



**Information Circular 10-306**

Date: June 28, 2010

To: ETP Holders

From: James C. Yong  
Chief Regulatory Officer

Re: POWERSHARES DB 3X SHORT 25+ YEAR TREASURY BOND EXCHANGE  
TRADED NOTES TO BEGIN TRADING ON NSX

Pursuant to Regulatory Circular 08-005, we are issuing this Information Circular to advise you that the following securities (the "Notes") have been approved for trading on the National Stock Exchange, Inc. ("NSX" or the "Exchange") as UTP Derivative Securities products pursuant to NSX Rule 15.9:

<b>Security:</b>	<b>Symbol:</b>
PowerShares DB 3x Short 25+ Year Treasury Bond Exchange Traded Notes, due May 31, 2040	<b>SBND</b>
PowerShares DB 3x Long 25+ Year Treasury Bond Exchange Traded Notes, due May 31, 2040	<b>LBND</b>

**Commencement of Trading:** June 29, 2010

**Issuer:** Deutsche Bank AG

**Primary Listing Exchange:** NYSE Arca

**Primary Exchange Circular:** RB-10-78 (June 15, 2010)

**Issuer Registration Statement:** No. 333-1362195

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Notes. For a more complete description of the Issuer, the Notes and the underlying market instruments or indexes, consult the prospectus (the "Prospectus"), examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange (which as of the date hereof is set forth above as the "Primary Exchange Circular"). The Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

The Primary Exchange Circular cited above contains the following information:

## **Background Information on the Notes**

As more fully explained in the Registration Statement No. 333-1362195 for Deutsche Bank AG, London Branch (“Deutsche Bank”), the Securities are linked to the performance of an index, as described below. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the Registration Statement.

## **Description of the Security**

The Securities will be issued in denominations of \$25 and are senior unsecured obligations of Deutsche Bank, acting through its London branch. Each security being offered has separate terms and offers investors exposure to the month-over-month performance of a total return version of an index which seeks to measure, in the case of the 3x Short UST ETNs, the performance of a short investment in, and in the case of the 3x Long UST ETNs, a long investment in Ultra T-Bond Futures, less an investor fee. The total return index underlying each security is the Index for such security. Ultra T-Bond Futures are futures contracts traded on CBOT whose underlying assets are U.S. Treasury bonds with a remaining term to maturity of not less than 25 years from the first day of the futures contract delivery month. The securities do not guarantee any return of principal at maturity and do not pay any interest.

For the 3x Short UST ETNs, the Index is a total return version of the DB Short US Treasury Bond Futures Index obtained by combining three times the returns on the DB Short US Treasury Bond Futures Index with the returns on the DB 3-Month T-Bill Index (the “TBill index”).

The 3x Short UST ETNs offer investors three times leveraged exposure to the monthly performance of the short Treasury futures index plus the monthly TBill index return, subject to the investor fee.

If the short Treasury futures index increases during any calendar month (a “beneficial monthly performance”), the return on the Index for the 3x Short UST ETNs for that month will increase by three times the movement of the short Treasury futures index, plus the monthly TBill index return. If the short Treasury futures index decreases during any calendar month (an “adverse monthly performance”), the return on the Index for that month will decrease by three times the movement of the short Treasury futures index, plus the monthly TBill index return.

3x Short UST ETNs will *not* offer investors three times leveraged exposure to the performance of the short Treasury futures index over an extended time period.

For the 3x Long UST ETNs, the Index is a total return version of the DB Long US Treasury Bond Futures Index obtained by combining three times the returns on the DB Long US Treasury Bond Futures Index with the returns on the T-Bill index.

The 3x Long UST ETNs offer investors three times leveraged exposure to the monthly performance of the long Treasury futures index plus the monthly TBill index return, subject to the investor fee.

If the long Treasury futures index increases during any calendar month (a “beneficial monthly performance”), the return on the Index for the 3x Long UST ETNs for that month will increase by three times the movement of the long Treasury futures index, plus the monthly TBill index return. If the long Treasury futures index decreases during any calendar month (an “adverse monthly performance”), the return on the Index for that month will decrease by three times the movement of the long Treasury futures index, plus the monthly TBill index return.

3x Long UST ETNs will not offer investors three times leveraged exposure to the performance of the long Treasury futures index over an extended time period.

