

## Deutsche Bank Securities Inc.

### Procedures for Allocation of Callable Securities

Customers of Deutsche Bank Securities Inc. (“**DBSI**”) may hold in their accounts securities which by their terms may be redeemed or called prior to maturity. Where such a security becomes the subject of a partial redemption or call (collectively, a “**Partial Call**”), DBSI will be informed by the issuer, depository (*e.g.*, the Depository Trust Company), or sub-custodian of the Partial Call as well as the total amount or value of securities held for DBSI and/or its customers that is to be redeemed or called. DBSI will, in turn, allocate securities selected to be redeemed or called on a fair and impartial basis in accordance with the procedures described below.

#### 1. Determine if Partial Call is Favorable or Unfavorable

In order to determine whether a Partial Call is **favorable** or **unfavorable**, DBSI will compare the price at which the security is to be called or redeemed (the “**Call Price**”) with the current market price of the security as at the close of business on the day DBSI determines which securities are to be called or redeemed. If the Call Price is higher than the current market price at that time, the call will be deemed favorable; if the Call Price is lower than the current market price, the call will be deemed unfavorable. DBSI will make this determination using publicly-available sources of price data, where available. In the absence of publicly-available price data, DBSI will make a good faith determination of the current market price of the security using standard valuation techniques.

#### 2. Determine accounts eligible to participate in the Partial Call

Securities in the following types of accounts (“**Callable Accounts**”) are eligible to participate in a Partial Call:

- i. Customers’ custodial accounts carried by DBSI;
- ii. Custodial accounts of DBSI’s arranged financing customers carried by Deutsche Bank, New York Branch through an omnibus account at DBSI. Securities in such accounts will be eligible for inclusion in a Partial Call based on the amount of the securities in the customer account on the books of Deutsche Bank, New York Branch, without regard to re-hypothecation.
- iii. Securities held accounts in connection with certain repurchase agreements on the security to be called or redeemed.
- iv. In addition, proprietary accounts of DBSI’s and those of its personnel and affiliates (collectively, “**DB Accounts**”) will participate in favorable and unfavorable Partial Calls as follows. Where the Partial Call is **unfavorable** to investors, DB Accounts will participate in the Partial Call to the same extent as other Callable Accounts. However, where the Partial Call is **favorable**, DB Accounts will only participate in the Partial Call if there are any remaining securities to be called or redeemed after all other Callable Account positions in the security have been called or redeemed.

### **3. Allocate Partial Call among Callable Accounts**

DBSI will allocate securities to be redeemed or called from Callable Accounts using the two-step process described below.

#### **i. Pro-rata allocation**

Initially, DBSI will allocate the securities to be redeemed or called among Callable Accounts on a pro rata basis. For this purpose, DBSI will calculate the pro-rata rate using the following formula:

$$\frac{\text{Quantity of securities to be called}}{\text{Quantity of eligible securities in Callable Accounts.}}$$

DSBI will determine the quantity of securities to be called from each Callable Account by multiplying the pro-rata rate by the number of eligible securities in such account, and then rounding down to the nearest minimum denomination and the nearest principal amount of \$1,000.

#### **ii. Lottery for Remaining Securities**

If there are any remaining securities to be redeemed or called after conducting the pro-rata allocation (due to rounding), DBSI will conduct an impartial lottery to allocate the remaining securities on a random basis. For these purposes, each Callable Account selected through the random lottery will be redeemed or called for one minimum denomination until the full quantity of securities to be redeemed or called has been allocated.

Please note that the application of these procedures may result in the percentage of securities that are called from any customer's account being different from the percentage of the overall issue that is called. Similarly, the percentage of securities that are called from one customer's account may not be the same as the percentage of securities called from the accounts of other customers.