Equities

Britta Weidenbach
Head of European Equities

Vive la France, long live Europe and its equities

Political risks seem tamed for now, and valuations don't appear stretched. This allows markets to focus on Europe's earnings revival. We have upgraded the region.

Time to rediscover Europe

What we believe to have been the single biggest political risk in Europe in the current year was happily averted with the outcome of the French elections. Populist tides also appear to have peaked for the time being. We have taken this occasion to upgrade European equities to overweight as we believe political uncertainty has been the main factor that has kept investors, especially foreign investors, from shifting their funds to Europe. Europe's advantages can no longer go unnoticed. Alongside the stabile macroeconomic environment, it's the earnings momentum of European companies that makes a strong case for investing in Europe. This year Europe should finally see the turning point, now that decent earnings growth is back after six flattish years. We expect double-digit earnings growth versus last year. So far, the reporting season has supported our positive fundamental outlook. European equities are trading at reasonable multiples, especially compared to those in the United States. Although many investors say they find Europe attractive again, this view is not yet broadly reflected in their investment allocations.

Politics – anti-European sentiment is losing steam

We see a slight easing in political risk across Europe. After the elections in the Netherlands and Austria and the right-wing Alternative for Germany (AfD) party's decline in the German polls, it is now the French elections that are pointing to the fact that the year 2017 could be the apex for (anti-European) populists.[1] With Emmanuel Macron, there is a committed European leading Germany's most important political partner. His taking the helm could accelerate investor hopes for further European integration, perhaps in the form of a better coordinated and more stimulating fiscal policy.

That said, it's important not to sugarcoat the election results because they also reveal a high degree of political dissatisfaction and loss of confidence in the established parties on the part of voters. This will not be Macron's only challenge, as he cannot rely on an established party and it's still unclear how many votes in parliament he can count on. Macron's recent rapid success as well as his personality, however, leave us with hope that he will be able to launch some reforms.

Next to Brexit, which in our opinion will be of little help in boosting Europe's economy, we are left with Italy as the largest single risk

Our expectations in a nutshell

- Europe's corporate earnings are set to grow again in 2017, even by double digits
- Earnings dynamics and valuations are especially compelling compared to the U.S.
- With Macron's win, the biggest political risk seems to have dissipated. We upgrade Europe.

[1] The "Pulse of Europe" movement is also a sign of the growing support for Europe. After being founded in Frankfurt just around six months ago, this movement already has around 50,000 supporters who have taken to the streets in more than 100 cities in 14 European countries.

factor. Political dissatisfaction and a fragile banking sector are being met with fading economic growth. Still, we do not expect Italy to hold new elections before the fourth quarter of 2017. And even if the outcome is unfavorable, we would still be a long way away from an EU referendum.

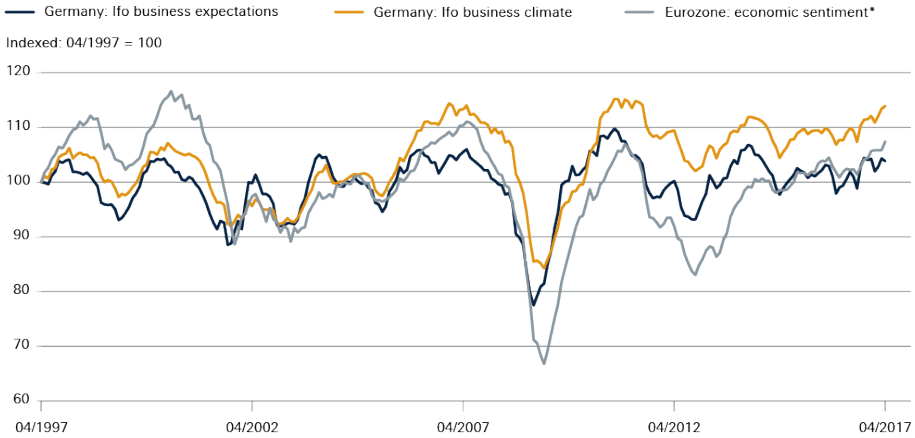
Europe's economy – headed in the right direction

A dynamic United States on the one side and a self-preoccupied Europe on the other. Although this is the popularly held opinion, with 1.8% growth in Europe versus 1.6% in the United States, the gross domestic product (GDP) in 2016 has already contradicted this notion. In addition, we have had positive economic-growth surprises coming out of Europe in the first quarter of this year whereas the United States again surprised to the downside. It's certainly true that discussions about Europe over the past few years have rarely contained the words "overheating" and "economy" in the same sentence. After all, it took until the third quarter of 2015 before the EU's GDP (based on 19 members) was able to finally surpass the level achieved in the first quarter of 2008. But now Europe is headed back in the right direction. According to consensus expectations, real GDP growth will be 1.8% in 2017 (2018: 1.7%), which in our view would mean the economy is already growing well above its potential (about 1 to 1.2%).

