which it deems necessary or desirable on behalf of the Fund. This power may be delegated in some or many respects to the Investment Adviser, the Administrator, the Conflicts Advisory Board, or their affiliates.

Second-Tier Fund Investments. One of the principal disadvantages and risks inherent in a fund-of-funds structure is the restrictions imposed on the asset allocation flexibility and risk control capability of the manager of the top-tier fund as a result of the limited liquidity of the second-tier funds in which the former invests. Although the Fund may be able to withdraw capital from one or more of the Affiliated Portfolio Funds on short notice, the Fund could be unable to withdraw its capital from entities in which it invests for some months after the Investment Adviser has determined that the Adviser operating a Non-Affiliated Portfolio Fund has begun to deviate from its announced trading policies and strategy. Certain entities in which the Fund invests may suspend redemptions, especially during periods of market disruption, preventing the Fund from redeeming.

Portfolio Fund Manager Compensation. The Portfolio Funds provide for the Performance Fee to their Adviser over and above the Management Fee. Performance Fees could create an incentive for the Adviser of a Portfolio Fund to choose riskier or more speculative underlying investments than would otherwise be the case.

"Soft Dollar" Payments. In selecting brokers, banks, and dealers to effect portfolio transactions, Advisers of Portfolio Funds may consider such factors as price; the ability of the brokers, banks, and dealers to effect transactions; their facilities, reliability, and financial responsibility; and any products or services provided, or expenses paid, by such brokers, banks, and dealers. Products and services may include research items used by the Portfolio Fund Adviser in making investment decisions, and expenses may include general overhead expenses of such Adviser. Such "soft dollar" benefits may cause such an Adviser to execute a transaction with a specific broker, bank, or dealer even though it may not offer the lowest transaction fees.

Reliability of Valuations. The Fund's interest in a Portfolio Fund generally will be valued at an amount equal to the Fund's interest in the Portfolio Fund, as determined pursuant to the instrument governing such Portfolio Fund. As a general matter, the governing instruments of the Portfolio Funds provide that any securities or investments that are illiquid, not traded on an exchange or in an established market, or for which no value can be readily determined, are assigned such fair value as the respective Advisers may determine in their judgment based on various factors. Such factors include, but are not limited to, dealer quotes or independent appraisals. Such valuations may not be indicative of what actual fair market value would be in an active, liquid, or established market.

Availability of Information. Some of the Non-Affiliated Portfolio Funds may provide to the Fund very limited information with respect to their operation and performance, thereby severely limiting the Investment Adviser's ability to verify initially or on a continuing basis any representations made by the Non-Affiliated Portfolio Funds or the Strategies being employed. This may result in significant losses to the Fund based on Strategies and positions

employed by Non-Affiliated Portfolio Funds or other actions of which the Investment Adviser will have limited or no knowledge.

Other Accounts Advised by Portfolio Managers. The Portfolio Managers may manage other accounts (including other accounts in which such Portfolio Managers may have an interest) which, together with accounts already being managed, could increase the level of competition for the same trades the Portfolio Funds might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security or futures contract at a price indicated by a Portfolio Manager's Strategy.

Litigation and Enforcement Risk. Portfolio Funds might accumulate substantial positions in the securities of a specific company and engage in a proxy fight, become involved in litigation, or attempt to gain control of a company. Under such circumstances, a Portfolio Fund conceivably could be named as a defendant in a lawsuit or regulatory action. There have been a number of widely reported instances of violations of securities laws through the misuse of confidential information. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realized, and for penalties. Investigations and enforcement proceedings are ongoing and it is possible that Portfolio Funds may be charged with involvement in such violations. If that were the case, the performance records of such Portfolio Funds would be misleading. Furthermore, if a Portfolio Fund engaged in such violations, the Fund could be exposed to losses.

Fraud Relating to Non-Affiliated Portfolio Funds. When the Fund allocates assets to a Non-Affiliated Portfolio Fund, neither the Fund nor the Investment Adviser will have custody of the assets or control over their investment by the Non-Affiliated Portfolio Fund. The manager of a Non-Affiliated Portfolio Fund could divert or abscond with the assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct.

Institutional Risk. Institutions, such as brokerage firms, banks, or limited partnerships, generally have custody of the Fund's assets and assets of the Portfolio Funds. Often these assets will not be registered in a Fund's name or, in certain cases, the name of the Portfolio Fund. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund and/or the Portfolio Funds.

Sole Principal Managers. Some of the Former DB Managers to which the Fund may allocate capital may be or consist of only one principal. If that individual died or became incapacitated, the Fund might sustain losses.

Substantial Charges to the Fund. The Fund is subject to substantial charges. The Fund bears its direct expenses and management costs, as well as its *pro rata* share of the expenses and management costs directly and indirectly incurred by the Portfolio Funds in which it invests. These costs could be substantially increased by the Performance Fees payable to the Advisers which, if earned, are payable irrespective of the overall profitability of the Fund (as opposed to the profitability of the individual Portfolio Funds).

Estimates. The net asset values received by the Fund from Portfolio Funds and used to calculate the Fund's Net Asset Value, and therefore for the payment of redemption proceeds and the issuance of additional Interests, will be only estimates and may differ materially from actual valuations. The Fund will rely on these estimates in calculating the Fund's Net Asset Value for reporting, subscriptions, redemptions, fees, and other purposes and generally will not make any adjustments with respect to redemption payments or the issuance of Shares.

Contingent Liabilities. The Directors are authorized to establish such reserves for unknown or contingent liabilities as the Directors in their sole discretion deem advisable. The Directors may from time to time find it necessary, upon redemption by a Shareholder, to set up a reserve for contingent liabilities and withhold a certain portion of such Shareholder's Redemption Price.

Changes in Portfolio Funds and Allocations. The Investment Adviser may from time to time select new or replacement Portfolio Funds and change the percentage of assets allocated to each Portfolio Fund. These changes will be made in the Investment Adviser's discretion, subject to the Portfolio Funds' liquidity constraints. The Fund's success will depend to a great extent on the Investment Adviser's ability to identify and allocate assets successfully among Portfolio Funds.

Strategy Property Rights. Pursuant to certain agreements between affiliates of the Investment Adviser and certain Portfolio Managers or other employees of or consultants to Deutsche Bank, such persons may be (or may become) the owners of some of all of the software or other intellectual property that is fundamental to the Strategies employed on behalf of their respective Portfolio Funds. Upon the termination of any such person's employment or consulting arrangement with the Investment Adviser or its affiliates for any reason other than cause, ownership rights in such property may transfer to the relevant person and may cease to be available to the Fund and/or a Portfolio Fund, as the case may be.

Use of Models. Certain of the Portfolio Funds will employ multiple models that generate trading signals independent of each other. Thus, there is the possibility that a Portfolio Fund could hold offsetting positions during the same period of time, thereby incurring multiple brokerage charges with no net change in the Portfolio Fund's holdings. There is also the possibility that the models from time to time may enter identical orders, and therefore compete for the same trades.

In addition, the use of trading systems that use trend-following or counter-trend timing systems (as will be employed by certain Portfolio Funds) have increased in use in recent years. While the precise impact of such increase cannot be determined, such increase could alter trading patterns or affect trade execution to the detriment of a Portfolio Fund.

Investment Risks

Certain risks arise in connection with the underlying investments that may be made by the Fund and each of the underlying Portfolio Funds in which the Fund will invest.

Potential Limitation on Voting Rights. In order to comply with certain restrictions imposed by the U.S. Bank Holding Company Act of 1956, as amended, the Fund may be required to structure its investment in a Portfolio Fund in a manner that limits the voting rights associated with the Fund's ownership interests to a prescribed percentage of the total voting interests of such Portfolio Fund. In limiting such voting rights with respect to certain ownership interests in a Portfolio Fund, the Fund consequently would thus be limited in its ability to exercise any rights to consent to actions to be taken with respect to such Portfolio Fund, including any rights conferred by any state or other jurisdiction.

Structured Notes and Swaps. The Fund may purchase structured notes linked to Portfolio Funds or may enter into swaps or other contracts paying returns equal to the total return of Portfolio Funds ("Structured Investments"). The value of Structured Investments depends largely upon price movements in the underlying Portfolio Funds to which such Structured Investments are linked. Therefore, many of the risks applicable to the underlying asset (*i.e.*, the Portfolio Funds themselves) are also applicable to the Structured Investments. However, there are other risks associated with Structured Investments. Structured Investments expose the Fund to the credit risk of the counterparties with which it deals. Non-performance by parties of the obligations or contracts underlying the Indirect Investments could expose the Fund to losses, whether or not the transaction itself was profitable. Structured Investments may expose the Fund to additional liquidity risks as there may not be a liquid market within which to close or dispose of outstanding obligations or contracts. The Investment Adviser or an affiliate thereof may serve as counterparty to the Fund for certain Structured Investments and may earn additional revenues in connection with structuring such transactions. Some or all of the Portfolio Funds also may purchase structured notes or enter into swaps or other contracts paying returns equal to the returns of some or all of the investments that such Portfolio Funds otherwise might make directly. Any such indirect investment by a Portfolio Fund would subject such Portfolio Fund to each of the foregoing risks attributable to Structured Investments.

Non-U.S. Investments. Investments outside the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation, and non-exchangeability) as well as a range of other potential risks that could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Further, non-U.S. securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are

generally higher than in the U.S. Higher costs result because of the cost of converting a non-U.S. currency to U.S. dollars, the payment of fixed brokerage commissions on some non-U.S. exchanges, and the imposition of transfer taxes or transaction charges by non-U.S. exchanges. There is generally less government supervision and regulation of exchanges, brokers, and issuers outside the U.S. than there is in the U.S. and there is greater difficulty in taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Emerging Markets Investing. Certain Portfolio Funds may invest in securities and related instruments in emerging markets. The value of emerging markets securities may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on such Portfolio Fund, including nationalization, expropriation, imposition of confiscatory taxation or regulation, or imposition of withholding taxes. The economies of many of the emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many emerging markets countries have a high dependence on a small group of markets or even a single market. Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates. The value of emerging market securities can be expected to be sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant issuer.

Leverage. The underlying Portfolio Funds may be able to borrow without limitation and may utilize various lines of credit and other forms of leverage, including swaps, futures, and repurchase agreements. While leverage presents opportunities for increasing a Portfolio Fund's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Portfolio Fund will decrease. Additionally, any event that adversely affects the value of an investment by a Portfolio Fund would be magnified to the extent such Portfolio Fund is leveraged. The cumulative effect of the use of leverage by a Portfolio Fund in a market that moves adversely to such Portfolio Fund's investments could result in a substantial loss to the Portfolio Fund.

Low Credit Quality Securities. The Fund is permitted to invest in Portfolio Funds that may make particularly risky investments that also may offer the potential for correspondingly high returns. As a result, a Portfolio Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to a Portfolio Fund's investment in any security. The debt securities in which a Portfolio Fund is permitted to invest may be rated lower than investment grade and, hence, may be considered to be "junk bonds" or distressed securities.

Distressed Credits. The Portfolio Funds may invest in securities of U.S. and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in substantial or, at times, even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the U.S. Bankruptcy Court's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Portfolio Fund of the security in respect of which such distribution was made.

Reliance on Corporate Management and Financial Reporting. Certain of the strategies implemented by Portfolio Funds rely on the financial information made available by the issuers in which the Portfolio Funds place assets.

Neither the Advisers nor the Portfolio Managers have the ability to independently verify the financial information disseminated by these issuers and all are dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses which investors such as the Fund can incur as a result of corporate mismanagement, fraud, and accounting irregularities.

Suspensions of Trading. For all securities or commodities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities or commodities that it lists. Such a suspension could render it impossible for a Portfolio Fund to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for a Portfolio Fund to close out positions.

Futures. Futures markets are highly volatile. Portfolio Funds investing in the futures markets must be able to analyze correctly such markets, which are influenced by, among other things, changing supply and demand relationships; weather; governmental, agricultural, commercial, and trade programs and policies designed to influence commodity prices; world political and economic events; and changes in interest rates. Moreover, investments in commodities, futures, and options contracts involve additional risks including, without limitation, leverage (*e.g.*, margin is usually only 5% to 15% of the face value of the contract and exposure can be nearly unlimited) and credit risk *vis-à-vis* the contract counterparty. A Portfolio Fund's futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Portfolio Fund from promptly liquidating unfavorable positions and subject it to substantial losses.

Derivatives. Certain Portfolio Funds may invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices, or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which a Portfolio Fund may effect derivative transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Portfolio Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not *bona fide*) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause a Portfolio Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such "counterparty risk" is present in all swaps, and is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Portfolio Fund has concentrated its transactions with a single or small group of counterparties. A Portfolio Fund generally is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

Illiquid Investments. Certain Portfolio Funds may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists, such as private placements. The market prices, if any, of such investments tend to be more volatile, and it may be impossible to sell such investments when desired or to realize their fair value in the event of a sale. Moreover, securities in which Portfolio Funds may invest include those that are not listed on a stock exchange or traded in an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. There may be substantial delays in attempting to sell non-publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid. Further, companies whose securities are not registered or publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were registered or publicly traded.

Short Selling. Portfolio Funds may engage in short selling as a part of their Strategy. A short sale by a Portfolio Fund involves the sale of a security that a Portfolio Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date and at a lower price. To make delivery to the buyer, the Portfolio Fund must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Portfolio Fund realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases, respectively, between the date of the short sale and the date on which the Portfolio Fund covers its short position (*i.e.*, purchases the security to replace the borrowed security). A short sale involves the theoretically unlimited risk of an increase in the market price of the security sold short, that would result in a theoretically unlimited loss.

Highly Volatile Markets. The prices of securities and derivative instruments, including futures and options prices, may be highly volatile. Price movements of securities, forward contracts, futures contracts, and other derivative contracts in which Portfolio Funds may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest-rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Portfolio Funds also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Forward Trading. Portfolio Funds may engage in forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have been unable to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Portfolio Funds due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in major losses to a Portfolio Fund.

Concentration. Some of the Portfolio Funds in which the Fund invests may concentrate their investments in only a few securities, industries, or countries. Although the Fund’s overall investments will be diversified, concentration by individual Portfolio Funds may cause a proportionately greater loss than if their investments had been spread over a larger number of investments.

Limits on Hedged Strategies. While certain Portfolio Funds may use “market neutral” or “relative value” hedging or arbitrage strategies, this in no respect should be taken to imply that a Fund’s investments with such Portfolio Funds are without risk. Substantial losses may be recognized on “hedge” or “arbitrage” positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every market neutral or relative value strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds, or the price spread between different classes of stock for the same underlying firm. Further, many “market neutral” Portfolio Funds employ limited directional strategies that expose such Portfolio Funds to certain market risks.

Turnover. The Fund’s activities involve investment in the Portfolio Funds, which may invest on the basis of certain short-term market considerations. The turnover rate within certain Portfolio Funds is expected to be significant, potentially involving substantial brokerage commissions, fees, and other transaction costs. The Fund will have no control over this turnover. In addition, the withdrawal of the Fund from a Portfolio Fund or the termination of a separate account relationship could involve expense to the Fund under the terms of the Fund’s investment.

Other Trading Strategies. Certain of the Portfolio Funds will employ strategies for which no specific risk factors are provided herein. Nevertheless, such strategies should be considered to be speculative, volatile, and, in general, no less risky than other strategies more fully described herein.

CONFLICTS OF INTEREST

Certain conflicts of interest may arise in relation to the Fund including the following.

Credit and Hedging Facilities. Certain conflicts of interest may arise should the Fund enter into withdrawal or portfolio management credit facilities or currency hedging facilities with the Investment Adviser or its affiliates. In such situations, the Investment Adviser will have a conflict between its obligation to act in the best interests of the Shareholders of the Fund and any interest it may have in generating revenues and fees for itself or its affiliates. The Investment Adviser and its affiliates may also have conflicts in enforcing their rights against the Fund in such facilities. The Fund will not be entitled to, and may not receive, any special consideration or forbearance by such affiliate in the exercise of such affiliate's rights as a result of the Fund's relationship with the Investment Adviser.

Other Ventures of the Investment Adviser. The Investment Adviser, the Advisers, the Sub-Adviser, and their affiliates may organize or become involved in other business ventures. The Fund will not share in the risks or rewards of such other ventures. However, such other ventures will compete with the Fund for the time and attention of the Investment Adviser, the Advisers, the Sub-Adviser, and their affiliates and might create additional conflicts of interest. Although the Investment Advisory Agreement does not require the Investment Adviser to devote its full time or any specified portion of their time to the Fund, the Investment Adviser intends to dedicate a reasonable amount of time to the Fund and its activities.

Advisory Time. Although the officers and employees of the Investment Adviser, the Advisers, the Sub-Adviser, the Directors, and the Administrator will devote as much time to the Fund as they believe is necessary to assist the Fund in achieving its investment objectives and to administer the Fund's operations, they will not devote substantially all or any specific portion of their working time to the affairs of the Fund as they must devote a portion of their time to other funds and investments. The officers and key employees of the Investment Adviser, the Advisers, the Sub-Adviser, the Directors, and the Administrator may not have or may terminate employment/consulting agreements and the loss of the services of one or more of them may have a material adverse effect on the Fund.

