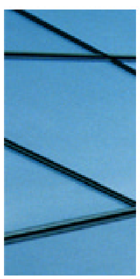
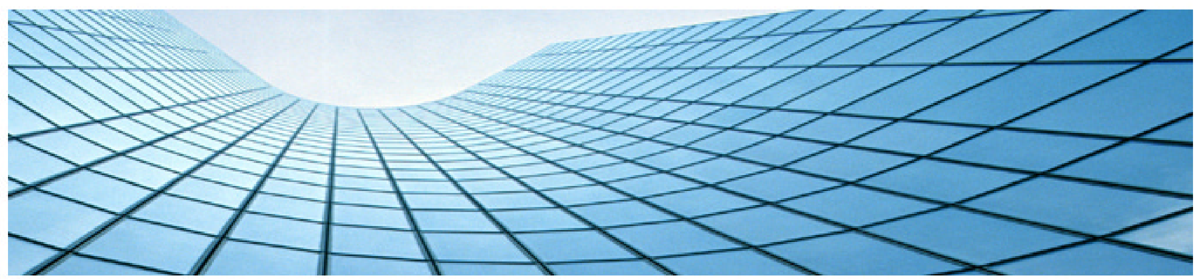
Deutsche Bank – Commodities and ETFs

Presented to the Capital Link Forum
5th Annual Closed-End Funds and Global ETF Conference
Metropolitan Club – New York, NY

April 20, 2006





A Passion to Perform.

Deutsche Bank

Agenda

- **Why Commodities (Commodities as an Asset Class)**
- **Traditional Commodity Wrappers**
- **The Marketplace Today**
- **DBC - DB Commodity Index Tracking Fund**

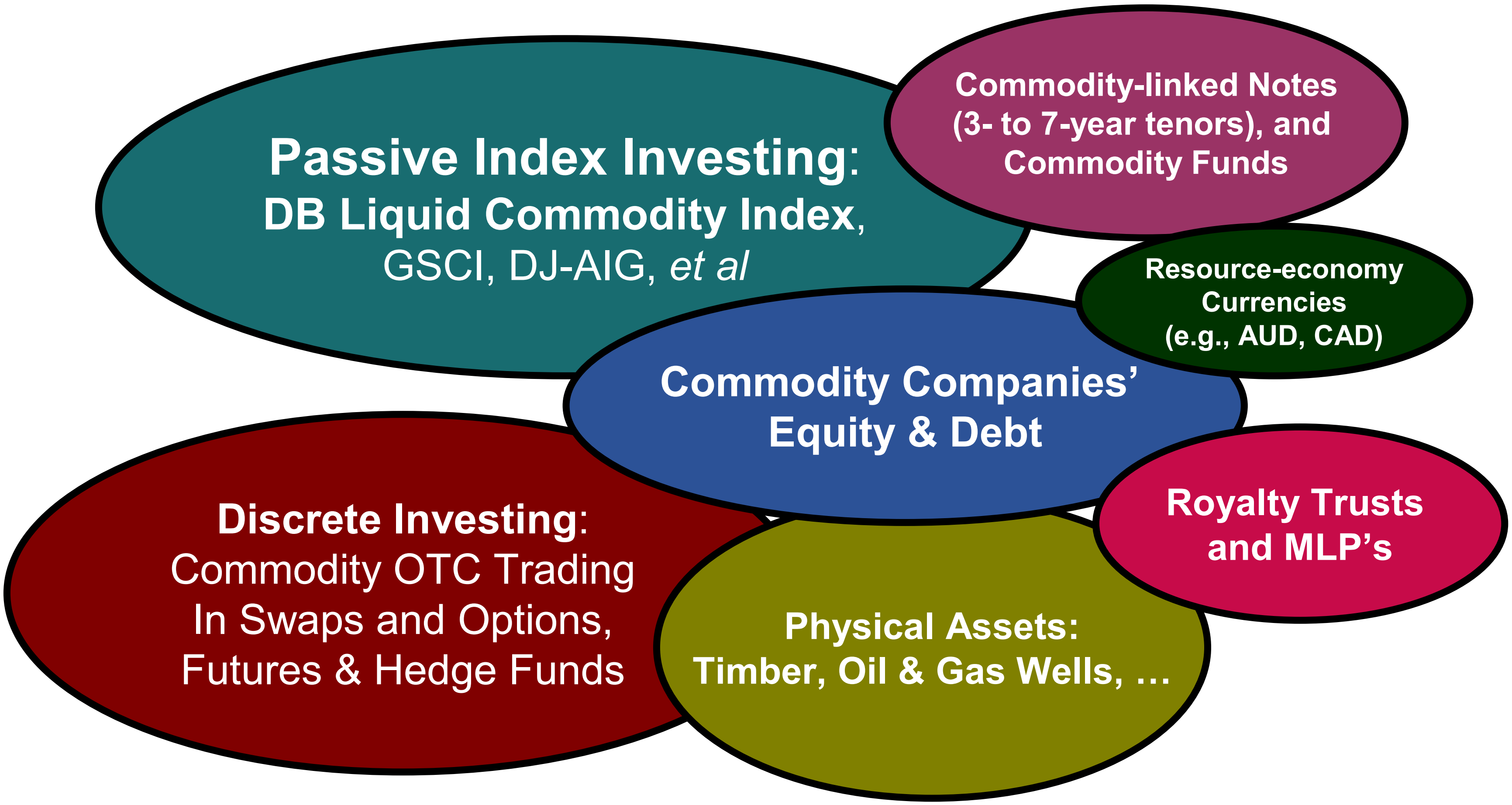
Commodities as an Asset Class - Historical Perspective