We find the following five trends particularly encouraging:

- Consumer confidence, purchasing managers' surveys and the IFO index are at longtime highs in most cases.

Economic sentiment trending higher in Europe



Source: Thomson Reuters Datastream; as of 4/28/17
* European Commision survey; corporates and consumers

- Order intake, industrial production, credit lending and wages are also continuing to rise.
- The unemployment rate has been declining since mid-2013 and is close to falling to below 8% in the European Union for the first time since 2008; since last summer, unemployment in the Eurozone has returned to below 10% (the high was 12%) and is now at the same level as in 2009.
- Europe's high-export economy continues to benefit from the stability achieved in some of the emerging markets and momentum gathering in other emerging markets. We expect

global economic growth to reach 3.5% in 2017 (2018: 3.7%) compared to 3.1% in 2016.
- Trump's protectionist bias should not be ignored. However, his (declared) retreat from the long-announced exit from NAFTA and other changes in strategy provide hope that any protectionism will be limited to individual sanctions.

Europe also appears to have left the daunting issue of inflation behind. In April, the Eurozone reported inflation of 1.9% (core inflation of 1.2%). We expect inflation to reach 1.7% (1.1%) for the full year. The financial sector is likely to be particularly pleased with the gradual rise in interest rates and the prospect of a normalization of the European Central Bank's (ECB's) monetary policy. However, we no longer expect the ECB to take any action this year to reverse negative deposit rates. We also do not expect to see any strong tail- or headwinds from the euro. From its low in April 2015, the trade-weighted euro has risen only seven percent to date. Assuming no further political hiccups in the Eurozone and a further increase in European interest rates, the trend could potentially continue over the medium term. Even so, it's unlikely this would pose a major problem for exporters at that level. We expect the gap between perception and reality to continue to close when it comes to Europe. Concerns about the political risks have long dominated the discussion. Now the focus should return to the economic data that is slowly but solidly improving.

European equities – earnings growth is back again

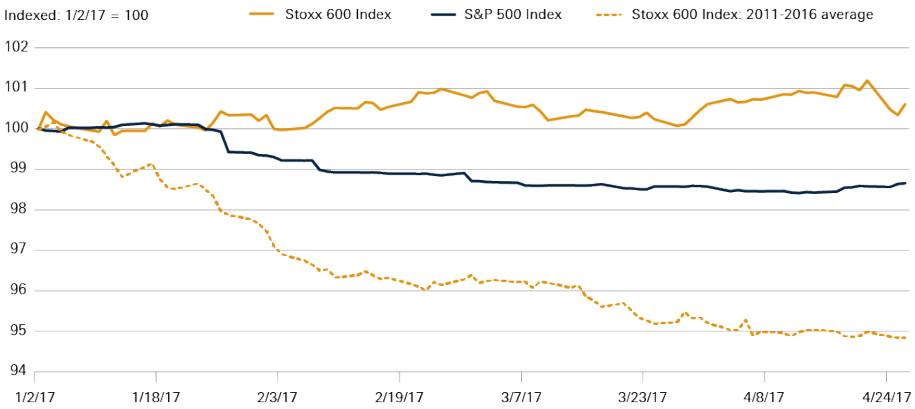
After the outcome of the first round of presidential elections in France, we raised our rating on European equities to overweight in an international context. The key arguments for the upgrade include solid fundamental data – especially earnings momentum – and the fact that valuations are reasonable and politics are no longer standing in markets' way. While investor interest in the second half of 2016 was still very much focused on the United States and uncertainty prevailed over the situation in Europe, we believe the interest has now shifted to Europe. American investors and companies may have come to acknowledge that it's a long hard road between Trump's perceived business-friendly policies and their implementation, which for some policies is no longer likely to take place this year. Companies in Europe, on the other hand, are brimming with confidence and presenting results that are pushing earnings estimates higher. All this is happening amid a stabilized political environment and improving macroeconomic indicators. Added to this is the fact that European companies benefit more from a pick-up in growth – particularly in the emerging markets – because they are more dependent on global growth than companies in other countries. Investors can already see this in the results from the current reporting season. Right now, we are especially positive about earnings growth, flow data and valuations.