Allocation of Investment Opportunities. The Investment Adviser is responsible for the investment decisions made on behalf of the Fund and the Affiliated Portfolio Funds. There are no restrictions on the ability of the Investment Adviser to manage accounts of other clients following the same or different investment objective, philosophy, and strategy as those used for the Fund or such Affiliated Portfolio Funds. In fact, the Investment Adviser and its affiliates currently manage and expect to continue to manage other portfolios consisting primarily of securities, futures, and derivatives of the type held by certain Affiliated Portfolio Funds that may invest pursuant to the same or different strategies as those employed by such Affiliated Portfolio Funds. The Investment Adviser may determine that an investment opportunity is appropriate for a particular fund or account that it manages, or for itself, but not for such Affiliated Portfolio Funds. Situations may arise in which private investment funds managed by the Investment Adviser or its affiliates have made investments that would have been suitable for investment by the such Affiliated Portfolio Fund but, for various reasons, were not pursued by, or available to, such Affiliated Portfolio Funds. To the extent that entities affiliated with the Investment Adviser invest in a particular investment, the ability of such Affiliated Portfolio Funds to invest in the same investment may be adversely affected by any limitation on availability of the investment. In addition, the Investment Adviser may be required to choose between such Affiliated Portfolio Funds and other advisory clients in allocating investments. In the event that a determination is made that an Affiliated Portfolio Fund and another client of the Investment Adviser and its affiliates should trade in the same securities on the same day, such securities will be allocated between such Affiliated Portfolio Fund and other accounts in a manner that the Investment Adviser and its affiliates determine in their discretion, provided that the Affiliated Portfolio Funds will be treated fairly and equitably over time. Circumstances may occur in which an allocation could have adverse effects on such Affiliated Portfolio Funds or the other client with respect to the price or size of securities positions obtainable or saleable.

“Soft Dollar” Payments. The brokers utilized by the Non-Affiliated Portfolio Funds will be selected by the Former DB Managers acting as Adviser of such Non-Affiliated Portfolio Funds. Any Former DB Manager may engage in “soft dollar” practices whether or not such practices fall within the soft dollar safe harbor established by Section 28(e). Thus, a Non-Affiliated Portfolio Fund Adviser may receive “brokerage and related services” covered by such safe harbor as well as office space, overhead expense reimbursement, and similar benefits not covered by such safe harbor. In doing so, the Non-Affiliated Portfolio Fund Adviser may pay higher commissions than those charged by brokers that do not provide such services or benefits.

Preferential Terms. The Investment Adviser, its affiliates, or accounts other than the Fund managed by the Investment Adviser or its affiliates may invest in Portfolio Funds on terms more favorable than those available to the Fund, and as investors in such Portfolio Funds may act in ways adverse to the interests of the Fund.

Cross Trades with other Investment Adviser Clients. The Investment Adviser may cause the Fund to purchase securities from or sell securities and interests in Portfolio Funds to other clients or vehicles when the Investment Adviser believes such transactions are appropriate and in the best interests of the Fund. In the event the Investment Adviser wishes to reduce the investment of one or more such funds in a Portfolio Fund and increase the investment of other funds in such Portfolio Fund, it may effect such transactions by directing the transfer of the interests between funds. Any incremental costs and expenses associated with any such investment will be borne by all such classes of such funds (including the Fund) on a *pro rata* basis. In addition, the Investment Adviser may recommend that the Fund purchase or sell an investment that is being sold or purchased, respectively, at the same time by the Investment Adviser, an affiliate, or another advisory client.

The Investment Adviser may also cause an Affiliated Portfolio Fund to purchase securities from or sell securities to other clients or vehicles when the Investment Adviser believes such transactions are appropriate and in the best interests of such Affiliated Portfolio Fund. In the event the Investment Adviser wishes to reduce the investment of one or more of such funds in a security and increase the investment of other funds in such security, it may effect such transactions by directing the transfer of the securities between funds. Any incremental costs and expenses associated with any such investment will be borne by all such funds (including such Affiliated Portfolio Fund) on a *pro rata* basis. In addition, the Investment Adviser may recommend that an Affiliated Portfolio Fund purchase or sell an investment that is being sold or purchased, respectively, at the same time by the Investment Adviser, an affiliate, or another advisory client.

The Investment Adviser or brokers selected by it may engage in “agency cross transactions” as defined in Rule 206(3)-2 promulgated by the SEC under the Advisers Act, in which the Investment Adviser or such brokers act as a broker for both an Affiliated Portfolio Fund and for another person on the other side of the transaction. The Investment Adviser or such brokers may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such agency cross transactions. Such Affiliated Portfolio Fund may at any time, upon written notice to the Investment Adviser, revoke its consent to such transactions. Agency cross transactions will be effected by the Investment Adviser or its affiliates only to the extent permitted by applicable law.

Principal Trades. The Investment Adviser may cause the Fund or an Affiliated Portfolio Fund to purchase securities from or sell securities to Deutsche Bank and its affiliates when the Investment Adviser believes such transactions are in the best interests of the Fund or such Affiliated Portfolio Fund, although all such principal trades will be done in compliance with applicable law and only if approved by the Conflicts Advisory Board on behalf of the Fund or such Affiliated Portfolio Fund. In particular, the Fund may purchase interests in Portfolio Funds from or sell such interests to Deutsche Bank and its affiliates, and an Affiliated Portfolio Fund may also purchase interests in securities from or sell such interests to Deutsche Bank and its affiliates. It may, for example, be beneficial for the Fund to purchase from Deutsche Bank rather than directly from a Portfolio Fund because the Fund can step into a reduced lock-up period or access an otherwise closed Portfolio Fund. In analyzing such principal trades, the Investment Adviser will have a conflict between acting in the best interests of the Fund or such Affiliated Portfolio Fund and assisting its affiliate by selling or purchasing a particular security.

Management and Performance Fees. The Management and Performance Fees payable to Advisers of Portfolio Funds have not been negotiated at arm’s-length and may be higher than management or performance fees charged

by or to others. The Performance Fee will be based on net profits with respect to each separate Portfolio Fund. This arrangement may create an incentive for the Adviser to invest Portfolio Fund assets in investments that are riskier or more speculative than would be the case if the Adviser was compensated based on a flat percentage of capital. In addition, the Performance Fee is determined on the basis of the net asset value of the relevant Portfolio Fund, including value attributable to unrealized appreciation. Any securities for which market quotations are not available may be valued by or at the direction of the such Portfolio Fund at such value as it may reasonably determine and may not be independently valued or verified by a third party. The Adviser will have an incentive to place the highest reasonable value on such Portfolio Fund's respective investments. As the Performance Fee is calculated separately with respect to each Portfolio Fund, it is possible that the Fund may bear a Performance Fee, payable to the Adviser to the relevant Portfolio Fund, even though the Fund, as a whole, may be down.

The Investment Adviser has a conflict in reallocating the Fund assets among the Portfolio Funds in that any loss carryforward that exists with respect to a particular Portfolio Fund for Performance Fee purposes will be eliminated in the event assets are moved from one Portfolio Fund to another. Such reallocation may increase the aggregate Performance Fees paid to the Investment Adviser and its affiliates.

The relationship between Deutsche Bank and the Investment Adviser creates a conflict of interest in that there exists an incentive for the Investment Adviser, with respect to Affiliated Portfolio Funds, to execute transactions with or through the Deutsche Bank Group and for the Adviser and the Deutsche Bank Group to cause a Portfolio Fund to engage in a higher volume of trading and/or purchase more expensive products or services than it would in the absence of such relationship. However, the Investment Adviser intends to make all investment decisions for the Affiliated Portfolio Funds without consideration of the brokerage commissions that may be payable to the Deutsche Bank Group.

Portfolio Valuation. The fees payable to the Advisers are based directly on the net asset value of the Portfolio Funds as of various dates, which in turn depends directly on the valuation of the assets and liabilities of such Portfolio Funds as of each such date. There may be no public market price for a portion of such Portfolio Funds' assets. The Portfolio Funds or their administrators on their behalf, in consultation with the Advisers, will generally value such assets. Any financial instruments for which market quotations are not readily available will be valued at fair value as reasonably determined in good faith by the Portfolio Fund or its administrator on its behalf, in consultation with the relevant Adviser. The Advisers, including the Investment Adviser with respect to Affiliated Portfolio Funds, will have a conflict of interest in consulting on such valuations because the valuations directly affect the net asset value of the Portfolio Fund and thus the amount of compensation that the Adviser receives in respect of its services.

Structured Investments. The Investment Adviser or an affiliate thereof may serve as counterparty to the Fund or a Portfolio Fund for certain Structured Investments and may earn additional revenues in connection with structuring such transactions. Although such transactions will only be undertaken when the Investment Adviser believes they are in the best interest of the Fund or such Portfolio Fund, and the relevant Conflicts Advisory Board will review and approve such transactions with respect to the Fund or an Affiliated Portfolio Fund, the additional revenues available from Structured Investments may create an incentive for the Investment Adviser to purchase Structured Investments rather than making direct investments.

Portfolio Fund Transactions with Affiliates. The Investment Adviser and its affiliates, including Deutsche Bank and its brokerage subsidiaries, may invest in and have other relationships with the Portfolio Funds in which the Fund invests that may give rise to potential conflicts. The Investment Adviser and its affiliates may, for example, enter into transactions, as principal, with any of the Portfolio Funds, including derivative transactions, or perform routine broker-dealer transactions. Other relationships may include, but are not limited to, providing seed capital, lending transactions in which the affiliate provides financing, serving as placement agent or prime broker, providing administrative services, and providing general financial advisory services to a Portfolio Fund. Accordingly, the Investment Adviser may face a conflict of interest in evaluating investments in and withdrawals from Portfolio Funds (e.g., a withdrawal from a Portfolio Fund could adversely impact the business relationships between Deutsche Bank or its affiliates and such Portfolio Fund). In addition, situations may arise in which the Investment Adviser or an affiliate believes that, to protect its own commercial interests, it may be necessary to take action with respect to a Portfolio Fund that may be detrimental to such Portfolio Fund (e.g., terminating a trading facility or foreclosing on collateral) and therefore inadvertently detrimental to the Fund. Deutsche Bank and its affiliates may keep any

profits, commissions, and fees accruing to it in connection with its activities for itself and other clients, including such Portfolio Funds, and the fees payable from the Fund to the Investment Adviser will not be reduced thereby.

Material Non-Public Information. Due to the relationships described above, the Investment Adviser and its affiliates may have access to material non-public information regarding the securities in which the Portfolio Funds invest. Investors should be aware, however, that the Investment Adviser will generally be unable to access such information due to confidentiality, “Ethical Wall,” or other legal considerations. As a result, the Investment Adviser may sometimes make investment decisions different than those it would make if it had such access, and such decisions may result in a material loss to the Fund. The Investment Adviser’s affiliates are not required to afford the Investment Adviser access to all relevant information they may possess. However, in the event that the Investment Adviser does receive such material non-public information, it may be prohibited from effecting transactions in a security that it would desire to effect and thus incur losses. Further, by reason of the advisory, due diligence, committee participation, and other activities of the Investment Adviser and its affiliates, the Investment Adviser or related persons may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Investment Adviser and related persons will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, the Investment Adviser may not initiate a transaction for a Portfolio Fund’s account that the Investment Adviser otherwise might have initiated, and a Portfolio Fund may be frozen in an investment position that it otherwise might have liquidated or closed out.

Underwriting. A Portfolio Fund may purchase investments that are issued, or are the subject of an underwriting or other distribution, by Deutsche Bank or an affiliate. A Portfolio Fund may invest, directly or indirectly, in the securities of companies affiliated with Deutsche Bank or in which Deutsche Bank has an equity or participation interest. The purchase, holding and sale of such investments by a Portfolio Fund may enhance the profitability of Deutsche Bank’s own investments in such companies.

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

The Investment Adviser, the Portfolio Fund Advisers, and their respective principals, affiliates, and employees may trade in the securities and derivatives markets for their own accounts and the accounts of their clients, and in doing so may take positions opposite to, or ahead of, those held by the Fund or may be competing with the Fund for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to the Fund. Records of this trading will not be available for inspection by Shareholders.

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

In particular, various affiliates of the Investment Adviser may be investors in Portfolio Funds to hedge derivative transactions linked to such Portfolio Funds. Such affiliates’ investments in and withdrawals from Portfolio Funds will be made in their best interests and without notice or regard to the Fund’s interests.

Allocations between Affiliated and Non-Affiliated Portfolio Funds. In considering allocations to Non-Affiliated Portfolio Funds and Affiliated Portfolio Funds, the Investment Adviser has a conflict between selecting the best Portfolio Funds for the Fund and maximizing the fees retained by it or its affiliates. The Investment Adviser has an incentive to allocate the Fund's assets to Affiliated Portfolio Funds since any fees paid by such Affiliated Portfolio Fund to its Adviser (including the Investment Adviser), such as the Management and Performance Fees, benefit the Investment Adviser or one of its affiliates.

Placement Agents. As placement agents and brokers may receive up-front commissions and ongoing compensation in respect of selling Interests, they will have a conflict of interest in consulting with investors as to the purchase and withdrawal of Interests. The Investment Adviser or an Adviser may engage Placement Agents or their affiliates to perform services in relation to the Fund or a Portfolio Fund, such as a prime broker, an executing broker, or a swap counterparty.

CERTAIN TAX CONSIDERATIONS

This discussion is for the purpose of providing general assistance only, is not intended to be a substitute for the advice of an investor's own tax, investment, business, financial, accounting, and legal advisors, and should not be interpreted as tax, investment, business, financial, accounting, or legal advice. Prospective investors should consult legal and tax advisors in the countries of their citizenship, residence, and domicile to determine the possible tax or other consequences to the investors relating to subscribing for, purchasing, holding, and redeeming Shares under the laws of their respective jurisdictions. The Fund will not be liable or responsible for determining compliance with such laws or for any violation of such laws. No advance tax ruling (except with respect to the Cayman Islands) has been, or will be, sought in connection with the operation of the Fund or an investment in the Shares, and there is no assurance that Cayman Islands, U.S., or other tax authorities will agree with the discussion herein.

United States Federal Income Taxation

U.S. Tax-Exempt Investors. The Fund will be classified as a passive foreign investment company ("PFIC") for federal income tax purposes.

Income or gain realized on an investment in the Fund by a U.S. tax-exempt investor should not be taxable under Section 511 of the Code as "unrelated business taxable income," unless the investor incurs "acquisition indebtedness" (within the meaning of Section 514(c) of the Code) in connection with its purchase of Shares.

Any U.S. tax-exempt investor that transfers cash to the Fund in exchange for Shares may be required to file Form 926 (Return by Transferor of Property to a Foreign Corporation) with the U.S. Internal Revenue Service ("IRS") if (1) immediately after the transfer, such investor holds, directly or indirectly, at least 10% of the total voting power or the total value of the Fund, or (2) the amount of cash transferred by such investor (or its affiliates) during the 12-month period ending on the date of the transfer exceeds \$100,000. Failure to properly file Form 926 under the circumstances described above will result in a penalty equal to 10% of the value of the cash transferred (not to exceed \$100,000 unless such failure is intentional).

In addition, any U.S. tax-exempt investor owning 10% or more of the total voting power or the total value of the shares of the Fund will be required to file annually an information return with the IRS. Such information return requires certain disclosures concerning the filing shareholder, other shareholders, and the Fund. The Fund has not committed itself to provide the information concerning the Fund or its Shareholders necessary to complete such return. Failure to file such information return with the IRS may subject such U.S. investor to a penalty.

Non-U.S. Investors. Gains realized by an investor that is not a U.S. person (a non-resident alien individual, foreign partnership, foreign corporation, foreign trust, or foreign estate) upon the sale, exchange, or complete redemption of Shares held as a capital asset generally should not be subject to United States federal income tax, provided that the gain is not effectively connected with the conduct of a trade or business in the United States. However, in the case of a non-resident alien individual, any such gain will be subject to the 30% (or lower treaty rate) United States tax if

(i) such individual is present in the United States for 183 days or more during the taxable year and (ii) such gain is derived from United States sources.

Generally, the source of gain upon the sale, exchange, or complete redemption of Shares is determined by the place of residence of the investor. For purposes of determining the source of such gain, residency is defined in a manner that may result in an individual who is otherwise a non-resident with respect to the United States being treated as a United States resident. Each prospective non-U.S. investor who anticipates being present in the United States for 183 days or more (in any taxable year) or otherwise has a substantial connection to the United States should consult his or her tax adviser with respect to the possible application of this rule and the possible impact of such presence or such individual's status as a non-resident for United States federal income tax purposes generally.

Gains realized by a non-U.S. investor engaged in a trade or business within the United States will be subject to United States federal income tax upon the sale, exchange, or redemption of Shares if such gain is effectively connected with such United States trade or business.

The Fund. The Fund generally will not be subject to taxation by the United States on income or gain realized by it from its trading and investment activities, provided that the Fund does not engage and is not deemed to be engaged, directly or indirectly, in a U.S. trade or business to which such income or gain is treated as effectively connected. The Fund should not be considered to be so engaged so long as (i) the Fund is not considered a dealer in stock, securities, or commodities and does not regularly offer to enter into, assume, offset, assign, or terminate positions in derivatives with customers, (ii) the Fund's U.S. business activities consist solely of trading in stock, securities, commodities, and derivatives for its own account (and, in the case of commodities, is limited to trading in commodities of a kind customarily dealt in on an organized exchange in transactions of a kind customarily consummated at such place) and (iii) any entity, which is treated as a partnership for United States federal income tax purposes, in which the Fund invests is not deemed to be engaged in a U.S. trade or business. The Fund intends to conduct its affairs in a manner that meets such requirements, although the Fund and the Investment Adviser have no control over whether any Non-Affiliated Portfolio Fund which is treated as a partnership is engaged in a U.S. trade or business. Even assuming the Fund meets such requirements, it will be subject to a 30% U.S. withholding tax on any U.S. source interest income which falls outside the "portfolio interest" exception or other available exception to withholding tax, any U.S. source dividend income and any other U.S. source fixed or determinable annual or periodic gains, profits, or income. In the event the Fund were engaged in a U.S. trade or business in any year, the Fund would be required to file a U.S. federal income tax return for such year and pay tax on its income and gain that is effectively connected with such trade or business at full U.S. corporate tax rates, and an additional 30% branch profits tax would be imposed.