### **Principal Risks**

The securities are senior unsecured debt obligations of Deutsche Bank AG’s, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the securities depends on Deutsche Bank AG ability to satisfy its obligations as they become due.

As described in the prospectus for the Securities, the Securities are not designed to be long-term investments. The leverage feature of the securities, as well as the monthly application of the index factor, fee factor and reset of the principal amount, may cause the performance of the securities over time to differ significantly from the performance of the Index. For example, if over six months the relevant Treasury futures index appreciated 10%, the repurchase value of the securities (including 3x leverage) will not have appreciated 30%. Rather, the repurchase value will depend on the month-over-month performances of the Index. Furthermore, more volatile month-over-month performances of the Index will magnify the divergence of the return on the securities from the return on the Index. Investors should regularly monitor their holdings of the securities to ensure that they remain consistent with their investment strategies.

Consult the prospectus for additional risks associated with an investment in the Securities.

### **Indicative Value**

An intraday “Indicative Value” meant to approximate the intrinsic economic value of the securities will be published for SPGH.SO.

### **Prospectus Delivery**

ETP Holders are advised to consult the “Supplemental Plan of Distribution” in the Prospectus regarding prospectus delivery requirements.

### **No-Action Relief Under Federal Securities Regulations**

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the “Exchange Act”), regarding trading in Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 12, 2007) for securities with structures similar to that of the securities described herein (the “Letter”). The issuer relies on the relief granted in the Letter with request to SBND and LBND. As what follows is only a summary of the relief outlined in the Letter, the Exchange also advises

interested members to consult the Letter, available at [www.sec.gov](http://www.sec.gov), for more complete information regarding the matters covered therein.

**BECAUSE WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTER(S) REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTER(S) FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN THE SHARES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.**

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Deutsche Bank and affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

### **Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2**

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered open-end

investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

### **NSX Rules Applicable to Trading in the Notes**

The Notes are considered equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities. The Notes are also a UTP Derivative Securities product as specified in NSX Rule 15.9, and as such are subject to the additional provisions specific to that NSX Rule. In particular, ETP Holders are reminded of their obligations under the following NSX Rules:

1. Trading Hours: This product will trade during the regular trading hours of the Exchange (between 9:30 am to 4:00 pm ET), during pre-market hours (8:00 am to 9:29:59 am ET) and during post-market hours (4:00:01 pm to 6:30 pm ET). Please note that trading in the Notes during the Exchange's pre-market and post-market hours may result in additional trading risks which include: (1) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (2) higher volatility in the Opening or Late Trading Sessions may impact pricing, (3) wider spreads may occur in the Opening or Late Trading Sessions. The minimum trading increment is \$.01.

2. Recommendations To Customers: NSX Rule 3.7 provides that the ETP Holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Notes or recommending a transaction in the Notes that an investment in the Notes is suitable for the customer.

3. Customer Requests for a Prospectus: NSX Rule 15.9B(3)(d) provides that, upon request of a customer, an ETP Holder shall provide a prospectus for the particular series of UTP Derivative Securities.

4. Trading Halts: NSX Rule 15.9B(4) provides that, in addition to the Exchange's authority to suspend or halt trading under NSX Rules 11.20 (Trading Halts Due To Extraordinary Market Volatility), 12.11 (Trading Suspensions) and 15.7 (Suspension and/or Delisting By Exchange), if a temporary interruption occurs in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange. The Notes will be traded following a trading halt in accordance with Interpretations and Policy .03 of NSX Rule 11.20.

In addition, for a UTP Derivative Securities product where a net asset value is disseminated, if the primary listing exchange notifies the Exchange that the net asset value is not being disseminated to all market participants at the same time, the Exchange will immediately halt trading in such security. The Exchange may resume trading in the UTP Derivative Security only when the net asset value is disseminated to all market participants at the same time or trading in the UTP Derivative Security resumes on the listing market.

**THIS INFORMATION CIRCULAR IS NOT A STATUTORY PROSPECTUS. ETP**

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**HOLDERS SHOULD CONSULT THE ISSUER DISCLOSURE MATERIALS (AS DEFINED ABOVE) FOR ALL RELEVANT INFORMATION RESPECTING THE NOTES.**

Inquiries regarding this Information Circular should be directed to James C. Yong, Chief Regulatory Officer, at (312) 786-8893.