Earnings dynamics: The first quarter reporting season is going very well for European stocks. Morgan Stanley's analysis of the quarterly reports of 113 Stoxx 600 Index companies that had reported before May 2nd shows a total of 43% managed to beat expectations by more than 5%. Only 20% missed by more than 5%. By this measure,

this has been the strongest quarter in ten years. So far, quarterly earnings are some 19% higher year-over-year.

These results are also reflected in the year-to-date changes in consensus estimates for 2017 earnings per share (EPS). Usually analysts have to bring down their estimates at the start of the year (which is still the case this year in the U.S.), but things are different this year in Europe: consensus earnings are currently almost one percent higher than in January, and the estimates for the Dax companies are even up by a total of three percent.

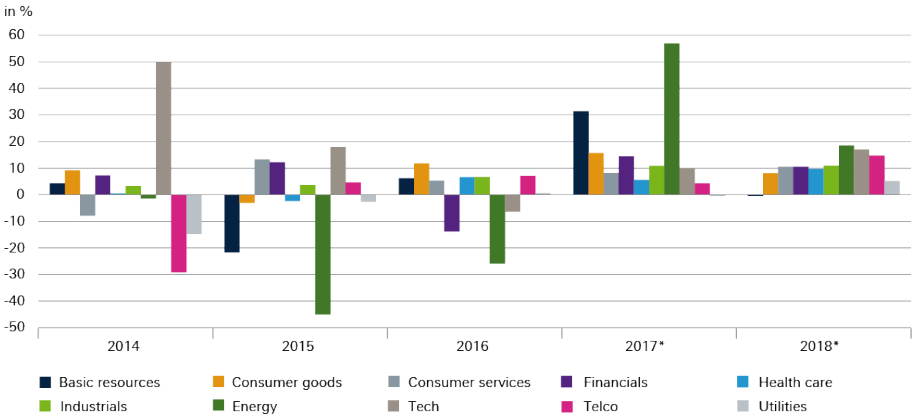
A strong year: development of 2017 EPS forecasts



Sources: Bloomberg Finance L.P.; as of 4/26/17

We expect **earnings growth** in Europe (Stoxx 600 Index) to reach 10.9% in the next twelve months (consensus is even almost 4% higher). Double-digit growth was last achieved in 2010. For the first time in years, this growth originates from all nine sectors. This compares to the past two years of earnings disappointments for the index, which were dominated by only a few sectors.

Broad-based recovery: EPS growth of Stoxx 600 sectors



Sources: Bloomberg Finance L.P., Deutsche Bank AG; as of 4/28/17
* Consensus forecasts

Despite our skepticism regarding the suitability of **flow data** as an early indicator, this flow data, tracking the movement of larger asset positions (for example, by institutional investors or ETFs), has been indicating a shift in assets to Europe for several weeks. Furthermore, there is an increase in the (anecdotal) interest of international investors, who had been steering well clear of Europe for a long time.

Current **valuations** on a historical basis are not the most striking argument for European equities, despite room for further gains. European equities do look interesting, however, when compared to other asset classes such as bonds or even U.S. equities.

- In the next 12 months, we expect the dividend yield on the Stoxx 600 Index to amount to 3.6%. Aside from government bonds, even high-yield bonds in Europe (on average) currently do not reach this kind of yield.
- European equities traditionally trade at a discount to U.S. equities. A few of the key ratios, such as the price-to-book ratio have drifted again to the lower end of the range.
- The difference between U.S. and European profit margins may have peaked given that wage pressures are significantly higher in the United States than in Europe.

Not only financial investors, but also strategic investors are seeing the advantages of Europe. M&A activity is picking up again, and we expect the number of transactions to increase, particularly for smaller companies.

Although the dynamic earnings streak is expected to continue, investors should stay tactically flexible in this global market environment. At the same time, however, with Europe outpacing the U.S. (S&P 500 Index) since the beginning of the year, investors shouldn't worry about having missed some of the rally. After all, Europe has been lagging for a good ten years now. Investors should also not be dissuaded by the fact that Europe is on everyone's lips at the moment. While it might not be a contrarian's preferred investment strategy, past quarters have shown that following the consensus can also prove to be the right strategy.

Long cycles: relative performance of Europe vs. U.S.

