

PROSPECTUS



Deutsche Bank AG

Up to 100,000 Hedge Fund Certificates linked to C-R Euro denominated Units (31 January 2007 Series) in the DB Global Masters Multi-Strategy Trust

Issued under its TM *x-markets* Hedge Fund Certificate Programme

Issue Price EUR 1,000 per Hedge Fund Certificate plus the Applicable Placement Fee (as described below)

ISIN DE000DB0JVM5

WKN DB0JVM

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

Under its X-markets Programme (the "**Programme**"), the Issuer may issue securities relating to shares and/or indices and/or other securities and/or fund shares and/or commodities and/or foreign exchange rates 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).

The Issuer has determined to issue up to 100,000 Certificates (the "**Securities**") linked to C-R Euro denominated Units (31 January 2007 Series) in the DB Global Masters Multi-Strategy Trust as specified above upon the product conditions in section VI A of this document (the "**Product Conditions**") and the general terms and conditions set out in section VI 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 C-R Euro denominated Units (31 January 2007 Series) in the DB Global Masters Multi-Strategy Trust specified above.

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 has been made to list the Securities on the Freiverkehr section of the Frankfurt Stock Exchange which is not a regulated market for the purposes of Directive 2003/71/EC.

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.

This Prospectus is dated 11 January 2007.

Deutsche Bank AG, Frankfurt am Main accepts responsibility for the information contained in this document. To the best of the knowledge 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.

Deutsche Bank

IMPORTANT

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.

This Summary contains:

- A. Summary of Risk Factors*
- B. Summary of Final Terms of the Securities*
- C. Summary of Issuer Description*

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 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, Frankfurt am Main
Number of Securities:	Up to 100,000 Securities
Issue Price:	EUR 1,000 per Security in respect of the initial issuance of Securities (the " Initial Issue Price ") plus the Applicable Placement Fee, and in respect of any further issue of Securities, the applicable price in EUR determined by the Issuer on or prior to the relevant Issue Date (each a " Further Issue Price ") plus the Applicable Placement Fee
Applicable Placement Fee:	Up to 2.5 per cent. of the Initial Issue Price (in respect of the initial issue of Securities) and up to 2.5 per cent. of the relevant Further Issue Price (in respect of any further issue of Securities)
Underlying:	C-R Euro denominated Units (31 January 2007 Series) in the DB Global Masters Multi-Strategy Trust (the " Fund ") (as more fully described in the section titled "Information relating to the Underlying" below) or any successor series of units into which such units 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. Investors should note that, although the prospectus of the Fund set out in that section relates to B-R Euro denominated Units (31 January 2007 Series) in the Fund, such B-R Euro denominated Units are identical to the Underlying save that the Underlying does not carry any voting rights. Such prospectus should be read accordingly.
Issue Date:	26 January 2007
Primary Market Start Date:	11 January 2007
Primary Market End Date:	23 January 2007
Reference Level:	<p>In respect of:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 1. the Reference Level on the preceding Valuation Date; 2. 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 3. one minus the Monthly Fee, <p>Expressed as a formula:</p> $MAX \left[\text{Reference Level}_{(t-1)} \times \frac{\text{Fund Level}_{(t)}}{\text{Fund Level}_{(t-1)}} \times (1 - \text{Monthly Fee}) \right]; 0$ <p>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</p>
Fund Level:	An amount calculated by the Calculation Agent as of each Valuation Date, subject to adjustment in accordance with Product Conditions 4.2 or 4.3, equal to the net asset value of the Underlying on such Valuation Date (disregarding redemption charges)
Monthly Fee:	One twelfthth $\left(\frac{1}{12}\right)$ of 1.00 per cent.

Exercise Date(s):	Subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the third Business Day prior to the sixty fifth calendar day immediately preceding each Calendar Quarter Valuation Date, from and including the first Calendar Quarter Valuation Date, to and including the Final Valuation Date (the Exercise Date relating to the Final Valuation Date, the "Scheduled Final Exercise Date")
Final Exercise Date:	The earlier to occur of the Scheduled Final Exercise Date and any earlier Final Exercise Date designated by the Issuer in a Final Exercise Date Acceleration Notice in accordance with Product Condition 3.3.2
Determination Date(s):	In respect of a Relevant Valuation Date and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the forty-fifth calendar day following (a) such Relevant Valuation Date, or (b) if later, such date as the Fund may calculate and notify to investors the Fund Level in respect of the Relevant Valuation Date
Settlement Date(s):	In respect of each Exercise Date and a Relevant Valuation Date and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the fifth Payment Day following the relevant Determination Date
Settlement:	Cash Settlement
Valuation Date(s):	The last Business Day of each month from and including the last Business Day of January 2007 (the "Initial Valuation Date") to and including the last Business Day of December 2011 (the "Final Valuation Date")
Calendar Quarter Valuation Date(s):	The Valuation Date falling in each of December, March, June and September in each year, from and including March 2007 to and including September 2011 and the Final Valuation Date
Relevant Valuation Date:	With respect to an Exercise Date, the Calendar Quarter Valuation Date by reference to which that Exercise Date is fixed
Automatic Exercise:	Applicable
Settlement Currency:	Euro
Cash Settlement Amount:	<p>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 any relevant Redemption Charge, all as determined by the Calculation Agent for value on the relevant Settlement Date</p> <p>The Cash Settlement Amount (after deduction of any Securityholder Expenses and any Redemption Charge) 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 any Redemption Charge, cannot be less than zero</p>
Redemption Charge:	<p>Securities exercised where the Relevant Valuation Date falls in or before December 2007 will be subject to a Redemption Charge which will be deducted in the determination of the Cash Settlement Amount</p> <p>For Securities exercised where the Relevant Valuation Date falls in or before September 2007 the charge will be 5% of the Reference Level in respect of the Relevant Valuation Date</p> <p>For Securities exercised where the Relevant Valuation Date falls in December 2007 or March 2008 the charge will be 3% of the Reference Level in respect of the Relevant Valuation Date</p>
Final Exercise Date Acceleration:	The Issuer has the right to accelerate the exercise of all outstanding Securities with the giving of not less than one calendar year's notice to Securityholders at the Cash Settlement Amount (if any) prevailing on the Final Exercise Date designated by the Issuer in the related Final Exercise Date Acceleration Notice
Maximum Exercise Amount:	20 per cent. of the Securities in issue as of the Relevant Valuation Date excluding any Securities held by the Issuer and/or any of its Affiliates
Listing:	Application has been made to list the Securities on the Freiverkehr section of the Frankfurt Stock Exchange which is not a regulated market for the purposes of Directive 2003/71/EC

Trading is expected to commence on the third Business Day following the Primary Market End Date, scheduled to be 26 January 2007

Calculation Agent:	Deutsche Bank AG
Principal Agent:	Deutsche Bank AG
Business Days:	London, New York, Frankfurt, Dublin
ISIN:	DE000DB0JVM5
WKN:	DB0JVM
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", paragraph 2
Minimum Subscription Amount:	10 Certificates
Cancellation of the Issuance of the Securities:	<p>The Issuer reserves the right for any reason to cancel the issuance of the Securities at any time prior to the Issue Date</p> <p>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</p>

2. Further information 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 net asset value of the Fund Shares (described in more detail below in the section "Description of the Underlying") issued by the Fund. The Fund is a hedge fund, managed by DB Investment Managers, Inc., performing investment advisory services as "DB Advisors Capital Management", 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 Fund Shares, the Securities will perform in a broadly similar fashion to a direct investment in the Fund with the exception of (i) the deduction of any Applicable Placement Fee (of up to 2.5 per cent. of the Initial Issue Price (in respect of the initial issue of Securities) and up to 2.5 per cent. of the relevant Further Issue Price (in respect of any further issue of Securities); and (ii) the deduction of the Monthly Fee of one twelfth of 1.00 per cent..

Investors have the opportunity to exercise their Securities at a Cash Settlement Amount, if any, (after deduction of any relevant Securityholder Expenses and any applicable Redemption Charge) on Exercise Dates which relate to Calendar Quarter Valuation Dates and which fall sixty five calendar days' plus 3 Business Days' notice prior to the relevant Calendar Quarter Valuation Date. Normally the proceeds of exercise are paid within 45 calendar days plus 5 Payment Days of the relevant Calendar Quarter 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 Cash Settlement Amount (if any) in respect of each Security will be the Reference Level in respect of the relevant Calendar Quarterly Valuation Date by reference to which the Exercise Date of the relevant Security is fixed. The Reference Level of a Security on any Calendar Quarterly Valuation Date is the product of: (a) the Reference Level on the preceding monthly Valuation Date (or on the Initial Valuation Date, EUR 1,000), (b) the quotient of the Fund Level on the relevant Calendar Quarterly Valuation Date and the Fund Level on the immediately preceding monthly Valuation Date; and (c) one minus the Monthly Fee of one twelfth of one per cent.

The Securities are unsecured debt obligations of the Issuer that are linked to the Fund Shares comprising the Underlying and do not provide any rights in the Fund or the Fund Shares.

A 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**").

Selected Financial Information

As of 30 September 2006, Deutsche Bank's issued share capital amounted to Euro 1,334,735,508.48 consisting of 521,381,058 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 Amsterdam, Brussels, London, Luxembourg, Paris, Vienna, Zurich and Tokyo, this decision has completely been implemented.

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 Prospectus 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. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the Issuer does not represent that the statements below regarding risks of holding the Securities are exhaustive.. 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 comprises the shares of a Hedge Fund which, as a "fund-of-funds", 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 Prospectus 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 which is the issuer of the Fund Shares comprising 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 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**". This exposure is provided through the Underlying which comprises Fund Shares in the Fund, which is a Hedge Fund. An investment in the Securities is intended to provide a return linked to the Underlying and 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 a "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 its Service Providers (as defined below), the most significant of which 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. No rights relating to the Underlying

An investor in the Securities will not be entitled to any rights with respect to the Fund Shares comprising the Underlying. 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 are listed, this does not necessarily lead to greater liquidity.

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. No payments until settlement

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

g. Product and Fund Share fees

Hedge Funds typically receive services from a number of persons in relation to their 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) 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 comprising the Underlying.

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.

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

Fees at the level of the Securities:

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

In addition, each Security may be issued with the application of an Applicable Placement Fee of up to 2.5 per cent. of the Nominal Amount of the Security.

Fees at the level of the Fund Shares comprising the Underlying:

The Fund which is the issuer of the Fund Shares which comprise the Underlying deducts a basic management fee of 0.0833% of the month-end U.S. Dollar Net Asset Value of each Series of Fund Shares (1% on an annual basis). 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 Fund.

These may include performance, administration, special management 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.

h. 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) as well as certain Redemption Charges, if applicable.

i. Exercise

The failure to deliver an Exercise Notice 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 Underlying during the period from (and including) the relevant Valuation Date.

The Issuer will have the option to limit the number of Securities exercisable on any date to the maximum amount determined in accordance with the Conditions. A holder of Securities may not be able to exercise on such date all the Securities that it desires to exercise and the Cash Settlement Amount (if any) which will be received upon ultimate exercise may be substantially different from the Cash Settlement Amount (if any) relating to the originally envisaged Exercise Date.

j. Expiry

Investors should note that where the Calculation Agent determines that any Cash Settlement Amount (less any Securityholder Expenses or Redemption 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.

k. 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.

l. NAV Adjustment Event / Extraordinary Fund Events

Following the occurrence of an NAV Adjustment Event, 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 NAV Adjustment Event as an Extraordinary Fund Event. NAV 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 comprising the Underlying (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

i. 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, 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 constituents of the Fund Shares 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, agent and/or index sponsor. 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 or all of the Underlying, or where the Issuer maintains a business relationship with the issuer or investment manager of such securities or assets. Specifically with respect to the Fund Shares, prospective investors should be aware that Fund invests in underlying single manager hedge funds all of which are currently managed by Deutsche Bank affiliated (or formerly Deutsche Bank affiliated) investment managers, which may raise conflicts of interest.

3. 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 comprising the Underlying 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.

4. 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.

5. Obtaining of non-public information

The Issuer and/or its affiliates may acquire non-public information with respect to the Fund Shares comprising the Underlying and / or the constituents of such Fund Shares, 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 comprising the Underlying. Such activities could present conflicts of interest and may affect the value of the Securities.

6. 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 funds that constitute the Fund Shares comprising the Underlying from time to time. 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 comprising the Underlying or the Fund itself from time to time.

7. Issue Price

The issue price charged for the Securities can, in addition to loading charges, management or other fees charged, comprise a premium on the original mathematical ("fair") value of the Securities which is not visible to investors. Such premium is determined by the Issuer in its discretion and can differ from premiums charged by other issuers for comparable securities.

III. GENERAL INFORMATION ON THE PROSPECTUS

A. FORM OF DOCUMENT – PUBLICATION

This document together with the Registration Document of the Issuer constitutes a prospectus (the "**Prospectus**") according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission.

This Prospectus is available, and has been published, in English. In addition, the Summary and possibly other parts of the Prospectus, may also have been published in other languages. Investors who wish to receive information in languages other than English should study the translation of the Summary section of the Prospectus (and where applicable, other parts of the Prospectus).

The Prospectus, together with any translations thereof, or of the Summary section of the Prospectus, has been published on the Issuer's website (www.x-markets.db.com). In addition, the Prospectus and any documents incorporated by reference shall be available free of charge at the registered office of the Issuer in Frankfurt am Main as set out at the end of this Prospectus, and in The Netherlands at the Issuer's branch office, Deutsche Bank Amsterdam, Herengracht 450-454, 1017 CA Amsterdam, The Netherlands.

The annual reports and accompanying auditors' reports for 2004 and 2005 shall also be produced 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 Prospectus and (ii) published on the website of the Issuer (www.db.com).

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

B. INFORMATION FOR INVESTORS

1. Information on the Conditions of the Securities

The relevant rights under the Securities are laid down in the **Conditions** of the Securities. These consist of the **Product Conditions**, which are individually designed for each Security, and the **General Conditions**, which contain general rules relating to the Securities.

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 – Rights and Procedure - 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 Provisions – contains rules relating to the occurrence of a market disruption and relating to adjustments to the Securities in case of the occurrence of certain other events.

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:

- (a) The financial statements for the six months ended 30th June, 2006 of Deutsche Bank AG; and
- (b) The Registration Document (English and German language versions) dated 15th May, 2006 of Deutsche Bank Aktiengesellschaft, approved by *Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**").

CROSS REFERENCE LIST

Specific items contained in "*Documents Incorporated by Reference – (a) and (b)*" Documents

(1) *Registration Document*

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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 are published on the Issuer's website (**www.db.com**).

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, paragraph 2. The minimum subscription amount is 10 Securities.

Early Redemption at the option of the Issuer

The Issuer has the unconditional and irrevocable right, upon delivery of a Redemption Notice, to redeem the Securities in whole, but not in part, on the Redemption Date at the Cash Settlement Amount.

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 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.

Purchase of Securities

Investors may purchase the Securities from their financial intermediary or may contact investment centres of Deutsche Bank AG's Private Wealth Management Division, or the Issuer's Agent, Deutsche Bank AG, Amsterdam Branch with regard to purchasing the Securities.

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.

Results of the Offer

The results of the offer will be made available in printed form free of charge at the offices of the Paying Agent from the 3rd Business Day after the Issue Date.

Applicants will be notified of their allotments under the offer or any other information relating to the offer through the clearing agent and their securities intermediaries.

Trading in the Securities

Trading in the Securities, other than subscription for the Securities between the Issuer and the initial purchaser during the Primary Market Period, will commence on the third Business Day following the Primary Market End Date, scheduled to be 26 January 2007. Application shall be made to list the Securities on the Freiverkehr of the Frankfurt Stock Exchange.

Investors are referred to the paragraph headed "**The Securities may be Illiquid**" in the Risk Factors section of this document in this regard.

V. GENERAL INFORMATION

A. 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. 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.

B. 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 this 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 for 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 ("**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.

VI. 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 any applicable Redemption Charge) 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 any applicable Redemption Charge) 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.

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"**;

"Applicable Placement Fee" means up to 2.5 per cent. of the Initial Issue Price (in respect of the initial issue of Securities) and up to 2.5 per cent. of the relevant Further Issue Price (in respect of any further issue of Securities);

"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 City, London and Dublin;

"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 March 2007 to and including September 2011 and the Final Valuation Date;

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

"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 and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the forty-fifth calendar day following (a) such Relevant Valuation Date, or (b) if later, such date as the Fund may calculate and notify to investors the Fund Level in respect of the Relevant Valuation Date, or if such calendar day is not a Business Day the immediately following Business Day;

"Exercise Date" means, subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the third Business Day prior to the sixty fifth calendar day immediately preceding each Calendar Quarter Valuation Date, from and including the first Calendar Quarter Valuation Date, to and including the Final Valuation Date (the Exercise Date relating to the Final Valuation Date, the "**Scheduled Final Exercise Date**"). 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 the earlier to occur of the Scheduled Final Exercise Date and any earlier Final Exercise Date designated by the Issuer in a Final Exercise Date Acceleration Notice in accordance with Product Condition 3.3.2;

"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 3.3.2 to adjust the Final Exercise Date;

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

"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 Fund Share (calculated as described in the prospectus of the Fund set out in the section "Information relating to the Underlying") on or about such Valuation Date disregarding any redemption charges as determined by the Calculation Agent;

"Issue Date" means 26 January 2007;

"Issue Price" means EUR 1,000 per Security, in respect of the initial issuance of Securities (the "**Initial Issue Price**") plus the Applicable Placement Fee, and in respect of any further issue of Securities, the applicable price in EUR determined by the Issuer on or prior to the relevant Issue Date (each a "**Further Issue Price**") plus the Applicable Placement Fee;

"Issuer" means Deutsche Bank AG, acting through its principal office in Frankfurt am Main;

"Monthly Fee" means one twelfth of one per cent.;

"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;

"Redemption Charge" means an amount which will be deducted from any applicable Cash Settlement Amount in respect of Securities for which the Relevant Valuation Date falls in or before December 2007 as follows:

- (i) for Securities for which the Relevant Valuation Date falls in or before September 2007 the charge will be 5% of the Reference Level for the Relevant Valuation Date; and
- (ii) for Securities for which the Relevant Valuation Date falls in December 2007 or March 2008 the charge will be 3% of the Reference Level for the Relevant Valuation Date;

"Reference Level" means in respect of:

- (i) the Initial Valuation Date, EUR 1,000; and
- (ii) all subsequent Valuation Dates, an amount (which may not be less than zero) equal to the product of:
 - 1. the Reference Level on the preceding Valuation Date;
 - 2. 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
 - 3. one minus the Monthly Fee,

expressed as a formula:

$$MAX \left[\text{ReferenceLevel}_{(t-1)} \times \frac{\text{FundLevel}_{(t)}}{\text{FundLevel}_{(t-1)}} \times (1 - \text{MonthlyFee}) \right]; 0$$

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 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 and subject to adjustment in accordance with Product Conditions 4.2 or 4.3, the fifth Payment Day following the relevant Determination Date;

"Underlying" means C-R Euro denominated Units (31 January 2007 Series) (the **"Fund Shares"**) in the DB Global Masters Multi-Strategy Trust (the **"Fund"**) as more particularly described in the prospectus relating to the Fund set out on the section "Information relating to the Underlying" below or any successor series of units into which such units are "rolled up" at the end of the Fund's fiscal year in accordance with such prospectus relating to the Fund; and

"Valuation Date" means, the last Business Day of each month from and including the last Business Day of January 2007 (the **"Initial Valuation Date"**) to and including the last Business Day of December 2011 (the **"Final Valuation Date"**).

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

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.

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 will be automatically 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 Redemption Charges for such Securities;
- 3.2.1.5 include an undertaking to pay all Securityholder Expenses and Redemption Charges 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 Redemption Charges;
- 3.2.1.6 certify that neither the person exercising the Security nor any person on whose behalf the Security is being exercised is a U.S. person or a person within the United States. As used herein, “**U.S. person**” means (i) an individual who is a resident or a citizen of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “U.S. person” as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or in regulations adopted under the United States Commodity Exchange Act; 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.

3.2.5 *Maximum Exercise Amount*

If as of any Relevant Valuation Date the Issuer determines that the duly completed Exercise Notices received by the Principal Agent from one or more Securityholders in respect of the related Exercise Date, if given effect, would cause the number of Securities to be exercised as of such Exercise Date (the Securities of each relevant Securityholder, "**Original Securities**") to exceed 20 per cent. of the Securities in issue as of the Relevant Valuation Date excluding any Securities then held by the Issuer and/or any Affiliates (the "**Maximum Exercise Amount**"), the Issuer may reduce, as far as reasonably practicable on a *pro rata* basis, the number of Original Securities which may be exercised as of that Exercise Date (the "**Original Exercise Date**") by each relevant Securityholder.

Where the number of Securities which may be exercised by a Securityholder is reduced in accordance with this Product Condition 3.2.5:

- 3.2.5.1 the remaining portion of each relevant Securityholders' Original Securities (if any) not exercised on the Original Exercise Date shall be deemed exercised (a "**Deemed Exercise**") on the next following Exercise Date; and
- 3.2.5.2 any Deemed Exercise will be given effect by the Issuer in priority to the exercise of any Securities for which Exercise Notices are submitted subsequent to the Original Exercise Date,

provided that each Deemed Exercise shall itself be subject to the provisions of this Product Condition 3.2.5 such that in respect of any given Exercise Date: (i) any Deemed Exercise shall take priority over any other exercise of Securities; and (ii) any earlier Deemed Exercise shall take priority over any later Deemed Exercise.

Notwithstanding the provisions of this Product Condition 3.2.5, no Securities may be exercised on or following the Final Exercise Date when the automatic exercise provisions referred to in Product Condition 3.3 below shall apply.

3.3 *Automatic Exercise*

3.3.1 *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.

3.3.2 *Adjustment 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 falling earlier than the originally scheduled 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.

3.4 *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, Securityholder Expenses and Redemption Charges*

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 the sum of (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**") and (B) any applicable Redemption Charge, 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 Redemption 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 any applicable Redemption Charge, cannot be less than zero.

In respect of each Security, all Securityholder Expenses and any applicable Redemption Charge 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 any applicable Redemption Charge 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 comprising the Underlying or any asset of any kind whatsoever by reference to which the Cash Settlement Amount is calculated.