Cayman Islands

The Fund and the Affiliated Portfolio Funds have obtained, or will apply for and can be expected to obtain, an undertaking from the Cayman Islands' authorities that, for a period of 20 years from the date of such undertaking when issued, no law which is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income, gains, or appreciations will apply to the Fund, the Affiliated Portfolio Funds, or their respective operations, and no such tax or any tax in the nature of estate duty or inheritance tax will be payable on or in respect of the shares, debentures, or other obligations of the Fund or the Affiliated Portfolio Funds or by way of withholding in whole or in part of any payment of dividend or other distribution of income or of capital by the Fund or the Affiliated Portfolio Funds to their shareholders or any payment of principal or interest or other sums due under a debenture or other obligation of the Fund or the Affiliated Portfolio Funds.

Other Jurisdictions

Interest and dividend income received by the Fund or the Portfolio Funds from sources outside the United States may give rise to withholding and other taxes imposed by other jurisdictions.

INVESTMENTS BY U.S. EMPLOYEE BENEFIT PLANS

General

The following section sets forth certain consequences under the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Code which a fiduciary of an “employee benefit plan” as defined in and subject to ERISA or of a “plan” as defined in and subject to Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan’s assets in the Shares (such “employee benefit plans” and “plans” being referred to herein as “Plans,” and such fiduciaries with investment discretion being referred to herein as “Plan Fiduciaries”). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary’s own counsel.

In general, the terms “employee benefit plan” as defined in ERISA and “plan” as defined in Section 4975 of the Code together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer’s employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, “simplified employee pension plans,” KEOGH plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code, and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Shares, including the role an investment in the Shares plays in the Plan’s investment portfolio. Each Plan Fiduciary, before deciding to invest in the Shares, must be satisfied that investment in the Shares is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Shares, are diversified so as to minimize the risks of large losses, and that an investment in the Shares complies with the governing documents of the Plan and related trust.

EACH PLAN FIDUCIARY CONSIDERING ACQUIRING SHARES MUST CONSULT ITS OWN LEGAL AND TAX ADVISERS BEFORE DOING SO.

Restrictions on Investments by Benefit Plan Investors

A regulation issued under ERISA contains rules for determining when an investment by a Plan in an entity will result in the underlying assets of the entity being assets of the Plan for purposes of ERISA and Section 4975 of the Code (*i.e.*, “plan assets”). Those rules provide that assets of an entity will not be plan assets of a Plan which purchases an interest therein if the investment by all “benefit plan investors” is not “significant” or certain other exceptions apply. The term “benefit plan investors” includes all Plans (*i.e.*, all “employee benefit plans,” as defined in and subject to ERISA and all “plans” as defined in and subject to Section 4975 of the Code), all “employee benefit plans” and “plans” as defined in but not subject to either ERISA or Section 4975 of the Code, and all entities that hold “plan assets” due to investments made in such entities by already described benefit plan investors. In addition, all or a portion of an investment made by an insurance company using assets from its general account may be treated as a benefit plan investor. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25% of the total capital of each class of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of the entity, of any person who provides investment advice for a fee (direct or indirect) with respect to such assets, and “affiliates” (as defined in the regulations issued under ERISA) of such persons).

In order to avoid causing assets of the Fund to be “plan assets,” the Directors intend to restrict the aggregate investment by benefit plan investors to under 25% of the total capital of each Class of Shares of the Fund (not including any investments of the Investment Adviser, the Advisers, the Sub-Adviser, or any person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Fund, and any entity that is directly or indirectly through one or more intermediaries controlling, controlled by, or under common control with any of such entities (including an entity for which the Investment Adviser or any Adviser provides investment advice), and each of the principals, officers, and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of the Fund). Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the Fund to require

that existing benefit plan investors redeem their Shares from the Fund in the event that other investors redeem. If rejection of subscriptions or such mandatory redemptions are necessary, as determined by the Directors, to avoid causing the assets of the Fund to be “plan assets,” the Fund will effect such rejections or redemptions in such manner as the Fund, in its sole discretion, determines.

Ineligible Purchasers

In general, Shares may not be purchased with the assets of a Plan if the Investment Adviser, the Sub-Adviser, any Adviser, Deutsche Bank, DBIM, the Administrator, any member of the Conflicts Advisory Board, any prime broker for a Portfolio Fund, any Placement Agent, any custodian, any of their respective affiliates or any of their respective employees either: (a) has investment discretion with respect to the investment of such plan assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a “prohibited transaction” under ERISA and the Code.

Except as otherwise set forth herein, the foregoing statements regarding the consequences under ERISA and the Code of an investment in the Shares are based on the provisions of the Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial, or legislative changes will not occur that will not make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE DIRECTORS OR ANY OTHER PARTY RELATED TO THE FUND THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND FINANCIAL ADVISERS AS TO THE PROPRIETY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN.

CONFIDENTIALITY AND PRIVACY

Confidential Information

The Fund, the Portfolio Funds, and their respective service providers, including, without limitation, the Investment Adviser, the Advisers, the Sub-Adviser, and the Administrator, may disclose any information, including, without limitation, any information regarding the Fund, the Portfolio Funds, the Shareholders, or the Portfolio Fund Shareholders, that is required to be disclosed pursuant to applicable law or any order issued by any administrative, governmental, regulatory, self-regulatory, or judicial authority of competent jurisdiction. Investors subscribing for Shares will be deemed to have consented to the disclosure of any such information notwithstanding any provision of Cayman Islands law (or the law of any other jurisdiction) that otherwise might operate to protect the nondisclosure of such information.

Privacy Statement

This privacy statement is issued by the Fund, the Investment Adviser, and their affiliates. The Fund, the Investment Adviser, and their affiliates consider privacy to be fundamental to their investor relationships and adhere to the policies and practices described below to protect current and former investors’ information.

Internal policies are in place to protect confidentiality, while allowing investor needs to be served. Only individuals who need to do so in carrying out their job responsibilities may access investor information. The Fund, the Investment Adviser, and their affiliates maintain, physical, electronic, and procedural safeguards that comply with federal standards to protect confidentiality. These safeguards extend to all forms of interaction with the Fund, the

Investment Adviser, and their affiliates, including the Internet. The Fund, the Investment Adviser, and their affiliates never sell customer lists or individual client information.

In the normal course of business, investors give the Fund and the Investment Adviser non-public personal information on subscription documents and other forms, on websites of the Fund or the Investment Adviser, and through transactions with affiliates. Examples of the non-public personal information collected are name, address, social security number, transactions, and balance information. To be able to serve investors, certain of this client information is shared with affiliated and non-affiliated third party service providers such as transfer agents, lawyers, prime brokers, custodians, administrators, and broker-dealers, to assist in processing transactions, servicing investor accounts, and operating the Fund. The Administrator may also share such information with the Investment Adviser. The organizations described above that receive client information may only use it for the purpose designated by the Fund, the Investment Adviser, or their affiliates.

The Fund, the Investment Adviser, and their affiliates may also disclose non-public personal information about investors to other parties as required or permitted by law. For example, the Fund, the Investment Adviser, and their affiliates may provide or may be required to provide information to governmental entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain circumstances, to law enforcement authorities, or any time believed necessary to protect the Fund or the Investment Adviser.

Investors with any questions on this privacy statement may contact Deutsche Bank's Compliance Department at (908) 608-3108.

MISCELLANEOUS

Loans to Shareholders

The Fund has entered, or may enter, into agreements with Lending Banks (including Deutsche Bank) to facilitate loans to Shareholders collateralized by the Shares. A Lending Bank that accepts Shares as collateral for loans (i) will be permitted to become a Shareholder in respect of the Shares so charged when any such Lending Bank acts to realize on such collateral (subject to limited exceptions), and (ii) will be permitted, subject to the same withdrawal limitations applying to all Shareholders, to require the redemption of all Shares held by it as collateral upon foreclosure under such Lending Bank's agreement with the Shareholder.

Registered Office

The registered office of the Fund and each Affiliated Portfolio Fund, and the location where certain of their corporate books and records are kept, is located at the offices of Caledonian Bank & Trust Limited, Caledonian House, 69 Dr. Roy's Drive, P.O. Box 1043 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

Reports to Shareholders

Within thirty days of the end of each calendar quarter, the Fund will prepare a quarterly financial report containing unaudited performance as of the end of such quarter. In addition, an annual report containing audited financial statements will be prepared and distributed to Shareholders as soon as practicable after the close of the Fund's fiscal year. Copies of these reports will be mailed to Shareholders at their registered addresses, typically within 120 days.

Available Documents

The Fund's and the Affiliated Portfolio Funds' Memoranda and Articles of Association, and the Fund's and the Affiliated Portfolio Funds' agreements with the Administrator (other than the fee provisions thereof) and the Investment Adviser, are available for inspection and review by Shareholders, prospective investors, and their authorized representatives during normal business hours at the office of the Administrator. Such documents will also be sent to Shareholders and prospective investors at cost upon request. The Fund will afford prospective investors the opportunity to obtain any additional information necessary to verify the accuracy of any

representations or information set forth in this Memorandum, to the extent that the Fund possesses such information or can acquire it without unreasonable effort or expense. Such review is limited only by the proprietary and confidential nature of the trading strategies utilized by the Investment Adviser and by the confidentiality of personal information relating to other investors.

Cayman Islands Mutual Funds Regulation

The Fund falls within the definition of a “mutual fund” in terms of the Mutual Funds Law (2003 Revision) of the Cayman Islands (the “Law”) and accordingly will be regulated in terms of that Law. However, the Fund is not required to be licensed or to employ a licensed mutual fund administrator since the minimum interest purchasable by a prospective investor in the Fund equals or exceeds \$50,000 or its equivalent in another currency. Accordingly, the obligations of the Fund are: (i) to register the Fund with the Cayman Islands Monetary Authority (the “Authority”) in the Cayman Islands appointed in terms of the Law; (ii) to file with the Authority prescribed details of this Memorandum and any changes to it; (iii) to file annually with the Authority accounts audited by an approved auditor; and (iv) to pay a prescribed registration fee.

As a regulated mutual fund the Fund is subject to the supervision of the Authority and the Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. In addition, the Authority may ask the Directors to give the Authority such information or such explanation in respect of the Fund as the Authority may reasonably require to enable it to carry out its duty under the Law.

The Directors must give the Authority access to or provide at any reasonable time all records relating to the Fund and the Authority may copy or take an extract of a record it is given access to. Failure to comply with these requests by the Authority may result in substantial fines being imposed on the Directors and may result in the Authority applying to the court to have the Fund wound up.

The Authority is prohibited by the Law from disclosing any information relating to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to by law or by the court.

The Authority may take certain actions if it is satisfied in respect of a regulated mutual fund that:

- it is or is likely to become unable to meet its obligations as they fall due;
- it is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;
- its direction or management has not been carried on in a fit and proper manner; or
- a person holding a position as a director, manager, or officer is not a fit and proper person to hold the respective position.

The powers of the Authority include, among other things, the power to require the substitution of the Fund’s Directors, to appoint a person to advise the Fund on the proper conduct of its affairs, or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Authority, including the ability to apply to a court for approval of other actions.

Notwithstanding the foregoing, investors should note that the Authority has not passed upon the contents of this Memorandum or the merits of an investment in the Shares.

Money Laundering Prevention

As part of the Fund’s responsibility for the prevention of money laundering, the Fund, the Administrator, the Investment Adviser, and their affiliates, subsidiaries, or associates may require a detailed verification of the applicant’s identity and the source of the payment as required under the Cayman Islands Money Laundering Regulations (2003 Revision) (the “Money Laundering Regulations”). Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the applicant is a recognized financial institution that is regulated by a recognized regulatory authority and carries on business in a country listed in Schedule 3 of the Money Laundering Regulations;
- (b) the application is made through a recognized intermediary that is regulated by a recognized regulatory authority and carries on business in a country recognized in Schedule 3 of the Money Laundering Regulations. In this situation the Fund may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out; or
- (c) the applicant makes the payment for his investment from an account held in the applicant's name at a recognized financial institution.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations.

An individual may be required by the Administrator to produce a copy of a passport or identification card. Corporate applicants may be required by the Administrator to produce a certified copy of the certificate of incorporation (and any certificate of change of name), Memorandum and Articles of Association (or other document evidencing the existence of the legal entity), the register of directors or an excerpt from the trade register held at the relevant chamber of commerce, and the signatory card verifying the authority of officers to sign on behalf of the corporate entity. Trusts and other entities that subscribe to the Fund must demonstrate organizational documents that verify the existence of the entity and that verify the authority of one or more signatories to sign subscriptions on behalf of the entity.

The Fund, the Administrator, and the Investment Adviser reserve the right to request such information as is necessary to verify the identity of an applicant or a transferee of Shares.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator will refuse to accept the application and the subscription monies relating thereto. In such event, any funds received will be returned without interest to the account from which the funds were originally sent. The Administrator may also refuse to accept any application and monies relating thereto or to make any redemption or distribution payments to a Shareholder if the Administrator suspects or is advised that it might result in the breach or violation of any applicable anti-money laundering or other laws or regulations.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands (including the Fund, its Directors, and the Administrator) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2004 Revision) of the Cayman Islands and such report will not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

By subscribing for Shares, applicants consent to the disclosure by the Fund and the Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters, both in the Cayman Islands and in other jurisdictions.

Each prospective investor and Shareholder must also provide any information requested by the Investment Adviser to comply with its obligations under U.S. anti-money laundering rules and regulations.

Inquiries

Inquiries regarding the Fund and the Shares should be directed to the Administrator, International Fund Services (Ireland) Limited, Third Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland. Telephone: 353 (1) 707-5013. Fax: 353 (1) 707-5386. Email: dbarsta@imsi.com.

DB GLOBAL MASTERS FUND LTD.

SUPPLEMENT DATED MAY 2007

This Supplement replaces or supplements, as the case may be, certain information with respect to DB Global Masters Fund Ltd. (the “Fund”) as found in the Confidential Offering Memorandum of the Fund dated December 2004 (the “Memorandum”). This Supplement supersedes and replaces all prior supplements. Capitalized terms used but not defined herein shall have their meanings in the Memorandum. Prospective investors in the Fund should review carefully the contents of both this Supplement and the Memorandum.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EACH RECIPIENT OF THIS SUPPLEMENT, AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH RECIPIENT MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL AND STATE INCOME TAX TREATMENT AND THE U.S. FEDERAL AND STATE INCOME TAX STRUCTURE OF THE TRANSACTIONS CONTEMPLATED HEREBY AND IN THE MEMORANDUM AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO SUCH RECIPIENT RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE INsofar AS SUCH TREATMENT AND/OR STRUCTURE RELATES TO A U.S. FEDERAL OR STATE INCOME TAX STRATEGY PROVIDED TO SUCH RECIPIENT.

* * * * *

Any discussion of U.S. federal tax issues set forth in this Supplement or the Memorandum is written to support the promotion and marketing of the transactions described in this Supplement or the Memorandum. Such discussion is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

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Offering

The Fund, as of April 1, 2007, is offering 12 Classes of Shares to investors: Class P Shares through Class AA Shares. Class P Shares through Class U Shares are only offered to investors who purchase Shares through DB Advisors Capital Management (“DB Advisors”) itself, except as DB Advisors otherwise agrees, and bear a 0.50% per annum Investment Advisory Fee (as defined herein) (the “Non-Placement Agent Classes”), while Class V Shares through Class AA Shares bear a 1.50% per annum Investment Advisory Fee and are generally offered to all investors who purchase Shares through or with the help of a Placement Agent (including those sold by the Deutsche Bank Group (including DBTCA) or its affiliates who are not part of the DB Advisors Business Group) (the “Placement Agent Classes”). Except as set forth above, the Non-Placement Agent Classes and the Placement Agent Classes of the same currency (any such non-U.S. Dollar currency, a “Reference Currency”) and same capacity to participate in “new issues” have identical terms.

U.S. Dollar Classes. Class P Shares, Class Q Shares, Class V Shares, and Class W Shares (the “USD Shares”) are all U.S. Dollar denominated voting shares. Class P Shares and Class V Shares participate fully (or participate to a limited extent) in gains or losses attributable to “new issues” (initial public offerings of equity securities) while Class Q Shares and Class W Shares do not participate (or participate to a limited extent) in such gains and losses.

Yen Classes. Class R Shares, Class S Shares, Class X Shares, and Class Y Shares (the “Yen Shares”) are all Yen denominated voting shares. Class R Shares and Class X Shares participate fully (or participate to a limited extent) in gains and losses attributable to new issues while Class S Shares and Class Y Shares do not participate (or participate to a limited extent) in such gains and losses.