Sources: Thomson Reuters Datastream; as of 4/28/17
* total-return indices

Glossary

Contrarian

Contrarian investing is an investment strategy that is characterized by positioning oneself in the opposite direction of prevailing sentiment.

Dax

The Dax is a blue-chip stock-market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange.

Earnings per share (EPS)

Earnings per share (EPS) is calculated as a companies' net income minus dividends of preferred stock, all divided by the total number of shares outstanding.

Emerging markets (EM)

Emerging markets (EM) are economies not yet fully developed in terms of, amongst others, market efficiency and liquidity.

European Central Bank (ECB)

The European Central Bank (ECB) is the central bank for the Eurozone.

European Union (EU)

The European Union (EU) is a political and economic union of 28 member states located primarily in Europe.

Eurozone

The Eurozone is formed of 19 European Union member states that have adopted the euro as their common currency and sole legal tender.

Gross domestic product (GDP)

The gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Mergers and acquisitions (M&A)

Mergers and acquisitions (M&A) are the two key methods of corporate consolidation. A merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by another in which no new company is formed.

North American Free Trade Agreement (NAFTA)

The North American Free Trade Agreement (NAFTA) is a trade agreement signed by Canada, Mexico and the United States, creating a trilateral trade bloc in North America, which came into force on January 1st, 1994.

Price-to-book (P/B) ratio or multiple

Price-to-book (P/B) ratio or multiple compares a stock's market value with its book value.

S&P 500 Index

The S&P 500 Index includes 500 leading U.S. companies capturing approximately 80% coverage of available U.S. market capitalization.

Stoxx Europe 600 Index

The Stoxx Europe 600 Index is an index representing the performance of 600 listed companies across 18 European countries.

Risk warning

Investments are subject to investment risk, including market fluctuations, regulatory change, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you might not get back the amount originally invested at any point in time.

Investments in Foreign Countries – Such investments may be in countries that prove to be politically or economically unstable. Furthermore, in the case of investments in foreign securities or other assets, any fluctuations in currency exchange rates will affect the value of the investments and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency.

Foreign Exchange/Currency – Such transactions involve multiple risks, including currency risk and settlement risk. Economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. Profits and losses in transactions in foreign exchange will also be affected by fluctuations in currency where there is a need to convert the product's denomination(s) to another currency. Time zone differences may cause several hours to elapse between a payment being made in one currency and an offsetting payment in another currency. Relevant movements in currencies during the settlement period may seriously erode potential profits or significantly increase any losses.

High Yield Fixed Income Securities – Investing in high yield bonds, which tend to be more volatile than investment grade fixed income securities, is speculative. These bonds are affected by interest rate changes and the creditworthiness of the issuers, and investing in high yield bonds poses additional credit risk, as well as greater risk of default.

Hedge Funds – An investment in hedge funds is speculative and involves a high degree of risk, and is suitable only for "Qualified Purchasers" as defined by the US Investment Company Act of 1940 and "Accredited Investors" as defined in Regulation D of the 1933 Securities Act. No assurance can be given that a hedge fund's investment objective will be achieved, or that investors will receive a return of all or part of their investment.

Commodities – The risk of loss in trading commodities can be substantial. The price of commodities (e.g., raw industrial materials such as gold, copper and aluminium) may be subject to substantial fluctuations over short periods of time and may be affected by unpredicted international monetary and political policies. Additionally, valuations of commodities may be susceptible to such adverse global economic, political or regulatory developments. Prospective investors must independently assess the appropriateness of an investment in commodities in light of their own financial condition and objectives. Not all affiliates

or subsidiaries of Deutsche Bank Group offer commodities or commodities-related products and services.

Investment in private equity funds is speculative and involves significant risks including illiquidity, heightened potential for loss and lack of transparency. The environment for private equity investments is increasingly volatile and competitive, and an investor should only invest in the fund if the investor can withstand a total loss. In light of the fact that there are restrictions on withdrawals, transfers and redemptions, and the Funds are not registered under the securities laws of any jurisdictions, an investment in the funds will be illiquid. Investors should be prepared to bear the financial risks of their investments for an indefinite period of time.

Investment in real estate may be or become nonperforming after acquisition for a wide variety of reasons. Nonperforming real estate investment may require substantial workout negotiations and/ or restructuring.