4. Adjustment, Cancellation and Substitution of Fund Provisions

Upon the occurrence of a NAV Adjustment Event, 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 subject as provided in this Product Condition 4. Solely for the purposes of ascertaining the occurrence of any NAV 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 January 2007 Series, 28 February 2007 Series or 29 March 2007 Series, C-R Euro denominated Units 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:

"Connected Fund" means, in respect of the Fund, the DB Global Masters Multi-Strategy Fund Ltd.;

"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 or transfer of any Fund Share or introduces or imposes any increased restriction, charge or fee in respect of the 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 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 NAV Adjustment Event occurs which is to be treated as an Extraordinary Fund Event in accordance with the provisions of Product Condition 4.2(ii);
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; or

(E) Connected Fund.

1. any of the events in (A), (B) or (D) above occurs with respect to a Connected Fund on the basis that references in this Product Condition 4 to the Fund, Fund Shares or Hedge Assets (and related values) and Service Providers shall be deemed respectively to be references to the Connected Fund, any relevant shares or units of the Connected Fund (and related values) and any applicable Hedge Assets and any service provider of the Connected Fund of the type specified in the definition of Service Provider;

"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;

"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;

"NAV Adjustment Event" means that the Calculation Agent reasonably determines that:

- (i) the Fund Level in respect of a Valuation Date, 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 then available market information;

"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 *NAV Adjustment Event*

Upon the occurrence of a NAV 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 or 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 NAV Adjustment Event as an Extraordinary Fund Event.

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 the Fund Shares replaced by a Replacement Underlying 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 or Potential 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.

4.5 Replacement of the Underlying

If the Issuer determines that the Fund Shares should be substituted by a Replacement Underlying 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 the Fund Shares with a Replacement Underlying.

For the purposes of this Condition 4.5, "**Replacement Underlying**" 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 Euro.

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 Underlying 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.

5. Expiry

If the Calculation Agent determines that the Cash Settlement Amount less any Securityholder Expenses (and any applicable Redemption Charge) 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.

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.

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.

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.

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.

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 a) before the EU Transparency Obligations Directive (Directive) has been implemented in Germany (the implementation rules being expected to enter into force on 20 January 2006), in accordance with the rules and regulations of each such jurisdiction (in Germany publication will normally take place in the *Börsen-Zeitung*), b) thereafter, (i) if the Securities are listed on any regulated market in the European Union (EU) or the European Economic Area (EEA), or publicly offered in any member state of the EU or the EEA, the website of the German

Unternehmensregister (Company Register) (www.unternehmensregister.de) and/or on the Issuer's website (www.db.com), (ii) otherwise, in accordance with the rules and regulations of each jurisdiction where the Securities are listed or publicly offered.

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.

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.

6. *Taxation*

In relation to each Security the relevant Securityholder shall pay all Securityholder Expenses 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.

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.

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.

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

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.

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 C-R Euro denominated Units (31 January 2007 Series) in the DB Global Masters Multi-Strategy Trust or such successor series of units into which such units 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 more particularly in the extract from the offering memorandum of the Fund set out 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.

Information about the Fund and its performance can be obtained from the Administrator of the Fund, the details of which are:

International Fund Services (Ireland) Limited, Third Floor, Bishop’s Square, Redmond’s Hill, Dublin 2, Ireland. Telephone: 353 (1) 707-5013. Facsimile: 353 (1) 707-5386 (Ireland) or (212) 453-9790 (New York). E-mail: dbarsta@imsi.com.

2. INVESTMENT STRATEGY EMPLOYED BY THE INVESTMENT MANAGER OF THE FUND INVESTED IN BY THE UNDERLYING

The Investment Manager of the Fund whose Fund Shares comprise the Underlying is permitted to invest the assets of the Fund in a wide range of securities and instruments. The Investment Manager will, however, follow a strategy, broadly described 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 which are explained 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 described below).

Equity long/short

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 (or in some cases, specific geographical) 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.

Multi-strategy

Multi-strategy funds typically pursue more than one of the type of investment strategies described in this section (or other strategies) for example, a fund might combine relative value strategies (such as equity long-short) with event-driven strategies such as special situations.

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.

Credit and Equity Derivatives

This strategy aims to achieve 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.

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.

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.

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 Prospectus and/or do not exist as of the date of this Prospectus. Any of these strategies may involve investing in markets or instruments that are not described in this Prospectus and/or do not exist as of the date of this Prospectus. Accordingly, it is impossible to predict all the investment strategies that may be employed by the Fund invested in by the Underlying 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. EXTRACT FROM THE OFFERING MEMORANDUM OF THE FUND

Investors should note that, although the extract from the prospectus of the Fund set out below relates to B-R Euro denominated Units (31 January 2007 Series) in the Fund, such B-R Euro denominated Units are identical to the Underlying save that the Underlying does not carry any voting rights. Such prospectus should be read accordingly.

EXTRACT FROM CONFIDENTIAL OFFERING MEMORANDUM

DB GLOBAL MASTERS MULTI-STRATEGY TRUST

(A Cayman Islands Unit Trust)

DB ADVISORS CAPITAL MANAGEMENT

Investment Adviser

June 2006

DB GLOBAL MASTERS MULTI-STRATEGY TRUST
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ANNEX A	Confidential Offering Memorandum of DB Global Masters Multi-Strategy Fund Ltd.

INTRODUCTION

DB Global Masters Multi-Strategy Trust (the “Fund”) is a Cayman Islands unit trust established by virtue of the Declaration of Trust dated June 7, 2006 (the “Trust Deed”). 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 through a “fund-of-funds” investment structure comprised of various underlying investment vehicles (the “Portfolio Funds”). The Fund intends to achieve its investment objective by investing all or substantially all of its assets into the redeemable participating shares (“Global Masters Shares”) of DB Global Masters Multi-Strategy Fund Ltd., a Cayman Islands exempted company incorporated on May 2, 2006 (the “Global Masters Fund”). The Confidential Offering Memorandum of the Global Masters Fund, as well as all supplements thereto (collectively, the “Global Masters Memorandum”), is attached hereto as Annex A and should be carefully reviewed by each investor. There can be no assurance that the Fund will meet its investment objective.

Caledonian Bank & Trust Limited, a Cayman Islands company (the “Trustee”), serves as trustee of the Fund. DB Investment Managers, Inc., a Delaware corporation (“DBIM”) performing investment advisory services as DB Advisors Capital Management (“DB Advisors” or the “Investment Adviser”), serves as the investment adviser of the Fund and the Global Masters Fund. DB Advisors Capital Management is the marketing name for the single-manager and multi-strategy hedge fund activities of DB Absolute Return Strategies. DB Absolute Return Strategies is the brand name of the overall fiduciary hedge fund management business of Deutsche Bank AG (“Deutsche Bank”). DBIM is an indirect, wholly owned subsidiary of 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 serves as the Fund’s commodity pool operator. Although DBIM is currently registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission (the “CFTC”) and is a member of the U.S. National Futures Association (“NFA”) in such capacity, DBIM intends to treat the Fund as an exempt pool pursuant to CFTC Rule 4.13(a)(4) on the basis that units of undivided beneficial interest in the Fund (“Units”) will only be issued to non-U.S. persons (as defined in CFTC rules) and may in the future cease to be registered as a commodity pool operator. Consequently, DBIM is not required by CFTC rules to deliver to investors a disclosure document or a certified annual report complying with CFTC regulations.

The Global Masters Fund expects to allocate its assets to various Portfolio Funds (“Affiliated Portfolio Funds”) advised by portfolio managers (“Portfolio Managers”) employed by the Investment Adviser or its affiliates. Affiliated Portfolio Funds may also 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 but have since left and formed their own firms (“Former DB Managers”). The Global Masters Fund may also allocate assets to Former DB Managers which advise unaffiliated Portfolio Funds (“Non-Affiliated Portfolio Funds”). From time to time, Portfolio Managers employed by Deutsche Bank and advising Portfolio Funds to which the Global Masters Fund has allocated assets may leave Deutsche Bank to establish their own Former DB Managers. To the extent the Global Masters Fund wishes to maintain its investment with such Portfolio Managers following such departure, the Global Masters Fund may make an allocation to such Portfolio Managers’ new funds. Thus, the Global Masters Fund will be comprised of Portfolio Funds advised by Former DB Managers (*i.e.*, Non-Affiliated Portfolio Funds) and Affiliated Portfolio Funds advised by the Investment Adviser or its affiliates or sub-advised by Former DB Managers.

Each Portfolio Manager pursues on behalf of its respective Portfolio Fund(s) one or more distinct investment strategies ("Strategies"). The current Strategies pursued by the Portfolio Managers on behalf of the Portfolio Funds may be summarized as follows: equity and structured credit derivatives; multi-strategy; global equity long/short; global macro; global market neutral; equity special situations; fundamental value trading; emerging markets value; U.K. equity long/short; and Japanese equity long/short. Each Strategy may be pursued by more than one Portfolio Manager in respect of one or more Portfolio Funds. However, the Global Masters Fund's Portfolio Fund line-up is not expected to be static. The Investment Adviser may elect to change (i) the number of Portfolio Funds in which the Global Masters Fund invests and/or (ii) the number and nature of the Strategies pursued by the Portfolio Funds.

The Fund has not yet commenced operations, but anticipates that it will do so on July 1, 2006, although such initial closing may be delayed in the discretion of the Trustee. The Global Masters Fund commenced operations on June 1, 2006 with a "seed capital" investment by an affiliate of the Investment Adviser. Consequently, there is no specific minimum amount of subscriptions necessary to commence operations. After the Fund commences operations, the Fund will offer Units as of the opening of business on the first business day of each calendar month and at any other time as may be determined by the Trustee in its sole discretion (each, a "Subscription Date").

The Fund will initially issue Units denominated in Euros and Japanese Yen, although it may in the future offer Units denominated in other currencies (each, a "Reference Currency"). Within each Reference Currency, the Fund will offer two types (each, a "Type") of Units: Type A Units and Type B Units. Type A Units of each Reference Currency are only offered to investors who purchase Units through DB Advisors itself, except as DB Advisors otherwise agrees, and will not bear any Advisory Fees (as defined herein) (the "Direct Units"), while Type B Units of each Reference Currency will bear the Advisory Fee and will generally be offered to all investors who purchase Units through or with the help of a Placement Agent (as defined herein) (including those sold by the Deutsche Bank Group or its affiliates who are not part of the DB Absolute Return Strategies Business Group) (the "Placement Agent Units"). Units have the voting rights described herein and set forth in the Trust Deed, but non-voting Units are available upon request. Each Type of Units of each Reference Currency will further be divided between those issued to investors able to participate fully in "new issues" (as defined in Rule 2790 of the U.S. National Association of Securities Dealers, Inc. (the "NASD")) and those who are not able to participate, or not able to participate fully, in "new issues." Except as set forth above, the Direct Units and the Placement Agent Units of the same Reference Currency with the same capacity to participate in "new issues" will have identical terms (unless an investor requests non-voting Units).

The minimum initial subscription amount for new investors is (i) with respect to Units denominated in Euros, (a) €500,000 with respect to Direct Units and (b) €250,000 with respect to Placement Agent Units, and (ii) with respect to Units denominated in Yen, (a) ¥60,000,000 with respect to Direct Units and ¥30,000,000 with respect to Placement Agent Units. The minimum subscription amount for an existing investor (a "Unitholder") is (i) with respect to Units denominated in Euros, (a) €100,000 with respect to Direct Units and (b) €50,000 with respect to Placement Agent Units, and (ii) with respect to Units denominated in Yen, (a) ¥12,000,000 with respect to Direct Units and ¥6,000,000 with respect to Placement Agent Units. The Trustee (or its delegate) may waive such foregoing minimum investment amounts in its discretion (but not to less than U.S. \$50,000, or the equivalent thereof, in the case of new investors, or such other minimum as may be required by law).

Units will be issued at a price of €1,000 with respect to Units denominated in Euros and ¥100,000 with respect to Units denominated in Yen. A new series (each, a “Series”) of each Type of Units will be issued on each Subscription Date.

BECAUSE THE FUND IS A FEEDER FUND INTO THE GLOBAL MASTERS FUND AND THUS HAS THE SAME INVESTMENT OBJECTIVE, RISK FACTORS, AND CONFLICTS OF INTEREST AS THE GLOBAL MASTERS FUND, THIS MEMORANDUM HAS BEEN PREPARED IN SUMMARY FASHION AND WILL BE DELIVERED WITH THE GLOBAL MASTERS MEMORANDUM, WHICH CONTAINS A MORE COMPLETE DESCRIPTION OF THE GLOBAL MASTERS FUND. INVESTORS IN THE FUND SHOULD CAREFULLY REVIEW BOTH THIS MEMORANDUM AND THE GLOBAL MASTERS MEMORANDUM. IT SHOULD BE NOTED, HOWEVER, THAT THE FURNISHING OF THIS MEMORANDUM DOES NOT CONSTITUTE AN INVITATION TO INVEST DIRECTLY IN THE GLOBAL MASTERS FUND.

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”), the Global Masters Memorandum, the Trust Deed, and the Investment Advisory Agreement (each as herein defined). Capitalized terms used but not defined herein have the meanings set forth in the Global Masters Memorandum. The provisions of this Memorandum are subject always to the provisions of the Trust Deed in the event of any inconsistency herein, unless the contrary is expressly stated in the Trust Deed.

The Fund

The Fund	DB Global Masters Multi-Strategy Trust, a Cayman Islands unit trust, was created in the Cayman Islands pursuant to the Trust Deed on June 7, 2006.
The Global Masters Fund	The Fund will invest all or substantially all of its assets in the Global Masters Shares of DB Global Masters Multi-Strategy Fund Ltd., which was incorporated on May 2, 2006 as an exempted company incorporated with limited liability in the Cayman Islands.
Investment Adviser	DB Investment Managers, Inc., performing investment advisory services as DB Advisors Capital Management. DBIM also serves as the investment adviser for the Global Masters Fund and serves as the commodity pool operator of the Fund and the Global Masters Fund.
Trustee	Caledonian Bank & Trust Limited, a Class A Bank and Trust Company headquartered in the Cayman Islands. All actions referred to herein as being taken by the Fund are performed by the Trustee or its delegates, including the Administrator or the Investment Adviser, as the case may be, in respect of the Fund. All references herein to the Trustee refer to the Trustee or entities (such as the Investment Adviser or the Administrator) to which the Trustee has delegated its authority as permitted under the Trust Deed.
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 through a “fund-of-funds” investment structure comprised of various Portfolio Funds, as more fully described in the Global Masters Memorandum. The Fund intends to achieve its investment objective by investing in the Global Masters Fund. There can be no assurance that the Fund will achieve this investment objective or that the investment strategy implemented on behalf of the Fund, the Global Masters Fund, or any Portfolio Fund will be successful.
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, the Global Masters Fund, and the Affiliated Portfolio Funds have appointed International Fund Services (Ireland) Limited (the “Administrator”) to carry out the day-to-day administration of the Fund, the Global Masters Fund, and each Affiliated Portfolio Fund.

Risks

An investment in the Fund is speculative and involves substantial risks. Units are intended for sale to a limited number of experienced and sophisticated investors. Investors must be willing to bear the risks of this 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” in this Memorandum and “Risk Factors” and “Conflicts of Interest” in the Global Masters Memorandum.

Fees and Expenses**Organizational Expenses**

The expenses of organizing the Fund and the initial offering of Units will be borne by the Fund and will be amortized on a straight-line basis over three years beginning at the commencement of operations, even though such treatment is a divergence from U.S. generally accepted accounting principles (“GAAP”). However, the Trustee may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Trustee believes that doing so would be in the best interests of the Fund. The organizational expenses of the Global Masters Fund will be amortized in a similar manner over three years beginning as of commencement of Global Masters Fund operations.

Advisory Fee

The Fund will pay to the Investment Adviser a monthly advisory fee (the “Advisory Fee”) equal to 0.0833% of the month-end U.S. Dollar Net Asset Value of each Series of the Placement Agent Units (1% on an annual basis). The Advisory Fee will be payable in U.S. Dollars in arrears as of the last business day of each calendar month and will be calculated before any accrual for or payment of any 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 pass on all or a portion of the Advisory Fee to Placement Agents which distribute Units.

No Advisory Fee will be payable to the Investment Adviser with respect to any Direct Units.

The Fund may permit certain Unitholders to participate in the Fund on different financial terms than other Unitholders.

Fund Expenses	Operational	<p>The Investment Adviser will bear all of its separate expenses arising out of its services to the Fund and the Global Masters Fund, including all of its general overhead expenses (including the rent of its offices, compensation and benefits for its administrative staff, maintenance of its books and records, and its fixed expenses, telephones, and general purpose office equipment), but will not be responsible for any expenses of the Fund or the Global Masters Fund. In particular, the Fund and/or the Global Masters Fund, as applicable, will bear 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 local registrations and/or exchange listings; all investment expenses (<i>i.e.</i>, expenses which the Trustee or the Investment Adviser reasonably determines to be directly related to the investment of the Fund's or the Global Masters 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 and the Global Masters 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 Trustee's fees and expenses; the fees and expenses of the Fund's registered office provider; the Administrator's fees and expenses; and other expenses associated with the operation of the Fund and the Global Masters Fund, including any extraordinary expenses (such as litigation and indemnification).</p>
Portfolio Fund Fees and Expenses; Compensation of the Investment Adviser by Former DB Managers		<p>The Fund will bear its <i>pro rata</i> share of the expenses incurred by the Portfolio Funds in connection with their trading and investment activities. In addition, each Portfolio Fund will pay its Adviser, which will be either a Former DB Manager or the Investment Adviser (or one or more of its affiliates), a monthly management fee and an annual performance fee. Former DB Managers will compensate the Investment Adviser or its affiliates out of the management and performance fees received by such Former DB Managers. The Global Masters Memorandum sets forth these arrangements in detail.</p>
Selling Commissions		<p>Placement Agents may receive, in respect of investors introduced to the Fund, an upfront commission of up to 2.50% of the amount invested in the Fund by any such investor (the "Placement Fee"). The Placement Fee will be paid upon subscription and will be in addition to, not a deduction from, the subscription amount. Any such Placement Fee may be waived or reduced in respect of any particular investor without thereby</p>

entitling any other investor to a similar waiver or reduction. Placement Agents may also receive from the Investment Adviser a portion of its fees on an ongoing basis.

Liquidity

Transferability

Units may not be transferred without the prior written consent of the Trustee. Units may be redeemed quarterly, following a four full calendar quarter redemption charge period and subject to a gate, as described in detail herein and in the Global Masters Memorandum.

Redemptions

A Unitholder may redeem all or any part of such Unitholder's Units at their Net Asset Value per Unit (the "Redemption Price") as of the close of business on the last business day of any calendar quarter (each, a "Redemption Date"), upon at least 65 days' prior written notice, subject to certain restrictions, provided, that Units redeemed on or prior to the expiration of four full calendar quarters since the purchase of such Units will be subject to an early redemption charge (a "Redemption Charge") equal to (i) 5%, if such Units are redeemed at the end of the first or second full calendar quarter after the initial purchase date of such Units, or (ii) 3%, if such Units are redeemed at the end of the third or fourth full calendar quarter after the initial purchase of such Units, in each case of the Net Asset Value of such Units, payable out of the redemption proceeds and retained by the Global Masters Fund for the benefit of the remaining Global Masters Fund shareholders. If a Unitholder has invested more than once, partial redemptions will be allocated on a "first-in, first-out" basis for purposes of determining any applicable Redemption Charge with respect to the redeeming Unitholder's Units.

On the last business day of the month during which redemption requests must be provided to the Fund in respect of a Redemption Date (the "Gate Determination Date"), the Global Masters Fund will calculate the aggregate requested redemptions relating to Global Masters Shares (the "Aggregate Redemption Amount") for such Redemption Date (including redemptions requested by the Fund based on redemptions requested by Unitholders) and calculate the net asset value of the Global Masters Fund as of the Gate Determination Date. If the Aggregate Redemption Amount exceeds 20% of the net asset value of the Global Masters Fund as of the Gate Determination Date (the "Gate Threshold"), then the redemptions for all Global Masters Fund shareholders requesting redemptions as of such Redemption Date, as well as all Unitholders requesting redemption from the Fund as of such Redemption Date ("Gated Unitholders"), will be reduced *pro rata* based on the amounts of their respective redemption requests. For purposes of determining the Gate Threshold, the amount of any subscriptions to the Fund or the Global Masters Fund effective after the Gate Determination Date will not be included in the

determination of the net asset value of the Global Masters Fund. If the Aggregate Redemption Amount for any Redemption Date exceeds the Gate Threshold, such Unitholder will be subject to the limitations imposed by the Gate Threshold, as described herein.

No Gated Unitholder will be entitled to any priority as to the redemption of the Units that could not be redeemed due to the terms hereof.

To the extent that a Gated Unitholder has remaining unredeemed Units following a Redemption Date for which a redemption request for such Units was submitted, such Gated Unitholder must submit a redemption request for the remaining unredeemed Units on a timely basis in respect of the following Redemption Date.

In the event that a Gated Unitholder has requested the redemption of all of its Units and has been subject to the limitations imposed by the Gate Threshold for three successive Redemption Dates and such Gated Unitholder requests a redemption pursuant to the terms hereof of an amount equivalent to the remaining unredeemed Units from such Unitholder's original redemption request on the fourth successive Redemption Date (a "Final Redemption"), the remaining amount of such Unitholder's original redemption request will, subject to the redemption and payment suspension provisions provided herein, be redeemed as of such fourth successive Redemption Date; provided that such Gated Unitholder has not made any subscription for Units following the submission of such Gated Unitholder's original redemption request. The excess, if any, of a Gated Unitholder's redemption amount on the Final Redemption over the redemption proceeds it would have otherwise received will not reduce the amount available to be redeemed by other Global Masters Fund shareholders and Fund Unitholders.

An affiliate of the Investment Adviser has previously made an investment in the Global Masters Fund ("Seed Investment") so that the Global Masters Fund could commence operations, which it may redeem in whole or in part at any time, without notice to the other Unitholders or Global Masters Fund shareholders, without being subject to the limitations imposed by the Gate Threshold or to the Redemption Charge, possibly to the material detriment of other investors in the Global Masters Fund (including the Fund and the Unitholders). Such Seed Investment is not counted towards the numerator or denominator of the 20% test for purposes of determining the Gate Threshold and permitted redemptions.

The Fund or the Global Masters Fund, as applicable (or their respective designees), may waive the foregoing restrictions (in respect of the timing of redemptions, the Redemption Charge,

the Redemption Charge period, the notice periods for redemptions, and the Gate Threshold) in its discretion, so long as such waiver does not materially adversely affect the other Unitholders or the Global Masters Fund shareholders.

Partial redemptions may not reduce a Unitholder's investment to less than the applicable minimum investment amount (or such Unitholder's initial investment, if less).