Distributions. With respect to the Yen Shares, the Directors, in their discretion and subject to the availability of distributable profits and applicable law, may declare a dividend calculated as of the end of each fiscal year. Any such dividends will be calculated on a Series-by-Series basis, will generally equal 100% of net profit with respect to each such Series of Yen Shares for the applicable fiscal year (as further described herein), and will generally be payable to the holders of record of the applicable Series of Yen Shares as of the end of such fiscal year (after giving effect to redemptions). For this purpose, net profit is generally calculated on a “high water mark” basis such that, in the event any Series suffers a net loss in a particular fiscal year, no dividend on such Series is eligible to be paid with respect to such fiscal year or any subsequent fiscal year until such net loss is first recovered (taking into account interim redemptions and distributions, as well as gains or losses on any overall currency hedge between the U.S. Dollar and the Reference Currency by the Fund or the Portfolio Funds). Consequently, it is possible that a dividend may be payable to holders of a Series of Yen Shares with respect to a fiscal year due to overall currency hedging gains even though the Fund’s performance is otherwise down in a given year due to net performance of the Portfolio Funds. Likewise, it is possible that even though the net aggregate performance of the Portfolio Funds is up with respect to a Series of Yen Shares even though no dividend will be payable to the holders of such Series with respect to the same fiscal year because such Series experienced net losses due to overall currency hedging losses. If any such dividend is declared, it will generally be announced prior to and paid as of March 15 of the following fiscal year, or the first business day thereafter. Holders of Yen Shares may direct the Fund to reinvest any dividend effective on the first subscription date following payment of such dividend. Investors may direct the Fund to do so for just one year or until further notice.

The Articles provide that the Directors may declare a dividend payable in respect of any Class or Series of Shares without declaring a dividend in respect of any other Class or Series of Shares. The Articles also provide the Directors with discretion, in consultation with the Investment Adviser, to defer payment of distributions where the Fund has been unable to withdraw proceeds from the Portfolio Funds or the Portfolio Funds’ portfolios are not sufficiently liquid to pay a dividend. Furthermore, the Directors, in consultation with the Investment Adviser, may also vary the amount, timing, and frequency of any dividend declaration and/or payment if they determine that, among other things, it would be in the best interests of the holders of the applicable Class or Series of Shares to do so.

Euro Classes. Class T Shares, Class U Shares, Class Z Shares, and Class AA Shares (the “Euro Shares”) are all Euro denominated voting shares. Class T Shares and Class Z Shares participate fully (or participate to a limited extent) in gains and losses attributable to new issues while Class U Shares and Class AA Shares do not participate (or participate to a limited extent) in such gains and losses.

The Fund may, but is not obligated to, attempt to hedge the currency exchange rate risk between the Reference Currency and U.S. Dollars.

Offering Price. The USD Shares are currently being offered at a \$1,000 per Share, the Yen Shares are being offered at ¥100,000 per Share, and the Euro Shares are being offered at €1,000 per Share. Shares are offered as of the first calendar day of each month, and a new Series of Shares is issued on each such subscription (to help track lock-up periods, among other reasons).

The Fund formerly offered Class A Shares through Class N Shares, and Shares in those Classes remain outstanding, but such Shares are no longer available for purchase. The Class P Shares through Class AA Shares are identical to the Class C Shares through Class N Shares, except that the Class C Shares through Class H Shares were offered to investors who purchased Shares through DB Advisors itself and were not

subject to any Investment Advisory Fee, and the Class I Shares through Class N Shares were offered to investors who purchased Shares through or with the help of a Placement Agent and were subject to a 1.0% per annum Investment Advisory Fee.

The Fund has created and authorized the issue of Class O Shares, but Class O Shares are only issued to other investment funds managed or advised by the Investment Adviser or its affiliates that serve as feeder funds into the Fund. Such feeder funds will therefore be able to request redemptions from the Fund for purposes of raising cash to pay fees or expenses or annual distributions of net profit with respect to such feeder fund more frequently, upon less notice, and without payment of any Redemption Fee (as defined below). However, investors in any such feeder fund remain subject to the Fund's Redemption Fee with respect to their redemption requests (thus the feeder funds remain so subject on redemption requests that relate to redemptions by underlying investors). Class O Shares are Yen denominated voting shares that do not bear any Investment Advisory Fees. Except with respect to the different liquidity terms and fee terms described above, the Class O Shares are identical to the Class R Shares. Accordingly, Class O Shares participate fully (or participate to a limited extent) in gains or losses attributable to "new issues" (initial public offerings of equity securities).

The Fund has created and authorized the issuance of Class AB, Class AC, Class AD, and Class AE Shares, each of which are intended only for investments that hedge or otherwise relate to structured products or other derivative instruments that may be created by the Investment Adviser, its affiliates, or other third parties, and whose returns are tied, at least in part, to those of the Fund. These Shares are non-voting shares and do not participate or do not participate fully in gains or losses attributable to new issues. These Shares are generally subject to the liquidity described for the Class P through Class AA Shares except that, similar to the Class O Shares, these Shares only pay the Redemption Fee (as defined below) with respect to redemptions made due to redemptions requested by the underlying owners of the structured products – redemptions made by the investors in the Class AB through Class AE Shares to adjust their hedge on the relevant structured product are not subject to the Redemption Fee. Except as set forth above, Class AB Shares are similar to Class Q Shares (except they have a \$10 million minimum investment), Class AC Shares are similar to Class U Shares (except they have a €10 million minimum investment), Class AD Shares are similar to Class W Shares (except they have a \$10 million minimum investment), and Class AE Shares are similar to Class AA Shares (except they have a €10 million minimum investment). The minimum investment amount for the Class AB, Class AC, Class AD, and Class AE Shares may be waived or varied by the Directors in their discretion.

The Fund has also created and authorized the issuance of Class AF Shares, which initially will be offered and sold only to certain employees of the DB Advisors Business Group, but may also be offered to other employees of Deutsche Bank with the consent of the Investment Adviser. These Shares are non-voting shares and do not participate or do not participate fully in gains or losses attributable to new issues investments. These Shares are generally subject to the liquidity described for the Class Q Shares and are subject to the Redemption Fee. However, these Shares bear no Investment Advisory Fee and have a \$50,000 minimum investment amount. For the avoidance of doubt, the Fund's other Shareholders will not be entitled to receive any notice of redemptions by the Class AF Shareholders.

Additional Share Capital

The Fund is proposing that Shareholders vote to increase the Fund's authorized share capital from US\$50,000 divided into 5,000,000 voting participating Shares of US\$0.01 par value each to US\$150,000 divided into 15,000,000 Shares of US\$0.01 par value each. Such proposal intends to ensure that the Fund has sufficient authorized share capital for the foreseeable future. The Fund anticipates holding this Shareholder vote by the end of May 2007.

Affiliated Portfolio Funds

Affiliated Portfolio Funds may either be advised by a Portfolio Manager employed by the Investment Adviser or its affiliates or be advised by the Investment Adviser but sub-advised on a discretionary or non-discretionary basis by one or more Portfolio Managers who were formerly employed by Deutsche Bank AG (“Deutsche Bank”) but have since left and formed their own firms (alone or with others) or joined other firms (“Former DB Managers”).

The Investment Adviser and/or one or more of its affiliates may have made, or may make, investments in certain of the Affiliated Portfolio Funds. To the extent that the Investment Adviser and its affiliates own, in the aggregate, 25% or more of an Affiliated Portfolio Fund, the Investment Adviser’s allocations of Fund assets to such Affiliated Portfolio Fund will be subject to prior approval by the Conflicts Advisory Board.

Investment Advisory Fee

The Fund pays to the Investment Adviser a monthly investment advisory fee (the “Investment Advisory Fee”) equal to (i) 0.1250% of the month-end Net Asset Value of each Series of Shares of each of the Placement Agent Classes (1.5% on an annual basis), and (ii) 0.04167% of the month-end Net Asset Value of each Series of Shares of each of the Non-Placement Agent Classes (0.5% on an annual basis). The Investment Advisory Fee is payable in arrears as of the last business day of each month and is calculated before any accrual for or payment of any Investment Advisory Fees, but after reduction of Net Asset Value for all other fees and expenses for the month (including Management Fees and accrued Performance Fees paid to the Advisers at the Portfolio Fund level). The Investment Adviser may waive, reduce, or rebate the Investment Advisory Fee with respect to any particular investor without entitling any other investor to such waiver, reduction, or rebate. The Investment Adviser may pass on all or any portion of the Investment Advisory Fee to Placement Agents which distribute Shares.

The Investment Advisory Fee (as well as the Advisers’ Management Fees, brokerage commissions, and other costs and expenses associated with the acquisition and disposition of investments, and operating costs and expenses) is payable irrespective of profitability, and there can be no assurance that the Fund will be able to earn sufficient income to offset these charges.

The Investment Adviser, or its affiliates, will continue to receive compensation to the extent it (or its affiliates) serves as Adviser to a Portfolio Fund, and the Investment Adviser will also continue to be compensated by Former DB Managers with respect to Fund allocations to Non-Affiliated Portfolio Funds as set forth herein.

Redemption Fee

Formerly, Class C Shares through Class AA Shares could not be redeemed by Shareholders until the fourth calendar quarter-end following their date of purchase (with each purchase of such Shares by a Shareholder being treated separately for this purpose). However, as of September 30, 2007, the Fund will instead allow Class C Shares through Class AA Shares to be redeemed by Shareholders prior to the fourth calendar quarter-end following their date of purchase (with each purchase of such Shares by a Shareholder being treated separately for this purpose); provided that Shares redeemed on or prior to the expiration of four full calendar quarters from the purchase of such Shares will be subject to an early redemption fee (a “Redemption Fee”) equal to (i) 5%, if such Shares are redeemed at the end of the first or second full calendar quarter after the initial purchase of such Shares, or (ii) 3%, if such Shares are redeemed at the end of the third or fourth full calendar quarter after the initial purchase of such Shares, in each case of the Net Asset Value of such Shares, payable out of the redemption proceeds and retained by the Fund for the benefit of the remaining Shareholders. If a Shareholder has invested more than once, partial redemptions are allocated on a “first-in, first-out” basis for purposes of determining any applicable Redemption Fee with respect to the redeeming Shareholder’s Shares.

Currency Hedge

Subscription amounts paid for non-U.S. Dollar Classes will be converted to U.S. Dollars at the applicable spot rate at the time of conversion. The Investment Adviser may, but is not obligated to, attempt to offset the currency exchange risk between U.S. Dollars and such non-U.S. Dollar Class' Reference Currency by entering into a currency hedge to protect against losses associated with currency exchange rate fluctuations, but such hedge will also prevent the Fund from benefiting from any such gains.

Subscription amounts paid for non-U.S. Dollar Classes will be converted into U.S. Dollars at the applicable spot rate at the time of conversion. Although it is expected that such currency conversion will occur on the relevant Subscription Date it may in some cases occur after such Subscription Date. During such period it is possible that the value of the Reference Currency may decline against the U.S. Dollar, resulting in losses. Because the Fund's books are kept on a U.S. Dollar basis and most of the investments made by the Fund will be denominated in U.S. Dollars, the Investment Adviser may, but is not obligated to, attempt to offset the currency exchange rate risk between the U.S. Dollar and such non-U.S. Dollar Class' Reference Currency by entering into a currency hedge to protect against losses associated with currency exchange rate fluctuations. Separately, to the extent an Adviser makes investments denominated in non-U.S. Dollar currencies, such Portfolio Fund and the Fund will be subject to the risk that such currencies will decline against the U.S. Dollar. Such Adviser may, in its discretion, but is not required to, engage in hedging transactions with respect to the currency rate risk on any such specific investment to the extent and in the manner such Adviser deems practicable. To the extent such Adviser does not hedge the currency rate risk of non-U.S. Dollar denominated investments, the Investment Adviser's overall hedge of the exchange rate risk between U.S. Dollars and the Reference Currency may offer no meaningful protection against currency rate fluctuations between the Reference Currency and the currency of such investment. With respect to all such hedging activities, the Investment Adviser or an Adviser, as the case may be, may enter into currency forward transactions in the interbank market, currency swap transactions, foreign currency futures contracts, or any other instruments it deems advisable in an attempt to hedge this risk. Any hedging transactions are intended to protect the Fund or a Portfolio Fund from currency losses in respect of currency fluctuations but could also prevent the Fund or a Portfolio Fund from profiting from any currency gains. As it is impossible to predict with precision the exposure of the Fund or a Portfolio Fund to exchange rate risks and because the Investment Adviser or Advisers, as the case may be, may not always be able to adjust or replace hedges in a timely manner, it is likely that the Fund or a Portfolio Fund will always be over- or under-hedged against currency rate exchange risks. Further, there can be no assurance that any such hedging transactions will be successful in lessening the exchange-rate exposure of the Fund or a Portfolio Fund on any given investment, nor can there be any assurance that such hedging transactions will not themselves incur significant losses. Finally, such hedging transactions will entail expenses that may be significant.

Net Asset Value. The U.S. Dollar Net Asset Value will be calculated as set forth in the Memorandum currently as "Net Asset Value." The Net Asset Value with respect to a particular Reference Currency shall be calculated by converting the U.S. Dollar Net Asset Value of a Series and converting it to the relevant Reference Currency at the applicable spot rate at the time of conversion. The Net Asset Value per Share of each Series shall be the Net Asset Value of each Series divided by the number of Shares outstanding in such Series.

Currency Hedging Impact on Fees. As the Management and Performance Fees are calculated at the Portfolio Fund level while the currency hedging activities of the Investment Adviser with respect to the Reference Currencies of the Fund will occur at the Fund level, all the Management and Performance Fees will be calculated without regard to the gains and losses from the overall currency hedging activities of the Investment Adviser between a Reference Currency and U.S. Dollars. The Investment Advisory Fee will be calculated after the allocation of any gains or losses from the Investment Adviser's currency hedging activities relating to the Non-U.S. Dollar Reference Currencies.

Investment Adviser Personnel

Effective January 2006, the Investment Adviser uses the marketing name DB Advisors Capital Management. DB Advisors Capital Management is the marketing name for the single manager and multi-strategy hedge fund activities of Deutsche Asset Management. Deutsche Asset Management is a division of Deutsche Bank. Topiary Fund Management is the marketing name for the fund of hedge fund activities of Deutsche Asset Management.

Mr. Steven L. Bossi, who has been Deputy Head of the Topiary Fund Management (“Topiary”) team and a portfolio manager thereon, was promoted to Global Head of Topiary (replacing Raymond C. Nolte) in April 2005 and is primarily responsible for the management of the Topiary team and the investment management and development of the Investment Adviser’s multi-manager hedge fund products. In addition, Mr. Bossi is responsible for the Investment Adviser’s activities with respect to the Fund.

Mr. Bossi joined the Investment Adviser in 2001 after nine years of experience as president and chief operating officer of AI International Corporation, an investment advisory firm, where he actively managed global investments in traditional and alternative investment strategies, including equity, fixed income, emerging markets, distressed securities, merger arbitrage, convertible arbitrage, and private equity securities. Prior to that, Mr. Bossi was a fixed income portfolio manager at Aetna Life & Casualty. Mr. Bossi received a B.S. from the University of Connecticut and an M.B.A. from the University of Chicago.

Fund Directors

Updated biographical information for Jan Kregel, who serves as a Director of the Fund, is set forth below.

Jan A. Kregel. Mr. Kregel served as Professor of International Economics in the Johns Hopkins University Paul Nitze School of Advanced International Studies from 1985 to 1990 and as Associate Director and Adjunct Professor from 1990 to 1998. He held a Chair in Political Economy at the Università degli Studi di Bologna, Italy, from 1990 to 2002. From 1990 to 2006 he has served in various advisory and official capacities in the United Nations Secretariat in Geneva and New York. In 2002 he was appointed Distinguished Research Professor at the University of Missouri at Kansas City, and in 2006 was named Professor of Technology and Development Finance at Tallinn University of Technology, Estonia.

Fund Administration

With respect to each Affiliated Portfolio Fund, the Investment Adviser and the Administrator have agreed that, effective in the second quarter of 2006, the Administrator provides additional administrative services in connection with such Affiliated Portfolio Fund’s investment activities, such as trade processing and reconciliation and other back and middle office services and functions. Each such Affiliated Portfolio Fund will pay additional fees to the Administrator in respect of such services.

Compensation of the Investment Adviser and Affiliates by Portfolio Funds

Each Affiliated Portfolio Fund pays a Management Fee on a monthly basis to the Investment Adviser or its affiliates ranging from 0.125% to 0.167% of such Affiliated Portfolio Fund’s net asset value (1.5% to 2.0% on an annual basis), and, except as otherwise specified herein or in the Memorandum, each Affiliated Portfolio Fund pays such Management Fee at a 2% per annum rate. Each Non-Affiliated Portfolio Fund pays a Management Fees to its respective Adviser generally ranging from 1% to 3% per annum of the net asset value of such Non-Affiliated Portfolio Fund. These Management Fees are generally payable in arrears as of the last business day of each month, after adjustments for profits and

losses but before any accrual or payment of the performance fees paid to the Adviser with respect to such Portfolio Fund, except as otherwise specified herein or in the Memorandum.

Each Affiliated Portfolio Fund also pays its Adviser a Performance Fee equal to 20% of the net profits of such Portfolio Fund. Each Non-Affiliated Portfolio Fund also pays its Adviser an annual Performance Fee generally ranging from 20% to 25% of net profits. The Performance Fee is calculated separately for each Portfolio Fund, generally net of all fees and expenses (including the Management Fee) of such Portfolio Fund, without any set-off against the performance or performance fee of any other Portfolio Fund. Any loss carryforward amounts are tracked for the Fund as a whole and not with respect to any particular Limited Partner and treated separately by each Portfolio Fund and will not be set-off against the performance of any other Portfolio Fund.