Over the past 45 years, commodities had[1]:

- Returns comparable to the return on the S+P 500
- Both commodities and equities outperformed bonds over this period
- Commodities and equities had higher volatility than bonds, although commodity volatility is slightly less than that of equities
- Commodity risk premium has been roughly equal to equities', and more than double that of bonds
- Commodity returns are positively skewed; equities are negatively skewed
- Negative correlation with the return on the S+P 500 and long-term bonds, which increases as the holding period increases
- Positive correlation with inflation (CPI), which increases as the holding period increases
- Opposite exposure to inflation compared to equities and debt
- Stocks and bonds are negatively correlated with inflation

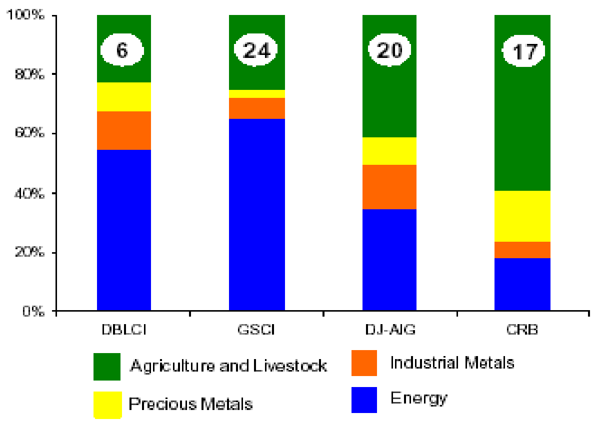
[1] **See National Bureau of Economic Research Working Paper Working Paper 10595 (http://www.nber.org/papers/w10595) "Facts and Fantasies about Commodity Futures," by Gary Gorton of the Wharton School and the NBER, and K. Geert Rouwenhorst of Yale's School of Management (February 28, 2005, revised).**