Redemption requests will be effective only upon actual receipt by the Administrator. Neither the Fund nor the Administrator will be responsible in the event that the Administrator does not receive a redemption request on a timely basis. Redemption requests may not be revoked without the consent of the Trustee.

Unitholders will generally receive approximately 90% of the estimated redemption proceeds within thirty days and the remainder within ninety days of the Redemption Date. Under certain circumstances, the Fund may limit or suspend redemptions and/or delay payment of redemption proceeds to redeeming Unitholders. The Fund may also declare certain investments as "Designated Investments" if the Global Masters Fund has done so, as set forth herein. No interest will be paid by the Fund on redemption proceeds pending distribution to Unitholders.

Designated Investments

Although it currently has no intention to do so, the Investment Adviser may, with respect to the Global Masters Fund, designate certain investments made by the Portfolio Funds as "Designated Investments" as described in greater detail in the Global Masters Memorandum. To the extent that the Investment Adviser designates a Designated Investment at the Global Masters Fund level, it will designate a Designated Investment at the Fund level as well. In such a case, only Unitholders who are Unitholders as of the date such Designated Investment is so designated will participate in such Designated Investment. Unitholders will be issued Units of a separate Series representing such Designated Investment, which Units may not be redeemed until the related Designated Investment is liquidated or marked-to-market or is no longer "designated" as such by the Adviser of the Portfolio Fund that originally made such investment. The Investment Adviser will only "designate" an investment at the Fund and the Global Masters Fund level if such investment has been so "designated" by the Portfolio Fund that made such investment, and if the Investment Adviser determines that such Portfolio Fund's designation, individually or collectively with the Global Masters Fund's overall portfolio, is material. The Investment Adviser may also declare a Designated Investment if any Portfolio Fund has suspended redemptions or calculation of its net asset value, in which case Units issued in respect of such Designated Investment may not be redeemed until such

suspension has ended and the Global Masters Fund is able to redeem or value its investment in such Portfolio Fund. The Investment Adviser will not designate any Designated Investments if such designation would cause the aggregate amount of the Global Masters Fund's assets allocated to Designated Investments to exceed 15% of the Global Masters Fund's Net Asset Value at the time of designation (although such 15% limitation will not restrict the ability of the Global Masters Fund or Portfolio Funds to continue to invest in "designated" investments or otherwise suspend redemptions or calculations of net asset value, and the Fund may at times have more than 15% of its Net Asset Value committed to investments that it must hold until liquidated or marked-to-market, regardless of whether the Investment Adviser has "designated" such investments as Designated Investments).

Distributions

With respect to Types of Units denominated in Euros, the Trustee does not currently anticipate declaring any dividends or making any distributions. With respect to Types of Units denominated in Yen ("Yen Units"), the Trustee, in its discretion (and with the consent of the Investment Adviser) 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 Units 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 Units 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 Yen and U.S. Dollars by the Fund). 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 Units may direct the Fund to reinvest any dividend effective on the first subscription date following payment of such dividend, and may direct the Fund to do so for just the applicable dividend or until further notice.

Miscellaneous

Fiscal Year

December 31.

Auditors

PricewaterhouseCoopers (Cayman Islands).

Reports

The Fund will prepare and send to each Unitholder an audited annual financial report within 180 days after each Fiscal Year, although such delivery may be delayed if delivery of audited financial reports of the Portfolio Funds is delayed. Generally, within 45 days following the end of each month, each Unitholder will be mailed a statement containing investment information and such other financial information on an unaudited basis as the Investment Adviser determines. The Fund may provide certain additional reports (e.g., performance measures, risk measures, or general portfolio information) to current and prospective Unitholders upon request and, if deemed necessary by the Investment Adviser, upon execution of a confidentiality agreement.

Legal Counsel

Sidley Austin LLP, Chicago, Illinois, served as U.S. legal counsel to the Investment Adviser in connection with the organization of the Fund and the Global Masters Fund and the preparation of this Memorandum and may continue to serve as such in the future, but has not assumed any obligation to update this Memorandum. Sidley Austin LLP may continue to advise the Investment Adviser on matters relating to the operation of the Fund, the Global Masters Fund, and the Affiliated Portfolio Funds — including, without limitation, on matters relating to its fiduciary obligations to Unitholders — on an ongoing basis. Sidley Austin LLP does not represent and has not represented the prospective investors of the Fund in the course of the organization of the Fund, the Global Masters Fund, or any Portfolio Fund, the negotiation of its business terms, the offering of the Units or in respect of its ongoing operations. Maples and Calder, Cayman Islands, serves as a Cayman Islands counsel to the Fund and the Global Masters Fund. Neither firm represents the Unitholders in the Fund, and no other counsel has been engaged to act on behalf of the Unitholders. *Prospective investors must recognize that, as they have had no representation in the organization process, the terms of the Fund relating to themselves and the Units have not been negotiated at arm's length.*

Sidley Austin LLP's engagement by the Investment Adviser in respect of the Fund, the Global Masters Fund, or any Affiliated Portfolio Fund is limited to the specific matters as to which it is consulted by the Investment Adviser or such affiliates and, therefore, there may exist facts or circumstances which could have a bearing on the Fund's (or the Investment Adviser's) financial condition or operations with respect to which Sidley Austin LLP has not been consulted and for which Sidley Austin LLP expressly disclaims responsibility.

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 through a "fund-of-funds" investment structure comprised of various Portfolio Funds, as more fully described in the Global Masters Memorandum. The Fund intends to achieve its investment objective by investing all or substantially all of its assets in Global Masters Shares. There can be no assurance that the Fund will achieve its investment objective or that the investment strategy implemented on behalf of the Fund, the Global Masters Fund, or any Portfolio Fund will be successful.

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

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 ("new issues"). Pursuant to Rule 2790 of the NASD, certain persons and entities may not be able to participate or participate fully in gains or losses from new issues. The Trustee and the Investment Adviser will operate the Fund such that such gains and losses are allocated in accordance with NASD rules. All Unitholders will be required in their Subscription Agreements to certify whether they are "restricted" for purposes of applicable NASD rules. The Trustee has determined that since the expected income of the Fund attributable to new issues is not currently anticipated to be material, the administrative costs and burdens of properly allocating new issue profits and losses to restricted Unitholders pursuant to the "de minimis" exemption under NASD Rule 2790 significantly outweighs the benefits of allowing such Unitholders to participate in new issues profits and losses. Thus, the Fund currently intends to allocate all or substantially all of such profits and losses to non-restricted Unitholders. Except as otherwise determined by the Trustee, restricted Unitholders will not be compensated for the use of their capital to purchase new issues. The Trustee may revisit this issue in the future and will notify investors of any material change in policy.

Although the Global Masters Fund will be eligible to participate in profits and losses from new issues in which the Portfolio Funds invest, certain Portfolio Funds may determine not to allow the Global Masters Fund (and, therefore, the Fund) to participate in such profits and losses. The Global Masters Fund may experience materially different performance than investors who are permitted to participate in new issues profits and losses with respect to any such Portfolio Fund.

MANAGEMENT

Trustee

Under the terms of the Trust Deed, Caledonian Bank & Trust Limited, a Cayman Islands exempted company, acts as Trustee of the Fund. The Trustee maintains a Class A Bank and Trust License pursuant to the Banks and Trust Companies Law (2003 Revision) of the Cayman

Islands. A Class A banking license, under Cayman Islands law, permits the carrying on of local and overseas banking business and is the broadest form of license issued. All actions referred to herein as being taken by the Fund are performed by the Trustee or its delegates (including the Administrator or the Investment Adviser, as the case may be). All references herein to the Trustee refer to the Trustee or entities (such as the Investment Adviser or the Administrator) to which the Trustee has delegated its authority as permitted under the Trust Deed.

Under the Trust Deed, the Trustee is entitled to indemnification from and against any loss, expense, judgment, settlement, cost, fee, and related expense (including attorneys' fees and expenses), or damages suffered or sustained by the Trustee incurred by the Trustee in the proper performance of its duties under the Trust Deed.

The Trustee may delegate its authority under the Trust Deed, and will supervise the conduct of any delegate or sub-delegate, but will not be liable for any loss incurred by reason of any misconduct or default of any delegate or sub-delegate unless such loss is the result of the Gross Negligence, willful default, or bad faith of the Trustee.

The Unitholders of the Fund may remove and replace the Trustee upon written notice at any time on a resolution of Unitholders holding at least a majority of the Net Asset Value of the Fund. The Trustee may retire at any time upon the appointment of a qualified successor trustee.

The Conflicts Advisory Board

The Global Masters Fund has, and the Fund may in the future, appoint a Conflicts Advisory Board responsible for approving certain 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. A Conflicts Advisory Board may also be appointed and have similar authority at the Global Masters Fund level. The role of the Conflicts Advisory Board is set forth in greater detail in the Global Masters Memorandum.

Investment Adviser

DBIM serves as the investment adviser to the Fund and the Global Masters Fund. DBIM is an indirect, wholly owned subsidiary of Deutsche Bank (Deutsche Bank and its affiliated entities being collectively referred to herein as the "Deutsche Bank Group"). 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 and the Global Masters Fund. Although DBIM is currently registered as a commodity pool operator, DBIM intends to treat the Fund as an exempt pool under CFTC Rule 4.13(a)(4) on the basis that Units of the Fund will be offered only to investors that are "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 Unitholders a disclosure document or a certified annual report complying with CFTC regulations.

Mr. Steven L. Bossi, whose biography is set forth in the Global Masters Memorandum, is primarily responsible for the management of the investment activities of the Fund and the Global Masters Fund (as opposed to at the Portfolio Fund level).

DBIM has entered into a discretionary investment management agreement with the Fund (the “Investment Advisory Agreement”), which provides that the Investment Adviser has sole responsibility (except as otherwise provided below) for directing the investment and reinvestment of the assets of the Fund. The Investment Advisory Agreement provides that the Investment Adviser may delegate some or all of its investment decision-making responsibilities on behalf of the Fund 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 Unitholders, 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 misfeasance, criminal wrongdoing, unremedied breach of its duties under the Investment Advisory Agreement, or the commencement of bankruptcy, liquidation, reorganization, or similar proceedings.

The Investment Advisory Agreement provides that the Investment Adviser may assign to one or more parties some or all of the Investment Adviser’s rights, duties, and liabilities under the Investment Advisory Agreement. 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.

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 misfeasance, gross negligence, or bad faith.

The Investment Advisory Agreement provides that the Fund will indemnify and hold harmless the Investment Adviser and its affiliates, directors, managers, employees, shareholders, officers, controlling persons, employees, sub-advisers (and their respective affiliates, directors, managers, shareholders, partners, members, officers, controlling persons, and employees), agents, and/or legal representatives and controlling persons of any of the foregoing 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 misfeasance, 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 the a discretionary investment management agreement with the Global Masters Fund and each of the Affiliated Portfolio Funds on similar terms, as described in the Global Masters Memorandum.

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. \$150 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 assisting in the establishment and maintenance of bank accounts, acting as registrar and transfer agent with respect to the Units, processing the issuance, transfer, conversion, redemption, and cancellation of the Units, maintaining all appropriate Unitholder registers and ledgers, convening and conducting all meetings of the Unitholders, if any, distributing annual and other reports to Unitholders, responding to inquiries received from Unitholders, preparing and maintaining all financial and accounting books and records, calculating the Net Asset Value and Net Asset Value per Unit, maintaining the Fund’s principal administrative records, disbursing payment of expenses of the Fund, and notifying the Investment Adviser of redemption requests.

Although the Administrator will calculate the Fund’s Net Asset Value based upon the valuation principles set forth herein, it will be the Fund’s responsibility to make the ultimate valuation decisions for the Fund based primarily upon the valuations provided by the Global Masters Fund.

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 30 days. The Fund will pay the Administrator an administration fee at customary rates.

The Administrator has entered or will enter into a comparable administrative services agreement with the Global Masters Fund and each of the Affiliated Portfolio Funds. The Administrator will also provide certain administrative services in connection with the investment activities of the Affiliated Portfolio Funds, such as trade processing and reconciliation, and other back and middle office functions.

DESCRIPTION OF THE UNITS

The Fund is currently offering eight Types of Units pursuant to this Memorandum: Type A Euro Denominated Units (“Type A Euro Units”); Type A-R Euro Denominated Units (“Type A-R Euro Units”); Type A Yen Denominated Units (“Type A Yen Units”); Type A-R Yen Denominated Units (“Type A-R Yen Units”); Type B Euro Denominated Units (“Type B Euro Units”); Type B-R Euro Denominated Units (“Type B-R Euro Units”); Type B Yen Denominated Units (“Type B Yen Units”); and Type B-R Yen Denominated Units (“Type B-R Yen Units”).

The Type A Euro Units, Type A-R Euro Units, Type A Yen Units, and Type A-R Yen Units have all been designated as Direct Units and, accordingly, do not bear any Advisory Fees at the Fund level. The Type B Euro Units, Type B-R Euro Units, Type B Yen Units, and Type B-R Yen Units have all been designated as Placement Agent Units and, accordingly, bear the Advisory Fee.

The Trustee has designated the Type A-R Euro Units, Type A-R Yen Units, Type B-R Euro Units, and Type B-R Yen Units (collectively, “Restricted Units”) as Units that do not participate, or do not participate fully, in gains or losses attributable to new issues pursuant to NASD Rule

2790 but otherwise have identical rights to the Type A Euro Units, Type A Yen Units, Type B Euro Units, and Type B Yen Units (collectively, “Unrestricted Units”), respectively. Unitholders will be required to indicate in their Subscription Agreements whether they are eligible to purchase Unrestricted Units. Unitholders who are not so eligible, or who fail to complete their Subscription Agreements properly, will be issued Restricted Units. The Trustee may issue non-voting Units of each of the foregoing Series in its discretion and upon the request of an investor. The Units described herein will have identical rights except that any non-voting Units will not have any of the voting rights described herein or as set forth in the Trust Deed, and the Type A Euro Units, the Type A Yen Units, the Type A-R Euro Units, and the Type A-R Yen Units will not be charged Advisory Fees. Each Unit of a Series will be equal to every other Unit of the same Series with respect to earnings, assets, dividends, and voting privileges. All Units will be issued in book entry form.

Subscription amounts paid for non-U.S. Dollar Units will be converted to 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, the Investment Adviser will attempt to offset the currency exchange rate risk between the U.S. Dollar and the Reference Currency of such non-U.S. Dollar Units by entering into a currency hedge to protect against losses associated with currency exchange rate fluctuations. Such transactions may be entered into with affiliates of the Investment Adviser. With respect to such hedging activities, the Investment Adviser 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 such risk. Any hedging transactions are intended to protect the Fund from currency losses in respect of currency exchange rate fluctuations but could also prevent the Fund from profiting from any currency gains. As it is impossible to predict with precision the Fund’s exposure to currency exchange rate risks and because the Investment Adviser may not always be able to adjust or replace hedges in a timely manner, it is likely that the Fund will always be over- or under-hedged against currency exchange rate risks. Further, there can be no assurance that any such hedging transactions will be successful in lessening the currency exchange rate exposure of the Fund, 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. The Fund may, in the future, purchase Global Masters Shares in other currencies.

The Fund may issue additional Types of Units that differ in terms of voting rights, Reference Currencies, fees, permitted subscription dates and Redemption Dates and notice periods, minimum subscription amounts, investor eligibility requirements, dividend payment terms, legal restrictions, and in other respects, in the Trustee’s sole discretion after consultation with the Investment Adviser. Each Unit of the Fund represents an undivided beneficial interest in the assets of the Fund.

In order to track the Redemption Charge period as well as to allocate properly the fees and expenses with respect to Units sold at different times, each Type of Units will be offered in different Series. A separate Series of each Type of Units of the Fund will be issued at €1,000 per Unit with respect to Units denominated in Euros and ¥100,000 per Unit with respect to Units denominated in Yen as of each Subscription Date. At the end of each calendar year, each Series of each Type (other than the first Series issued (the “Initial Series”)), subject to the disclosure set forth in “Redemptions — Designated Investments,” that is no longer subject to the Redemption Charge period will be redesignated and converted (by simultaneous redemption and resubscription of the proceeds) into the Initial Series or the oldest outstanding Series of that

Type, as the case may be (after payment to the Investment Adviser of any applicable Advisory Fee). Such redesignation and conversion will be effected at the then-prevailing Net Asset Value per Unit of the Initial Series or the oldest outstanding Series of that Type, as the case may be.

Units generally are in book-entry, fully registered form and (except to the extent restricted by applicable law) will not be transferable, except with the prior written consent of the Trustee in its sole discretion.

FEES AND EXPENSES

The following is a summary of the fees and expenses associated with an investment in the Fund.

Organizational and Initial Offering Costs

The expenses of organizing the Fund and the initial offering of Units will be borne by the Fund. Such expenses will be amortized generally on a straight-line basis over three years beginning at the commencement of operations. Although the amortization of the Fund's organizational expenses over a three-year period is a divergence from GAAP, the Trustee believes that doing so is more equitable than requiring the initial Unitholders of the Fund to bear all of the Fund's organizational expenses as would otherwise be required under GAAP. Such divergence may be cause for qualification in any opinion given to the Fund by its auditors. However, the Trustee may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Trustee believes that doing so would be in the best interests of the Fund. For example, the Trustee may do so in order to avoid qualification of an auditor's opinion. However, the Trustee has no obligation to accelerate amortization of organizational expenses, and there can be no assurance that any opinion given to the Fund by its auditors will not be qualified.

The Fund will also bear its *pro rata* share of all organizational and initial offering costs incurred by the Global Masters Fund and the Portfolio Funds.

Advisory Fee

The Fund will pay to the Investment Adviser a monthly Advisory Fee equal to 0.0833% of the month-end U.S. Dollar Net Asset Value of each Series of Placement Agent Units (1% on an annual basis). The Advisory Fee will be payable in U.S. Dollars in arrears as of the last business day of each month and will be calculated before any accrual for or payment of any 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 pass on all or a portion of the Advisory Fee to Placement Agents which distribute Units. The Advisory Fee will not apply to any Direct Units.

Fund Operational Costs

The Investment Adviser will bear 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 will not be responsible for any expenses of the Fund. In particular, the Fund will bear 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 local registrations and/or exchange listings; all investment expenses (*i.e.*, expenses which the Trustee 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 fees and expenses of the Trustee; the fees and expenses of the Fund's registered office provider; 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 will bear full responsibility therefor and the expenses of any fees and disbursements arising therefrom.

The Fund will also bear its *pro rata* portion of the Global Masters Fund operational expenses, which are comparable and are set forth in the Global Masters Memorandum.

Redemption Charge

If a Unitholder redeems Units on or prior to the expiration of four full calendar quarters since the purchase of such Series of Units, such redemption will be subject to a Redemption Charge, payable to the Global Masters Fund, equal to (i) 5%, if such Units are redeemed at the end of the first or second full calendar quarter after the initial purchase date of such Units, or (ii) 3%, if such Units are redeemed at the end of the third or fourth full calendar quarter after the initial purchase of such Units, in each case of the Net Asset Value of such Units. If a Unitholder owns more than one Series of Units, Units will be redeemed on a "first-in, first-out" basis.

Selling Commissions

Placement Agents may receive, in respect of investors introduced to the Fund, a Placement Fee of up to 2.50% of the amount invested in such Fund by any such investor. The Placement Fee will be paid upon subscription and will be in addition to, not a deduction from, the subscription amount. Any such Placement Fee may be waived or reduced in respect of any particular investor without thereby entitling any other investor to a similar waiver or reduction. Placement Agents may also receive from the Investment Adviser a portion of its fees on an ongoing basis.

Rebates

The Investment Adviser in its discretion may rebate part or all of the Advisory Fee in the case of certain Unitholders; provided that such rebate has no adverse effect on any other Unitholder. No such rebate will entitle any other Unitholder to a rebate.

Fees and Expenses of the Global Masters Fund and the Portfolio Funds

For a detailed description of the fees and expenses associated with the Fund's investment in the Global Masters Fund and, indirectly, the Portfolio Funds (including compensation of the Investment Adviser by the Non-Affiliated Portfolio Funds), please review the Global Masters Memorandum.

NET ASSET VALUATION

The Net Asset Value of the Fund will be based principally on the Net Asset Value of the Global Masters Fund, which in turn will be based principally on the net asset value of each Portfolio Fund, determined as of the close of business on the last business day of each month.

"U.S. Dollar Net Asset Value," with respect to the Fund or the Global Masters Fund (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, Advisory Fees, management and performance fees of the Portfolio Funds, 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 in U.S. Dollars.

The initial U.S. Dollar Net Asset Value of a Series is equal to the aggregate subscription price paid in the relevant Reference Currency by all Unitholders of such Series in subscribing for such Units converted to U.S. Dollars at the applicable spot rate. Subsequently, the "U.S. Dollar Net Asset Value per Unit" is determined at the end of any period first by allocating any realized or unrealized increase or decrease in the U.S. Dollar Net Asset Value of the Fund for the period (excluding currency hedging gains or losses between U.S. Dollars and the Reference Currency as well as all Series-specific fees and expenses) among the Series *pro rata* in accordance with the U.S. Dollar Net Asset Value of each Series at the beginning of the period, then allocating to the appropriate Series any gains and losses in respect of a currency hedge between U.S. Dollars and the Reference Currency for such Series as well as all Series-specific fees and expenses, and then dividing the U.S. Dollar Net Asset Value of each Series by the number of outstanding Units therein. All Units within a Series will have the same U.S. Dollar Net Asset Value per Unit.

The Net Asset Value of each Series at any time will be the U.S. Dollar Net Asset Value of such Series, converted to the Reference Currency at the applicable spot price. The Net Asset Value per Unit of each Series will be the Net Asset Value of such Series divided by the number of Units outstanding in such Series.

The Trustee or the Administrator on its behalf, in consultation with the Investment Adviser, will conduct all asset valuations for the Fund, utilizing the valuation principles described in the Global Masters Memorandum.

The Trustee or the Administrator on its 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 Trustee or the Administrator on its 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.

Organizational expense will be amortized generally over thirty-six months from the commencement of operations of the Fund, notwithstanding GAAP. However, the Trustee may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Trustee believes that doing so is in the best interests of the Fund. Any opinion given to the Fund by its auditors may be qualified with respect to the divergence of this amortization schedule from GAAP.

The Trustee or the Administrator on its 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 Trustee or the Administrator on its 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 asset value in such current accounting period or in the prior accounting period (in which case the Fund may collect any amounts due from Unitholders during such prior period).

