



INFORMATION REGARDING THE MANAGEMENT OF CONFLICTS OF INTEREST

valid from July 13, 2009

In an asset management and investment bank providing clients a multitude of investment services as well as corporate financing and consulting services, conflicts of interest are sometimes unavoidable. Therefore, in compliance with the requirements of the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz 2007), we would like to provide you the following information regarding our extensive procedures for managing these conflicts of interest.

Such conflicts of interest may arise between our Bank, other group affiliates, our management, our employees, tied agents or other persons connected with us and our clients – or between our clients.

Specifically, conflicts of interest may arise:

- in the context of providing investment advice and asset management services due to the Bank's own internal (sales) interest in selling financial instruments, particularly the group's own products;
- when giving or receiving inducements (such as offering/trail commissions/non-cash benefits) to or from third parties in connection with investment services performed for you;
- when the Bank's compensation is based on the number of securities transactions it does or on their performance;
- as a result of performance-based compensation paid to employees and agents;
- when granting inducements to our employees and agents;
- from our relations with issuers of financial instruments, for example, such as in the case of debtor/creditor relationships, the participation in securities issues, or co-operations;
- in the context of producing investment research concerning securities offered to clients for purchase;
- as a result of obtaining non-public information;
- from personal relationships of our employees or management or persons connected to them; or
- in the course of such persons' participation on supervisory or advisory boards.

In order to avoid having conflicting interests influence, for example, the bank's advisory services, order execution, asset management or investment research, we and our employees have undertaken to uphold high ethical standards. We expect at all times due and proper, fair and professional conduct, compliance with market standards and, in particular, with clients' interest.

Our firm has an independent Compliance Office reporting directly to management, which is responsible for identifying, avoiding and managing conflicts of interest. The specific measures we are taking include:

- the creation of organisational procedures in order to protect the clients' interest in investment advice and asset management, such as approval procedures for new products;
- provisions on giving and receiving inducements as well as their disclosure;
- the creation of Chinese walls, the separation of responsibilities and/or physical separation;
- maintaining an insider or observation list for purposes of monitoring sensitive information and preventing any abuse of insider information;
- maintaining a restricted list, which serves, among other things, to counter potential conflicts of interest by prohibiting the execution of transactions, the provision of advisory services or the production of investment research;
- disclosing securities transactions to the Compliance Office by those employees with respect to which conflicts of interest could arise in the course of their work;
- training our employees;



We would like to advise you in particular of the following points:

When you purchase investment units, certificates or structured bonds, any issue premium is paid to the Bank as part of the purchase price. We will inform you of the amount of any issue premium.

In connection with the sale of securities, we generally receive inducements from investment fund companies and securities issuing houses. These include sales-based trail commissions, which investment funds pay to us from the management fees they earn, and sales commissions paid by securities issuers in the form of placement commissions, corresponding discounts on the issue price and trail commissions. In addition, we ourselves earn issue premiums to the extent we charge these when selling units or other securities. Receiving such payments and inducements or other incentives enables us to provide efficient and high-quality infrastructures for the purchase and sale of financial instruments.

If you have concluded an asset management contract with us, you as the client have delegated to your asset manager the management and thus the decision as to the purchase and sale of financial instruments. Therefore, we make decisions regarding the purchase and sale of securities in line with the investment guidelines contractually agreed with you without obtaining your consent. This situation can compound an already existing conflict of interest. We counter the resultant risks with appropriate organisational measures, particularly using an investment selection process focused on the client's interest.

We would like to point out in this context that the product issuer or its main distribution agency may pay us a one-time commission of between 0% and 5% (in occasional cases up to 10%) for brokering their products as well as ongoing commissions of between 0% and 1.5% p.a. of the total volume brokered for the respective issuer and that we may pass on a portion of this payment to third parties in an amount of between 0% and 50%. Due to the data volume and the necessary constant updates according to changing market conditions a more detailed disclosure of the commissions incurred by Deutsche Bank Österreich AG for each investment product may be obtained from your relationship manager upon request. In addition your relationship manager will advise you of the specific products and the details of the data.

Another conflict of interest that is typical for asset management may arise when agreeing on a performance-based fee. This situation harbours the potential that the manager will take disproportionately high risks in order to generate the greatest possible performance and thus a higher fee. In such cases, risks are minimised, among other things, by internally monitoring the investment decisions made and through the combination with other fixed compensation components.

Conflicts of interest may also arise in those cases where a company of Deutsche Bank group has functions in several different capacities, for example, as asset manager, securities issuer, and as the price-quoting party, particularly in case of own issues or securities purchased off-exchange, as well as in the case of currency forwards and currency options transactions, because in our function as asset manager we conclude the transactions with group companies in your name and for your account. In the case of off-exchange transactions, we set the prices and thus determine the margin amount, particularly in the case of our own certificates and transactions executed off-exchange. At the same time, we, as asset manager, decide on the transaction frequency.

Finally, the possibility occurs that we might receive free inducements from other service providers in connection with our securities business such as investment research or other informational material, training and occasionally technical services and equipment for accessing third party information and dissemination systems. Accepting such inducements has no direct connection with the services provided to you: We use these inducements in order to provide you the level of quality you expect and to continue to enhance our service.



In some cases we pay independent agents who generate clients or individual transactions for us (whether or not related to any specific transaction) performance-based commissions and fixed fees. In addition to the sales agent commissions paid by us, those agents may also receive inducements directly from third parties, in particular from investment fund companies and securities issuing houses.

We also provide information on relevant potential conflicts of interest in the investment research produced or disseminated by us.

We would be happy to provide you with further details regarding these principles upon request.