



Global Conflicts of Interest Policy



Original Issue Date:	16 August 2007
Approver(s):	Andrew Procter
Owner(s):	Siân Dalrymple
Contact Person:	Siân Dalrymple
Classification:	DB Group Policy
Functional Applicability:	DB Group
Geographic Applicability:	Global
Last Revision Date:	16 August 2007
Last Reviewed Date:	
Next Review Date:	16 August 2008
Version Number:	1
Other Languages:	Czech, Dutch, French, German, Hungarian, Italian, Japanese, Portuguese, Spanish

The information contained herein is the property of Deutsche Bank Group and may not be copied, used or disclosed in whole or in part, stored in a retrieval system or transmitted in any form or by any means (electronic, mechanical, reprographic, recording or otherwise) outside of Deutsche Bank Group without prior written permission.

Table of Contents

1. STATEMENT OF PRINCIPLE4

2. INTRODUCTION4

3. OBJECTIVE4

4. SCOPE5

5. RULES AND REGULATIONS6

6. GENERAL GUIDANCE.....7

7. EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST.....7

8. IDENTIFYING AND MANAGING CONFLICTS OF INTEREST8

 8.1 Information Barriers 9

 8.2 Identification and Management of Potential Conflicts of Interest 9

 8.3 Measures of Control for Identification and Management of Conflicts of Interests..... 9

9. DISCLOSURE OF CONFLICTS OF INTEREST AND CLIENT CONSENT.....10

10.REGISTER10

1. Statement of Principle

Deutsche Bank Group (the “Bank”) conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its Clients and between one Client and another.

2. Introduction

As a global financial services provider, the Bank faces actual and potential Conflicts of Interest periodically. The Bank’s policy is to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage relevant conflicts.

Senior management within the Bank are responsible for ensuring that the Bank’s systems, controls and procedures are adequate to identify and manage Conflicts of Interest. The Compliance and Legal Departments of the Bank assist in the identification and monitoring of actual and potential Conflicts of Interest.

The Bank has in place business-specific procedures that address the identification and management of actual and potential Conflicts of Interest that may arise in the course of the Bank’s business.

3. Objective

The Bank is required to take all reasonable steps to identify and adequately manage Conflict of Interests entailing a material risk of damage to a Client’s interest. This policy specifies the requirement for the Bank, at group and divisional level, to have in place appropriate procedures and measures in order to identify and manage any such material Conflicts of Interest.

4. Scope

a) Conflict of Interests

For the purposes of this document this policy applies to those Conflicts of Interest that may give rise to a material risk of damage to the interests of a Client. Conflicts of Interest may arise between:

- the Bank and a Client;
- a Relevant Person and a Client;
- two or more Clients of the Bank in the context of the provision of services by the Bank to those Clients;
- a Bank Vendor and a Client.

Examples have been included in Section 7 of this policy to illustrate a range of possible Conflicts of Interest that might arise in a global financial services provider.

b) Clients

For the purposes of this policy, Clients include:

- existing Clients of the Bank;
- potential Clients (where the Bank is seeking individually to enter into a contractual relationship in respect of Regulated Business services); and
- past Clients where fiduciary or other duties remain in place

c) Regulated Business

For the purposes of this policy, "Regulated Business" means all forms of sales and trading activities in securities and derivatives and their underlyings, underwriting and placing activities, portfolio management, research and investment advice, custody, corporate finance and M&A advisory activities and lending and foreign exchange services related to sales and trading activity.

d) Relevant Person

For the purposes of this policy, “Relevant Person” means any of the following: (a) a director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of the Bank; (b) a director, partner or equivalent, or manager of any appointed representative (or where applicable, tied agent) of the Bank; (c) an employee of the Bank or of an appointed representative (or where applicable, tied agent) of the Bank; as well as any other natural person whose services are placed at the disposal and under the control of the Bank or a tied agent of the Bank and who is involved in the provision by the Bank of regulated activities; (d) a natural person who is involved in the provision of services to the Bank or its appointed representative (or where applicable, tied agent) under an outsourcing arrangement for the purpose of the provision by the Bank of investment services and activities.

e) Application

This policy applies globally to all divisions within the Bank. It also applies to Relevant Persons.

This policy sits, together with the DB Core Principles, above all existing Bank policies and procedures referencing the identification and management of potential Conflicts of Interest and forms the basis for any divisional-specific procedures.

f) Bank Vendor Relationship

For the purposes of this policy, a “Bank Vendor Relationship” means a relationship that the Bank has with a service provider, including but not limited to entities providing outsourcing facilities to the Bank, where services are being provided to the Bank.

5. Rules and Regulations

Globally, the Bank’s regulators have issued rules and guidance regarding Conflicts of Interest. The Bank’s policy is to adhere to such rules and guidance where applicable. This policy sets out the minimum standards that the Bank will meet to comply with such rules and guidance. It does not replace the Bank’s requirement to observe any additional local regulatory requirements when identifying and managing Conflicts of Interest.