For the avoidance of doubt, the Administrator will calculate the value of the Fund's investments based on third-party pricing sources and pricing methodologies, which sources and methodologies are approved by the Fund or the Investment Adviser, on behalf of the Fund. At all times, it is the Fund's responsibility to make the ultimate valuation decisions for its portfolio.

Valuations provided by the Portfolio Funds may be revised by such Portfolio Funds, but the Fund will generally not make any adjustments with respect to the payment of any redemptions or issuances of Units, and remaining Unitholders will bear, *pro rata*, the increase or decrease in Net Asset Value resulting from any such changed valuation.

The valuation methodologies of the Global Masters Fund and the Portfolio Funds are set forth in greater detail in the Global Masters Memorandum.

RISK FACTORS

The following discussion of certain risks addresses some of the risks related to an investment in the Fund and does not purport to be an exhaustive list or a complete explanation of all of the risks involved in an investment in the Fund. Potential investors should review in detail the section entitled "Risk Factors" in the Global Masters Memorandum. All investments such as the Units 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 FUND HAS NO OPERATING HISTORY WITH WHICH INVESTORS MAY EVALUATE ITS LIKELY PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED BY THE FUND, THE GLOBAL MASTERS 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.

No Operating History. The Fund has not yet commenced operations and has no operating history, and the Global Masters Fund only commenced operations on June 1, 2006 and has an extremely limited operating history.

Lack of Transferability of Units. The Units 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 Units will not be transferable except with the consent of the Trustee (or its delegate). There is no and will not be any market for the Units.

Limited Right of Redemption. A Unitholder may redeem its Units only as of the end of each calendar quarter upon 65 days' prior written notice (subject to the Redemption Charge during the first four full calendar quarters since subscription for such Units and the limitations imposed by the Gate Threshold, as well as the possible restrictions on liquidity imposed by Designated Investments), and a partial redemption may be made only if the Unitholder retains Units with a Net Asset Value at least equal to the applicable minimum investment amount (or such Unitholder's initial investment, if less), unless the Trustee (or its delegate), in consultation with the Investment Adviser, consents to a lesser amount. As the payment of redemption proceeds will be based on Net Asset Value, which in turn will be based on the Net Asset Value of the Global Masters Fund, which in turn will be based, in part, on oral or written estimates of the value of the Global Masters Fund's investments from the Portfolio Funds, such redemption payments may not reflect final net asset values for the Redemption Date calculated by such Portfolio Funds. However, the Fund will generally not make any adjustments for any final valuations from such Portfolio Funds, and redeeming Unitholders will bear the risk of the understatement of the Net Asset Value while the remaining Unitholders will bear the risk of the overstatement of Net Asset Value. The Trustee may limit, suspend, or otherwise restrict a Unitholder's right to redeem all or part of its Units in certain circumstances.

Involuntary Redemption of Units. The Trustee may cause the mandatory redemption, upon five business days' prior written notice, of any or all of a Unitholder's Units at any time for any reason or for no reason.

Currency Hedging Risks. If a Unitholder makes a complete redemption of all of its Units while holding Designated Investment Units, it is likely that the Trustee will withhold a reserve for currency hedging losses with respect to such Designated Investment Units, reducing the amount of such Unitholder's redemption proceeds. If currency hedging losses with respect to such Designated Investment Units exceed such reserves, the remaining Unitholders will bear, *pro rata*, the currency hedging losses attributable to such Designated Investment Units.

Fund Not Registered. The Fund will not be registered under the U.S. Investment Company Act of 1940, as amended (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 or will be applicable to the Fund. The Fund will be a commodity pool structured to permit DBIM to treat it as an exempt pool (or to exempt DBIM from registration as a commodity pool operator) and to afford DBIM exemptions from certain otherwise applicable disclosure, reporting, and record-keeping requirements. Consequently, Unitholders will not benefit from such requirements with respect to the Fund. The Units will not be insured or guaranteed by the United States Federal Deposit Insurance Corporation or any other governmental agency. The Units will not be deposits or other obligations of any bank or other financial institution, and will not be guaranteed by any bank or other financial institution. The Units will be subject to investment risks, including the possible loss of the amount invested.

Limited Management Rights. Subject to certain limited approval rights of the Unitholders, all as set forth in the Trust Deed, and certain limitations imposed by law, the Trustee has full, exclusive, and complete power and discretion, without the need for consent or approval of any Unitholder of the Fund, to make all decisions and do all things that it deems necessary or desirable in respect of the Fund. This power has been delegated in many respects to the Investment Adviser, the Administrator, the Conflicts Advisory Board, or their affiliates. All references herein to the Trustee refer to the Trustee or entities (such as the Investment Adviser or Administrator) to which the Trustee has delegated its authority as permitted under the Trust Deed.

Multiple Layers of Expense. The Fund, the Global Masters Fund, and the Portfolio Funds have expenses and management costs that are borne directly or indirectly by the Fund (including, with respect to the Placement Agent Units, the Advisory Fee).

Information Rights. Certain investors may be provided information regarding the Fund and its investments not generally available to other investors.

As noted above, for more information about the risks associated with an investment in the Fund, including risks related to the structure of the Global Masters Fund and the Portfolio Funds, the Strategies pursued by the Advisers, and other risks, please review the Global Masters Memorandum.

Potential investors should also review in detail the section entitled "Conflicts of Interest" in the Global Masters Memorandum.

CERTAIN TAX CONSIDERATIONS

Cayman Islands

There is, at present, no direct taxation in the Cayman Islands and interest, dividends, and gains payable to the Trustee in respect of the Fund are received free of all Cayman Islands taxes. The Fund has been registered as an “exempted trust” in accordance with the Trusts Law (2001 Revision) of the Cayman Islands (the “Trusts Law”). Pursuant to the Trusts Law, the Trustee expects to receive an undertaking from the Governor in Council of the Cayman Islands to the effect that, for a period of 50 years from the date of the creation of the Fund, no law that is thereafter enacted in the Cayman Islands imposing any tax or duty to be levied on income or on capital assets, gains, or appreciation or any tax in the nature of estate duty or inheritance tax will apply to any property comprised in, or any income arising under, the Fund or to the Trustee, or to the Unitholders in respect of any such property or income.

Capital gains earned by, and interest and dividends received by, the Trustee in respect of the Fund, the Global Masters Fund, or a Portfolio Fund may be subject to withholding tax imposed by the jurisdictions in which issuers of the securities are located. Because the Cayman Islands is not a party to treaties that provide for the reduction of withholding taxes, any such taxes in respect of the Fund may be imposed at a higher rate than would be the case if a Unitholder had acquired such securities directly.

CONFIDENTIALITY AND PRIVACY

Confidential Information

The Fund, the Global Masters Fund, the Portfolio Funds, and their respective service providers, including, without limitation, the Investment Adviser, the Trustee, the Advisers, and the Administrator, may disclose any information, including, without limitation, any information regarding the Fund, the Global Masters Fund, the Portfolio Funds, the Unitholders, 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 Units 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 will 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 employees of Deutsche Bank 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, the Investment Adviser, or their affiliates.

Investors with any questions on this privacy statement may contact Deutsche Bank's Compliance Department at (212) 454-1879.

MISCELLANEOUS

Loans to Unitholders

The Fund may enter into agreements with Lending Banks (including Deutsche Bank and its affiliates) to facilitate loans to Unitholders pursuant to which such Lending Banks may accept Units as collateral for such loans. A Lending Bank that accepts Units as collateral for loans (i) will be permitted to become a Unitholder in respect of the Units 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 redemption restrictions applying to all Unitholders, to require the redemption of all Units held by it as collateral upon foreclosure under such Lending Bank's agreement with the Unitholder.

Periodic Reports to Unitholders

Generally, within 45 days of the end of each calendar month, the Fund will prepare a statement containing investment information and such other financial information on an unaudited basis as the Investment Adviser determines. In addition, an annual report containing audited financial statements will be prepared and distributed to Unitholders as soon as practicable after the close of the Fund's fiscal year. Copies of these reports will be mailed to Unitholders at their registered addresses, typically within 180 days, although such delivery may be delayed if delivery of audited financial reports of the Portfolio Funds is delayed.

Available Documents

The Trust Deed and the Memoranda and Articles of Association of the Global Masters Fund and the Affiliated Portfolio Funds, and the Fund's, the Global Masters 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 Unitholders, prospective

investors, and their authorized representatives during normal business hours at the office of the Administrator. Such documents will also be sent to Unitholders 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. The Fund may provide certain additional reports (e.g., as to certain performance measures, risk measures, or general portfolio information) to any current or prospective Unitholders on request and, if deemed necessary by the Investment Adviser, upon execution of a confidentiality agreement.

Amendments to the Trust Deed

The Trustee may, by deed supplemental to the Trust Deed, modify, alter, or add to the provisions of the Trust Deed in such manner and to such extent as the Trustee may consider expedient for any purpose. Any modification of the Trust Deed requires the consent of the holders of at least a majority of the Net Asset Value of all voting Units of all Types acting as one Type, unless such modification relates solely to one or more Types or Series, in which case only those Types or Series may vote on such change; provided, that no Unitholder approval will be required if the Trustee certifies in writing that in its opinion such modification, alteration, or addition is in the best interests of the Unitholders and (i) does not materially prejudice the interests of the Unitholders, does not operate to release in any material extent the Trustee from any liability to the Unitholders, and will not result in any material increase in the amount of costs and charges payable from the deposited property or (ii) is necessary in order to make possible compliance with any fiscal, statutory, or official requirement (whether or not having the force of law); and provided also that no such modification, alteration, or addition imposes upon any Unitholder any obligation to make any further payment in respect of its Units or to accept any liability in respect thereof.

Term

Unless earlier dissolved, the term of the Fund will be until December 31, 2056, subject, in any event, to a maximum perpetuity period of 150 years less one day from the date of the Trust Deed. The Fund may also be terminated by the Trustee upon 30 days' prior written notice if the Investment Adviser has informed the Trustee that, in its judgment, the remaining investment opportunities for the Fund will not be sufficient to achieve its investment objectives or the Net Asset Value of the Fund is too small to do so.

Cayman Islands Mutual Funds Regulation

The Fund will fall 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 U.S. \$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 will be 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 Trustee 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 Trustee 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 Trustee 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 Trustee, 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 approved or passed judgment upon the contents of this Memorandum or the merits of an investment in the Units.

There is no investment compensation scheme available to investors in the Cayman Islands.

Inquiries

Inquiries regarding the Fund and the Units 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. Facsimile: 353 (1) 707-5386 (Ireland) or (212) 453-9790 (New York). E-mail: dbarsta@imsi.com.

**EXTRACT FROM
OFFERING MEMORANDUM**

DB GLOBAL MASTERS MULTI-STRATEGY FUND LTD.

(A Cayman Islands Exempted Company)

Redeemable Participating Shares

DB ADVISORS CAPITAL MANAGEMENT

Investment Adviser

June 2006

DB GLOBAL MASTERS MULTI-STRATEGY FUND LTD.
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INTRODUCTION

DB Global Masters Multi-Strategy Fund Ltd. is a Cayman Islands exempted company (the "Fund") incorporated on May 2, 2006. 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 through a "fund-of-funds" investment structure comprised of various underlying investment vehicles (the "Portfolio Funds"). DB Investment Managers, Inc., a Delaware corporation ("DBIM") performing investment advisory services as DB Advisors Capital Management ("DB Advisors" or the "Investment Adviser"), serves as the investment adviser of the Fund. DB Advisors Capital Management is the marketing name for the single-manager and multi-strategy hedge fund activities of DB Absolute Return Strategies. DB Absolute Return Strategies is the brand name of the overall fiduciary hedge fund management business of Deutsche Bank AG ("Deutsche Bank"). DBIM is an indirect, wholly owned subsidiary of 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 serves as the Fund's commodity pool operator. Although DBIM is currently registered as a commodity pool operator with the U.S. Commodity Futures Trading Commission (the "CFTC") and is a member of the U.S. National Futures Association ("NFA") in such capacity, DBIM intends 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") will only be 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 is not required by CFTC rules to deliver to investors a disclosure document or a certified annual report complying with CFTC regulations.

The Fund expects to allocate its assets to various Portfolio Funds ("Affiliated Portfolio Funds") advised by portfolio managers ("Portfolio Managers") employed by the Investment Adviser or its affiliates. Affiliated Portfolio Funds may also 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 but have since left and formed their own firms ("Former DB Managers"). The Fund may also allocate assets to Former DB Managers which advise unaffiliated Portfolio Funds ("Non-Affiliated Portfolio Funds"). From time to time, Portfolio Managers employed by Deutsche Bank and advising Portfolio Funds to which the Fund has allocated assets may leave Deutsche Bank to establish their own Former DB Managers. To the extent the Fund wishes to maintain its investment with such Portfolio Managers following such departure, the Fund may make an allocation to such Portfolio Managers' new funds. 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 the Investment Adviser or its affiliates or sub-advised by Former DB Managers.

Each Portfolio Manager pursues on behalf of its respective Portfolio Fund(s) one or more distinct investment strategies ("Strategies"). The current Strategies pursued by the Portfolio Managers on behalf of the Portfolio Funds may be summarized as follows: equity and structured credit derivatives; multi-strategy; global equity long/short; global macro; global market neutral; equity special situations; fundamental value trading; emerging markets value; U.K. equity long/short; and Japanese equity long/short. Each Strategy may be pursued by more than one Portfolio Manager in respect of one or more Portfolio Funds. However, the Fund's Portfolio Fund line-up is not expected to be static. The Investment Adviser may 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 on June 1, 2006 with a "seed capital" investment by an affiliate of the Investment Adviser. The Fund is currently offering multiple types of redeemable participating shares denominated in U.S. Dollars ("Shares") as of the opening of business on the first business day of each calendar month and at any other

time at the discretion of the Fund (each, a "Subscription Date"). The Fund generally offers four types (each, a "Type") of Shares: Type A Shares through Type D Shares. Type A Shares and Type B Shares are only offered to investors who purchase Shares through DB Advisors itself, except as DB Advisors otherwise agrees, and do not bear any Advisory Fees (as defined herein) (the "Direct Shares"), while Type C Shares and Type D Shares bear the Advisory Fee and are generally offered to all investors who purchase Shares through or with the help of a Placement Agent (as defined herein) (including those sold by the Deutsche Bank Group or its affiliates who are not part of the DB Absolute Return Strategies Business Group) (the "Placement Agent Shares"). Type A Shares and Type C Shares have voting rights, whereas Type B Shares and Type D Shares have no voting rights. Each Type of Shares is further divided between those issued to investors able to participate fully in "new issues" (as defined in Rule 2790 of the National Association of Securities Dealers, Inc. (the "NASD")) and those who are not able to participate, or not able to participate fully, in "new issues." Except as set forth above, the Direct Shares and the Placement Agent Shares with the same capacity to participate in "new issues" have identical terms.

The minimum initial subscription amount for new investors is (i) \$500,000, with respect to the Direct Shares and (ii) \$250,000, with respect to the Placement Agent Shares. The minimum subscription amount for an existing investor (a "Shareholder") is (i) \$100,000, with respect to the Direct Shares and (ii) \$50,000, with respect to the Placement Agent Shares. The Fund may reduce the foregoing minimum subscription amounts (but not to less than \$50,000 or its equivalent, in the case of new investors, or such minimum as may be prescribed by law) and may accept or reject subscriptions in its sole discretion.

Shares will be issued at a price of \$1,000. A new series (each, a "Series") of Shares for each Type will be issued on each Subscription Date. The Fund may authorize and issue additional Types of Shares with different fees, liquidity, voting rights, dividend rights, reference currencies, and other terms.

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 (collectively, the “Articles of Association”), and the Investment Advisory Agreement (as defined herein).

The Fund

The Fund	DB Global Masters Multi-Strategy Fund Ltd., incorporated on May 2, 2006 as a Cayman Islands exempted company.
Investment Adviser	DB Investment Managers, Inc., performing investment advisory services as DB Advisors Capital Management. DBIM also serves as the Fund’s commodity pool operator.
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 through a “fund-of-funds” investment structure comprised of various 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	The Investment Adviser expects that all Portfolio Funds will be limited liability vehicles formed outside the United States. The Portfolio Funds will collectively trade a broad array of securities, derivatives, and other assets utilizing a wide variety of Strategies.
Advisers	The Investment Adviser or an affiliate serves as the investment adviser for Affiliated Portfolio Funds (although the Investment Adviser may engage one or more affiliates or Former DB Managers to serve as sub-advisers of Affiliated Portfolio Funds), while certain Former DB Managers serve as the investment advisers to the Non-Affiliated Portfolio Funds (the entity so serving as investment adviser being referred to herein as the “Adviser” of such Portfolio Fund).
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	International Fund Services (Ireland) Limited serves as the administrator, registrar, and transfer agent of the Fund and each Affiliated Portfolio Fund. Non-Affiliated Portfolio Funds may utilize different administrators.
Risks	<i>An investment in the Fund is speculative and involves substantial risks. Shares are suitable only for investors who can afford to lose all or a</i>

substantial portion 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 generally offering multiple Types of Shares in Series at a price of \$1,000 per Share as of the first business day of each calendar month and at any other time in the discretion of the Fund.

Direct and Placement Agent Shares

The Fund generally offers four Types of Shares: Type A Shares through Type D Shares. Type A Shares and Type B Shares are Direct Shares, which are only offered to investors who purchase Shares through DB Advisors itself, except as DB Advisors otherwise agrees, and do not bear any Advisory Fees (as defined herein), while Type C Shares and Type D Shares are Placement Agent Shares, which bear the 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 or its affiliates which are not part of the DB Absolute Return Strategies Business Group). Type A Shares and Type C Shares have voting rights, whereas Type B Shares and Type D Shares have no voting rights. Each Type of Shares is further divided between those issued to investors able to participate fully in “new issues” (as defined in Rule 2790 of the NASD) and those who are not able to participate, or not able to participate fully, in “new issues.”

Except as set forth above, the Direct Shares and the Placement Agent Shares with the same capacity to participate in “new issues” have identical terms.

Minimum Subscription

The minimum initial subscription amount for new investors in the Fund is (i) \$500,000, with respect to the Direct Shares and (ii) \$250,000, with respect to the Placement Agent Shares. The minimum subscription amount for an existing Shareholder is (i) \$100,000, with respect to the Direct Shares, and (ii) \$50,000, with respect to the Placement Agent Shares. The Fund may waive or reduce the foregoing minimum subscription amounts (but not to less than \$50,000, or its equivalent, in the case of new investors or such other minimum as may be prescribed by law) and may accept or reject subscriptions in its sole discretion.

Subscription Procedure

Prospective investors, whether subscribing directly or through a nominee, must complete and execute a subscription agreement (a “Subscription Agreement”), which must be delivered to the Administrator. Subscription Agreements must generally be received by the Administrator at least two business days prior to the relevant Subscription

Date (or such shorter period as is acceptable to the Fund). All investors must also make arrangements with the Administrator for the transmission of their subscription funds for receipt by the Administrator at least two business days prior to the relevant Subscription Date.

Eligible Investors

The Shares are offered only to (1) non-“United States persons” (as defined under “Eligibility to Purchase Shares,” herein) and (2) U.S. investors that are tax-exempt investors, “accredited investors” under SEC Regulation D, and “qualified purchasers” under Section 2(a)(51) of the Investment Company Act.

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).

The Portfolio Funds may have base currencies other than the U.S. Dollar. Currently, the Portfolio Fund implementing the Equilibria Global (Equity Market Neutral) Strategy has a base currency of Euros, the Portfolio Fund implementing the Torus Japan Strategy has a base currency of Yen, and the Portfolio Fund implementing the CZ Equilibria UK Strategy has a base currency of British pounds sterling.

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 expenses of organizing the Fund and the initial offering of Shares were borne by the Fund and are being amortized on a straight-line basis over three years beginning at the commencement of operations, even though such treatment is a divergence from U.S. generally accepted accounting principles (“GAAP”). However, the Board of Directors of the Fund (the “Directors”) may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Directors believe that doing so would be in the best interests of the Fund.

Advisory Fee

The Fund pays to the Investment Adviser a monthly advisory fee (the “Advisory Fee”) equal to 0.0833% of the month-end Net Asset Value of each Series of the Placement Agent Shares (1% on an annual basis). The Advisory Fee is payable in arrears as of the last business day of each calendar month and is calculated before any accrual for or payment of any 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 pass on all or a portion of the Advisory Fee to Placement Agents which distribute Shares.

No Advisory Fee is payable to the Investment Adviser with respect to any Direct Shares.

The Fund may issue Types of non-fee paying Shares and may permit certain Shareholders to participate in the Fund on different financial terms than other Shareholders.

Fund Expenses	Operational	<p>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 for 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 local registrations and/or exchange listings; all investment expenses (<i>i.e.</i>, 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 fees and expenses of the Board of Directors; the fees and expenses of the Fund's registered office provider; 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).</p>
Portfolio Fund Fees and Expenses		<p>The Fund bears its <i>pro rata</i> share of the expenses incurred by the Portfolio Funds in connection with their trading and investment activities. Such expenses may include (without limitation) the following: offering expenses associated with each offering of Portfolio Fund interests; research expenses; data processing costs and expenses; quotation and news services; ongoing sales and</p>

administrative expenses; risk monitoring expenses; trade processing and reconciliation 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; costs and expenses related to local registrations and/or exchange listings; 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); registered office fees; fees of directors and trustees; 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; organizational expenses; 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 Fees of the Portfolio Funds

The Fund also bears the management and performance fees payable at the Portfolio Fund level. Each Affiliated Portfolio Fund pays the Investment Adviser a monthly management fee ("Management Fee") ranging from 0.125% to 0.167% of each such Portfolio Fund's net asset value (1.5% to 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. Non-Affiliated Portfolio Funds pay Management Fees to their respective Advisers generally ranging from 1% to 3% per annum of the net asset value of such Non-Affiliated Portfolio Fund.

Performance Fees of the Portfolio Funds

Each Affiliated Portfolio Fund also pays its Adviser an annual performance fee ("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

Compensation of the Investment Adviser and Affiliates in Respect of Non-Affiliated Portfolio Funds

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 Shareholder and treated separately by each Portfolio Fund and will not be set-off against the performance of any other Portfolio Fund.

Because the Investment Adviser does not charge a Fund-level fee in respect of assets allocated to Non-Affiliated Portfolio Funds (except the Advisory Fee payable solely in respect of the Placement Agent Shares), Advisers to the Non-Affiliated Portfolio Funds may compensate the Investment Adviser and its affiliates out of the Management and Performance Fees received by such Advisers by payment of 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 Advisers, 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 Advisers 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. In addition, the Investment Adviser may perform placement, infrastructure, risk monitoring, or other services for Non-Affiliated Portfolio Funds and receive fees therefor at its customary rates (which, in the case of placement services, will include fees such as those described above). Further, affiliates of the Investment Adviser may act as broker, dealer, counterparty, bank, placement agent, or other service provider to Portfolio Funds and receive compensation therefor.

Selling Commissions

Placement Agents may receive, in respect of investors introduced to the Fund, an upfront commission of up to 2.50% of the amount invested in the Fund by any such investor (the "Placement Fee"). The Placement Fee is paid upon subscription and is in addition to, not a deduction from, the subscription amount. Any such Placement Fee may be waived or reduced in respect of any particular investor without thereby entitling any other investor to a similar waiver or reduction. Placement Agents may also receive from the Investment

Adviser a portion of its fees on an ongoing basis.

Liquidity

Transferability

Shares may not be transferred without the prior written consent of the Fund. Shares may be redeemed quarterly, following a four full calendar quarter redemption charge period and subject to a gate, as described below.

Redemptions

A Shareholder may redeem all or any part of such Shareholder's Shares at their Net Asset Value per Share (the "Redemption Price") as of the close of business on the last business day of any calendar quarter (each, a "Redemption Date"), upon at least 65 days' prior written notice, subject to certain restrictions, provided that Shares redeemed on or prior to the expiration of four full calendar quarters since the purchase of such Shares are subject to an early redemption charge (a "Redemption Charge") equal to (i) 5%, if such Shares are redeemed at the end of the first or second full calendar quarter after the initial purchase date 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 Charge with respect to the redeeming Shareholder's Shares.

On the last business day of the month during which redemption requests must be provided to the Fund in respect of a Redemption Date (the "Gate Determination Date"), the Fund calculates the aggregate requested redemptions relating to Shares of the Fund (the "Aggregate Redemption Amount") for such Redemption Date and calculates the Net Asset Value of the Fund as of the Gate Determination Date. If the Aggregate Redemption Amount exceeds 20% of the Net Asset Value of the Fund as of the Gate Determination Date (the "Gate Threshold"), then the redemptions for all Shareholders requesting redemptions as of such Redemption Date ("Gated Shareholders") will be reduced *pro rata* based on the amounts of their respective redemption requests. For purposes of determining the Gate Threshold, the amount of any subscriptions to the Fund effective after the Gate Determination Date are not included in the determination of the Net Asset Value of the Fund.

No Gated Shareholder is entitled to any priority as to the redemption of the Shares that could not be redeemed due to the terms hereof.

To the extent that a Gated Shareholder has remaining unredeemed Shares following a Redemption Date for which a redemption request for such Shares was submitted, such Gated Shareholder must submit a redemption request for the remaining unredeemed Shares on a timely basis in respect of the following Redemption Date.

IN THE EVENT THAT A GATED SHAREHOLDER HAS REQUESTED THE REDEMPTION OF ALL OF ITS SHARES AND HAS BEEN SUBJECT TO THE LIMITATIONS IMPOSED BY THE GATE THRESHOLD FOR THREE SUCCESSIVE REDEMPTION DATES AND SUCH GATED SHAREHOLDER REQUESTS A REDEMPTION PURSUANT TO THE TERMS HEREOF OF AN AMOUNT EQUIVALENT TO THE REMAINING UNREDEEMED SHARES FROM SUCH SHAREHOLDER'S ORIGINAL REDEMPTION REQUEST ON THE FOURTH SUCCESSIVE REDEMPTION DATE (A "FINAL REDEMPTION"), THE REMAINING AMOUNT OF SUCH SHAREHOLDER'S ORIGINAL REDEMPTION REQUEST WILL, SUBJECT TO THE REDEMPTION AND PAYMENT SUSPENSION PROVISIONS PROVIDED HEREIN, BE REDEEMED AS OF SUCH FOURTH SUCCESSIVE REDEMPTION DATE; PROVIDED THAT SUCH GATED SHAREHOLDER HAS NOT MADE ANY SUBSCRIPTION FOR SHARES FOLLOWING THE SUBMISSION OF SUCH GATED SHAREHOLDER'S ORIGINAL REDEMPTION REQUEST. THE EXCESS, IF ANY, OF A GATED SHAREHOLDER'S REDEMPTION AMOUNT ON THE FINAL REDEMPTION OVER THE REDEMPTION PROCEEDS IT WOULD HAVE OTHERWISE RECEIVED DOES NOT REDUCE THE AMOUNT AVAILABLE TO BE REDEEMED BY OTHER SHAREHOLDERS.

AN AFFILIATE OF THE INVESTMENT ADVISER HAS PREVIOUSLY MADE AN INVESTMENT IN THE FUND ("SEED INVESTMENT"), WHICH IT MAY REDEEM IN WHOLE OR IN PART AT ANY TIME, WITHOUT NOTICE TO OTHER SHAREHOLDERS, WITHOUT BEING SUBJECT TO THE LIMITATIONS IMPOSED BY THE GATE THRESHOLD OR TO THE REDEMPTION CHARGE, POSSIBLY TO THE MATERIAL DETRIMENT OF OTHER INVESTORS IN THE FUND (INCLUDING THE SHAREHOLDERS). SUCH SEED INVESTMENT IS NOT COUNTED TOWARDS THE NUMERATOR OR DENOMINATOR OF THE GATE THRESHOLD FOR PURPOSES OF DETERMINING THE GATE THRESHOLD AND PERMITTED REDEMPTIONS.

THE FUND OR ITS DESIGNEE MAY WAIVE THE FOREGOING RESTRICTIONS (IN RESPECT OF THE TIMING OF REDEMPTIONS, THE REDEMPTION CHARGE, THE REDEMPTION CHARGE PERIOD, THE NOTICE PERIODS FOR REDEMPTIONS, AND THE GATE THRESHOLD) IN ITS DISCRETION, SO LONG AS SUCH WAIVER DOES NOT MATERIALLY ADVERSELY AFFECT THE OTHER SHAREHOLDERS. THE FUND MAY ALSO PERMIT OTHER INVESTMENT FUNDS MANAGED OR ADVISED BY THE INVESTMENT ADVISER OR ITS AFFILIATES TO INVEST AS "FEEDER FUNDS" INTO THE FUND. SUCH OTHER INVESTMENT FUNDS GENERALLY ARE ABLE TO REDEEM SHARES MORE FREQUENTLY AND UPON LESS NOTICE THAN

OTHER SHAREHOLDERS (AND WITHOUT BEING SUBJECT TO THE REDEMPTION CHARGE OR THE GATE THRESHOLD) FOR PURPOSES OF RAISING CASH TO PAY FEES OR EXPENSES OR ANNUAL DISTRIBUTIONS OF NET PROFIT. HOWEVER, THE INVESTORS IN SUCH FUNDS WILL GENERALLY BEAR THE SAME LIQUIDITY TERMS AS SHAREHOLDERS IN THE FUND AND ARE SUBJECT TO THE FUND'S GATE THRESHOLD AND REDEMPTION CHARGE WITH RESPECT TO THEIR REDEMPTION REQUESTS.

PARTIAL REDEMPTIONS MAY NOT REDUCE A SHAREHOLDER'S INVESTMENT TO LESS THAN THE APPLICABLE MINIMUM INVESTMENT AMOUNT (OR SUCH SHAREHOLDER'S INITIAL INVESTMENT, IF LESS).

REDEMPTION REQUESTS WILL BE EFFECTIVE ONLY UPON ACTUAL RECEIPT BY THE ADMINISTRATOR. NEITHER THE FUND NOR THE ADMINISTRATOR WILL BE RESPONSIBLE IN THE EVENT THAT THE ADMINISTRATOR DOES NOT RECEIVE A REDEMPTION REQUEST ON A TIMELY BASIS. REDEMPTION REQUESTS MAY NOT BE REVOKED WITHOUT THE CONSENT OF THE DIRECTORS.

SHAREHOLDERS GENERALLY RECEIVE APPROXIMATELY 90% OF THE ESTIMATED REDEMPTION PROCEEDS WITHIN THIRTY DAYS AND THE REMAINDER WITHIN NINETY DAYS OF THE REDEMPTION DATE. UNDER CERTAIN CIRCUMSTANCES, THE FUND MAY LIMIT OR SUSPEND REDEMPTIONS AND/OR DELAY PAYMENT OF REDEMPTION PROCEEDS TO REDEEMING SHAREHOLDERS. THE FUND MAY ALSO DECLARE CERTAIN INVESTMENTS AS "DESIGNATED INVESTMENTS" IF THE PORTFOLIO FUND HAS DONE SO OR IN CERTAIN OTHER LIMITED CIRCUMSTANCES, AS SET FORTH HEREIN. NO INTEREST WILL BE PAID BY THE FUND ON REDEMPTION PROCEEDS PENDING DISTRIBUTION TO SHAREHOLDERS.

Designated Investments

Although it currently has no intention to do so, the Investment Adviser may, in its discretion, designate certain investments made by the Portfolio Funds as "Designated Investments" in which only persons who are Shareholders as of the date such Designated Investment is so designated will participate. Shareholders will be issued Shares of a separate Series representing such Designated Investment, which Shares may not be redeemed until the related Designated Investment is liquidated or marked-to-market or is no longer "designated" as such by the Adviser of the Portfolio Fund that originally made such investment. The Investment Adviser will only "designate" an investment if such investment has been so "designated" by the Portfolio Fund that made such investment, and if the

Investment Adviser determines that such Portfolio Fund's designation, individually or collectively with the Fund's overall portfolio, is material. The Investment Adviser may also declare a Designated Investment if any Portfolio Fund has suspended redemptions or calculation of its net asset value, in which case Shares issued in respect of such Designated Investment may not be redeemed until such suspension has ended and the Fund is able to redeem or value its investment in such Portfolio Fund. The Investment Adviser will not designate any Designated Investments if such designation would cause the aggregate amount of the Fund's assets allocated to Designated Investments to exceed 15% of the Fund's Net Asset Value at the time of designation (although such 15% limitation will not restrict the ability of the Portfolio Funds to continue to invest in "designated" investments or otherwise suspend redemptions or calculations of net asset value, and the Fund may at times have more than 15% of its Net Asset Value committed to investments that it must hold until liquidated or marked-to-market, regardless of whether the Investment Adviser has "designated" such investments as Designated Investments).

Distributions

The Directors do not currently anticipate declaring any dividends or making any distributions with respect to Shares held directly by Shareholders, but may, after consultation with the Investment Adviser, determine to do so at any time, and certain feeder funds into the Fund (or classes of such feeder funds) will make annual distributions of profits.

Miscellaneous

Fiscal Year

December 31.

Auditors

PricewaterhouseCoopers (Cayman Islands).

Reports

The Fund will prepare and send to each Shareholder an audited annual financial report within 180 days after each Fiscal Year, although such delivery may be delayed if delivery of audited financial reports of the Portfolio Funds is delayed. Generally, within 45 days following the end of each month, each Shareholder will be mailed a statement containing investment information and such other financial information on an unaudited basis as the Investment Adviser determines. The Fund may provide certain additional reports (e.g., performance measures, risk measures, or general portfolio information) to current and prospective Shareholders upon request and, if deemed necessary by the Investment Adviser, upon execution of a confidentiality agreement.

Legal Counsel

Sidley Austin LLP, Chicago, Illinois, served as U.S. legal counsel to the Investment Adviser in connection with the organization of the Fund and the preparation of this Memorandum and may continue to serve as such in the future, but has not assumed any obligation to update this Memorandum. Sidley Austin LLP may continue to advise the Investment Adviser on matters relating to the operation of the Fund and the Affiliated Portfolio Funds — including, without limitation, on matters relating to its fiduciary obligations to Shareholders — on an ongoing basis. Sidley Austin LLP does not represent and has not represented the prospective investors of the Fund in the course of the organization of the Fund or any Portfolio Fund, the negotiation of its business terms, the offering of the Shares or in respect of its ongoing operations. Maples and Calder, Cayman Islands, serves as a 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. *Prospective investors must recognize that, as they have had no representation in the organization process, the terms of the Fund relating to themselves and the Shares have not been negotiated at arm's length.*

Sidley Austin LLP's engagement by the Investment Adviser in respect of the Fund or any Affiliated Portfolio Fund is limited to the specific matters as to which it is consulted by the Investment Adviser or such affiliates and, therefore, there may exist facts or circumstances which could have a bearing on the Fund's (or the Investment Adviser's) financial condition or operations with respect to which Sidley Austin LLP has not been consulted and for which Sidley Austin LLP expressly disclaims responsibility.

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 through a "fund-of-funds" investment structure comprised of various Portfolio Funds. 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 through a "fund-of-funds" investment structure composed of various Portfolio Funds. The Fund may allocate its assets to both Affiliated Portfolio Funds and Non-Affiliated Portfolio Funds. The Investment Adviser or an affiliate serves as investment adviser to each Affiliated Portfolio Fund (although the Investment Adviser may hire one or more affiliates or Former DB Managers to serve as sub-adviser to an Affiliated Portfolio Fund), while Former DB Managers serve as investment advisers to the Non-Affiliated Portfolio Funds.

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.

Each Portfolio Fund is advised by an Adviser that implements the Strategy or Strategies specific to such Portfolio Fund. The Strategies pursued by the Advisers on behalf of the Portfolio Funds may be summarized as follows: equity and structured credit derivatives; multi-strategy; global equity long/short; global macro; global market neutral; equity special situations; fundamental value trading; emerging markets value; U.K. equity long/short; and Japanese equity long/short. Former DB Managers serve as the Advisers for the Non-Affiliated Portfolio Funds implementing the Sanno Point, GSA Capital Global Macro, GSA Capital International, Altima Global Special Situations, and CZ Equilibria UK Strategies (as described below). The Investment Adviser or an affiliate currently serves or will soon serve as the Adviser for all other Strategies, although the Investment Adviser has engaged Deutsche Asset Management International GmbH ("DeAM International") to act as sub-adviser with respect to the Equilibria Global (Equity Market Neutral) Strategy, DB Absolute Return Strategies Limited ("DB ARSL") to act as sub-adviser with respect to the Torus Japan Strategy, and BroadStreet Capital Partners, LP ("BroadStreet"), a Former DB Manager, to act as sub-adviser with respect to the Noetic Equity Long/Short and Noetic Global Diversified Trading Strategies. The Investment Adviser 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.

The Advisers collectively may invest or trade, on margin or otherwise, in long and short positions, for short-term and long-term gain, in a broad range of securities, derivatives, and other assets, including, but not limited to, U.S. and non-U.S. common stocks and preferred stocks, bonds, notes, commercial paper, bank deposits and acceptances, and other obligations and instruments or evidences of indebtedness commonly referred to as securities, rights, warrants, and options to purchase or sell any of the foregoing or any securities index, interest rate, security, and currency swaps, caps, floors, contracts for difference, and other notional principal contracts, currency forward contracts, and stock and financial futures and options.

The Fund has an investment objective substantially similar to DB Global Masters Fund Ltd. ("Global Masters I"), and the Investment Adviser uses the same basic investment policies and procedures for the Fund as it does for Global Masters I. 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, the Fund in general will not be able to invest in certain Portfolio Funds owned by Global Masters I that are currently closed to new investment by the Fund. The Fund is not intended to replicate the portfolio of Global Masters I, and no effort will be made to allocate all of the Fund's assets to the same Portfolio Funds as comprise the Global Masters I portfolio, although it is likely that the Fund and Global Masters I 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 I or to otherwise replicate the Global Masters I portfolio. To the extent that the Investment Adviser allocates Fund assets and Global Masters I assets among the same Portfolio Funds, the Investment Adviser will attempt to do so fairly pursuant to allocation procedures applicable to these products.

Set forth below are the Strategies that the Advisers' Portfolio Managers employ on behalf of the Portfolio Funds. Certain of the current Strategies may be terminated and/or additional Strategies may be added in the future. Investors will periodically receive updates on the Strategies comprising the Fund's portfolio.

CQ Capital (equity and structured credit derivatives). The CQ Capital Strategy is implemented by Deutsche Bank Trust Company Americas ("DBTCA"), an affiliate of the Investment Adviser, through an Affiliated Portfolio Fund. The CQ Capital Strategy 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 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.

Sanno Point (multi-strategy). The Sanno Point Strategy is implemented by Sanno Point Capital Management L.L.C. ("Sanno Point"), a Former DB Manager, through a Non-Affiliated Portfolio Fund. The Sanno Point Strategy aims to maximize returns while limiting annual volatility utilizing a global multi-strategy approach comprising two primary strategies: relative value and event-driven. Using proprietary analytics and fundamental research, the Sanno Point Strategy constructs a single cross-security analytic framework which spans the debt, equity, and derivative markets, resulting in a portfolio consisting of a wide array of asset classes and non-traditional hedges. The Sanno Point Strategy's relative value approach comprises capital structure arbitrage, convertible arbitrage, corporate fixed-income arbitrage, credit long-short, and equity volatility arbitrage strategies, while its event-driven approach comprises corporate catalyst and macro catalyst strategies.

Noetic Equity Long/Short (global equity long/short). The Noetic Equity Long/Short Strategy is implemented by DBTCA, which has engaged BroadStreet, a Former DB Manager, to act as sub-adviser to an Affiliated Portfolio Fund. 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. The Noetic Equity Long/Short Strategy seeks to achieve long-term volatility levels similar to the long-term volatility levels of the Standard & Poor's Composite Index (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. The Noetic Equity Long/Short Strategy also incorporates a high frequency trading program to take directional positions on individual stocks for only brief periods of time for momentum trading.

Noetic Global Diversified Trading (global macro). The Noetic Global Diversified Strategy is implemented by DBTCA, which has engaged BroadStreet, a Former DB Manager, to act as sub-adviser to an Affiliated Portfolio Fund. The Noetic 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. The Noetic Global Diversified Trading Strategy seeks to achieve long-term volatility levels similar to or less than the long-term volatility levels of the 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.

GSA Capital Global Macro (global macro). The GSA Capital Global Macro Strategy is implemented by GSA Capital Partners LLP ("GSA Capital"), a Former DB Manager, through a Non-Affiliated Portfolio Fund. The GSA Capital Global Macro Strategy is a collection of short-term systematic trading strategies employed across global equities, futures, and currency markets. The GSA Capital Global Macro Strategy aims to generate an attractive return on capital with negligible correlation to the global level of equity and bond markets. The GSA Capital Global Macro Strategy's approach employs both market neutral and directional components based on technical, fundamental, and economic inputs. This results in a broadly diversified portfolio of approximately 80 futures markets, 11 currency positions, and 3,800 stock positions, although the Portfolio Fund pursuing the GSA Capital Global Macro Strategy may invest in greater or fewer markets or positions. All funds managed by GSA Capital (including the Portfolio Fund pursuing the GSA Capital Global Macro Strategy) share common technology and data infrastructures. The GSA Capital Global Macro Strategy leverages off the trading volumes generated by the statistical models of another fund managed by GSA Capital, resulting in efficient, low-cost execution. The dedicated GSA Capital Global Macro research team has extensive experience in looking for small but persistent anomalies which can be exploited using efficient execution. Research is a continuous process focusing on expanding the current signal set and creating new models in order to counteract the process of market efficiency and increase strategy diversification. GSA Capital's proprietary high-speed backtesting framework shortens the model development time while increasing the accuracy of results.

GSA Capital International (global market neutral). The GSA Capital International Strategy is implemented by GSA Capital, a Former DB Manager, through a Non-Affiliated Portfolio Fund. The GSA Capital International 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. The GSA Capital International 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.

Altima Global Special Situations (equity special situations). The Altima Global Special Situations Strategy is implemented by Altima Partners LLP ("Altima Partners"), a Former DB Manager, through a Non-Affiliated Portfolio Fund. The Altima Global Special Situations Strategy seeks to take significant positions in undervalued companies and identify and analyze a catalyst which will cause the share price to increase. The Altima Partners team relies heavily on cash flow analysis as well as corporate finance techniques and discipline, and may be actively involved in unlocking value. The Portfolio Fund implementing the Altima Global Special Situations Strategy has a global mandate, and invests mainly in equities. The Altima Global Special Situations Strategy invests principally in liquid instruments, but has the ability to invest in structured or illiquid opportunities. The Altima Partners team employs an opportunistic approach, and the Portfolio Fund implementing the Altima Global Special Situations Strategy tends to hold relatively few positions. The Altima Global Special Situations Strategy generally has a

long bias, but appropriate hedging mechanisms are used to reduce market exposure and control volatility.

Fundamental Value Trading (fundamental value trading). The Fundamental Value Trading Strategy is implemented by DBTCA through an Affiliated Portfolio Fund. The Fundamental Value Trading Strategy 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 Fundamental Value Trading Strategy attempts to achieve its investment objective without any dependence on overall equity market conditions or returns.

Alpamayo Emerging Markets Value (emerging markets value). The Alpamayo Emerging Markets Value Strategy is implemented by DBTCA through an Affiliated Portfolio Fund. The Alpamayo Emerging Markets Value Strategy 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.

Torus Japan (Japanese equity long/short). The Torus Japan Strategy is implemented by DBTCA, which has engaged DB ARSL, an affiliate of the Investment Adviser, to act as sub-adviser, through an Affiliated Portfolio Fund. The Torus Japan Strategy aims to achieve attractive absolute returns with medium volatility and low correlation to a Japanese equity market return, through taking long and short positions in Japanese equities and equity-related securities. DB ARSL 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), the “sell side,” and DB ARSL’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.

Equilibria Global (Equity Market Neutral) (global equity market neutral). The Equilibria Global (Equity Market Neutral) Strategy is implemented by DBTCA, which has engaged DeAM International, an affiliate of the Investment Adviser, to act as sub-adviser, through an Affiliated Portfolio Fund. 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.

CZ Equilibria UK (U.K. equity long/short). The CZ Equilibria UK Strategy is implemented by CZ Capital LLP (“CZ Capital”), a Former DB Manager, through a Non-Affiliated Portfolio Fund. CZ Capital’s investment process is bottom-up fundamental research and valuation-based stock selection. The CZ Equilibria UK Strategy involves both long and short positions in U.K. equities based on fundamental views that certain stocks will outperform or underperform their current market price. A central tenet of the CZ Equilibria UK Strategy is a belief that significant stock 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 Strategy seeks to identify catalysts that will impact a stock price's outperformance or underperformance.