Former DB Managers compensate the Investment Adviser and its affiliates out of the Management and Performance Fees paid to such Former DB Managers. Such payments by Former DB Managers are limited to between 0.50% and 1% per annum of Fund assets allocated to such Non-Affiliated Portfolio Fund, paid out of any Management Fees received by such Former DB Managers, and up to 5% of the net profit of the Fund's shares in such Non-Affiliated Portfolio Fund, paid out of and subject to the terms of the Performance Fees received by such Former DB Managers with respect to the Fund's investment therein, although the Investment Adviser may determine to accept a lower percentage (or no percentage) of Management Fees and/or Performance Fees in respect of a particular Non-Affiliated Portfolio Fund.

The Fund will make available to existing and prospective investors, upon request to the Administrator and upon execution of a confidentiality agreement satisfactory to the Investment Adviser, certain information relating to the specific compensation paid to the Investment Adviser and its affiliates by the Non-Affiliated Portfolio Funds.

Similar Investment Adviser Products

The Fund has an investment objective substantially similar to DB Global Masters Multi-Strategy Fund L.P. and DB Global Masters Multi-Strategy Fund Ltd. (collectively, "Global Masters Multi-Strategy"), and the Investment Adviser uses the same basic investment policies and procedures for the Fund as it does for Global Masters Multi-Strategy. However, there are and will be significant differences between the investments and allocations made by the two funds, so there will also be performance differences between the two funds. As an example, Global Masters Multi-Strategy in general will not be able to invest in certain Portfolio Funds owned by the Fund that are currently closed to new investment by Global Masters Multi-Strategy. Global Masters Multi-Strategy is not intended to replicate the portfolio of the Fund, and no effort will be made to allocate all of the Global Masters Multi-Strategy's assets to the same Portfolio Funds as comprise the Fund's portfolio, although it is likely that the Fund and Global Masters Multi-Strategy will invest in some of the same Portfolio Funds. Further, the different sizes of the funds, the timing of subscriptions and redemptions, and other factors will lead to differences in Portfolio Fund investments by such funds in the future and performance disparities. No attempt will be made to invest the Fund's assets *pari passu* with Global Masters Multi-Strategy or to otherwise replicate the Global Masters Multi-Strategy portfolio. To the extent that the Investment Adviser allocates Fund assets and Global Masters Multi-Strategy assets among the same Portfolio Funds, the Investment Adviser will attempt to do so fairly pursuant to allocation procedures applicable to these products.

Restrictions on Investments by Benefit Plan Investors

The U.S. Pension Protection Act of 2006 (the "Act") changed the definition of "benefit plan investor" for purposes of the 25% test used to determine whether an entity's assets are treated as "plan assets" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). To reflect the Act's changes, which were effective on August 18, 2006, the Fund has changed the definition of benefit plan investor used in

the Memorandum. The term is now defined as (i) all “employee benefit plans” as defined in and subject to the fiduciary responsibility provisions of ERISA, (ii) all “plans” as defined in and subject to Section 4975 of the Code, and (iii) all entities that hold “plan assets” (each, a “Plan Assets Entity”) due to investments made in such entities by already described benefit plan investors. Accordingly, government plans, foreign plans, and certain church plans are no longer “benefit plan investors”. A special rule provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the equity interests of the Plan Assets Entity that is held by benefit plan investors.

Reporting

The Fund (or its delegate) shall send a copy of the audited accounts of the Fund to each Shareholder generally within 180 days of the end of the fiscal year, although such delivery may be delayed if delivery of audited financial reports of any of the Portfolio Funds are delayed. The Fund (or its delegate) shall send an unaudited report containing such investment information and other financial information as is determined by the Directors to each Shareholder generally within 45 days of the end of each month, although, again, such delivery may be delayed if delivery of financial reports of any of the Portfolio Funds are delayed.

Additional Portfolio Funds and Investment Strategies

The Fund has invested in the following additional Portfolio Funds.

Fundamental Value Trading

The Adviser for the Fundamental Value Trading Strategy is the Investment Adviser. The Adviser utilizes three quantitative long/short models that trade equity securities of the top approximately 2,200 publicly traded companies in the United States, as ranked by market capitalization. The Portfolio Fund implementing the Fundamental Value Trading Strategy attempts to achieve its investment objective without any dependence on overall equity market conditions or returns. The Fundamental Value Trading Strategy is implemented through an Affiliated Portfolio Fund on the standard terms set forth in the Memorandum.

Alpamayo Emerging Markets Value

The Adviser for the Alpamayo Emerging Markets Value Strategy is the Investment Adviser. The Adviser utilizes a core strategy focusing on significantly undervalued, event-driven, uncorrelated investments in emerging markets based on value and fundamental analysis, with the main focus on Latin America and a secondary strategy that involves taking long and short positions in Latin American (and other emerging markets) equity and fixed-income securities, as well as an additional strategy focusing on distressed corporate debt securities and sovereign debt in emerging markets. The Alpamayo Emerging Markets Value Strategy is implemented through an Affiliated Portfolio Fund on the terms set forth in the Memorandum, except that this Portfolio Fund does impose a four-quarter lock-up period, subject to payment of certain redemption fees to such Portfolio Fund during that period and a redemption “gate” of 20% of such Portfolio Fund’s net asset value.

Equilibria Global (Equity Market Neutral)

The Equilibria Global (Equity Market Neutral) Strategy is implemented by the Investment Adviser, which has engaged Deutsche Asset Management International GmbH (“DeAM International”), an affiliate of the Investment Adviser, to act as sub-adviser through an Affiliated Portfolio Fund on the terms set forth in the Memorandum. The Equilibria Global (Equity Market Neutral) Strategy aims to achieve attractive absolute returns while remaining neutral with respect to the overall direction of the major global equity markets through investments (both long and short) in equity and equity-related securities. DeAM

International implements an investment process built on two pillars: (i) “bottom-up” stock picking; and (ii) factor analysis to control risk, which is implemented globally. Long and short positions are selected using fundamental analysis through a proprietary Monte Carlo-based trading model. The Equilibria Global (Equity Market Neutral) Strategy currently intends to concentrate on Asia, Germany, and/or Western Europe.

CQ Capital

The Adviser for the CQ Capital Strategy is the Investment Adviser. The Adviser aims to achieve attractive risk-adjusted returns with medium volatility and a low correlation to global equity and fixed-income markets, primarily through identifying mispriced securities in the equity derivatives markets and the fixed-income cash and derivatives markets. The Portfolio Fund implementing the CQ Capital Strategy attempts to achieve its investment objective by taking advantage of the massive ongoing issuance of equity and structured credit derivative products (such as equity-linked, credit-linked, and yield-enhanced notes), as well as by using the combined experience of its portfolio managers. The CQ Capital Strategy is implemented through an Affiliated Portfolio Fund on the terms set forth in the Memorandum, except that this Portfolio Fund imposes a four-quarter lock-up period, subject to payment of certain redemption fees to such Portfolio Fund during that period and a redemption “gate” of 20% of such Portfolio Fund’s net asset value.

Equilibria UK

Strategy. Until March 31, 2006, the Equilibria UK Strategy was implemented by affiliates of the Investment Adviser, but now it is implemented by a Former DB Manager. As of March 31, 2006, CZ Capital LLP and its affiliate CZ Capital Services (Cayman) Limited serve as Adviser with respect to the Equilibria UK Strategy, and the Fund accesses the Portfolio Manager for the Equilibria UK Strategy through a Non-Affiliated Portfolio Fund. The core of the Adviser’s investment process is bottom-up fundamental research and valuation-based stock selection. The Adviser takes both long and short positions in U.K. equities based on its fundamental views that certain stocks will outperform or underperform their current market price. A central tenet of the investment approach is a belief that significant share price opportunities result from a fundamental change in the way a company does business, rather than from general market behavior or consensus opinions toward particular stocks. Thus, the team seeks to identify catalysts that will impact a stock price’s outperformance or underperformance.

Portfolio Fund Fees and Expenses. The Portfolio Fund that implements the Equilibria UK Strategy (the “Equilibria UK Portfolio Fund”) pays its Adviser a quarterly Management Fee at an annual rate equal to 1.5% of such Portfolio Fund’s Pound Sterling net asset value plus any value added tax. The annual 20% Incentive Fee payable to the Adviser is calculated in Pound Sterling using equalization shares, and this Non-Affiliated Portfolio Fund charges an upfront 2.5% fee.

Base Currency. The base currency of the Equilibria UK Portfolio Fund is Pound Sterling; *i.e.*, the currency in which it maintains its books, records, and financial statements and in which it is charged applicable fees.

Indemnification. The Equilibria UK Portfolio Fund will indemnify its directors and their personal representatives against liabilities arising in connection with their service as a director, officer, or trustee of the Equilibria UK Portfolio Fund except in the case of their own dishonesty.

In all other material respects, the terms of the Equilibria UK Portfolio Fund are substantially similar to those of an Affiliated Portfolio Fund as described in the Offering Memorandum.

Gandhara

Strategy. The Gandhara Strategy is implemented by Gandhara Capital Management Limited (“Gandhara Capital”), a Former DB Manager, through a Non-Affiliated Portfolio Fund (the “Gandhara Portfolio Fund”). Gandhara Capital, on behalf of the Gandhara Portfolio Fund, seeks to deliver exceptional risk-adjusted medium-term returns with limited risk to capital and low correlation with asset classes and other investment vehicles primarily by taking long and short positions in equity, debt, and other securities and derivatives. Although the Gandhara Portfolio Fund invests in global markets, it is expected that its primary (though not exclusive) focus during its first two years of operations will be on European, Japanese, and non-Japan Asian markets. A key focus in the Gandhara investment approach is on the contrast between long-term stable equilibriums and short-term profitability. Gandhara Capital seeks to identify positions where it believes that the economic prospects of the investee company will diverge from current assumptions because of a special situation, or will converge to a longer-term equilibrium from a current special situation.

Portfolio Fund Fees and Expenses. The Gandhara Portfolio Fund pays Gandhara Capital a management fee quarterly at the rate of 1/4 of 1.75% (a 1.75% annual rate), prior to deduction of that quarter’s management fee and before deduction for any accrued incentive fees payable to Gandhara Capital. The management fee is payable quarterly in arrears. The annual 20% incentive fee payable to Gandhara Capital is calculated in Euros. Where the net asset value of the Gandhara Portfolio Fund at the end of a performance period is below its “high water mark” but above its Net Asset Value for the beginning of such performance period, Gandhara Capital will be entitled to receive a reduced incentive fee of 10% of the difference between the net asset value of the Gandhara Portfolio Fund at the end of such performance period and the net asset value of the Gandhara Portfolio Fund at the beginning of such performance period, subject to further adjustments made to the high water mark as set forth in the Gandhara Portfolio Fund’s constituent documents.

Restrictions on Redemptions. The Gandhara Portfolio Fund imposes a “gate” on redemptions, limiting the amount that the Fund may redeem as of any quarter-end to 1/6 of the Fund’s total investment in the Gandhara Portfolio Fund; provided, that if the Fund wishes to redeem its entire investment in the Gandhara Portfolio Fund, such redemption will be effected by redeeming 1/6 of the Fund’s investment on each of the six following quarter-ends.

Base Currency. The base currency of the Gandhara Portfolio Fund is Euros.

Indemnification. The Gandhara Portfolio Fund will indemnify its directors and other officers against liabilities sustained by them in the execution of their duties; provided that such director or other officer acted honestly and in good faith with a view to the best interests of the Gandhara Portfolio Fund and had no reasonable cause to believe that his conduct was unlawful.

Rights Attaching to Portfolio Fund Shares. The Fund in respect of the Gandhara Portfolio Fund does not have the right to vote on any of the following matters in respect of such Portfolio Fund: (i) the appointment or removal of any director of such Portfolio Fund; (ii) the winding-up of such Portfolio Fund; (iii) any alteration or amendment of the authorized share capital of such Portfolio Fund; (iv) any change in the name of such Portfolio Fund; or (v) any amendment to the Articles of such Portfolio Fund to conform them to the terms of such Portfolio Fund’s offering memorandum issued in respect of the first issue of such Portfolio Fund’s shares.

GSA Capital Macro

Strategy. The GSA Capital Macro Strategy is implemented by GSA Capital Limited, a Former DB Manager, through a Non-Affiliated Portfolio Fund (the “GSA Macro Portfolio Fund”). GSA Capital Limited, through the GSA Macro Portfolio Fund, seeks to achieve an attractive return on capital principally through quantitative analysis techniques. GSA Capital Limited maintains a portfolio of

proprietary models to identify capital market inefficiencies, with a key driver of the models being market momentum.

Portfolio Fund Fees and Expenses. The GSA Macro Portfolio Fund pays GSA Capital Limited a management fee monthly in arrears of 1/12 of 2% (a 2.0% annual rate), before deduction of that month's management fee and before deduction of any accrued performance fees payable to GSA Capital Limited. GSA Capital Limited is also entitled to receive from the GSA Macro Portfolio Fund an annual performance fee, using equalization shares, of 20% of the appreciation in the net asset value per share during such year.

Indemnification. The GSA Macro Portfolio Fund will indemnify GSA Capital Limited against liabilities sustained by GSA Capital Limited in the course of its acting as Adviser to the GSA Macro Portfolio Fund in the absence of negligence, willful default, or fraud by GSA Capital Limited. The directors of the GSA Macro Portfolio Fund are entitled to be indemnified for any losses sustained in their capacity as such, provided that such directors acted honestly and in good faith with a view to the best interests of the GSA Macro Portfolio Fund and had no reason to believe their conduct was unlawful.

Equity Special Situations

The Equity Special Situations Strategy has to date been implemented by Altima Partners LLP ("Altima") through a Non-Affiliated Portfolio Fund. As of July 1, 2005, the Equity Special Situations Strategy is implemented through another Non-Affiliated Portfolio Fund managed by Altima (the "New Altima Fund"). The Strategy employed by the New Altima Fund is substantially similar to the Equity Special Situations Strategy described in the Memorandum. However, the New Altima Fund may invest a larger portion of its assets in certain equity or equity-related securities (or permissible assets of any other nature) that are (or may become) subject to legal or other restrictions on transfer, or with respect to which Altima, in its discretion, otherwise may determine no liquid market or other reasonably accurate source of valuation exists (any such investment, a "Special Situations Investment"). Altima anticipates that Special Situations Investments generally will account for not more than 65% of the net asset value of the New Altima Fund, as measured at the time of investment. The Fund may maintain a portion of its investment in the Portfolio Fund currently implementing the Equity Special Situations Strategy until certain illiquid investments held in such Portfolio Fund are liquidated.

Torus Japan

Strategy. The Investment Adviser, who is the Adviser with respect to the Torus Japan Portfolio Fund, has engaged Deutsche Asset Management (U.K.) Limited (formerly, DB Absolute Return Strategies Limited) ("DeAM (UK)") as a discretionary sub-adviser and Deutsche Asset Management (Japan) Limited ("DeAM Japan") as a non-discretionary sub-adviser. DeAM (UK) is responsible for the implementation of the Torus Japan Strategy. DeAM (UK), an affiliate of the Investment Adviser, recommends trades based on its belief that the portfolio should be built "brick-by-brick" through straight bottom-up stock picking. Investment ideas are primarily generated using the highest conviction names from the Deutsche Asset Management analyst team in both Tokyo and London, which covers approximately 300 Japanese stocks, and DeAM (UK)'s own research and company visits. Long positions are generally concentrated on stocks believed to be undervalued with improving earnings and fundamentals, while short positions are generally concentrated on stocks believed to be overvalued with declining earnings and fundamentals. The Torus Japan Strategy's investable universe consists of all listed Japanese equities.

Base Currency. The base currency of the Torus Japan Portfolio Fund is Yen; *i.e.*, the currency in which it maintains its books, records, and financial statements and in which it is charged applicable fees.

Net Asset Valuation. The net asset value of the Torus Japan Portfolio Fund is expressed in Yen and will be determined as set forth in the Torus Japan Portfolio Fund's organizational documents.

In all other respects, the terms of the Torus Japan Portfolio Fund are substantially similar to those of an Affiliated Portfolio Fund as described in the Memorandum.

Blue Lake

The Adviser for the Blue Lake Strategy is the Investment Adviser. The Adviser utilizes a directional long/short investment strategy focused on the energy industry. The Adviser's investment methodology is fundamentally driven, with corporate and market analysis as its primary drivers. The Portfolio Fund implementing the Blue Lake strategy invests and actively trades in assets across the capital structure of companies within the energy industry, which can include investments in common stock, corporate bonds, bank loans, credit derivatives, and stock options. The Blue Lake Portfolio Fund may also make direct investments in commodities that have historically been correlated to the energy industry. The Blue Lake Portfolio Fund expects to employ the use of leverage but intends to limit its use of leverage to 150%. The Blue Lake Strategy is implemented by an Affiliated Portfolio Fund on the terms set forth in the Memorandum.

Talaris

Strategy. The Talaris Strategy is implemented by Talaris Capital Partners LLP and its affiliate Talaris Capital Partners (Jersey) Limited (collectively, "Talaris Capital"), a Former DB Manager, through a Non-Affiliated Portfolio Fund (the "Talaris Portfolio Fund"). Talaris Capital, on behalf of the Talaris Portfolio Fund, seeks to deliver superior risk-adjusted returns with limited risk to capital and low correlation with traditional asset classes and other investment vehicles through a fundamentals based, stock-picking equity long/short approach. The Talaris Portfolio Fund will primarily take long and short positions in listed equities, derivatives, and indices in developed European markets (Germany, United Kingdom, Ireland, France, Italy, Spain, Portugal, Belgium, the Netherlands, Luxembourg, Norway, Sweden, Finland, and Denmark). The Talaris Strategy is based on a medium- to longer-term view on investments (6 to 24 months), on the long and the short side, that have been researched in significant detail, resulting in a portfolio of positions in some 40-60 different assets, both long and short.