Traditional Commodity Wrappers

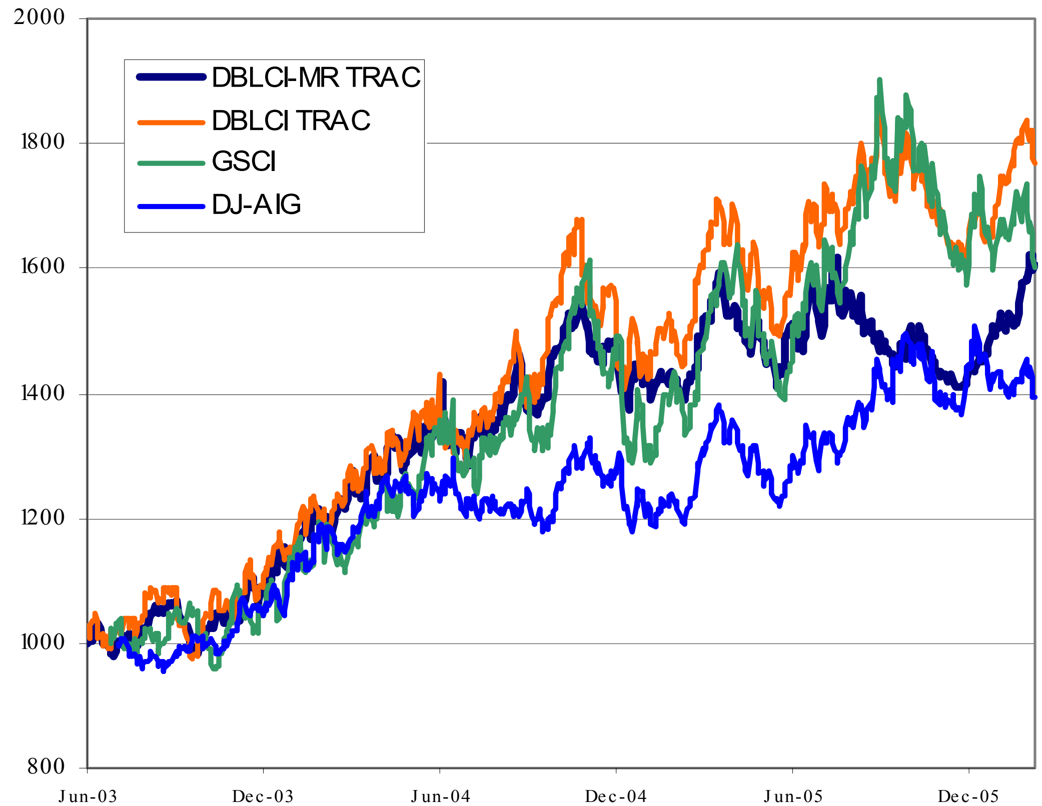


The Marketplace Today

Number of Components per Index



Benchmark Indices



DB's Commodity Index Suite offers simple and efficient access to six of the most liquid and actively traded commodity markets in the world…

Sources: Bloomberg and Deutsche Bank Global Research

The Marketplace Today – DB's Products

- The **DB Liquid Commodity Index** (**DBLCI)** is composed of six commodities, which represent the most liquid commodities in their respective sectors, weighted to broadly reflect global production and consumption
- The **DBLCI – MR** uses a simple algorithm to capture mean reversion (MR) in commodity prices
- For both the DBLCI and DBLCI – MR, index values are calculated using the settlement prices of these liquid futures contracts every business day
- Investors are made long the index and liquidate their investments basis the closing values
- The **DBC** is the ETF traded on a US stock exchange that tracks the DBCLI. It is the only commodity index tracker in the US market.

Sector	Commodity	Base[1]	DBLCI[2]	DBLCI-MR[3]
ENERGY	WTI	35.00%	33.31%	5.02%
	Heating Oil	20.00%	18.02%	1.57%
INDUSTRIAL METALS	Aluminium	12.50%	15.07%	10.84%
PRECIOUS METALS	Gold	10.00%	11.47%	6.43%
AGRICULTURE	Wheat	11.25%	11.01%	32.40%
	Corn	11.25%	11.13%	43.74%

[1] These are the base weights of the DBLCI and DBLCI-MR

[2] As the energy contracts are rolled monthly, these weights will change. The DBLCI is re-balanced to its base weights Nov. 1 annually.