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

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 ("new issues"). Pursuant to Rule 2790 of the NASD, certain persons and entities may not be able to participate or participate fully in gains or losses from new issues. The Directors and the Investment Adviser operate the Fund such that such gains and losses are allocated in accordance with NASD rules. All Shareholders are required in their Subscription Agreements to certify whether they are "restricted" for purposes of applicable NASD rules. The Directors have determined that since the expected income of the Fund attributable to new issues is not currently anticipated to be material, the administrative costs and burdens of properly allocating new issue profits and losses to restricted Shareholders pursuant to the "de minimis" exemption under NASD Rule 2790 significantly outweighs the benefits of allowing such Shareholders to participate in new issues profits and losses. Thus, the Fund currently intends to allocate all or substantially all of such profits and losses to non-restricted Shareholders. Except as otherwise determined by the Directors, restricted Shareholders will not be compensated for the use of their capital to purchase new issues. The Directors may revisit this issue in the future and will notify investors of any material change in policy.

Although the Fund will be eligible to participate in profits and losses from new issues in which the Portfolio Funds invest, certain Portfolio Funds may determine not to allow the Fund to participate in such profits and losses. The Fund may experience materially different performance than investors who are permitted to participate in new issues profits and losses with respect to any such Portfolio Fund.

Allocation of New Issues

To the extent that new issues are traded by an Affiliated Portfolio Fund, the Investment Adviser or its affiliate 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 an Affiliated Portfolio Fund 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 and its affiliates have adopted procedures regarding the allocation of 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 are usually done on a pre-determined *pro rata* basis. Any deviations to the applicable allocation methodologies must be approved by compliance personnel. Such policies do not apply to Non-Affiliated Portfolio Funds advised by Former DB Managers or Affiliated Portfolio Funds sub-advised by Former DB Managers.

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 and repurchase agreements. In addition, the Fund, in consultation with the Investment Adviser, pursuant to the Investment Advisory Agreement (as defined below) and in compliance with applicable law, may decide to fund redemptions or subscription receivables through credit facilities provided to the Fund by the Investment Adviser, the Fund's custodian, or their respective affiliates, or from unaffiliated third parties at prevailing market rates. Although the amount of the credit facility would represent only a portion of the Fund's Net

Asset Value, the custodian's collateral is expected to extend to the Portfolio Fund interests and any other assets of the Fund held by the custodian. However, any use by the Fund of any such credit facility is expected to be short-term and not substantial.

Cash Reserves

The Investment Adviser is not required to allocate all of the Fund's assets to Portfolio Funds and may maintain such cash reserves as it may from time to time deem to be appropriate for defensive purposes, to fund future allocations, or to pay operating costs. The Investment Adviser may invest and manage such cash reserves in Treasury securities, money market funds, bank deposits, and similar short-term instruments or accounts. If the Investment Adviser allocates some of the Fund's assets to a money market fund or similar investment, the Fund will bear the standard management fees and costs and expenses of such money market fund in addition to the fees and expenses payable at the Fund level.

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 will meet 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 majority vote of the Shareholders entitled to vote. Also, the Directors may elect one or more additional persons to serve as Directors of the Fund or to fill vacancies. The Directors will 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. With respect to the delegation of authority to make investment decisions, the Investment Adviser will periodically present the Directors with (among other things) information relating to the Investment Adviser's allocation among Portfolio Funds and its compensation with respect to such Portfolio Funds. The Directors have also delegated to a conflicts advisory board (the "Conflicts Advisory Board") the responsibility for approving certain significant 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 serve as the current Directors of the Fund:

David S. Sargison. Mr. Sargison has over twenty-three years' experience working in the offshore financial industry, and is currently Managing Director of Ogier Fiduciary Services (Cayman) Limited ("Ogier"). 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.

Caledonian Directors Limited. Caledonian Directors Limited ("CDL") is a Cayman Islands company specializing in providing professional director services for sophisticated clients. It is a wholly owned subsidiary of Caledonian Holdings Limited and an affiliate of Caledonian Bank & Trust Limited, a Class A bank and trust company headquartered in the Cayman Islands. A Class A banking license, under Cayman Islands law, permits the carrying on of local and overseas banking business and is the broadest form of license issued. CDL's directors are experienced professionals resident in the Cayman Islands. They have broad financial services backgrounds and have worked with many premier fund groups and investment managers. CDL builds upon Caledonian Bank & Trust Limited's more than 30 years' expertise in the area of director services by adding enhanced administrative services that emphasize individual attention and professional management.

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, expenses, losses, damages, and liabilities 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 gross negligence, willful misfeasance, or bad faith, and no such Director will be answerable for the acts, receipts, neglects, defaults, or omissions 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 gross negligence, willful misfeasance, or bad faith of such Director.

A Director may vote on a proposal, arrangement, or contract in which he is materially interested as provided for in the 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 thereof and will each receive an annual fee.

The Conflicts Advisory Board

The Fund and each Affiliated Portfolio Fund will appoint a Conflicts Advisory Board which will be responsible for approving certain 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 will not be obligated to obtain Conflicts Advisory Board approval for any transaction unless such approval is required by law; provided, however, that the Investment Adviser will seek Conflicts Advisory Board approval for allocations to Affiliated Portfolio Funds if the Investment Adviser and/or an affiliate own 25% or more of such Affiliated Portfolio Fund. Such transactions may be approved by any single member of the Conflicts Advisory Board. Members of the Conflicts Advisory Board will be unaffiliated with the Investment Adviser, although they may serve on the boards of directors or conflicts advisory boards of other funds managed or sponsored by the Investment Adviser or its affiliates (including the Affiliated Portfolio Funds).

The Directors of the Fund or such 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 will 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 of the Fund

DB Investment Managers, Inc., performing investment advisory services as DB Advisors Capital Management, serves as the investment adviser to the Fund. DB Advisors Capital

Management is the marketing name for the single-manager and multi-strategy hedge fund activities of DB Absolute Return Strategies. DB Absolute Return Strategies is the brand name of the overall fiduciary hedge fund management business of Deutsche Bank. DBIM is an indirect, wholly owned subsidiary of Deutsche Bank (Deutsche Bank and its affiliated entities being collectively referred to herein as the “Deutsche Bank Group”). 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, DBIM intends 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 Steven L. Bossi, who will be primarily responsible for the Investment Adviser’s investment activities at the Fund level (as opposed to the Portfolio Fund level).

Mr. Steven L. Bossi is Global Head of Topiary Fund Management 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. Prior to April 2005, Mr. Bossi served as Deputy Head of Topiary Fund Management for DB Absolute Return Strategies. 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.

DBIM has entered into a discretionary investment management agreement with the Fund (the “Investment Advisory Agreement”), and DBIM or an affiliate has entered into a discretionary investment management agreement with each Affiliated Portfolio Fund (each, a “Portfolio Fund Investment Advisory Agreement”). Each of the Investment Advisory Agreement and the Portfolio Fund Investment Advisory Agreements provides that DBIM or such affiliate 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. Each of the Investment Advisory Agreement and the Portfolio Fund Investment Advisory Agreements provide that DBIM or such affiliate may delegate some or all of its investment decision-making responsibilities on behalf of the Fund and the Affiliated 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 misfeasance, criminal wrongdoing, unremedied breach of its duties under the Investment Advisory Agreement, or the commencement of bankruptcy, liquidation, reorganization, or similar proceedings.

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 misfeasance, gross negligence, or bad faith.

The Investment Advisory Agreement provides that the Fund will indemnify and hold harmless the Investment Adviser and its affiliates, directors, managers, employees, shareholders, officers, controlling persons, employees, sub-advisers (and their respective affiliates, directors, managers, shareholders, partners, members, officers, controlling persons, and employees), agents, and/or legal representatives and controlling persons of any of the foregoing 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 misfeasance, 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 or will enter into Portfolio Fund Investment Advisory Agreements with the Affiliated Portfolio Funds on substantially similar terms.

Advisers and Sub-Advisers of the Portfolio Funds

The Portfolio Funds are each advised by an Adviser implementing the Strategy or Strategies for each Portfolio Fund. The Investment Adviser or an affiliate serves as Adviser for all Affiliated Portfolio Funds. However, DBTCA, as Adviser of the Equilibria Global (Equity Market Neutral) and Torus Japan Strategies, has engaged affiliates as sub-advisers, while DBTCA, as Adviser of the Noetic Equity Long/Short and Noetic Global Diversified Trading Strategies, has engaged an unaffiliated third party, BroadStreet, to act as sub-adviser. Further, Former DB Managers serve as the Advisers for the Sanno Point, GSA Capital Global Macro, GSA Capital International, Altima Global Special Situations, and CZ Equilibria UK. Information on the Investment Adviser appears above and information on the Former DB Managers and the Portfolio Managers, at the Investment Adviser and the Advisers and sub-advisers, appears below. Information regarding Former DB Managers has been provided by such Former DB Managers and has not been independently verified by the Investment Adviser.

Sanno Point Capital Management L.L.C.

Sanno Point is a Delaware limited liability company registered as an investment adviser with the SEC. Sanno Point is a Former DB Manager and serves as Adviser to the Sanno Point Strategy.

David Hammond. David Hammond is a principal and portfolio manager of Sanno Point, and a Portfolio Manager of the Sanno Point Strategy. Prior to co-founding Sanno Point, Mr. Hammond was a Managing Director at Deutsche Bank, where he co-managed Deutsche Bank's U.S. convertible bond trading business with Mark Tanaka from March 2002 to July 2004. During this period, Mr. Hammond was primarily responsible for proprietary trading, trading risk management, and business control. Prior to March 2002, Mr. Hammond managed the convertible bond trading desk for the Deutsche Bank Tokyo office, attaining the position of Director: Head of Convertible Bond Trading. Mr. Hammond began his career in London as a proprietary convertible bond trader focusing on Asia (ex Japan). He was employed at Deutsche Bank from 1996 until July 2004 (NatWest Markets from 1996 to its acquisition by Deutsche Bank in 1998). Mr. Hammond attended Oxford University in the United Kingdom and was awarded a Bachelor of Arts in Physics and a Master of Science in Mathematics in 1994 and 1995, respectively.

Mark Tanaka. Mark Tanaka is a principal and portfolio manager of Sanno Point, and a Portfolio Manager of the Sanno Point Strategy. Prior to co-founding Sanno Point, Mr. Tanaka was a Managing Director at Deutsche Bank, where he co-managed Deutsche Bank's U.S. convertible bond trading business with Mr. Hammond from March 2002 to July 2004. In addition to co-managing the growth of a proprietary trading book, Mr. Tanaka was involved in determining the direction for hiring, technology, and operations. Prior to that position, he spent five years in Tokyo establishing and building out the structured credit effort within the Fixed-Income division. From February 1996 to August 1997, Mr. Tanaka was London-based and worked as a fixed-income and FX structurer, following 2.5 years at Deutsche Bank's New York swaps desk. Mr. Tanaka was an economist with the Federal Reserve Bank of New York from 1988 to 1991. He received a B.Sc. in Econometrics from the London School of Economics, and an M.B.A. from The Wharton School at the University of Pennsylvania in 1993.

GSA Capital Partners LLP

GSA Capital is a limited liability partnership incorporated in England and Wales on September 15, 2004. GSA Capital is authorized and regulated by the U.K. Financial Services Authority (the "FSA"). GSA Capital is also registered with the SEC as an investment adviser. GSA Capital is a Former DB Manager and serves as the Adviser to the GSA Capital Global Macro and GSA Capital International Strategies.

Jonathan Hiscock is the Chief Executive Officer of GSA Capital. GSA Capital focuses on quantitative research and model-driven trading in several regions, asset classes, and time horizons. Mr. Hiscock is responsible for the overall strategic direction of GSA Capital, and he actively manages research, trading, and risk for the various funds under GSA Capital's management (including the Portfolio Funds pursuing the GSA Capital Global Macro and GSA Capital International Strategies). Prior to establishing GSA Capital, from September 2001 to February 2005, Mr. Hiscock was the Managing Director of Global Statistical Arbitrage at Deutsche Bank (DB Advisors, L.L.C.), where he was responsible for leading a team of up to sixteen people investing in long/short equity strategies in major equity markets. During that time, Mr. Hiscock managed both proprietary and client capital. Prior to joining Deutsche Bank, from March 1997 to September 2001, Mr. Hiscock was a director in the equity proprietary trading team at Credit Suisse First Boston. Prior to that, he was an associate in the equity proprietary trading team at BZW Equities from November 1996 to May 1997. Prior to that, he was an associate in the quantitative research team at BZW Investment Management. Mr. Hiscock has a B.A. in Mathematics from the University of Oxford and is registered with the FSA.

CZ Capital LLP

CZ Capital is a limited liability partnership incorporated in England on November 7, 2005. CZ Capital is authorized and regulated by the FSA and registered with the SEC as an investment adviser. CZ Capital is a Former DB Manager and serves as the Adviser to the CZ Equilibria UK Strategy.

Charles Curtis. Charles Curtis is a partner and Chief Executive Officer of CZ Capital and the senior Portfolio Manager of the CZ Equilibria UK Strategy. He was formerly a Managing Director of DB ARSL, where he served as senior portfolio manager to the DB Equilibria UK Fund. 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 Deutsche Asset Management's ("DeAM") U.K. Investment Committee. In 1995, Mr. Curtis launched DeAM's UK Growth Trust, having Mr. Curtis joined Deutsche Bank from Mercury Asset Management Group plc in 1991, where he had been responsible for managing U.K. specialist funds for clients with high performance mandates. In 1985, Mr. Curtis obtained his B.A. in English at Manchester College, Oxford.

Altima Partners LLP

Altima Partners is a limited liability partnership incorporated in England in February 2004, and is authorized and regulated by the FSA. Altima Partners is a Former DB Manager and serves as the Adviser to the Altima Global Special Situations Strategy.

Mark Donegan. Mark Donegan is the Chief Investment Officer of Altima Partners and the senior Portfolio Manager of the Altima Global Special Situations Strategy. Over the last twenty-one years, he has worked at County Natwest, 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.

Deutsche Asset Management International GmbH

DeAM International serves as the sub-adviser with respect to the Equilibria Global (Equity Market Neutral) Strategy. 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. Jan Viebig is the Portfolio Manager for the Equilibria Global (Equity Market Neutral) Strategy. He 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.

DB Absolute Return Strategies Limited

DB ARSL serves as the sub-adviser with respect to the Torus Japan Strategy. DB ARSL was incorporated in England and Wales as a private company limited by shares, and is authorized and regulated by the FSA. DB ARSL is an indirect, wholly owned subsidiary of Deutsche Bank AG.

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 DB ARSL. Mr. Pulsford joined Deutsche Bank in 1984, where he managed small-cap Japanese equities in Tokyo prior to joining DB ARSL. Mr. Pulsford earned a B.A. from Oxford University.

Sara Gardiner-Hill. Sara Gardiner-Hill is a vice president of DB ARSL. 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 Strategy. Mr. Saida is a vice president of Deutsche Trust Bank Limited, an affiliate of DB ARSL. 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.

BroadStreet Capital Partners, LP

BroadStreet is a Delaware limited partnership established as an association of Raj Rajaratnam, managing partner of The Galleon Group, an investment advisory group with approximately \$5 billion in assets under management which focuses on fundamental equity long/short strategies, and Ravi Trehan, managing partner of the BroadStreet Group, a structured finance group with approximately \$2 billion in assets under management. BroadStreet is registered as an investment adviser with the SEC. BroadStreet is a sub-adviser to DBTCA with respect to the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy.

Shengbei Guo. Shengbei Guo is the senior Portfolio Manager of the Noetic Global Diversified Trading Strategy and the Noetic Equity Long/Short Strategy, and was formerly a Director of DB Advisors, L.L.C. 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.

DB Investment Managers, Inc. and Deutsche Bank Trust Company Americas

The principal Portfolio Managers and other principals affiliated with the Investment Adviser who are actively involved in the day-to-day business of Affiliated Portfolio Funds are set forth below.

Charlie Miles. Charlie Miles is a Portfolio Manager for the CQ Capital Strategy. Mr. Miles has twenty-two 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 for the U.S. equity derivatives 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 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.

Bertrand Saliba. Bertrand Saliba is the Portfolio Manager for 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 LLP) at Deutsche Bank (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 Fundação 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 Alpamayo Emerging Markets Value Strategy. She was a member of the ESSG Special Situations Group (now Altima Partners LLP) at Deutsche Bank (DB Advisors, L.L.C.) in New York, where she worked as execution trader for the Latin American portfolio from October 2001 to June 2004. 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, Mr. Flanagan worked for Deutsche Morgan Grenfell as desk assistant to the head of sales in the emerging markets group.

James W. McDonald. James W. McDonald is the Portfolio Manager for the Fundamental Value Trading Strategy. Mr. McDonald joined Deutsche Bank AG 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 Strategy employs 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 his 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 for the Fundamental Value Trading Strategy. Dr. Kumble joined Deutsche Bank (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 Millennium 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 in 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.

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. \$150 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 assisting in the establishment and maintenance of 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, calculating 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.

Although the Administrator will calculate the Fund’s Net Asset Value based upon the valuation principles set forth herein, it will be the Fund’s responsibility to make the ultimate valuation decisions for the Fund based primarily upon the valuations provided by the Advisers of Portfolio Funds.

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 30 days. The Fund will pay the Administrator an administration fee at customary rates.

The Administrator has entered or will enter into a comparable administrative services agreement with each of the Affiliated Portfolio Funds. The Administrator will also provide certain administrative services in connection with the investment activities of the Affiliated Portfolio Funds, such as trade processing and reconciliation, and other back and middle office functions.

THE PORTFOLIO FUNDS

Organization

The Fund invests 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 and conducts business as an open-end investment fund. Currently, the Fund accesses the Affiliated Portfolio Funds through the relevant feeder funds (if a master-feeder structure is used) established with respect to the Affiliated Portfolio Funds implementing their respective Strategies. Such structure should be generally transparent to Fund Shareholders except that the Fund bears the fees and expenses of both the master and feeder funds of such Affiliated Portfolio Funds. The jurisdiction of formation of future Affiliated Portfolio Funds, their structure, and the level at which the Fund accesses such Affiliated Portfolio Funds may vary in the future. Non-Affiliated Portfolio Funds may be organized in various jurisdictions and may or may not

utilize master-feeder structures. 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 contributes 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 the relevant initial price for Portfolio Fund Shares for newly issued Shares of the relevant Portfolio Fund. Although the Fund's base currency is U.S. Dollars, it may invest in Portfolio Funds that have other base currencies. Currently, the Portfolio Fund implementing the Equilibria Global (Equity Market Neutral) Strategy has a base currency of Euros, the Portfolio Fund implementing the Torus Japan Strategy has a base currency of Yen, and the Portfolio Fund implementing the CZ Equilibria UK Strategy has a base currency of British pounds sterling. 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 Portfolio Fund Shares, or may only redeem Portfolio Fund Shares upon the payment of a redemption charge, for a specified period following investment in the Portfolio Fund) or "gates" (where redemptions at any given redemption date are restricted to a specified percentage of the Portfolio Fund's assets), or may impose redemption charges. Currently, the Portfolio Funds implementing the Sanno Point, CQ Capital, Altima Global Special Situations, and Alpamayo Emerging Markets Value Strategies impose a "lock-up" or "redemption charge" period, and the Portfolio Funds implementing the Sanno Point, CQ Capital, and Alpamayo Emerging Markets Value Strategies impose a "gate." Certain Portfolio Funds may "designate" certain investments for only persons who were investors in the relevant Portfolio Fund at the time such investments were made, and capital attributable to any investments so "designated" cannot be redeemed from such Portfolio Fund until the underlying investment is liquidated or marked-to-market. Up to 15% of the Fund's Net Asset Value, as measured at the time of designation, may be allocated to investments designated by the Investment Adviser as Designated Investments (although the Investment Adviser is not required to designate, and has no current intention of so designating, any Designated Investments). If the Portfolio Funds in the aggregate allocate substantial amounts of capital to such "designated" investments, the Fund's ability to effect redemptions and reallocations among such Portfolio Funds may be materially adversely affected. There is no limit on the Investment Adviser's ability to allocate Fund assets to Portfolio Funds whose liquidity is restricted by the imposition of "lockups," "gates," or investments in "designated investments," and, accordingly, the Fund's portfolio may be subject to increased illiquidity risk, and the Fund's interest in investments "designated" by Portfolio Funds could substantially exceed 15%.

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.

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 Portfolio Funds will generally 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 a violation of the relevant standard of care (as set forth in such Portfolio Fund's articles of association or other governing document). In addition, any Portfolio Fund may purchase a liability insurance policy covering the directors of such Portfolio Fund.

Non-Affiliated Portfolio Funds

Non-Affiliated Portfolio Funds typically have different boards of directors and service providers than Affiliated Portfolio Funds. 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.

DESCRIPTION OF THE SHARES

The Fund has an authorized share capital consisting of \$50,000, divided into 50,000,000 Shares of \$0.001 par value, which may be issued in multiple classes (each, a “Type”), and Series at the discretion of the Directors. Currently, the Directors have designated the following Types: Type A US\$ denominated shares (“Type A Shares”); Type A-R US\$ denominated shares (“Type A-R Shares”); Type B US\$ denominated shares (“Type B Shares”); Type B-R US\$ denominated shares (“Type B-R Shares”); Type C US\$ denominated shares (“Type C Shares”); Type C-R US\$ denominated shares (“Type C-R Shares”); Type D US\$ denominated shares (“Type D Shares”); Type D-R US\$ denominated shares (“Type D-R Shares”); Type E-R US\$ denominated shares (“Type E-R Shares”); Type F US\$ denominated shares (“Type F Shares”); and Type F-R US\$ denominated shares (“Type F-R Shares”).

The Type A Shares, Type A-R Shares, Type B Shares, and Type B-R Shares have all been designated as Direct Shares and, accordingly, do not bear any Advisory Fee at the Fund level. The Type C Shares, Type C-R Shares, Type D Shares, and Type D-R Shares have all been designated as Placement Agent Shares and, accordingly, bear the Advisory Fee.