Portfolio Fund Fees. The Talaris Portfolio Fund pays Talaris Capital a monthly management fee equal to 0.167% (a 2% annual rate), prior to deduction of that month's management fee and before deduction for any accrued incentive fees payable to Talaris Capital. The Talaris Portfolio Fund is also subject to an annual 20% incentive fee payable to Talaris Capital. Where the net asset value of the Talaris Portfolio Fund at the end of a performance period is below its "high water mark" but above its Net Asset Value for the beginning of such performance period, Talaris Capital will be entitled to receive a reduced incentive fee of 10% of the difference between the net asset value of the Talaris Portfolio Fund at the end of such performance period and the net asset value of the Talaris Portfolio Fund at the beginning of such performance period, subject to further adjustments made to the high water mark as set forth in the Talaris Portfolio Fund's constituent documents.

Restrictions on Redemptions. Redemptions made within twelve months of an investment in the Talaris Portfolio Fund (treated on a first in, first out basis) may be subject to a redemption fee of up to 5% of the redemption proceeds, payable to the Talaris Portfolio Fund. The Talaris Portfolio Fund also imposes a "gate" on redemptions of 15% of the net asset value of the Talaris Portfolio Fund's master fund, where gated investors are redeemed in priority as of the next redemption date, subject to such restrictions, and redeemed in full as of the sixth redemption date. Alternatively, subject to the payment to the Talaris Portfolio Fund of an 8% redemption fee, an investor may instead redeem up to a 30% gate.

The Talaris Portfolio Fund also includes a "key man" redemption term in respect of Nicolas Andine.

Base Currency. The base currency of the Talaris Portfolio Fund's master fund is Euros.

Indemnification. The Talaris Portfolio Fund will indemnify Talaris Capital’s directors and other officers against liabilities sustained by them in the execution of their duties other than any loss or expense resulting from their wilful default, fraud, or gross negligence.

Rights Attaching to Portfolio Fund Shares. The Fund in respect of the Talaris Portfolio Fund does not have the right to vote on: (i) a change in name for such Portfolio Fund; (ii) the appointment or removal of any director; (iii) all matters, including amendments to such Portfolio Fund’s articles of association, in relation to the creation of one or more classes or sub-classes of shares on such terms as may be determined by Talaris Capital, provided that the rights attaching to shares already in issue are not thereby adversely affected; (iv) the winding-up of such Portfolio Fund; and (v) to increase the authorized share capital, including the addition of other currency denominations.

RREEF REFlex

Strategy. The RREEF REFlex Strategy is implemented by RREEF America L.L.C. (“RREEF America”), an affiliate of the Investment Adviser, through an Affiliated Portfolio Fund. The RREEF REFlex Strategy attempts to achieve capital appreciation by investing (both long and short within and outside the United States) in publicly and privately traded real estate securities, including real estate investment trusts (“REITs”) and real estate operating companies, and related financial instruments. The Portfolio Fund implementing the RREEF REFlex Strategy intends to invest primarily in equity and debt securities, a substantial portion of which will be publicly-traded, in the real estate sector, including those issued by REITs and operating, finance, property management, hospitality, natural resource, and other types of companies with significant real estate-related activities, and related financial instruments (potentially including illiquid securities, foreign securities, and derivatives). The RREEF REFlex Portfolio Fund may utilize high leverage, with a gross exposure (longs plus shorts) generally not exceeding ten times its net asset value.

Portfolio Fund Fees, Expenses, and Liquidity. The Fund may invest in any of three series of shares offered by the RREEF REFlex Portfolio Fund – “Series I Shares,” “Series II Shares,” or “Series III Shares.” Series I Shares, Series II Shares, and Series III Shares are identical in every regard except as to (i) minimum investment requirement, (ii) fees, and (iii) redemptions. The minimum initial subscription amount is \$25,000,000 for Series I Shares, \$1,000,000 for Series II Shares, and \$500,000 for Series III Shares. All three series of the RREEF REFlex Portfolio Fund pay RREEF America a 20% annual incentive fee, which is calculated on a “high water mark” basis, and an advisory fee, which is payable monthly in arrears. The monthly advisory fee is equal to 0.125% (1.50% on an annual basis) for Series I Shares, and 0.1666% (2.00% on an annual basis) for both Series II Shares and Series III Shares. Series I Shares are subject to a 5% redemption fee on any redemptions made on or prior to the first anniversary of their purchase, and Series III Shares are subject to (a) a 5% redemption fee on any redemptions made on or prior to the end of the sixth month following their purchase, and (b) a 3% redemption fee on any redemptions made after the sixth month anniversary but on or prior to the first anniversary of their purchase. Series II Shares are not subject to any redemption fee, but are typically only offered to ERISA benefit plan investors.

Risks Related to the RREEF REFlex Strategy

Certain risks are unique, or more prevalent, with respect to the type of trading that the RREEF REFlex Strategy utilizes. These risks are noted below.

Concentrated Portfolio in Real Estate-Related Securities. The RREEF REFlex Portfolio Fund will invest primarily in real estate-related securities. Real estate-related securities are susceptible to the risks associated with direct ownership of real estate, including, without limitation, declines in property values; increases in property taxes, operating expenses, interest rates or competition; overbuilding; zoning changes; risks related to general and local economic conditions; eminent domain; fluctuations in rental

income; changes in neighborhood values; the appeal of properties to tenants; and losses from casualty or condemnation.

The yields available from investments in real estate-related securities depend on the amount of income and capital appreciation generated by the underlying properties. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions, and other capital expenditures, the income and ability of the real estate company to make payments of any interest and principal on its debt securities will be adversely affected. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. Furthermore, real estate investments are relatively illiquid and, therefore, the ability of real estate companies to vary their portfolios promptly in response to changes in economic or other conditions is limited. A real estate company may also have joint venture investments in certain of its properties, and consequently, its ability to control decisions relating to such properties may be limited. Real property investments are also subject to risks which are specific to the investment sector or type of property in which the real estate companies are investing.

REITs and other real estate companies in which the RREEF REFlex Portfolio Fund invests (each company, individually, a “RREEF Portfolio Company” and collectively, “RREEF Portfolio Companies”) may be affected by changes in the value of the underlying property owned by such RREEF Portfolio Companies and by the quality of credit extended. Such RREEF Portfolio Companies also are subject to heavy cash flow dependency, defaults by borrowers, self-liquidation, and the possibility of failing to qualify for tax-free pass-through of income under the Code.

Insurance Considerations. Certain of the RREEF Portfolio Companies may, in connection with the issuance of securities, have disclosed that they carry comprehensive liability, fire, flood, terrorism, extended coverage, and rental loss insurance with policy specifications, limits, and deductibles customarily carried for similar properties. However, such insurance is not uniform among the RREEF Portfolio Companies. Moreover, there are certain types of extraordinary losses that may be uninsurable, or not economically insurable. Should any type of uninsured loss occur, the RREEF Portfolio Company could lose its investment in, and anticipated profits and cash flows from, a number of properties which, as a result, would adversely impact the RREEF Portfolio Company’s ability to pay, and as a result the RREEF REFlex Portfolio Fund’s investment performance.

Credit Risk. RREEF Portfolio Companies may be highly leveraged and financial covenants may affect the ability of RREEF Portfolio Companies to operate effectively. The RREEF Portfolio Companies are subject to risks normally associated with debt financing. In addition, a RREEF Portfolio Company’s obligation to comply with financial covenants, such as debt-to-asset ratios and secured debt-to-total asset ratios, and other contractual obligations may restrict a RREEF Portfolio Company’s range of operating activity. A RREEF Portfolio Company, therefore, may be limited from incurring additional indebtedness, selling its assets and engaging in mergers or making acquisitions which may be beneficial to the operation of the REIT.

Risks of Environmental Liabilities. Under various laws, ordinances, and regulations of the jurisdictions in which RREEF Portfolio Companies own property, an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on, about, under, or in its property. Environmental laws often impose this liability without regard to whether the owner or operator knew of, or was responsible for, the release of hazardous substances. The presence of hazardous substances, or the failure to remediate hazardous substances properly, may adversely affect the owner’s ability to sell or use real estate or to borrow outside funds using real estate as collateral. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by federal, state, and local agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage, or other claims by private plaintiffs. The existence of any such

material environmental liability could have an adverse effect on the results of operations and cash flow of any such Portfolio Company and as a result the amount available to make distributions on its shares could be reduced.

Small and Medium Capitalization Companies. Even the larger REITs in the industry tend to be small- to medium-sized companies in relation to the equity markets as a whole. There may be less trading in a smaller company's stock, which means that buy and sell transactions in that stock could have a larger impact on the stock's price than is the case with larger company stocks. Further, smaller company stocks may perform in different cycles than larger company stocks. Accordingly, REIT shares can be more volatile than — and at times will perform differently from — the shares of “blue chip” companies.

Impact of REIT Status. REITs are subject to a highly technical and complex set of provisions in the Code. It is possible that the RREEF REFlex Portfolio Fund may invest in a RREEF Portfolio Company which purports to be a REIT and that such company could fail to qualify as a REIT. In the event of any such unexpected failure to qualify as a REIT, the RREEF Portfolio Company would be subject to corporate-level taxation, significantly reducing the return to the RREEF REFlex Portfolio Fund on its investment in such company.

Tax Considerations Related to the RREEF REFlex Strategy

The RREEF REFlex Portfolio Fund generally does not expect to be subject to taxation by the United States on income or gain realized by it from its trading and investment activities provided that the RREEF REFlex Portfolio Fund is not engaged in, or deemed to be engaged in, directly or indirectly, a U.S. trade or business to which such income or gain is treated as effectively connected. The RREEF REFlex Portfolio Fund should not be deemed to be so engaged. However, even if the RREEF REFlex Portfolio Fund's securities trading activity does not constitute a U.S. trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of U.S. Real Property Holding Corporations (as defined in Section 897 of the Code) (“USRPHCs”), including stock or securities of certain REITs, will be generally subject to U.S. federal income tax on a net basis. Generally, a USRPHC is a corporation that has U.S. real property interests constituting more than 50% of the value of its assets used in a trade or business and its real property. However, a principal exception to this rule of taxation would apply if such USRPHC has a class of stock which is regularly traded on an established securities market and the RREEF REFlex Portfolio Fund generally did not hold (and was not deemed to hold under certain attribution rules) more than 5% of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five-year period ending on the date of the disposition.

In general, an investor in a REIT must include in income as dividends taxable as ordinary income its allocable share of any distributions made by a REIT out of its current or accumulated earnings and profits and which are not designated as capital gain dividends. A corporate investor is not eligible for the dividends received deduction as to such dividends. If a REIT designates a distribution as a capital gain dividend, the investor generally would include its allocated share of such distributions made by a REIT in income as gain from the sale or exchange of capital assets held for more than one year (to the extent they do not exceed the REIT's actual net capital gain for the taxable year). A REIT may elect to retain and pay income tax on any net long-term capital gain, in which case the investor would include in income as long-term capital gain its allocated share of such undistributed net long-term capital gain. The investor would also receive a refundable tax credit for its allocated share of the tax paid by the REIT on such retained capital gains and an increase in its basis in the REIT stock in an amount equal to the difference between the undistributed long-term capital gains and the amount of tax paid by the REIT.

A distribution by a REIT to a nonresident alien or foreign corporation, such as the RREEF REFlex Portfolio Fund, is, to the extent attributable to gain from the sale or exchange by the REIT of U.S. real property interests, treated as gain recognized by such nonresident alien or foreign corporation from the sale or exchange of a U.S. real property interest. However, any distribution by a REIT with respect to any

class of stock which is regularly traded on an established securities market located in the United States is not treated as gain from the sale or exchange of a U.S. real property interest if the shareholder did not own more than 5% of such stock at any time during the taxable year.

Gains realized from the sale or disposition of shares of REITs will not be subject to tax if the REIT is domestically controlled (*i.e.*, if less than 50% of the value of the REIT stock was held directly or indirectly by foreign persons at all times during the shorter of (i) the five-year period ending on the date of the disposition or distribution, or (ii) the period during which the REIT was in existence).

Marshall Wace Global

Strategy. It is currently expected that the Fund will allocate assets to the Marshall Wace Global Strategy although there can be no assurance that it will do so. The Marshall Wace Global Strategy is implemented by Marshall Wace LLP (“Marshall Wace”), a Former DB Manager, through a Non-Affiliated Portfolio Fund (the “Marshall Wace Portfolio Fund”). The Marshall Wace Global Strategy attempts to provide investors with consistent absolute returns primarily through investing and trading in global equities. Marshall Wace believes that investment advice received from the brokerage community, if systematically monitored and analyzed, can be combined into a diversified portfolio with attractive risk-reward characteristics. The Marshall Wace Global Strategy seeks to systematically trade in accordance with ideas selected by proprietary applications and optimization models developed by Marshall Wace (referred to collectively as “TOPS” or the “TOPS investment process”) to exploit such opportunities, and makes investments in additional areas of opportunity chosen by the Investment Manager in its discretion.

To implement the Marshall Wace Global Strategy, the Marshall Wace Portfolio Fund will invest in a number of sub-funds, each of which utilizes the Investment Manager’s TOPS investment process and is managed by the Investment Manager or one or more of its affiliates. Marshall Wace will seek to ensure that no more than 50% of the assets managed pursuant to the Marshall Wace Global Strategy are exposed to any particular geographic region. The net market exposure of the Marshall Wace Global Strategy will vary according to Marshall Wace’s view of market prospects and Marshall Wace will have discretion to be net short of markets. However, its overall net market exposure is normally expected to range from 20% net short to 60% net long.

Portfolio Fund Fees. The Marshall Wace Portfolio Fund pays Marshall Wace a management fee monthly in arrears equal to 0.167% (a 2% annual rate), prior to deduction of that month’s management fee and before deduction for any accrued incentive fees payable to Marshall Wace. The Marshall Wace Portfolio Fund is also subject to an annual 20% incentive fee, using equalization shares and calculated on a “high water mark” basis, payable to Marshall Wace.

Redemption Restrictions. A redemption fee of 1% of the redemption proceeds, payable to the Marshall Wace Portfolio Fund, may be charged on shares of the Marshall Wace Portfolio Fund that are redeemed within six months of the date they were issued or acquired. No redemption fee will be payable on redemptions of shares of the Marshall Wace Portfolio Fund that have been held by the same investor for more than six months. The Marshall Wace Portfolio Fund also imposes a “gate” on redemptions of 20% of the net asset value of the Marshall Wace Portfolio Fund, where gated investors are redeemed in priority as of the next redemption date, subject to such restrictions, and redeemed in full as of the third successive redemption date.

Base Currency. The base currency of the Marshall Wace Portfolio Fund is Euros.

Indemnification of Directors and Officers. The Marshall Wace Portfolio Fund will indemnify its directors and other officers against all expenses (including legal fees), losses, or liabilities which they sustain or incur in or about the execution of their duties, provided that such director or other officer acted honestly and in good faith with a view to the best interests of the Marshall Wace Portfolio Fund and had no

reasonable cause to believe that his conduct was unlawful. The determination of the Marshall Wace Portfolio Fund's directors with respect to whether this standard of care has been met is, in the absence of fraud, conclusive unless a question of law is involved.

Indemnification of Marshall Wace. Marshall Wace will not be liable for any loss suffered by the Marshall Wace Portfolio Fund in connection with the performance by Marshall Wace of its obligations to the Marshall Wace Portfolio Fund in the absence of fraud, wilful default, or negligence on the part of the Marshall Wace. The Marshall Wace Portfolio Fund agrees to indemnify Marshall Wace against all liabilities incurred by it in the performance of its obligations and duties to the Marshall Wace Portfolio Fund other than liabilities arising out of the fraud, wilful default, or negligence on the part of Marshall Wace in the performance of its obligations and duties.

Rights Attaching to Portfolio Fund Shares. The Fund in respect of the Marshall Wace Portfolio Fund will not have the right to vote on: (i) the appointment or removal of any manager or investment manager for such Portfolio Fund; (ii) the winding up of such Portfolio Fund; (iii) any amendment to the Memorandum and Articles of Association of such Portfolio Fund affecting the foregoing matters or to conform them in any way to such Portfolio Fund's Prospectus; and (iv) the alteration or amendment of the authorized share capital of such Portfolio Fund. In addition, the Fund in respect of the Marshall Wace Portfolio Fund will not have the right or the power to vote with respect to: (a) the creation one or more additional classes of shares; (b) the creation of one or more classes of management shares; (c) the redesignation of shares as management shares; and (d) the amendment of the Memorandum and Articles of Association to provide for the creation of one or more additional classes of shares or one or more classes of management shares pursuant to paragraphs (a) and/or (b) and all matters incidental thereto.

Additional Advisers

DeAM (UK)

DeAM (UK) was incorporated in England and Wales as a private company limited by shares. DeAM (UK) is authorized and regulated by the United Kingdom Financial Services Authority and is registered with the U.S. Securities and Exchange Commission ("SEC") under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). DeAM (UK) is an indirect, wholly-owned subsidiary of Deutsche Bank.

DeAM Japan

DeAM Japan is a company organized under the laws of Japan. DeAM Japan is regulated by Japan's Financial Services Authority and is registered with the SEC under the Advisers Act. DeAM Japan is an indirect, wholly-owned subsidiary of Deutsche Bank.