6. General Guidance

In identifying Conflicts of Interest, the Bank will consider all of the factual circumstances and the Bank will take into account, inter alia, whether the Bank, Vendor or a Relevant Person:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- has a financial or other incentive to favour the interest of a Client or group of Clients over the interests of another Client;
- carries on the same business as the Client; and/or
- receives or will receive from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

7. Examples of Potential Conflicts of Interest

Within a multi-service financial institution, Conflicts of Interest may arise in a variety of situations. Areas of concern include:

- the provision of investment research
- proprietary trading
- portfolio management
- corporate finance
- personal account dealing

Below are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the Bank:

- The Bank may engage in business and trading activities for its own account and/or Client accounts whilst other Clients are active in relevant markets at the same time.
- The Bank may provide investment advice or discretionary portfolio management services to its Clients and the Bank may also recommend or sell products issued by itself or affiliated

companies.

- The Bank or Relevant Person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the Clients of the Bank. The Bank has in place appropriate procedures should the Bank or Relevant Person provide a substantial gift or entertainment to a Client that may be considered an inducement.
- The Bank provides investment research in relation to an entity or group to which it also provides investment advisory services.
- The Bank is the discretionary portfolio manager for more than one Client or fund – in particular in respect of issues related to allocation.

8. Identifying and Managing Conflicts of Interest

Should a Conflict of Interest arise, it must be managed promptly and fairly. As a minimum standard the Bank has in place arrangements designed to ensure that:

- divisions and legal entities operate with appropriate independence from one another;
- there are effective procedures in place to control the flow of information where, otherwise, the risk of a Conflict of Interest may harm the interests of a Client;
- Supervisory arrangements provide for separate supervision of staff where necessary for the fair management of Conflicts of Interest;
- there are appropriate controls in place to identify and manage cross-board memberships and outside business interests of Relevant Persons;
- relevant information is recorded promptly in a secure environment to enable identification and management of Conflicts of Interest;
- in certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- appropriate inter- and intra-divisional escalation processes are in place and complied with where a Conflict of Interest has been identified or may be identified;
- adequate records are maintained of the services and activities of the Bank where a Conflict of Interest has been identified;
- where necessary, Relevant Persons may be asked to step aside from working on a specific transaction or participating in the management of a potential Conflict of Interest;
- where necessary, Relevant Persons are subject to personal account transaction rules; and
- there is a periodic review of the adequacy of the Bank's systems and controls.

8.1 Information Barriers

The Bank respects the confidentiality of information it receives about its Clients and operates a “Need to Know” approach and complies with all applicable laws in respect of the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client or the Bank.

The principal way in which the Bank structures its business to manage Conflicts of Interest is through the maintenance of information barriers (“Chinese Walls”) in accordance with the Bank’s Chinese Wall policies which are designed to restrict information flows between different areas of the Bank. Chinese Walls and other measures are put in place to enable the Bank and Relevant Persons to carry out business on behalf of Clients without being influenced by other information held within the Bank that may give rise to a potential Conflict of Interest. The Bank also has in place secure and confidential systems maintained within the global Control Room (part of the Compliance Department of the Bank), to record material information to assist in the identification and management of potential Conflicts of Interest.

8.2 Identification and Management of Potential Conflicts of Interest

The Bank requires that potential business be logged at the earliest possible time and prior to signing a confidentiality letter or mandate; receiving any non-public information or making a commitment, verbal or written, to act for a Client. This is to assist in the identification and management of potential Conflicts of Interest.

In order for the Bank to be in a position to identify potential conflicts, material transactions involving Clients, Relevant Persons or the Bank are logged internally and analysed against existing Bank relationships and transactions.

8.3 Measures of Control for Identification and Management of Conflicts of Interests

In managing a Conflict of Interest it may be appropriate to use additional measures in the event that existing ongoing conflicts management measures are not sufficient to adequately manage the potential conflict, such as the following:

- implementation of ad hoc transaction specific Chinese Walls or other additional information segregation methods following consideration of all of the facts available to relevant management;
- escalation to senior management who have responsibility for the strategy of the Bank and an appreciation of the relationship and reputation risks that may arise;
- declining to act.

9. Disclosure of Conflicts of Interest and Client Consent

As a global financial services organisation, the Bank engages in many activities that may conflict with the interests of its Clients. The Bank has procedures to protect the Client's interests from conflicts that might arise from a firm's own activities. In certain circumstances, if some Conflict of Interest remains and, where permissible by local regulations, disclosure to an affected Client may be made in order to seek Client consent to act. Disclosure will be made of the general nature and / or sources of conflict to enable the Client to make an informed decision.

10. Register

The Bank keeps and regularly updates a record of the types of Regulated Business activities carried out by or on behalf of the Bank in which Conflicts of Interest entailing a material risk of damage to the interests of one or more Clients has arisen or, in the case of an ongoing Regulated Business service or activity, may arise.

The information contained within the register facilitates the effective identification and management of any potential Conflicts of Interest.