The Directors have designated the Type A-R Shares, Type B-R Shares, Type C-R Shares, Type D-R Shares, Type E-R Shares, and Type F-R Shares (collectively, “Restricted Shares”) as Shares that do not participate, or do not participate fully, in gains or losses attributable to new issues pursuant to NASD Rule 2790 but otherwise have identical rights to the Type A Shares, Type B Shares, Type C Shares, Type D Shares, and Type F Shares (collectively, “Unrestricted Shares”), respectively. Shareholders are required to indicate in their Subscription Agreements whether they are eligible to purchase Unrestricted Shares. Shareholders who are not so eligible, or who fail to complete their Subscription Agreements properly, are issued Restricted Shares. The Shares have identical rights except that Type B Shares, Type B-R Shares, Type D Shares, Type D-R Shares, Type E-R Shares, Type F Shares, and Type F-R Shares have no voting rights, and the Type A Shares, Type A-R Shares, Type B Shares, Type B-R Shares, Type E-R Shares, Type F Shares, and Type F-R Shares are not charged Advisory Fees. Type F Shares and Type F-R Shares will only be issued to other investment funds managed or advised by the Investment Adviser or its affiliates that serve as feeder funds into the Fund. Consequently, such feeder funds will be able to request redemptions from the Type F Shares and Type F-R Shares more frequently, upon less notice, without payment of any Redemption Charge, and without regard to the Gate Threshold imposed on other Shares, for purposes of raising cash to pay fees or expenses or annual distributions of net profit with respect to such feeder fund. However, investors in such feeder fund will be subject to the Fund’s Gate Threshold and Redemption Charge with respect to their redemption requests so the feeder funds will be so subject on redemption requests that relate to redemptions by underlying investors. The Investment Adviser and its affiliates may purchase any Type of Shares, but Type E-R Shares have been issued in respect of the Seed Investment by an affiliate of the Investment Adviser. A separate Series of Shares are issued for each successive issuance of Shares. Each Share of a Series is equal to every other Share of the same Series with respect to earnings, assets, dividends, and voting privileges. All Shares are issued in book entry form. For purposes of ERISA (as defined below), a Shareholder’s ownership is evidenced by such Shareholder’s fully executed Subscription Agreement. The Directors in their sole discretion may authorize additional Types of Shares with different fees, liquidity, voting rights, dividend rights or payment terms, currency denominations, and other terms.

To the extent that an Adviser of a Portfolio Fund whose base currency is the U.S. Dollar makes investments denominated in non-U.S. Dollar currencies, such Portfolio Fund and the Fund are subject to the risk that such currencies 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 exchange rate risk on any such specific investment to the extent and in such manner such Adviser deems practicable. 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 such risk. Any hedging transactions are intended to protect the Fund or a Portfolio Fund from currency losses in respect of currency exchange rate 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 currency exchange rate risks and because the Investment Adviser or the 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 exchange rate risks. Further, there can be no assurance that any such hedging transactions will be successful in lessening the currency 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 entail expenses that may be significant. Certain of the Portfolio Funds in which the Fund invests will have base currencies other than the U.S. Dollar, and the Fund is exposed to currency exchange rate risk with respect to such Portfolio Funds (which risk is unhedged).

In order to track the Redemption Charge period as well as to allocate properly the fees and expenses with respect to Shares sold at different times, each Type of Shares is offered in different Series. For every Subscription Date on which Shares of a particular Type are purchased, a new Series of Shares is issued for such Type. Each new Series of Shares is issued at an initial Net Asset Value per Share of \$1,000. At the end of each calendar year, each Series of each Type (other than the first Series issued (the "Initial Series")), subject to the disclosure set forth in "Redemptions — Designated Investments," that is no longer subject to the Redemption Charge period is redesignated and converted (by simultaneous redemption and resubscription of the proceeds) into the Initial Series or the oldest outstanding Series of that Type, as the case may be (after payment to the Investment Adviser of any applicable Advisory Fee). Such redesignation and conversion is effected at the then-prevailing Net Asset Value per Share of the Initial Series or the oldest outstanding Series of that Type, as the case may be.

No certificates are issued for the Shares, and a Shareholder's ownership is evidenced by such Shareholder's fully executed Subscription Agreement. All Shares of the Fund, when duly issued, are 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 Type or Class of Non-Voting Shares, the holders of non-voting Shares (including Type B Shares, Type B-R Shares, Type D Shares, Type D-R Shares, Type E-R Shares, Type F Shares, and Type F-R Shares) do not have any right to vote.

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

variation which is determined by the Directors in their sole discretion not to be a materially adverse variation of the rights of such Type of Shares.

Each Type A Share, Type A-R Share, Type C Share, and Type C-R Share is entitled to one vote at all meetings of Shareholders of the Fund, and each holder of such Shares may be represented by proxy. Except as otherwise provided in this Memorandum, the Articles of Association, and by applicable law, all resolutions of the Shareholders of the Fund entitled to vote will be adopted at the Shareholders' meeting by a simple majority of the votes cast at the meeting, without regard to the percentage of the issued and outstanding Shares represented at the meeting or by unanimous consent in writing. Meetings of Shareholders may be held at the discretion of the Directors or by requisition of the Shareholders in accordance with the Articles of Association. Shareholders entitled to vote will receive at least five business days' prior written notice of any Shareholders' meeting.

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.

FEES AND EXPENSES

The following is a summary of the fees and expenses associated with an investment in the Fund.

Organizational and Initial Offering Costs

The expenses of organizing the Fund and the initial offering of Shares are being borne by the Fund. Such expenses are being amortized generally on a straight-line basis over three years beginning at the commencement of operations. Although the amortization of the Fund's organizational expenses over a three-year period is a divergence from GAAP, the Directors believe 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 GAAP. Such divergence may be cause for qualification in any opinion given to the Fund by its auditors. However, the Directors may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Directors believe that doing so would be in the best interests of the Fund. For example, the Directors may do so in order to avoid qualification of an auditor's opinion. However, the Directors have no obligation to accelerate amortization of organizational expenses, and there can be no assurance that any opinion given to the Fund by its auditors will not be qualified.

The Fund also bears its *pro rata* share of all organizational and initial offering costs incurred by the Portfolio Funds.

Advisory Fee

The Fund pays to the Investment Adviser a monthly Advisory Fee equal to 0.0833% of the month-end Net Asset Value of each Series of Placement Agent Shares (1% on an annual basis). The Advisory Fee is payable in arrears as of the last business day of each calendar month and calculated before any accrual for or payment of any 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 pass on all or a portion of the Advisory Fee to Placement Agents which distribute Shares. The Advisory Fee does not apply to any Direct Shares.

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 local registrations and/or 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 fees and expenses of the Board of Directors; the fees and expenses of the Fund's registered office provider; 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.

Redemption Charge

If a Shareholder redeems Shares on or prior to the expiration of four full calendar quarters since the purchase of such Series of Shares, such redemption is subject to a Redemption Charge, payable to the Fund, equal to (i) 5%, if such Shares are redeemed at the end of the first or second full calendar quarter after the initial purchase date 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. If a Shareholder owns more than one Series of Shares, Shares are redeemed on a "first-in, first-out" basis.

Portfolio Fund Costs

Generally

The Fund bears its *pro rata* share of the expenses incurred by the Portfolio Funds in connection with their trading and investment activities. Such expenses may include the following: offering expenses associated with each offering of Portfolio Fund Shares; research expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses; risk monitoring expenses; trade processing and reconciliation 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; costs and expenses related to local registrations and/or exchange listings; 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); registered office fees; fees of directors and trustees; 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 its Portfolio Fund; conflicts advisory board fees and expenses; reasonable out-of-pocket expenses of the Advisers, for example, travel expenses related to due diligence investigations of existing and prospective investments; organizational expenses; 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 Affiliated Portfolio Fund pays its Adviser a monthly Management Fee ranging from 0.125% to 0.167% of each such Affiliated Portfolio Fund's net asset value (1.5% to 2.0% on an annual basis). This Management Fee will generally be 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 its Adviser with respect to such Affiliated Portfolio Fund. Each Non-Affiliated Portfolio Fund pays its Adviser a Management Fee ranging from 1% to 3% per annum of the net asset value of such Non-Affiliated Portfolio Fund.

The Portfolio Funds implementing the CQ Capital, Noetic Equity Long/Short, Noetic Global Diversified Trading, GSA Capital Global Macro, GSA Capital International, Altima Global Special Situations, Fundamental Value Trading, and Alpamayo Emerging Markets Value Strategies pay their respective Advisers a 2.0% per annum Management Fee, paid monthly in arrears. The Portfolio Fund implementing the Sanno Point Strategy pays Sanno Point a 2.0% per annum Management Fee, paid monthly in advance. The Portfolio Funds implementing the Torus Japan, Equilibria Global (Equity Market Neutral), and CZ Equilibria U.K. Strategies pay their respective Advisers a 1.5% per annum Management Fee, paid monthly in arrears. The Fund may in the future allocate assets to Portfolio Funds that charge different Management Fees or that calculate their Management Fees in a different manner.

Performance Fee

Each Affiliated Portfolio Fund also pays its Adviser an annual Performance Fee equal to 20% of the net profits of such Affiliated Portfolio Fund. Each Non-Affiliated Portfolio Fund pays to its Adviser a performance fee ranging from 20% to 25% of the net profits of such Non-Affiliated Portfolio Fund. 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 (but without regard to the Advisory Fee charged at the Fund level), 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 Shareholder and are treated separately by each Portfolio Fund and are not set-off against the performance of any other Portfolio Fund.

All of the Portfolio Funds currently included in the Fund's initial portfolio pay their respective Advisers a Performance Fee equal to 20% of their respective net profits, subject to various "high water mark" and "loss carryforward" provisions. The Fund may in the future allocate assets to Portfolio Funds that charge different Performance Fees or that calculate Performance Fees in a different manner.

Fee Variations

Future Fund investments in Portfolio Funds may bear fees that differ from those described herein. The Fund will notify investors of any materially different fees.

Compensation of Investment Adviser and Affiliates in Respect of Non-Affiliated Portfolio Funds

Because the Investment Adviser does not charge a Fund-level fee in respect of assets allocated to Non-Affiliated Portfolio Funds (except the Advisory Fee payable solely in respect of Placement Agent Shares), Advisers to the Non-Affiliated Portfolio Funds may compensate the Investment Adviser and its affiliates out of the Management and Performance Fees received by such Advisers by payment of 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 Advisers, 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 Adviser 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. In addition, the Investment Adviser may perform placement, infrastructure, risk monitoring, or other services for Non-Affiliated Portfolio Funds and receive fees therefor at its customary rates (which, in the case of placement services, will include fees such as those described above). Further, affiliates of the Investment Adviser may act as broker, dealer, counterparty, bank, placement agent, or other service provider to Portfolio Funds and receive compensation therefor.

Selling Commissions

Placement Agents may receive, in respect of investors introduced to the Fund, a Placement Fee of up to 2.50% of the amount invested in such Fund by any such investor. The Placement Fee is paid upon subscription and is in addition to, not a deduction from, the subscription amount. Any such Placement Fee may be waived or reduced in respect of any particular investor without thereby entitling any other investor to a similar waiver or reduction. Placement Agents may also receive from the Investment Adviser a portion of its fees on an ongoing basis.

Rebates

The Investment Adviser in its discretion may rebate part or all of the Advisory Fee, Management Fee, and Performance Fee, in the case of certain Shareholders; provided that such rebate has no adverse effect on any other Shareholder. No such rebate will entitle any other Shareholder to a rebate.

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 the client. 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, or an affiliate, serves as Adviser implementing the relevant Strategies.

While the Advisers of Affiliated Portfolio Funds will seek to achieve best execution, such an Adviser at times will pay 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 U.S. Securities Exchange Act of 1934, as amended

("Section 28(e)"), the 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 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 Adviser's overall responsibilities to its clients. The Adviser may also pay the same broker a lower commission rate for "execution only" transactions.

The Adviser's use of a particular broker to execute securities transactions for a client account may provide such Adviser with research services and/or other benefits. These research services may be used by the 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 Adviser's 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 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 an 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 will be received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. Research services may also be provided in the form of access to various computer software and associated hardware, and meetings arranged with corporate and industry representatives.

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

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, the Investment Adviser, an Adviser, or their affiliates 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.

An Adviser will continue to utilize a broker that provides soft dollar items only if, in the sole judgment of such Adviser, it provides best execution to the relevant Affiliated Portfolio Fund and other clients of the Adviser. Each 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 an Adviser will continue a soft dollar arrangement only for so long as such 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 Adviser may, when feasible, combine or “bunch” orders of various clients, including one or more Affiliated Portfolio Funds, into a single combined transaction with the broker. There may be occasions when proprietary funds are traded with client accounts. The Advisers of the Affiliates Portfolio Funds have allocation policies and procedures that have been designed to address conflicts of interests that may arise due to the bunching of orders. The 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(s).

Generally, an Adviser’s Portfolio Managers will be 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 will be 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 will be combined with subsequent orders in that security, if any, for allocation of subsequent transactions. In certain cases, when the Adviser determines that *pro rata* allocation is not appropriate under the particular circumstances, the allocation will be made based on other factors that the 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 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 Adviser deems fair and equitable to clients over time.

An 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 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.

An Adviser of an Affiliated Portfolio Fund may effect client transactions through brokers affiliated with such Adviser, subject to applicable law and subject to such Adviser’s general policy of best execution. The 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 an Adviser or the Investment Adviser believes it would be in the best interests of the Fund or an Affiliated Portfolio Fund, the Adviser or 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 Adviser’s or 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, the Adviser's and the Investment Adviser's policies establish the pricing mechanism to be used in this context. In these circumstances, the Adviser will not receive any compensation in addition to its Management Fee.

An Adviser may utilize Deutsche Bank and its affiliates as a prime broker with respect to an Affiliated Portfolio Funds 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. An Adviser may also utilize non-affiliated brokers on behalf of any Affiliated Portfolio Fund.

To the extent that the Fund engages in direct trading activities, the policies and procedures described herein may also apply to the Investment Adviser with respect to any trades effected on behalf of the Fund. However, it is not currently anticipated that the Fund will engage in direct trading activities.

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 sub-advisers, the Former DB Managers, and 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, including by operating outside the Section 28(e) safe harbor.

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. The Fund may invest in Portfolio Funds which pursue Strategies not described herein and which may present risks not set forth herein. Accordingly, an investment in the Fund involves considerations and risk factors that prospective investors should consider before subscribing.

THE FUND HAS AN EXTREMELY LIMITED OPERATING HISTORY, AND CERTAIN PORTFOLIO FUNDS MAY HAVE NO OR A LIMITED OPERATING HISTORY WITH WHICH INVESTORS MAY EVALUATE THEIR LIKELY PERFORMANCE. REGARDLESS OF THE LENGTH OF OPERATING HISTORY OF THE FUND OR ANY PORTFOLIO FUND, PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. 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 will not be 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 Redemption Charge during the first four full calendar quarters since subscription for such Shares and the limitations imposed by the Gate Threshold, as well as the possible restrictions on liquidity imposed by Designated Investments), and a partial redemption may be made only if the Shareholder retains Shares with a Net Asset Value at least equal to the applicable minimum investment amount for such Shareholder's Type of Shares (or such Shareholder's initial investment, if less). As the payment of redemption proceeds is based on Net Asset Value, which in turn is based, in part, on oral or written estimates of the value of the Fund's investments from Portfolio Funds, such redemption payments may not reflect final net asset values for the Redemption Date calculated by such Portfolio Funds. However, the Fund generally does not make any adjustments for any final valuations from such Portfolio Funds, and redeeming Shareholders bear the risk of the understatement of Net Asset Value while the remaining Shareholders bear the risk of the overstatement of Net Asset Value.

Involuntary Redemptions of Shares. The Fund may require the redemption of any or all of a Shareholder's Shares at any time upon five business days' notice.

Redemption 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 one or more Portfolio Funds. However, such affiliate or affiliates may redeem such investments in part or in whole at any time, without notice to other Shareholders, without being subject to a Redemption Charge and without being subject to the limitations imposed by the Gate Threshold (although such redeemed amounts would not otherwise reduce the amounts available to be redeemed by other Shareholders on such dates). Additionally, the feeder funds advised by the Investment Adviser or its affiliates also have preferential liquidity for certain purposes.

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 or its 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. Any such credit facility provider that permits the Fund to borrow for liquidity purposes and accepts Portfolio Fund interests and other Fund assets as collateral for such credit facility (i) may be permitted to register such interests in the name of the credit facility provider or its nominee rather than in the Fund's name (subject to limited exceptions) and (ii) may be permitted (subject to the same redemption limitations applying to any investment held in the Fund's name) to require the redemption of any or all Portfolio Fund interests held by it as collateral, after default by the Fund pursuant to the agreement with such credit facility provider. Events of default under any such credit facility may include, among other things, failure to pay amounts due under such facility, failure to inform the credit facility provider of certain events with respect to the Fund, failure to provide the credit facility provider with certain periodic reports and financial statements, breach by the Fund of other representations and covenants contained in credit facility documentation, and other similar terms. In such instances, the credit facility provider may take any such action without notice to the Fund or the Investment Adviser. If any such credit facility provider were to require the Fund to redeem from a Portfolio Fund or otherwise act to realize on such collateral, these actions may impair the operational capabilities of the Fund and have adverse tax and economic effects on the Fund. However, any use by the Fund of any such credit facility is not expected to be substantial.

Limited Operating History. The Fund has only commenced operations on June 1, 2006, and therefore has an extremely limited operating history upon which potential investors may evaluate its likely performance. Similarly, some of the Portfolio Funds in which, or 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 may have no performance record at all. In any event, the past performance of the Fund, the Investment Adviser, the Advisers, and the Portfolio Funds is not necessarily indicative of future results.

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 it as an exempt pool (or to exempt DBIM from registration as a commodity pool operator) and to afford DBIM 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 will be 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 permit redemptions only on a semi-annual, annual, or less frequent basis or be subject to "lock-ups" (where investors are prohibited from redeeming Portfolio Fund Shares for a specified period following investment in the Portfolio Fund) and/or "gates" (where redemption at any given redemption date is restricted to a specified percentage of the Portfolio Fund's assets). Further, some Portfolio Funds may limit redemptions with respect to "side pocket" investments (where a Portfolio Fund classifies a particular investment as "illiquid" or

“designated” and investors generally cannot receive their allocable share until such investment is liquidated or otherwise realized). 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,” unless the Investment Adviser designates that portion of the Fund’s interest in such Portfolio Fund as a Designated Investment, and assuming no such designation at the Fund level, 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 Funds *pro rata* based on their respective net asset values at the time of such liquidation or valuation. Accordingly, when subscribing for or redeeming Shares, investors in the Fund bear the risk that such investments are undervalued (and thus that the Net Asset Value of the Fund is understated) or overvalued (and thus that the Net Asset Value of the Fund is overstated). 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 if it is unable to liquidate sufficient Portfolio Fund Shares 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 make redemptions from the Fund 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 GAAP.

Impact of Lending Bank Liquidations. The Fund may enter into arrangements with financial institutions pursuant to which 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 Portfolio Fund Shares, assets of another class might have to be used to cover such deficit. To the extent that a Portfolio Fund offers classes of Portfolio Fund Shares that trade on an upleveraged 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 Advisory Fees and Management Fees. In addition, Performance Fees will be payable with respect to any such offsetting positions that are profitable to the relevant Portfolio Fund (without regard to the overall profitability of the Fund).

Limited Management Rights. Subject to certain limited approval rights of the Shareholders, and certain limitations imposed by law, the Directors will 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 they deem 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. Among the principal disadvantages and risks inherent in a fund-of-funds structure are 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 transparency and 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 other Portfolio Funds in which it invests for some months after the Investment Adviser has determined that, for example, an Adviser operating a Non-Affiliated Portfolio Fund has begun to deviate from its announced trading policies and strategy. Furthermore, certain Portfolio Funds may “designate” certain investments as investments in which only those investors in a Portfolio Fund at the time such investment was made will participate, and such investors will not be able to withdraw capital from such Portfolio Fund until such investment is liquidated or marked-to-market. To the extent the Fund participates in such “designated” investments, the Fund may be unable to withdraw its capital from such Portfolio Fund for several years, if not longer. Certain Portfolio Funds in which the Fund invests may suspend redemptions, especially during periods of market disruption, preventing the Fund from redeeming, and/or may have redemption gates limiting redemptions.

Portfolio Fund Manager Compensation. Each Portfolio Fund provides for a Performance Fee to be paid to its Adviser in addition to 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 an 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, and may not be independently valued or verified by a third party.

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 Adviser 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 the 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, and some Strategies may have only one Portfolio Manager responsible for such Strategy. 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 (including, with respect to the Placement Agent Shares, the Advisory Fee), 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 Shares, may comprise 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.

Information Rights. Certain investors may be provided information regarding the Fund and its investments not generally available to other investors.

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.

Intellectual 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.

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 invests.

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 parties with which it deals. Non-performance by parties of the obligations or contracts underlying the Structured 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 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 markets 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. 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 the 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 has 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.

Use of Models. Certain of the Portfolio Funds 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 is 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.

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

The following inherent and potential conflicts of interest will exist in respect of the Fund.

Compensation

The Investment Advisory Agreement between the Fund and the Investment Adviser and the Portfolio Fund Investment Advisory Agreements between each Portfolio Fund and its Adviser have not been negotiated at arm's-length. The Advisory Fee payable to the Investment Adviser, the Management Fees payable to the Advisers, and any brokerage commissions payable to the Deutsche Bank Group are payable without regard to the overall success of or income earned by the Fund. The Performance Fees payable to the Advisers are based on the net profits of the relevant Portfolio Fund. This arrangement may create an incentive for the Advisers to invest Portfolio Fund assets in investments that are riskier or more speculative than would be the case if the Advisers were 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 Adviser at such value as it may reasonably determine and may not be independently valued or verified by a third party. The Adviser has 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 have net losses.

The relationship between Deutsche Bank and the Investment Adviser creates a conflict of interest in that there exists an incentive for the Investment Adviser or its affiliates, with respect to Affiliated Portfolio Funds, to execute transactions with or through the Deutsche Bank Group and for the Investment 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 and its affiliates intend 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 Investment Adviser and the Advisers will be based directly on the Net Asset Value of the Fund and the net asset values of the Portfolio Funds, respectively, as of various dates, which in turn depend directly on the valuation of the assets and liabilities of the Fund or such Portfolio Funds as of each such date. There is no public market price for the Portfolio Funds, and 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 the assets and liabilities of the Portfolio Funds. Any financial instruments for which market quotations are not readily available are 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, 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 Investment Adviser and the Advisers receive in respect of their services.

Other Ventures of the Investment Adviser

The Investment Adviser, the Advisers, the sub-advisers, and their respective affiliates may organize or become involved in other business ventures. The Fund does not share in the risks or rewards of such other ventures. However, such other ventures compete with the Fund for the time and attention of the Investment Adviser, the Advisers, the sub-advisers, and their respective 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-advisers, the Directors, and the Administrator devote as much of their time to the Fund or the relevant Portfolio Fund, as the case may be, as they believe is necessary to assist the Fund or such Portfolio Fund in achieving its investment objectives and to administer the operations of the Fund or such Portfolio Fund, they do not devote substantially all or any specific portion of their working time to the affairs of the Fund or such Portfolio 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-advisers, 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 a Portfolio Fund or the Fund as a whole.