DeAM International

DeAM International is based in Germany and serves as investment adviser for several U.S.-registered investment companies. Activities of DeAM International in respect of its U.S. clients are subject to SEC regulation, while its activities in respect of its non-U.S. clients are subject generally to regulation by the German Federal Financial Supervisory Authority, or such other regulatory organizations in Germany as may have jurisdiction over such German activities. Jan Viebig is the Portfolio Manager with primary responsibility for the Equilibria Global (Equity Market Neutral) Strategy.

Jan Viebig. Jan Viebig is a managing director of DeAM International and is responsible for its equity hedge fund department in Frankfurt. He has managed several funds that invest in Asia, China, and India. Mr. Viebig also currently manages two long/short German hedge funds focusing on equity market neutral and opportunistic strategies, respectively. Mr. Viebig joined DeAM International in 1999. He graduated

from the University of Armed Forces Munich with a Masters degree in Business Administration, with distinction, in May 1995, and a doctoral degree in Business Administration/Economics, *magna cum laude*, in August 1998. Mr. Viebig also received a Masters degree in International Management from Thunderbird, The American Graduate School of International Management, in August 1999. He is a Lecturer of Finance at the University of Bremen, and he is a chartered financial analyst.

CZ Capital LLP

CZ Capital LLP was incorporated in England and Wales on November 7, 2005 and is authorized and regulated by the United Kingdom Financial Services Authority. CZ Capital Services (Cayman) Limited was incorporated in the Cayman Islands on January 3, 2006 as an exempted company with limited liability. The Portfolio Manager with primary responsibility for the Equilibria UK Strategy is Charles Curtis.

Charles Curtis. Charles Curtis is a founder of CZ Capital LLP and CZ Capital Services (Cayman) Limited and Portfolio Manager of the Equilibria UK Strategy. Prior to leaving Deutsche Bank, he was a Managing Director of DeAM (UK). Prior to starting the Equilibria UK Strategy, Mr. Curtis was responsible for the management of UK Performance Funds and Unit Trusts, and was chairman of the UK Investment Committee of Deutsche Asset Management (“DeAM”). In 1995, Mr. Curtis launched DeAM’s UK Growth Trust and was the only manager in the UK All Companies sector to beat the average sector performance in each of the five years to the end of March 2001. In 1991, Mr. Curtis joined Deutsche Bank from Mercury Asset Management Group plc, where he was responsible for managing UK specialist funds for clients with high performance mandates. In 1985, Mr. Curtis obtained his B.A. in English at Manchester College, Oxford.

Gandhara Capital

Gandhara Capital was incorporated in the Cayman Islands on November 10, 2004. The Portfolio Managers with primary responsibility for the Gandhara Strategy are Davide Erro and Sacha Thacker. Nicolas Andine, who had been the European Portfolio Manager of Gandhara Capital, has since left Gandhara Capital.

Davide Erro. Davide Erro is the Global Portfolio Manager of Gandhara Capital. From 2002 to April 2005, Mr. Erro was a Managing Director and the Global Portfolio Manager of the Global Value Group long/short equity fund at DB Advisors, L.L.C. At Deutsche Bank, he managed a portfolio of €1.25 billion (gross long) invested primarily in European and Asian equity securities. From 2000 to 2002, Mr. Erro was a Managing Director and head of the Asia division at Goldman Sachs Equity Arbitrage (now known as Goldman Sachs Principal Strategies), and was a member of the Goldman Sachs Equity Risk Committee, the Non-Japan Asia Operating Committee, and the Equities Managing Director Selection Committee. Mr. Erro joined Goldman Sachs in 1994 and worked in the Goldman Sachs Equity Arbitrage group in Europe until 2000, including as co-head from 1999, when he was named a Managing Director. From 1992 to 1993, Mr. Erro was a research and planning executive at Philip Morris in Brussels. Mr. Erro received an M.B.A. from INSEAD in 1994, and graduated from Princeton University’s Woodrow Wilson School for Public and International Affairs with a B.A. degree in 1991. Mr. Erro is fluent in English, Italian, and French.

Sacha Thacker. Sacha Thacker is the Asian Portfolio Manager of Gandhara Capital. From 2002 to April 2005, Mr. Thacker was a Managing Director and the Asia Portfolio Manager of the Global Value Group long/short equity fund at DB Advisors, L.L.C. Prior to joining Deutsche Bank, Mr. Thacker was a member of the Goldman Sachs Equity Arbitrage Group in New York and Tokyo from 1998, working under Mr. Erro in Tokyo from 2000 to 2002. Mr. Thacker received a B.S.E. in 1998 from The Wharton School at the University of Pennsylvania.

Torus Japan

The Portfolio Managers with primary responsibility for the Torus Japan Strategy are James Pulsford, Sara Gardiner-Hill, and Naohiko Saida.

James Pulsford. James Pulsford is the manager of the investment team implementing the Torus Japan Strategy and is a senior portfolio manager and analyst for international equities and head of the Japanese equity team for DeAM (UK). Mr. Pulsford joined Deutsche Bank in 1984, where he managed small-cap Japanese equities in Tokyo prior to joining DeAM (UK). Mr. Pulsford earned a B.A. from Oxford University.

Sara Gardiner-Hill. Sara Gardiner-Hill is an Associate of DeAM (UK). She joined Deutsche Bank in 2001. She previously worked for three years as a global portfolio manager for a U.K. private client firm. Prior to that, she spent three years in Japan studying Japanese while working for a number of Japanese companies. Ms. Gardiner-Hill holds a B.A. in Politics, Philosophy, and Economics from Oxford University. She is a CFA charterholder and a Fellow of the Securities Institute.

Naohiko Saida. Naohiko Saida provides non-discretionary investment recommendations to the Torus Japan Portfolio Fund. Mr. Saida is a Vice President of DeAM Japan, an affiliate of DeAM (UK). Mr. Saida joined Deutsche Bank in 2001. He is the analyst responsible for communications and chemicals for Deutsche Trust Bank Limited (Tokyo). Prior to joining Deutsche Bank, Mr. Saida worked for Nikko Investment and Trust Management and was involved in equity fund management until 1998. He moved to Nikko Asset Management as an equity fund manager in 2000. Mr. Saida holds a B.A. degree in Law from Keio University and an M.B.A. from the University of Texas.

Fundamental Value Trading

James W. McDonald and Di Kumble are primarily responsible for the management of the portfolio of the Affiliated Portfolio Fund implementing the Fundamental Value Trading Strategy.

James W. McDonald. James W. McDonald is the Portfolio Manager for the Affiliated Portfolio Fund implementing the Fundamental Value Trading Strategy. Mr. McDonald joined Deutsche Bank in 2001, having previously been responsible for proprietary trading and research with Credit Suisse First Boston from 1998 to 2000 and Morgan Stanley from 1994 to 1997. Mr. McDonald was a fund manager with the National Bank of New Zealand from 1992 to 1994 and was an institutional equity broker with Morgan Stanley in Tokyo from 1986 to 1992. For the last ten years, Mr. McDonald has been developing long/short equity trading models for proprietary trading purposes that incorporate variables based on both balance sheets and income statements along with technical indicators. The strategies that the Fundamental Value Trading Affiliated Portfolio Fund employ are the fruition of this experience along with insights into equity valuations Mr. McDonald gained during his experience as an institutional equity broker and fund manager. Mr. McDonald received a B.A. degree from the University of San Francisco in 1978 and an M.B.A. from the American Graduate School of International Business (Thunderbird) in 1986.

Di Kumble. Di Kumble is a member of the portfolio management team of the Fundamental Value Trading Affiliated Portfolio Fund. Dr. Kumble joined DB Advisors, L.L.C. in 2003 as a vice president involved in researching, developing, and programming fundamental value-based trading strategies. Prior to that, she was a portfolio manager and trader with Graham Capital Management from 2001 to 2003. Dr. Kumble served as a trader with Millenium Partners in 2001 and as a vice president of the investment technology group of Trading Strategies Group from 2000 to 2001. From 1996 to 1999, Dr. Kumble served as a vice president of the institutional equities division of the quantitative strategies group of Morgan Stanley. From 1995 to 1996, she was an associate with MacroModel Development Group. Dr.

Kumble is a Chartered Financial Analyst and received a Ph.D. degree from Princeton University in 1995 and a B.S. degree from Beijing University in 1990.

CQ Capital

Charlie Miles and Qing Sheng are primarily responsible for the management of the portfolio of the Affiliated Portfolio Fund implementing the CQ Capital Strategy.

Charlie Miles. Charlie Miles is a Portfolio Manager for the Affiliated Portfolio Fund implementing the CQ Capital Strategy. Mr. Miles has 22 years of experience in the equity and derivatives markets. From 2002 to 2005, he worked at the Investment Adviser as a portfolio manager for the BTOP Multi-Strategy Portfolio, where he ran a volatility arbitrage strategy. From 1998 to 2001, he worked at Citibank, where he was a Managing Director and manager of the U.S. equity derivative sales department. From 1983 to 1998, he worked at Salomon Brothers, first as a quantitative analyst, then designing quantitative equity portfolios, and finally, as a derivatives and program trading salesperson. He has a B.A. in economics and political science from Middlebury College.

Qing Sheng. Qing Sheng is a Portfolio Manager for the Affiliated Portfolio Fund implementing the CQ Capital Strategy. Ms. Sheng has nearly ten years of experience in the equity and credit markets. Since 2001, she has been trading and managing credit and capital structure arbitrage portfolios for the Investment Adviser. From 1999 to 2001, she managed hedge fund credit risk and structured principal-protected hedge fund investments at Deutsche Bank Securities Inc. From 1996 to 1999 she built analytics for the equity derivatives and convertible bond trading operations of Credit Suisse First Boston. She has a Ph.D. in physics from Cornell University and a B.A. from Beijing University.

Alpamayo Emerging Markets Value

Bertrand Saliba and Julie Flanagan are primarily responsible for the management of the portfolio of the Affiliated Portfolio Fund implementing the Alpamayo Emerging Markets Value Strategy.

Bertrand Saliba. Bertrand Saliba is the Portfolio Manager for the Affiliated Portfolio Fund implementing the Alpamayo Emerging Markets Value Strategy. From May 2002 to May 2004, Mr. Saliba was a senior member of the ESSG Special Situations Group (now Altima Partners) at DB Advisors, L.L.C. in New York, where he managed Latin American investments. In 1999, Mr. Saliba founded Antelop, Inc., an internet-based B2B vertical exchange, which allowed institutional investors to trade emerging markets securities. From 1996 to 1999, he worked at Deutsche Morgan Grenfell's proprietary trading division (Emerging Markets Proprietary Trading) in New York, where he was responsible for originating and managing distressed and special situations assets in Latin America. From 1993 to 1996, he worked on the emerging markets fixed-income institutional sales desk at Deutsche Morgan Grenfell. From 1988 to 1993, Mr. Saliba worked for Unibanco in New York as head of sales and syndication and as a sovereign debt proprietary trader. Mr. Saliba has also worked for Bain & Co. in Paris and Price Waterhouse in Sao Paulo. Mr. Saliba attended the Business School of the Fundacao Getulio Vargas in Brazil from 1982 to 1985 and also received a diploma of financial management from New York University in 1989. From 1979 to 1982, Mr. Saliba was a national rugby team player for Brazil.

Julie Flanagan. Julie Flanagan is the execution trader for the Affiliated Portfolio Fund implementing the Alpamayo Emerging Markets Value Strategy. She was a member of the ESSG Special Situations Group (now Altima Partners) at DB Advisors, L.L.C. in New York, where she worked as execution trader for the Latin American portfolio from October 2001 to June 2005. Ms. Flanagan has been involved in supporting emerging markets desks for over ten years and has established contacts within the emerging markets equity trading community. From 1994 to 1999, Ms. Flanagan worked for Deutsche Morgan Grenfell as desk assistant to the head of the sales desk in the emerging markets equities group.

Blue Lake

The Portfolio Manager with primary responsibility for the Blue Lake Strategy is Robert M. Rubin.

Robert M. Rubin. Robert M. Rubin is the Portfolio Manager for the Affiliated Portfolio Fund implementing the Blue Lake Strategy. From 2002 to 2006, Mr. Rubin was a Managing Director in the Company-Research department at Deutsche Bank Securities Inc., with the responsibility for research coverage of the Utilities and Power sector from a fixed-income and equity perspective, as well as the Oil and Gas sector from a fixed-income perspective. From 1999 to 2002, Mr. Rubin worked at Goldman, Sachs & Co., where he was a vice president in the Fixed-Income Currencies and Commodities division. From 1995 to 1999, Mr. Rubin worked at Bear, Stearns & Co. as a vice president in the High Grade Research department at Bear, Stearns & Co., Inc. Mr. Rubin received a B.S. degree from The Pennsylvania State University.

Talaris Capital

Talaris Capital Partners LLP was formed as a limited liability partnership in England and Wales on February 6, 2006, and Talaris Capital Partners (Jersey) Limited was formed on July 13, 2006. Talaris Capital is regulated by the Financial Services Authority in the United Kingdom. The Portfolio Manager with primary responsibility for the Talaris Strategy is Nicolas Andine.

Nicolas Andine. Nicolas Andine is the Portfolio Manager and Managing Partner of Talaris Capital. From May 2005 to October 2005 Mr. Andine was a partner and the European Portfolio Manager of Gandhara Capital. From 2002 to April 2005, he was a Managing Director and the European Portfolio Manager of the Global Value Group long/short equity fund at DB Advisors, L.L.C. From 2000 to 2002, Mr. Andine was a member of the Goldman Sachs Equity Arbitrage Group (now known as Goldman Sachs Principal Strategies) in Europe. Mr. Andine joined Goldman Sachs in 1998, working in their Investment Banking Division until 2000. Mr. Andine graduated from *l'Ecole des Mines de Paris* in 1998, and *l'Ecole Polytechnique* in 1996.

RREEF America

RREEF America is an indirect wholly-owned subsidiary of Deutsche Bank AG and is registered with the SEC as an investment adviser under the Advisers Act. RREEF America is exempt from registration as a commodity pool operator with the U.S. Commodity Futures Trading Commission and U.S. National Futures Association. RREEF America is part of RREEF, the real estate investment management group within the asset management division of Deutsche Bank AG. Mr. Marc Feliciano, Director of RREEF America, serves as the principal portfolio manager for the RREEF REFlex Strategy.

Marc Feliciano. Marc Feliciano joined RREEF in February 2005 with experience in both public and private real estate investment management as well as in alternative investment management. Prior to joining RREEF as the portfolio manager of the RREEF REFlex Strategy, Mr. Feliciano executed various hedge fund strategies at Renascent Capital Management LLC and RD Capital, LLC and also co-founded the Real Estate Derivatives Group at Prebon Yamane (USA) Inc. Mr. Feliciano also worked in the private and public real estate industries while at Morgan Stanley, Heitman/PRA Securities Advisors, and INVESCO Realty Advisors. He received undergraduate and masters degrees in accounting from the University of Texas at Austin.

Marshall Wace

Marshall Wace, founded by Paul Marshall and Ian Wace, was incorporated as a limited liability partnership on May 16, 2002 under the laws of England and Wales and is regulated by the Financial

Services Authority in the United Kingdom. Ian Wace and Anthony Clake are responsible for the overall management of the Marshall Wace Global Strategy.

Ian Wace. Ian Wace is a founding partner and Chief Executive Officer of Marshall Wace and is a director of Marshall Wace Asset Management Limited, an affiliate of Marshall Wace. Prior to these roles, Mr. Wace was Global Head of Equity and Derivative Trading at Deutsche Morgan Grenfell, where he was responsible for equity sales trading, programme trading, proprietary trading, stock lending, and balance sheet management. Prior to joining Deutsche Morgan Grenfell in 1995, he worked for eleven years at SG Warburg & Co Ltd, where he became a director. While at SG Warburg & Co Ltd in 1988 he was appointed Joint Head of European Equity Sales, in 1993 he was appointed Head of Proprietary Trading, and in 1994 he was appointed Head of International Trading.

Anthony Clake. Anthony Clake is a partner of Marshall Wace and is a director of Marshall Wace Asset Management Limited, an affiliate of Marshall Wace. After joining Marshall Wace Asset Management Limited in 1999, Mr. Clake became a partner in September 2004. Mr. Clake is the Marshall Wace Portfolio Fund's product manager and is primarily responsible for the day to day implementation of the strategy and the relationships with contributing service providers. Mr. Clake oversees the strategy's trading activities and coordinates the risk management and optimization of the Marshall Wace Portfolio Fund's portfolios. Mr. Clake holds a B.A. (Hons) from The Queen's College, University of Oxford, in Philosophy, Politics, and Economics and is a university prize winner.

Michael Sargent, Scott Graczyk, and Lee Chee Meng have responsibility for the management of the assets of certain of the sub-funds into which the Marshall Wace Portfolio Fund invests.

Michael Sargent. Michael Sargent joined Marshall Wace North America L.P. ("MWNA"), an affiliate of Marshall Wace, as Chief Executive Officer in June 2004. He is responsible for portfolio implementation, managing client and broker relationships, and business strategy and development at MWNA. From 2002 to 2004, Mr. Sargent was an Associate Director of Global Equity Research at Citigroup Asset Management ("CAM"). Mr. Sargent joined CAM after a 12 year career in equity research at Salomon Smith Barney. From 1990 to 1996 he was an equity analyst covering the U.S. chemical industry. In 1997, he relocated to Hong Kong as the Head of Equity Research and a member of the operating committee of the firm's pan-Asian business. Mr. Sargent returned to New York in 2000 to take on the post of Global Chief Administrative Officer for the Equity Research division of Salomon Smith Barney. Mr. Sargent has a Master's degree on Molecular Biochemistry from SUNY Stonybrook, and a B.S. in Biology/Chemistry from Fairfield University.

