

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 DECEMBER 2019**

The directors present their strategic report and the audited financial statements of Reference Capital Investments Limited (the "Company") for the year from 30 December 2018 to 29 December 2019.

Strategy and review of the business

The Company was incorporated in the United Kingdom on 12 May 2010 as a Private Limited Company and 100,000 GBP 1 ordinary shares were issued at par on that date.

The Company has been established specifically to issue preference shares to Deutsche Bank AG, London Branch. The proceeds from these preference shares have then been placed on deposit whilst the repayment profile of the preference shares are linked to the performance of a basket of indices including the FTSE 100 index and are callable at the holder's option.

- In 2011, Series 1 and Series 2 preference shares were redeemed at GBP 1.10 each.
- In 2012, Series 5 and Series 6 preference shares were redeemed at GBP 1.11 each and GBP 1.09 each respectively.
- In 2013, Series 3, Series 4 and Series 7 preference shares were redeemed at GBP 1.242, GBP 1.165 and GBP 1.103 each respectively.
- In 2015, Series 8, 10, 11, 12, 13, 14, 15 and 20 preference shares were redeemed at GBP 1.152, GBP 1.109, GBP 1.0985, GBP 1.074, GBP 1.084, GBP 1.107, GBP 1.1025 and GBP 1.1025 respectively.
- In 2016, Series 16, 17, 19, 21, 22, 25, 33, 35 and 36 preference shares were redeemed at GBP 1.0338, GBP 0.987, GBP 1.14, GBP 1.034, GBP 1.1494, GBP 0.995, GBP 0.7917, GBP 0.7855 and GBP 0.916 respectively.
- In 2017, Series 18, 23, 24, 27, 28, 31, 32 and 34 preference shares were redeemed at GBP 1.17155, GBP 1.300, GBP 1.2647, GBP 1.000, GBP 1.000, GBP 0.9806, GBP 1.2120 and GBP 1.2298 respectively.
- In 2018, Series 9, 26 and 30 preference shares were redeemed at GBP 1.000, GBP 1.127488 and GBP 1.300 respectively.

Change in class of preference shares

On 6 March 2014, Series 14 was converted from 'Plain Vanilla class of preference shares' to 'Structured class of preference shares'.

Future developments

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company, its cash flows and liquidity position are set out in the financial statements. In addition, Note 16 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk; management objectives; and its exposures to credit risk and liquidity risk.

The Company has adequate financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

At the reporting date, the Company is showing a net asset position. As such the directors consider that it is appropriate to use the going concern basis in preparing the financial statements.

Section 172 (1) Statement

Section 172 (1) of the Companies Act 2006 requires each director of a company to act in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2019**

Section 172 (1) Statement (continued)

The Company is a special purpose vehicle and has no operating business, employees or relationships with suppliers or customers. Its purpose is solely to act as a vehicle for the issue of preference shares to Deutsche Bank AG, London Branch.

The directors are committed to implementing and maintaining strong disciplines in their decision making and high standards of business conduct. During the financial year the Board met once to approve the annual financial statements and in doing so had regard to factors set out above where relevant in performing their duties under Section 172, particularly the likely consequences of their decision in the long term and its impact on the wider DB Group. The Company operates within the framework of relevant DB Group policies, procedures, principles and codes of conduct as well as its prudent controls which enables risk to be assessed and managed. The DB Group is committed to the Paris Pledge for Action and has recently been part of the first round of signatories to the UN Principles for Responsible Banking.

Approved by the Board of directors and signed on behalf of the Board.



Director **Roger Koep**

Date: **3 November 2020**