[3] Source: Reuters page DBLCI, 14 April 2006

The Marketplace Today – How we size up.

(annualized quarterly returns: March92 – Dec05)

Key Statistics	DBLCI	DBLCI-MR	GSCI[1]	DJ-AIG	PEP[2]	USG	REP[3]	R3K	MSCI	NASDAQ 100	SP 500
Alpha[4]	11.41%	9.75%	7.16%	6.56%	5.14%	3.89%	1.16%	0.00%	-1.07%	-0.35%	0.14%
Sharpe Ratio	54.46%	47.65%	29.59%	43.60%	84.23%	62.05%	82.98%	50.27%	34.00%	42.43%	50.86%
Excess Return[5]	9.63%	8.11%	5.63%	5.55%	12.86%	3.08%	1.02%	7.92%	5.72%	13.90%	7.77%
Volatility	17.69%	17.03%	19.01%	12.72%	15.27%	4.97%	1.23%	15.76%	16.81%	32.75%	15.27%
Correlation Matrix											
DBLCI	100.0%										
DBLCI-MR	90.7%	100.0%									
GSCI	90.5%	73.6%	100.0%								
DJ-AIG	85.1%	73.9%	90.3%	100.0%							
PEP	-20.7%	-19.1%	-17.4%	-16.7%	100.0%						
USG	-9.8%	-8.2%	-4.8%	-11.6%	-32.5%	100.0%					
REP	21.8%	15.9%	27.9%	32.3%	-25.3%	-9.7%	100.0%				
RUSSELL 3000 (R3K)	-19.6%	-18.9%	-16.0%	-15.8%	99.4%	-32.3%	-22.0%	100.0%			
MSCI	-4.5%	-4.8%	-1.9%	6.4%	80.5%	-36.3%	-0.8%	80.6%	100.0%		
NASDAQ 100	-14.9%	-13.2%	-15.3%	-18.8%	84.6%	-36.9%	-16.0%	86.0%	67.8%	100.0%	
SP 500	-20.7%	-19.1%	-17.4%	-16.7%	100.0%	-32.5%	-25.3%	99.4%	80.5%	84.6%	100.0%

[1] GSCI = Goldman Sachs Commodity Index (© 2005 Goldman, Sachs & Co. Used with Permission)

[2] PEP = Private Equity Proxy (S+P 500 +5%)

[3] REP= Real Estate Proxy (CPI + 2%)

[4] This is the regression alpha in the following estimator of excess returns:

$r_p - r_f = a_p + b(r_m - r_f)$, where

a_p = intercept term of regression

b = corr(p,m) * stdev(p)/stdev(m)

(r = return, p = portfolio, m = market (R3K), f = risk-free rate)

See Sharpe, William F., and Alexander, Gordon J., "Investments" (Prentice Hall, 4th ed.,1992), pp. 746-747.

[5] Excess Return is measured v. 3-month US Treasurys

Note: R3K = Russell 3000

DBC – The DB Commodity Index Tracking Fund

- The first commodity-index-linked fund to be listed on a US stock exchange.
- A commodity pool managed by DB Commodity Services LLC, a commodity pool operator registered with the Commodity Futures Trading Commission and the National Futures Association.
- Broker-dealers (authorized participants) can create and redeem baskets of DBC shares on an ongoing basis.
- Intra-day indicative index levels and NAV published every 15 seconds throughout each trading day on the consolidated tape.
- Tracks the performance of the Deutsche Bank Liquid Commodity Index™ - Excess Return (DBLCI).
- Invests in exchange traded futures and US T-bills (interest accrues to the benefit of the shareholder).