Environmental liabilities may pose a risk such that the owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on, about, under, or in its property. Additionally, to the extent real estate investments are made in foreign countries, such countries may prove to be politically or economically unstable. Finally, exposure to fluctuations in currency exchange rates may affect the value of a real estate investment.

Structured solutions are not suitable for all investors due to potential illiquidity, optionality, time to redemption, and the payoff profile of the strategy. We or our affiliates or persons associated with us or such affiliates may: maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation. Calculations of returns on the instruments may be linked to a referenced index or interest rate. In such cases, the investments may not be suitable for persons unfamiliar with such index or interest rates, or unwilling or unable to bear the risks associated with the transaction. Products denominated in a currency, other than the investor's home currency, will be subject to changes in exchange rates, which may have an adverse effect on the value, price or income return of the products. These products may not be readily realizable investments and are not traded on any regulated market..

Important Information – UK

In the UK this publication is considered a financial promotion and is approved by DB AG on behalf of all entities trading as Deutsche Asset Management in the UK.

Deutsche Asset Management is the brand name of the Asset Management division of the Deutsche Bank Group. The respective legal entities offering products or services under the Deutsche Asset Management brand are specified in the respective contracts, sales materials and other product information documents. Deutsche Asset Management, through Deutsche Bank AG, its affiliated companies and its officers and employees (collectively

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

"Deutsche Bank") are communicating this document in good faith and on the following basis.

This document is a financial promotion and is for general information purposes only and consequently may not be complete or accurate for your specific purposes. It is not intended to be an offer or solicitation, advice or recommendation, or the basis for any contract to purchase or sell any security, or other instrument, or for Deutsche Bank to enter into or arrange any type of transaction as a consequence of any information contained herein. It has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor.

This document does not identify all the risks (direct and indirect) or other considerations which might be material to you when entering into a transaction. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by Deutsche Bank, are suitability and appropriate, in light of their particular investment needs, objectives and financial circumstances. We assume no responsibility to advise the recipients of this document with regard to changes in our views.

Past performance is no guarantee of future results.

The products mentioned in this document may be subject to investment risk including market fluctuations, regulatory change, counterparty risk, possible delays in repayment and loss of income and principal invested. Additionally, investments denominated in an alternative currency will be subject to currency risk, changes in exchange rates which may have an adverse effect on the value, price or income of the investment. The value of an investment can fall as well as rise and you might not get back the amount originally invested at any point in time.

We have gathered the information contained in this document from sources we believe to be reliable; but we do not guarantee the accuracy, completeness or fairness of such information and it should not be relied on as such. Deutsche Bank has no obligation to update, modify or amend this document or to otherwise notify the recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Deutsche Bank does not give taxation or legal advice. Prospective investors should seek advice from their own taxation agents and lawyers regarding the tax consequences on the purchase, ownership, disposal, redemption or transfer of the investments and strategies suggested by Deutsche Bank. The relevant tax laws or regulations of the tax authorities may change at any time. Deutsche Bank is not responsible for and has no obligation with respect to any tax implications on the investment suggested.

No assurance can be given that any investment described herein would yield favorable investment results or that the investment objectives will be achieved. In general, the securities and financial instruments presented herein are not insured by the Federal Deposit

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

Insurance Corporation ("FDIC"), and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates. We or our affiliates or persons associated with us may act upon or use material in this report prior to publication. DB may engage in transactions in a manner inconsistent with the views discussed herein. Opinions expressed herein may differ from the opinions expressed by departments or other divisions or affiliates of Deutsche Bank.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward looking statements expressed constitute the author's judgment as of the date of this material. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/ or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by Deutsche Bank as to the reasonableness or completeness of such forward looking statements or to any other financial information contained in this document.

This document may not be reproduced or circulated without our written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States, where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Deutsche Bank to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

Deutsche Bank conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients and between one client and another.

As a global financial services provider, Deutsche Bank faces actual and potential Conflicts of Interest periodically. The Bank's policy is to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage relevant conflicts. Senior management within the Bank are responsible for ensuring that the Bank's systems, controls and procedures are adequate to identify and manage Conflicts of Interest.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the Prudential Regulation Authority. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority.

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

Deutsche Bank AG is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, Local Court of Frankfurt am Main, HRB No. 30 000; Branch Registration in England and Wales BR000005 and Registered Address: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG, London Branch is a member of the London Stock Exchange. (Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available on request or from www.db.com/en/content/eu_disclosures.htm). Financial Services Registration Number 150018.