Scott Graczyk. Scott Graczyk joined MWNA as Head of Trading in August 2004. He is responsible for overseeing MWNA's trading and execution functions, as well as furthering the development of MWNA's automated trade process systems. Prior to joining MWNA, Mr. Graczyk worked for two years with SAC Capital where he oversaw equity trading. From 1990 to 2000, Mr. Graczyk worked for Instinet, where he held various senior roles in the U.S. and U.K. His last role at Instinet was Co-Head of Global Sales and Trading. Mr. Graczyk has a B.S. in Finance and Management from Providence College.

Lee Chee Meng. Lee Chee Meng joined Marshall Wace in August 2006. Prior to this, he was at Citigroup Global Markets Asia for two years as a Vice President for equity proprietary trading. From 2000 to 2004, he worked as a hedge fund manager at Kenrich Partners Private Limited, a Singapore-based fund management firm employing a long-short equity strategy in Asia ex-Japan. Mr. Lee has 13 years of experience in Asia ex-Japan equities. He graduated from the National University of Singapore in 1993 with a Honours degree and qualified as a Chartered Financial Analyst in 1997. He is fluent in Chinese and Cantonese.

Changes to Global Statistical Arbitrage Strategy

Effective March 1, 2005, Jonathan Hiscock and the other Portfolio Managers implementing the Global Statistical Arbitrage Strategy left Deutsche Bank to form their own Former DB Manager, GSA Capital Limited. GSA Capital Limited serves as the Adviser for the Non-Affiliated Portfolio Fund implementing the Global Statistical Arbitrage Strategy. Accordingly, DB Advisors no longer serves as the Sub-Adviser with respect to the Global Statistical Arbitrage Strategy and does not otherwise act as sub-adviser to the Fund. As of March 1, 2005, the Fund allocated assets to a Non-Affiliated Portfolio Fund advised by GSA Capital Limited implementing the Global Statistical Arbitrage Strategy.

Changes to Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy

Shengbei Guo and the other Portfolio Managers implementing the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy have departed the Investment Adviser and joined BroadStreet Capital Partners, LP (“BroadStreet”), on February 1, 2006. While the Investment Adviser still serves as the Adviser for the Portfolio Funds implementing the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy, BroadStreet serves as the sub-adviser (and is considered a Former DB Manager with respect to Mr. Guo and his team) for both Portfolio Funds. Mr. Guo continues to serve as the Portfolio Manager of the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy following his departure.

BroadStreet, a Delaware limited partnership, is a division of BroadStreet Group, LLC, which as of January 2007 manages approximately \$3.5 billion in structured products. BroadStreet is the investment manager for the Voyager Hedge Fund Platform, with assets under management as of January 2007 of approximately \$900 million. BroadStreet’s Hedge Fund Portfolio Management Team utilizes primarily quantitative models to identify and exploit diversified and uncorrelated sources of alpha in the most liquid global markets. The platform includes personnel dedicated to portfolio management, trading, research,, operations, and information technology. BroadStreet is registered as an investment adviser with the U.S. Securities and Exchange Commission. Mr. Guo and his team continue to implement the Fund’s investment strategy as employees of BroadStreet.

Indemnification. The Portfolio Funds implementing the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy have each entered into a sub-advisory agreement (each, a “Sub-Advisory Agreement”) with BroadStreet pursuant to which BroadStreet will serve as the sub-adviser to such Portfolio Funds. The Sub-Advisory Agreements provide that BroadStreet will not be liable for any loss suffered by a Portfolio Fund in the absence of willful misfeasance, bad faith, or negligence in the performance of its duties under the relevant Sub-Advisory Agreement or a breach of the terms of such Sub-Advisory Agreement.

Changes to QVT Strategy

The Quantitative Value Trading (“QVT”) Strategy, which is implemented by QVT Financial LP (“QVT Financial”) through a Non-Affiliated Portfolio Fund, now employs trading strategies in addition to those described in the Memorandum. These strategies include statistical arbitrage, as well as investments in commodity derivatives and physical commodities, such as crude oil petroleum products, natural gas, coal, electricity, base and precious metals, minor metals (including uranium), agricultural products, livestock, "soft" commodities (*e.g.*, cocoa, sugar, and coffee), weather, and emissions. QVT Financial implements its trading strategies globally.

QVT Financial, a Former DB Manager, is a Delaware limited partnership that was organized in July 2003. Mr. Dan Gold is a managing member and the Chief Executive Officer of QVT Financial, and Messrs. Lars Bader, Nick Brumm, and Tracy Fu are also Managing Members of QVT Financial (together with Mr. Gold, the "Managing Members"). QVT Financial is owned and controlled by the Managing

Members and its other key personnel. Mr. Gold's biography is set forth in the Memorandum. The biographies of Messrs. Lars Bader, Nick Brumm, and Tracy Fu are set forth below.

Lars Bader. Lars Bader manages closed-end fund trading and assists in the management of the equity relative value trading activities. Mr. Bader previously served as a Director of DB Advisors, L.L.C. He joined Deutsche Bank as part of the QVT team in 1993, having been a graduate student in the Ph.D. program in Computer Science and Electrical Engineering at the Massachusetts Institute of Technology. Mr. Bader received a B.S. and an M.S. in Computer Science and Electrical Engineering in 1993 from the Massachusetts Institute of Technology, where he was elected to Phi Beta Kappa and Tau Beta Pi.

Nick Brumm. Nick Brumm performs credit and fundamental analysis and jointly manages the distressed and high-yield trading activities. Mr. Brumm previously served as a Director of DB Advisors, L.L.C. He joined Deutsche Bank as part of the QVT team in 2000. From 1992 to 2000, he practiced corporate law at Cravath, Swaine & Moore and Hengeler Mueller Weitzel Wirtz in such diverse areas as domestic and international securities offerings, mergers and acquisitions, and bank and high yield lending. He is fluent in French and German. Mr. Brumm earned an A.B. in History and Literature, *summa cum laude*, from Harvard College in 1988 where he was elected to Phi Beta Kappa. Mr. Brumm was an exchange fellow at the Ecole Normale Superieure in Paris and graduated from the University of Paris in 1989 with a master's in History *avec mention tres bien*. He received a B.A. from Oxford University in Law with First Class Honours and an L.L.M. from Columbia University in 1992.

Tracy Fu. Tracy Fu is involved in all aspects of management of the Master Fund, has secondary risk manager responsibilities and is active in trading, credit and fundamental analysis, derivative modeling and systems development. He specializes in complex credit situations, including convertible arbitrage, capital structure arbitrage, and distressed securities. Mr. Fu previously served as a Managing Director of DB Advisors, L.L.C. He joined Deutsche Bank as part of the QVT team in 1994, having previously been a graduate student in the Ph.D. program in Electrical Engineering at the University of California at Berkeley. Mr. Fu earned a B.S. in Applied Physics in 1992 from the California Institute of Technology, where he was a Carnation Scholar. Mr. Fu received an M.S. in Electrical Engineering in 1994 from the University of California at Berkeley, where he was the National Defense Science and Engineering Graduate Fellow.

Noetic Emerging Markets Currency

As of April 30, 2005, the Fund ceased allocating assets to the Noetic Emerging Markets Currency Strategy.

Radix (Systematic Computer Trading)

As of May 1, 2005, the Fund ceased allocating assets to the Radix Strategy.

Equilibria European

As of April 1, 2006, the Fund ceased allocating assets to the Equilibria European Strategy.

European Opportunities

As of April 1, 2006, the Fund ceased allocating assets to the European Opportunities Strategy.

LSV Long/Short Value

As of September 30, 2006, the Fund ceased allocating assets to the LSV Long/Short Value Strategy.

Additional Conflicts of Interest

Arrangements with Former DB Managers. The Investment Adviser may enter into agreements with Former DB Managers where, in exchange for such Former DB Manager paying the Investment Adviser fees as described herein, the Investment Adviser agrees to allocate a certain amount of Fund assets to such Former DB Manager's Non-Affiliated Portfolio Fund or maintain investments of certain levels. In such cases the Investment Adviser will have the incentive to make allocations to such Former DB Managers at certain levels without regard to the optimal allocations to such Former DB Manager.

Placement Agent Compensation. Placement Agents and their representatives may receive up-front commissions and an ongoing share of the Investment Adviser's fees. Thus, they have a conflict of interest in advising investors as to the purchase and redemption of Shares. Ongoing compensation may differ for different investors and Classes of Shares, and different Placement Agents may be paid different amounts of ongoing compensation with respect to Shares of the Fund. Further, Placement Agents may receive different amounts of compensation with respect to Shares of the Fund than from other products advised by the Investment Adviser and/or its affiliates, and therefore may have incentives to favor one or more products over others. The Fund and the Investment Adviser may also engage Placement Agents or their affiliates to perform other services in relation to the Fund, such as prime broker, executing broker, and swap counterparty.

Additional Risk Factors

Illiquid Investments; "Designated Investments." As discussed in the Memorandum under "Risk Factors — Investment Risks — Illiquid Investments," certain Portfolio Funds may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists. In addition, certain Portfolio Funds may "designate" certain investments which are illiquid or whose market value is not readily discernible as investments in which only those investors who were investors as of the respective dates of acquisition of such investments may participate. Each such investment will be accounted for by such Portfolio Fund separately from all other investments of such Portfolio Fund, and will generally be carried at cost until liquidated or marked-to-market. The Fund, however, will not separately account for the portion of its assets allocated — indirectly through a Portfolio Fund — to such "designated investments," and profits and losses from such investments will be allocated to Shareholders in the Fund at the time such investments are liquidated or marked-to-market by such Portfolio Fund *pro rata* based on their respective Net Asset Values at the time of such liquidation or valuation. Accordingly, when subscribing for Shares, investors in the Fund bear the risk that such investments are overvalued (and thus that the Net Asset Value of the Fund is overstated). Conversely, Shareholders redeeming Shares bear the risk that such investments are undervalued (and thus that the Net Asset Value of the Fund is understated). A Portfolio Fund may hold "designated" or illiquid investments for several years, if not longer, before such investments are able to be liquidated or marked-to-market.

The Fund may be required to delay payment of a Shareholder's redemption proceeds beyond 60 days after the relevant Redemption Date if it is unable to liquidate sufficient interests in Portfolio Funds to fund such redemption. In addition, the Fund might determine to redeem the liquid portion of its portfolio to fund redemptions, subjecting the remaining Shareholders to additional risk as a result of its portfolio being more concentrated in illiquid investments following such redemptions. If such "designated investments" were to comprise a material portion of the Fund's portfolio, the ability of Shareholders to redeem their Shares could be materially adversely affected, and the Fund might be subject to the risk of its audit report being qualified due to the Fund's inability to substantiate the "fair value" of its portfolio to the extent required by generally accepted accounting principles.

Limited Right of Redemption. As discussed in the Memorandum under "The Portfolio Funds — Organization" and "Risk Factors — Fund Structure Risks — Illiquid Portfolio" and as further discussed in this Supplement, certain Portfolio Funds may restrict redemptions through lock-ups, gates,

suspensions, and/or investments in “designated investments.” Currently, (i) the QVT Strategy Portfolio Fund imposes a one-year lock-up and a gate and permits up to 15% of its assets to be allocated to “designated investments,” (ii) the Gandhara Portfolio Fund imposes a one-year lock-up and a gate, (iii) the New Altima Fund imposes a one-year lock-up for new investments and may allocate up to 65% of its assets to “designated investments,” (iv) the Alpamayo Emerging Markets Value Strategy imposes a four-quarter lock-up that allows quarterly redemptions during such period upon a payment to such Portfolio Fund of a 5% redemption fee during the first six months or 3% during the second six months and a gate restricting redemptions to 20% of the net asset value of the Portfolio Fund as of each quarter-end redemption date, subject to a clean-up provision for shareholders gated for three successive redemption dates, (v) the CQ Capital Strategy has a lock-up and gate substantially similar to those implemented by the Alpamayo Emerging Markets Value Strategy, (vi) the Talaris Portfolio Fund imposes a redemption fee of 5% for the first year after the purchase of shares, and imposes a 15% gate subject to a clean-up provision for shareholders gated on the five previous redemption dates (or a 30% gate with a clean-up on the third redemption date upon payment of an 8% redemption fee), and (vii) the RREEF REFlex Portfolio Fund imposes a 5% redemption fee on Series I Shares redeemed prior to the first anniversary of their purchase, imposes a 5% redemption fee on Series III Shares redeemed prior to the sixth month anniversary of their purchase, and imposes a 3% redemption fee on Series III Shares redeemed after the sixth month anniversary but prior to the first year anniversary of their purchase. In addition, if the Fund allocates assets to the Marshall Wace Global Strategy, the Marshall Wace Portfolio Fund imposes a 1% redemption fee on shares redeemed within six months of the date they were issued or acquired, and imposes a 20% gate subject to a clean-up provision for shareholders gated on the two previous redemption dates.

U.S. Tax Classification

The Fund now accesses the Strategies implemented by certain Portfolio Funds through Cayman Islands companies that have not “checked the box” for U.S. federal income tax purposes and are therefore not flow-through entities for U.S. federal income tax purposes. This change should not have any impact on the Fund or its Shareholders.

VIII. COUNTRY SPECIFIC INFORMATION

This section should be read in conjunction with, and is subject to, the Product Conditions, the General Conditions and all other sections of this document.

LUXEMBOURG

a. Taxation

The following summary is of a general nature. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

b. Non-resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

However, under the Luxembourg laws of 21 June 2005 (the **Laws**), implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 15%.

c. Resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any

Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

However, under the Luxembourg law of 23 December 2005 (the **Law**) payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10%.

Settlement and Clearing

The Securities have been accepted for settlement through Clearstream Banking AG under the security and clearing codes set out in the definition of "Securities" in Product Condition 1 above.

Agent in Luxembourg

In Luxembourg, the Agent shall be Deutsche Bank Luxembourg SA. The Agent shall act as the warrant agent or paying agent as appropriate at the following address: 2 Boulevard Konrad Adenauer L-1115 Luxembourg.

SPAIN

This section should be read in conjunction with, and is subject to, the Product Conditions, the General Conditions and all other sections of this document.

Taxation

a. General Information

The following is a discussion of certain Spanish tax considerations relevant to a Securityholder. This statement must not be understood to be tax advice. It is based on the Spanish tax laws and their interpretation in effect on the date of this prospectus that may be subject to changes. Such changes may negatively affect the tax treatment as described below. This description does not purport to be complete with respect to the tax information that may be relevant for the Securityholder due to his personal circumstances. Prospective buyers of the Security are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of the Security.

b. Taxation of a Spanish tax resident individual

According to article 25 of the Spanish Personal Income Tax Act, positive or negative income obtained by Spanish tax residents individuals from the Certificates would be considered as yields from moveable capital.

In case of transfer or cash settlement, the yield obtained by the investor would be the difference between the amount received (reduced in the expenses related to the transfer) and the acquisition cost or subscription value (incremented in the costs related to the acquisition).

In case of physical settlement, according to the latest position of the General Directorate of Taxes concerning similar structures, the positive or negative yield obtained by the Security holder would be determined by the difference between the acquisition cost and the quotation value of the shares received at the date of settlement.

According to legislation entered into force last January 1st, 2007, income and losses from moveable capital will be included as "saving part" of the taxable income being taxed on a net basis at a flat rate of 18% as from 1 January, 2007.

Positive yields obtained will be subject to withholding tax at a 18%. Withholdings are creditable against the investor's final tax liability, being the depository entity resident in Spanish territory (or a Spanish permanent establishment of a non resident entity) obliged to withhold taxes.

c. Taxation of a Spanish tax resident company

According to article 10.3 of the Spanish Corporate Income Tax Act, income obtained by a Spanish entity from the investment in the Certificates would be included in the taxable base of the said entities in accordance to the accounting standards, being taxed at the rate corresponding to the Security holder (generally 32.5% on 2007 and 30% thereafter).

As long as the Certificates will be listed in official markets of OECD countries, no withholding tax obligation would arise in accordance to article 59.s of the Corporate Income Tax Regulations.

d. Taxation of a non Spanish resident

Non Spanish residents would only be taxed in Spain on income obtained from the investment in the Certificates in case they acted in Spain through a permanent establishment to which the certificates were allocated. These non Spanish residents would be taxed as explained in point c above.

Subscription Period

In Spain, applications to subscribe for the Securities may be made at the offices of Deutsche Bank S.A.E., during the period commencing on 15 June 2007 and ending on 21 June 2007 (the "Primary Market End Date"). However, the Issuer reserves the right for any reason to close the subscription period prior to its stated expiry.

Settlement and Clearing

The Global Security will be deposited with the Clearing Agent and has been accepted for clearing by it under security and clearing codes set out below.

ISIN: DE000DB0PUQ5

WKN: DB0PUQ

Agent in Spain

In Spain, the Agent shall be Deutsche Bank S.A.E acting through its office in Madrid. The Agent shall act as the warrant agent or paying agent as appropriate at the following address: Paseo de la Castellana, 18, 28046 Madrid

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons defined as such in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended.

IX. PARTY LIST

Issuer:

Deutsche Bank AG
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Agent:

Deutsche Bank AG
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

ICM:3761786.4