Allocation of Investment Opportunities

The Investment Adviser or its affiliates are responsible for the investment decisions made on behalf of the Fund and the Affiliated Portfolio Funds (other than those with non-affiliated sub-advisers). There are no restrictions on the ability of the Investment Adviser or its affiliates to manage accounts of other clients following the same or a different investment objective, philosophy, and strategy as those used for the Fund or such Affiliated Portfolio Funds, as well as other multi-strategy “fund-of-funds” investment products that invest in Portfolio Funds (such as Global Masters I, DB Global Masters Fund L.P., and DB Global Masters Multi-Strategy Fund L.P.) which may limit the capacity available to the Fund in such 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 or its affiliates may determine that an investment opportunity is appropriate for a particular fund or account that it manages, or for itself, but not for the Fund or 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 Fund or such Affiliated Portfolio Funds but, for various reasons, were not pursued by, or available to, the Fund or such Affiliated Portfolio Funds. To the extent that the Investment Adviser, its affiliates, or another advisory client 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 or its affiliates may be required to choose between the Fund or such Affiliated Portfolio Funds and other advisory clients in allocating investments. In the event that a determination is made that the Fund or an Affiliated Portfolio Fund and another client of the Investment Adviser or its affiliates should trade in the same investments on the same day (or, with respect to allocations to Portfolio Funds, generally contemporaneously), such investments are allocated between the Fund or such Affiliated Portfolio Fund, as the case may be, and other accounts in a manner that the Investment Adviser or its affiliates determine in their discretion, provided that the Fund and/or 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 Portfolio Fund allocations or securities positions obtainable or saleable.

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 Fund may invest. Deutsche Bank

and its affiliates are not under any obligation to share any investment opportunity, idea, or strategy with the Fund. As a result, Deutsche Bank and its affiliates may compete with the Fund 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.

The Investment Adviser and its 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. These positions could adversely affect the performance of investments held by the Fund. For example, a large short position in a security in an account of a client other than the Fund could cause a decline in the value of a long position held by the Fund in the same security. The Investment Adviser may also decline to make an investment for the Fund out of concern that such investment might harm another client of the Investment Adviser or an affiliate. Records of this trading will not be available for inspection by Shareholders.

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

The Investment Adviser, its affiliates, and their employees may invest in Shares or Portfolio Fund Shares that bear no or reduced fees, and such investments may not be subject to the same liquidity terms as other investors. For example, the Seed Investment may be redeemed without regard to the Gate Threshold or payment of any Redemption Charge. Such redemptions may be made without notice to other Portfolio Fund investors.

Members of the Deutsche Bank Group may invest in the Fund or any Portfolio Fund in connection with derivatives or structured products related to the Fund or such Portfolio Fund. Such affiliates may redeem their interests at any time and without notice to other shareholders, although on generally the same terms as other shareholders. Such redemptions, which may be the result of client liquidation of such derivatives or structured products, are likely to be made without regard to the best interests of the Fund or such Portfolio Fund or other shareholders and may, in certain circumstances, result in redemptions that may impair the operations or net asset value of the Fund or such Portfolio Fund.

Brokerage Placement Practices

The Fund and the Portfolio Funds may utilize Deutsche Bank, an affiliate of the Investment Adviser, as prime broker. The brokerage placement practices of the Fund and the Affiliated Portfolio Funds may involve certain conflicts of interest. See “Brokerage Placement Practices.”

“Soft Dollar” Payments

The brokers utilized by the Non-Affiliated Portfolio Funds will be selected by the Former DB Managers acting as Advisers 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 may pay higher commissions than those charged by brokers that do not provide such services or benefits. See “Brokerage Placement Practices” for further disclosure relating to the soft dollar practices of the Investment Adviser and its affiliates with respect to the Fund and the Affiliated Portfolio Funds.

Principal and Cross Trades

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 Adviser of an Affiliated Portfolio Fund may cause such Affiliated Portfolio Fund to purchase securities from or sell securities to other clients or vehicles when the Adviser believes such transactions are appropriate and in the best interests of such Affiliated Portfolio Fund. In the event the 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 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 Adviser, an affiliate, or another advisory client.

The Investment Adviser, its affiliates, or brokers selected by any of them may engage in “agency cross transactions” as defined in Rule 206(3)-2 (“Agency Cross Transactions”) promulgated by the SEC under the Advisers Act, in which the Investment Adviser, its affiliates, 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, its affiliates, 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 its 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.

The Investment Adviser or any of its affiliates may enter into “principal trades” with the Fund or any Affiliated Portfolio Fund within the meaning of Section 206(3) of the Advisers Act in which any of the Investment Adviser or such affiliates act as principal for its own account with respect to the sale of a security to or purchase of a security from the Fund or such Affiliated Portfolio Fund. Principal transactions and other significant transactions between the Fund or any Affiliated Portfolio Fund and the Investment Adviser or its

affiliates will be done in compliance with applicable law and will be submitted to the Conflicts Advisory Board appointed by the Directors or the directors of such Affiliated Portfolio Fund (which will be comprised of members unaffiliated with the Investment Adviser) where approval is required pursuant to the policies and procedures adopted by the Investment Adviser. For example, the Investment Adviser will seek Conflicts Advisory Board approval for allocations to Affiliated Portfolio Funds if the Investment Adviser and/or an affiliate owns 25% or more, in the aggregate, of such Affiliated Portfolio Fund. The Investment Adviser and its affiliates are not obligated to obtain Conflicts Advisory Board approval for any transaction unless such approval is required by law. In analyzing such principal trades, the Investment Adviser or its affiliates have a conflict between acting in the best interests of the Fund or an Affiliated Portfolio Fund and assisting itself or its affiliate by selling or purchasing a particular security.

Material Non-Public Information

Due to the relationships described above, the Investment Adviser's 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 generally is 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. 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 are not 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.

Credit and Hedging Facilities

Certain conflicts of interest may arise should the Fund enter into redemption or portfolio management credit facilities and hedging facilities with the Investment Adviser or its affiliates. In such situations, the Investment Adviser has a conflict between its obligation to act in the best interests of the Shareholders and any interest it may have in generating fees and other revenues 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 is not 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 and its affiliates.

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.

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.

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.

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 all of the Fund's capital to Affiliated Portfolio Funds. Thus, the Investment Adviser has a conflict between making allocations to Affiliated Portfolio Funds where no Former DB Manager has been appointed as sub-adviser and allocating assets to the best possible Advisers, since any fees paid by such Affiliated Portfolio Funds to its Adviser (including the Investment Adviser), such as the Management and Performance Fees, benefit the Investment Adviser or one or more of its affiliates. The Investment Adviser faces a substantially similar conflict when a Portfolio Manager leaves Deutsche Bank, and the Investment Adviser must determine whether to maintain the Fund's allocation to such Portfolio Manager, now a Former DB Manager implementing the relevant Strategy through a Non-Affiliated Portfolio Fund (or, alternatively, maintaining an allocation to the Affiliated Portfolio Fund implementing such Strategy which has now appointed a Former DB Manager as sub-adviser with which it must share its Management and Performance Fees) or to allocate such assets to a Strategy

implemented by an Adviser through an Affiliated Portfolio Fund without a Former DB Manager serving as sub-adviser.

Allocations Among Affiliated Portfolio Funds

Certain Affiliated Portfolio Funds may charge higher Management Fees or have higher expenses than other Affiliated Portfolio Funds, and the Investment Adviser will have a conflict between allocating Fund assets to Affiliated Portfolio Funds that charge higher Management Fees and making allocations to Affiliated Portfolio Funds in the best interests of the Fund. The Investment Adviser faces a substantially similar conflict with respect to allocations to Affiliated Portfolio Funds which have engaged unaffiliated sub-advisers, where the Investment Adviser or its affiliates must share its Management and Performance Fees with such sub-adviser. The Management and Performance Fees retained by the Investment Adviser in such cases will likely be less than when an Adviser only receives a 1.5% per annum Management Fee (as opposed to a 2.0% per annum Management Fee). In general, Shareholders should assume that the Investment Adviser allocates Fund assets to Advisers that charge a 2% per annum Management Fee.

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

Allocations Among Non-Affiliated Portfolio Funds

Among Non-Affiliated Portfolio Funds, the Investment Adviser has a conflict between allocating assets to those for which the Investment Adviser is paid a higher portion of the Management Fees and Performance Fees, and those for which it is paid a lower portion or no portion. Shareholders should assume that the Investment Adviser's intention is for all Former DB Managers to pay it the maximum compensation described herein (a 1% per annum asset-based fee on Fund assets allocated to such Non-Affiliated Portfolio Fund and 5% of the net profits of such Non-Affiliated Portfolio Fund allocable to the Fund's Portfolio Fund Shares thereof).

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 Types of Shares. 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.

Unaffiliated Consultants

The Investment Adviser and/or its affiliates are also referred advisory clients by unaffiliated consultants that are retained by clients or prospective clients. The Investment Adviser and/or its affiliates may make cash payments to these consultants to participate in conferences sponsored by such consultants in order to, among other things, obtain information about industry trends and client investment needs. In addition, the Investment Adviser and/or its affiliates may purchase products or services from these consultants or their affiliates. Such cash payments for conferences, products, or services are not paid in connection with any advisory client referral by the consultants.

NET ASSET VALUE

The Net Asset Value of the Fund is based principally on the Net Asset Value of each Portfolio Fund allocated to the Fund's Portfolio Fund Shares held by the Fund, determined as of the close of business on the last business day of each month. The Net Asset Value of the Fund consists 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 are 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, Advisory Fees, Portfolio Fund Management and Performance Fees, administrative and operating expenses, and any extraordinary expenses), determined in accordance with GAAP 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 is 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, 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 are valued at the official close of business price on the principal exchange or market for such investment, provided that the value of any 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 on an 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 is 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 is 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 is 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 are valued at the settlement price for such instruments on such exchange, except that securities options traded on U.S. exchanges are valued at the mid between their bid and

asked prices. If such price is not available, such value is 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 are 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 are 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 is revalued at the same spot exchange rates used for other assets;

- (v) Cash and other liquid assets are valued at their face value with interest accrued, where applicable;
- (vi) Units or shares in open-ended collective investment schemes are 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 are, if listed, quoted, or traded on an exchange, valued at the latest trade price or a mid-quotation 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 are 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 is 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-quotation provided by an independent broker or market maker for such assets is reliable, by using such a mid-quotation 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 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; and

- (viii) Any value expressed otherwise than in U.S. Dollars (whether of an investment or cash) is converted into U.S. Dollars at the applicable spot rate.

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

Organizational expenses are being amortized generally over thirty-six months from the commencement of operations of the Fund, notwithstanding GAAP. However, the Directors may determine, in consultation with the Investment Adviser, to accelerate such amortization if the Directors believe that doing so would be in the best interests of the Fund. Any opinion given to the Fund by its auditors may be qualified with respect to the divergence of this amortization schedule from GAAP.

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 asset value 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).

For the avoidance of doubt, the Administrator calculates the value of the Fund's investments based on third-party pricing sources and pricing methodologies, which sources and methodologies are approved by the Fund or the Investment Adviser, on behalf of the Fund. At all times, it is the Fund's responsibility to make the ultimate valuation decisions for its portfolio.

Valuations provided by Portfolio Funds may be revised by such Portfolio Funds, but the Fund generally does not make any adjustments with respect to the payment of any redemptions or issuance of Shares, and remaining Shareholders bear, *pro rata*, the increase or decrease in Net Asset Value resulting from any such changed valuations.

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 are typically set forth in the constituent documents of the relevant Non-Affiliated Portfolio Fund.

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-advisers, 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 will 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 employees of Deutsche Bank 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, the Investment Adviser, or their affiliates.

Investors with any questions on this privacy statement may contact Deutsche Bank's Compliance Department at (212) 454-1879.

MISCELLANEOUS

Loans to Shareholders

The Fund may enter into agreements with Lending Banks (including Deutsche Bank and its affiliates) to facilitate loans to Shareholders pursuant to which such Lending Banks may accept Shares as collateral for such loans; provided, however, that the Fund will not facilitate loans to any Plan subject to ERISA or Section 4975 of the Code if such loan would constitute a “prohibited transaction” under ERISA or Section 4975 of the Code. 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 redemption restrictions 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 Fund Services (Cayman) Limited, Caledonian House, 69 Dr Roy’s Drive, P.O. Box 1043 GT, George Town, Grand Cayman, Cayman Islands.

Periodic Reports to Shareholders

Generally, within 45 days of the end of each calendar month, the Fund will prepare a statement containing investment information and such other financial information on an unaudited basis as the Investment Adviser determines. 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 180 days, although such delivery may be delayed if delivery of audited financial reports of the Portfolio Funds is delayed.

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. The Fund may provide certain additional reports (e.g., as to certain performance measures, risk measures, or general portfolio information) to any current or prospective Shareholders on request and, if deemed necessary by the Investment Adviser, upon execution of a confidentiality agreement.

Cayman Islands Mutual Funds Regulation

The Fund will fall 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 will be 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 approved or passed judgment upon the contents of this Memorandum or the merits of an investment in the Shares.

There is no investment compensation scheme available to investors in the Cayman Islands.

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. Facsimile: 353 (1) 707-5386 (Ireland) or (212) 453-9790 (New York). E-mail: dbarsta@imsi.com.

DB GLOBAL MASTERS MULTI-STRATEGY FUND LTD.

SUPPLEMENT DATED JULY 2006

This Supplement replaces or supplements, as the case may be, certain information with respect to DB Global Masters Multi-Strategy Fund Ltd. (the "Fund") as found in the Confidential Offering Memorandum of the Fund dated June 2006 (the "Memorandum"). 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.

Former DB Managers

"Former DB Managers," as used in the Memorandum, means Portfolio Managers who were formerly employed by Deutsche Bank but have since left and formed their own firms (alone or with others) or joined other firms.

Additional Portfolio Fund and Investment Strategy

The Fund has invested in the following additional Portfolio Fund as of July 1, 2006.

Gandhara (Multi-Strategy)

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 Strategy 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 Strategy invests in the 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 investment approach of the Gandhara Strategy is on the contrast between long-term stable equilibriums and short-term profitability. The Gandhara Strategy 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 in arrears at the rate of 1/4 of 1.75% (a 1.75% annual rate), and an annual 20% incentive fee. 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 will impose 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. If the Fund wishes to redeem more than 1/6 of its total investment in the Gandhara Portfolio Fund as of any quarter-end, it may do so by paying a redemption fee equal to 7.5% of the amount redeemed in excess of 1/6 of the Fund's total investment in the Gandhara Portfolio Fund. The Gandhara Strategy also imposes a twelve-month "lock-up" period.

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

Additional Advisers

Gandhara Capital was incorporated in the Cayman Islands on November 10, 2004. Gandhara Capital provides investment advisory services through its affiliates Gandhara Advisors Europe LLP, which is registered with and regulated by the FSA in the United Kingdom, and Gandhara Advisors Asia Ltd., which is registered with the Securities and Futures Commission in Hong Kong. Each of Gandhara Advisors Europe LLP and Gandhara Advisors Asia Ltd. is registered with the SEC as an investment adviser under the Advisers Act. The Portfolio Managers with primary responsibility for the Gandhara Strategy are Davide Erro and Sacha Thacker.

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. 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. 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.

VII. 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.

1. Taxation

1.1 Taxation in The Netherlands

General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Securities, which term, for the purpose of this summary, includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Securities. Each prospective Securityholder should consult a professional adviser with respect to the tax consequences of an investment in the Securities. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of the Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Netherlands tax consequences of a Securityholder who holds a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Securityholder holds a substantial interest in the Issuer, if such Securityholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

For the purpose of the principle Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Withholding Tax

No Netherlands withholding tax is due upon payments on the Securities.

Corporate Income Tax and Individual Income Tax

Residents of the Netherlands

If the Securityholder is subject to Netherlands corporate income tax and the Securities are attributable to its (deemed) business assets, income derived from the Securities and gains realised upon the redemption and disposal of the Securities are generally taxable in the Netherlands.

If the Securityholder is an individual, resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including the individual Securityholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Securities and the gains realised upon the redemption and disposal of the Securities are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Securityholder has an enterprise or an interest in an enterprise, to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as "income from miscellaneous activities" (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Securities that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Securityholder, the actual income derived from the Securities and the actual gains realised with respect to the Securities will not be taxable. Instead, such Securityholder will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4% of the average of the individual's "yield basis" (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Securities will be included in the individual's yield basis.

Gift and Inheritance Taxes

Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a Securityholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

Treaties

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

Other Taxes and Duties

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Securityholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Securities.

Proposed EU Savings Directive On The Taxation Of Savings Income

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive Member States will

(if equivalent measures have been introduced by certain non-EU countries) be required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

1.2 Taxation in the Federal Republic of Germany

a. General Information

The following is a discussion of certain German tax considerations relevant to a Securityholder who is resident of Germany or otherwise subject to German taxation. This statement must not be understood to be tax advice. It is based on the German tax laws and its interpretation in effect on the date of this prospectus that may be subject to changes. Such changes may be enacted also retroactively and may negatively effect 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 German tax resident private investor

aa. Income from capital investment

Income derived by a German tax resident (having a domicile or habitual abode in Germany) from financial instruments held as non-business assets qualifies as taxable income from capital investment within the meaning of section 20 para. 1 no. 7 German Income Tax Act, if either the repayment of the capital invested is guaranteed and/or the instrument bears interest and/or any other remuneration for capital provided.

The Security does neither yield any interest nor guarantees repayment of capital. Instead, any positive or negative income accrues to the Securityholder as a consequence of the performance of the Underlying. The redemption price - and accordingly the value of the Security is strictly linked to the performance of the Underlying and the Fund Level of the Underlying can increase as well as decrease. Pursuant to the terms of the Security the capital invested even may be lost.

The German Federal Ministry of Finance in its letters dated 21 July 1998 and 27 November 2001 has clarified that proceeds from a financial instrument do not lead to taxable capital investment Income if the repayment of the capital invested is exclusively contingent on the uncertain performance of a share index. This would apply even if, e.g. dividend related correction factors were taken into account in calculating the index. In the letter dated 27 November 2001 this view was explicitly extended to financial instruments that provide for a redemption amount linked to the performance of a share basket or a single share.

In the view of the Issuer and its professional advisors such principles should be applicable likewise to such financial instruments providing like the Security for a redemption amount that is exclusively contingent on the uncertain performance of a Hedge Fund. Accordingly, income derived from the disposal or the redemption of the Security does not qualify as taxable income from capital investment.

bb. Private capital gains

Private capital gains derived by a German tax resident on the disposal or the redemption of the Security are generally not subject to income tax provided that the period between acquisition and disposal or redemption, as the case may be, of the Security exceeds one year. Private capital gains derived by the Securityholder on a disposal or redemption of the Security taking place not later than one year after its acquisition, however, will be subject to personal income tax (plus solidarity tax thereon at a rate of currently 5.5 per cent). The amount of the private capital gain or loss will be equal to the difference between the sales proceeds or the Cash Settlement Amount paid by the Issuer, as the case may be, and the acquisition costs for the Security. Capital losses are only recognized for tax purposes if derived by the Securityholder on a disposal or redemption of the Security taking place not later than one year after its acquisition. Such capital losses may only be off-set, subject to certain additional limitations, against taxable private capital gains arising in the current or previous tax year or in subsequent tax years.

c. Taxation of a German tax resident holding the Security as a business asset

A German tax resident holding the security as a business asset will be subject to German trade tax (the rate of which depends on the location of the business the Security is attributable to) as well as to German personal or corporate income tax (plus solidarity tax thereon at a rate of currently 5.5 per cent) on any excess of sales proceeds or the Cash Settlement Amount over the Issue Price or acquisition costs of the Security.

d. Taxation of a non-German tax resident

An Individual not having a domicile or habitual abode in Germany or a corporation not maintaining a seat or place of management in Germany will be subject to personal or corporate income tax (plus solidarity tax thereon at a rate of currently 5.5 per cent) on any excess of sales proceeds or the cash settlement amount over the issue price or acquisition costs of the Security only if the Security forms part of the business property of a permanent establishment (in which case the taxable income is also subject to trade tax) or fixed base which the holder maintains in Germany.

2. Subscription Period / Introduction of Securities

The Securities shall be introduced by subscription on the Dutch market, during the period commencing on 11 January 2007 and ending at 10.00am CET on 23 January 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.

In Germany, applications to subscribe for the Securities may be made at the offices of Deutsche Bank AG, during the period commencing on 11 January 2007 and ending at 10:00am CET on 23 January 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.

3. Paying Agent

The Issuer has appointed Deutsche Bank AG, Amsterdam branch as its Netherlands paying agent with respect to the offering of the Securities in the Netherlands.

Deutsche Bank Amsterdam Branch
Herengracht 450-454
1017 CA Amsterdam
The Netherlands

In Germany, the Agent shall be Deutsche Bank AG acting through its office in Frankfurt am Main. The Agent shall act as the warrant agent or paying agent as appropriate at the following address: Alfred-Herrhausen-Allee, 16-24, D-65760, Eschborn, Germany (attention: Corporate Actions Department) (telephone: (69) 910 66817 and facsimile (69) 910 69218).

4. Listing

Application has been made to list the Securities on the Freiverkehr section of the Frankfurt Stock Exchange. Trading is expected to commence on the third Business Day following the Primary Market End Date, scheduled to be 26 January 2007. Deutsche Bank AG, London branch is acting as listing agent.

5. Listing and Issuing Rules of the Freiverkehr section of the Frankfurt Stock Exchange

For so long as the Securities are listed on the Freiverkehr section of the Frankfurt Stock Exchange, the Issuer will comply with requirements as set forth in the Listing and Issuing Rules of the Freiverkehr section of the Frankfurt Stock Exchange.

6. Clearing and Settlement

The Securities have been accepted for settlement through Euroclear Banking S.A./N.V.

ISIN code: DE000DB0JVM5

WKN: DB0JVM

7 Other information

Copies of the Prospectus, documents incorporated by reference, the Articles of Association of the Issuer and the latest annual and half-yearly reports, once published, are available free of charge at the offices of the Paying Agent. No general Securityholder meetings are taking place. More information regarding the Securities can be found on the Issuer’s website (www.x-markets.db.com).

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.

VIII. PARTY LIST

Issuer:

Deutsche Bank AG
Taunusanlage 12
D-60262 Frankfurt
Germany

Agent:

Deutsche Bank AG
Taunusanlage 12
D-60262 Frankfurt
Germany

Netherlands Paying Agent:

Deutsche Bank A.G., Amsterdam Branch
Herengracht 450-454
1017 CA Amsterdam
The Netherlands

ICM:3403134.3