Deutsche Asset Management is a trading name of Deutsche Asset Management (UK) Limited. Registered in England & Wales No 5233891. Registered Office: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Asset Management (UK) Limited is authorised and regulated by the Financial Conduct Authority. Financial Services Registration Number 429806.

This document may not be distributed in Canada, Japan, the United States of America, or to any U.S. person.

Disclaimer EMEA

Deutsche Asset Management is the brand name of the Asset Management division of the Deutsche Bank Group. The respective legal entities offering products or services under the Deutsche Asset Management brand are specified in the respective contracts, sales materials and other product information documents. Deutsche Asset Management, through Deutsche Bank AG, its affiliated companies and its officers and employees (collectively "Deutsche Bank") are communicating this document in good faith and on the following basis.

This document has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by Deutsche Bank, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Furthermore, this document is for information/ discussion purposes only and does not constitute an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

Deutsche Bank does not give tax or legal advice. Investors should seek advice from their own tax experts and lawyers, in considering investments and strategies suggested by Deutsche Bank. Investments with Deutsche Bank are not guaranteed, unless specified. Unless notified to the contrary in a particular case, investment instruments are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental entity, and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates.

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

Investments are subject to various risks, including market fluctuations, regulatory change, counterparty risk, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time.

This publication contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward looking statements expressed constitute the author's judgment as of the date of this material. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/ or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by Deutsche Bank as to the reasonableness or completeness of such forward looking statements or to any other financial information contained herein. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Offering Documents. When making an investment decision, you should rely on the final documentation relating to the transaction and not the summary contained herein.

This document may not be reproduced or circulated without our written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries, including the United States. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States, where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Deutsche Bank to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

Kingdom of Bahrain

For Residents of the Kingdom of Bahrain: This document does not constitute an offer for sale of, or participation in, securities, derivatives or funds marketed in Bahrain within the meaning of Bahrain Monetary Agency Regulations. All applications for investment should be received and any allotments should be made, in each case from outside of Bahrain. This document has been prepared for private information purposes of intended investors only who will be institutions. No invitation shall be made to the public in the Kingdom of Bahrain and this document will not be issued, passed to, or made available to the public generally. The Central Bank (CBB) has not reviewed, nor has it approved, this document or the marketing of such securities, derivatives or funds in the Kingdom of Bahrain. Accordingly, the securities, derivatives or funds may not be offered or sold in Bahrain or to residents thereof

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

except as permitted by Bahrain law. The CBB is not responsible for performance of the securities, derivatives or funds.

State of Kuwait

This document has been sent to you at your own request. This presentation is not for general circulation to the public in Kuwait. The Interests have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Interests in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Interests is being made in Kuwait, and no agreement relating to the sale of the Interests will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Interests in Kuwait.

United Arab Emirates

United Arab Emirates Deutsche Bank AG in the Dubai International Financial Centre (registered no. 00045) is regulated by the Dubai Financial Services Authority. Deutsche Bank AG – DIFC Branch may only undertake the financial services activities that fall within the scope of its existing DFSA license. Principal place of business in the DIFC: Dubai International Financial Centre, The Gate Village, Building 5, PO Box 504902, Dubai, U.A.E. This information has been distributed by Deutsche Bank AG. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority.

State of Qatar

Deutsche Bank AG in the Qatar Financial Centre (registered no. 00032) is regulated by the Qatar Financial Centre Regulatory Authority. Deutsche Bank AG - QFC Branch may only undertake the financial services activities that fall within the scope of its existing QFCRA license. Principal place of business in the QFC: Qatar Financial Centre, Tower, West Bay, Level 5, PO Box 14928, Doha, Qatar. This information has been distributed by Deutsche Bank AG. Related financial products or services are only available to Business Customers, as defined by the Qatar Financial Centre Regulatory Authority.

Kingdom of Saudi Arabia

Deutsche Securities Saudi Arabia LLC Company, (registered no. 07073-37) is regulated by the Capital Market Authority. Deutsche Securities Saudi Arabia may only undertake the financial services activities that fall within the scope of its existing CMA license. Principal place of business in Saudi Arabia: King Fahad Road, Al Olaya District, P.O. Box 301809, Faisaliah Tower – 17th Floor, 11372 Riyadh, Saudi Arabia. This document may not be distributed in Canada, Japan, the United States of America, or to any U.S. person.

All opinions and claims are based upon data on 5/8/17 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Deutsche Asset Management Investment GmbH

Publisher: Deutsche Asset Management Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany