

DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST
Form DEF 14A
August 15, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

DEUTSCHE MULTI-MARKET INCOME TRUST

DEUTSCHE MUNICIPAL INCOME TRUST

DEUTSCHE STRATEGIC INCOME TRUST

DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which transaction applies:**

- 2) Aggregate number of securities to which transaction applies:**

- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):**

- 4) Proposed maximum aggregate value of transaction:**

- 5) Total fee paid:**

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:**

- 2) Form, Schedule or Registration Statement No.:**

- 3) Filing Party:**

4) Date Filed:

DEUTSCHE MULTI-MARKET INCOME TRUST (KMM)

DEUTSCHE MUNICIPAL INCOME TRUST (KTF)

DEUTSCHE STRATEGIC INCOME TRUST (KST)

DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST (KSM)

345 PARK AVENUE

NEW YORK, NEW YORK 10154

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD SEPTEMBER 20, 2017

This is the formal notice for the joint annual meeting of shareholders of KMM, KTF, KST and KSM (individually, a Fund and collectively, the Funds). It tells you the proposal that you will be asked to vote on and the time and place of the joint annual meeting, in the event you choose to attend in person.

To the shareholders of the Funds:

A joint annual meeting of shareholders of each Fund will be held September 20, 2017 at 2:00 p.m. (Eastern time), at the offices of Deutsche Investment Management Americas Inc., 60 Wall Street, New York, New York 10005 (the Meeting), to consider the following proposal (the Proposal):

PROPOSAL: To elect Board Members to the Board of Trustees of each Fund (each a Board) as outlined below:

(A) For KMM and KST only, to elect four (4) Class III Board Members to the Board of Trustees of the Fund.

(B) For KTF and KSM only, to elect five (5) Board Members to the Board of Trustees of each Fund:
(i) three (3) Class III Board Members to be elected by the holders of Common Shares and Preferred Shares, voting together as a single class; and

(ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting as a separate class.

The persons named as proxies will vote in their discretion on any other business that properly may come before the Meeting and at any adjournment(s) or postponement(s) thereof.

Holders of record of shares of each Fund at the close of business on July 20, 2017 are entitled to vote at the Meeting and at any adjournment(s) or postponement(s) thereof.

THE BOARD OF YOUR FUND RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH BOARD MEMBER NOMINEE.

For KMM and KST, to the extent permitted by the Fund's Amended and Restated Agreement and Declaration of Trust, any meeting of shareholders may, by action of the chairman of the meeting, be adjourned without further notice with respect to one or more matters to be considered at such meeting to a designated time and place, whether or not a quorum is present with respect to such matter; upon motion of the chairman of the meeting, the question of adjournment may be submitted to a vote of the shareholders, and in that case, any adjournment with respect to one or more matters must be approved by the vote of holders of a majority of the shares present and entitled to vote with respect to the matter or matters adjourned, and without further notice to the extent permitted by the Fund's Amended and Restated Agreement and Declaration of Trust.

For KTF and KSM, any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

This notice and the related proxy materials are being mailed to shareholders of each Fund on or about August 18, 2017. This proxy is being solicited on behalf of your Fund's Board.

By Order of the Board

John Millette

Secretary

August 15, 2017

We urge you to mark, sign, date and mail the enclosed proxy card in the postage-paid envelope provided or to record your voting instructions by telephone or via the Internet so that you will be represented at the Meeting. If you complete and sign the proxy card (or tell us how you want to vote by voting by telephone or via the Internet), we will vote it exactly as you tell us. If you simply sign the proxy card, we will vote it in accordance with your Board's recommendation on the Proposal. Your prompt return of the enclosed proxy card (or your voting by telephone or via the Internet) may prevent the necessity and expense of further solicitations. If you have any questions, please call Georgeson LLC, your Fund's proxy solicitor, at the special toll-free number we have set up for you (866-821-2570), or contact your financial advisor.

INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense involved in validating your vote if you fail to sign your proxy card properly.

1. Individual Accounts: Sign your name exactly as it appears in the registration on the proxy card.
2. Joint Accounts: Both parties should sign, and the name(s) of the party or parties signing should conform exactly to the name(s) shown in the registration on the proxy card.
3. All Other Accounts: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

Registration

Corporate Accounts

(1) ABC Corp

(2) ABC Corp.

(3) ABC Corp. c/o John Doe, Treasurer

(4) ABC Corp. Profit Sharing Plan

Partnership Accounts

(1) The XYZ Partnership

(2) Smith and Jones, Limited Partnership

Trust Accounts

(1) ABC Trust Account

(2) Jane B. Doe, Trustee u/t/d 12/28/78

Custodial or Estate Accounts

(1) John B. Smith, Cust. F/b/o John B. Smith Jr.

GMA/UTMA

(2) Estate of John B. Smith

Valid Signature

ABC Corp

John Doe, Treasurer

John Doe, Treasurer

John Doe

John Doe, Trustee

Jane B. Smith, Partner

Jane B. Smith, General Partner

Jane B. Doe, Trustee

Jane B. Doe

John B. Smith

John B. Smith, Jr., Executor

DEUTSCHE MULTI-MARKET INCOME TRUST (KMM)

DEUTSCHE MUNICIPAL INCOME TRUST (KTF)

DEUTSCHE STRATEGIC INCOME TRUST (KST)

DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST (KSM)

JOINT PROXY STATEMENT

FOR THE JOINT ANNUAL MEETING OF SHAREHOLDERS

August 15, 2017

GENERAL

This joint proxy statement (the Proxy Statement) is being furnished in connection with the solicitation of proxies by the Board of each of KMM KTF, KST and KSM (each a Fund and collectively, the Funds), for use at the annual meeting of shareholders of each Fund to be held jointly at the offices of Deutsche Investment Management Americas Inc. (DIMA or the Advisor), 60 Wall Street, New York, New York 10005 on September 20, 2017 at 2:00 p.m. (Eastern time), and at any adjournment(s) or postponement(s) thereof (the Meeting). The principal executive address of each Fund is 345 Park Avenue, New York, New York 10154.

This Proxy Statement, along with the enclosed Notice of Joint Annual Meeting of Shareholders and the accompanying proxy card (the Proxy Card), are first being mailed to shareholders on or about August 18, 2017. The Proxy Statement explains what you should know before voting on the proposal described herein. Please read it carefully and keep it for future reference.

The term Board, as used herein, refers to the board of trustees of each Fund. The term Board Member, as used herein, refers to a person who serves as a trustee of a Fund (each a Trustee).

The Meeting is being held to consider and to vote on the following proposal (the Proposal) for each Fund, as indicated below and as described more fully herein, and such other matters as properly may come before the Meeting:

PROPOSAL: To elect Board Members to the Board of Trustees of each Fund as outlined below:

(A) For KMM and KST only, to elect four (4) Class III Board Members to the Board of Trustees of the Fund.

(B) For KTF and KSM only, to elect five (5) Board Members to the Board of Trustees of each Fund:

(i) three (3) Class III Board Members to be elected by the holders of Common Shares and Preferred Shares, voting together as a single class; and

(ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting as a separate class.

THE BOARD OF EACH FUND RECOMMENDS THAT SHAREHOLDERS VOTE

FOR THE ELECTION OF EACH

BOARD MEMBER NOMINEE.

The vote required to approve the Proposal is described under Proposal Election of Board Members Required Vote and Additional Information Quorum and Required Vote.

The persons named as proxies will vote in their discretion on any other business that properly may come before the Meeting and at any adjournment(s) or postponement(s) thereof.

The most recent Annual Report of each Fund, containing audited financial statements (each, an Annual Report), previously has been furnished to each Fund's shareholders. An additional copy of an Annual Report and the most recent Semi-Annual Report (each a Semi-Annual Report) succeeding an Annual Report, if any, will be furnished without charge upon request by writing to your Fund at 345 Park Avenue, New York, New York 10154, or by calling 800-349-4281. Annual Reports and Semi-Annual Reports also are available on the Deutsche Asset Management website at www.deutschefunds.com and on the website of the Securities and Exchange Commission (the SEC) at www.sec.gov.

PROPOSAL

ELECTION OF BOARD MEMBERS

Shareholders of each Fund are being asked to elect Board Members to the Board of their Fund as described below.

For KMM and KST only. Pursuant to the Fund's Amended and Restated Agreement and Declaration of Trust and Amended and Restated By-Laws, the Board of the Fund has been divided into three (3) classes with Board Members of each class being elected to serve until the third annual meeting following their election. At the Meeting, four (4) Class III Board Members are to be elected by shareholders of the Fund, each to hold office until the annual meeting of shareholders in 2020, or until the termination of the Fund as described below has been completed, and until such Board Member's successor is duly elected and qualifies or until such Board Member sooner dies, resigns, retires or is removed. As previously announced, the Board has approved the termination of KMM and KST, pursuant to which each Fund will make a liquidating distribution to shareholders no later than December 31, 2018. Board Members elected to the Board of KMM and KST at the Meeting will serve until the termination of the Fund. In the event the termination of KMM and KST does not occur, Board Members elected to the Board of KMM and KST at the Meeting would serve until the annual meeting of shareholders in 2020. The Class III Board Member nominees standing for election at the Meeting are: Mr. John W. Ballantine, Ms. Dawn Marie Driscoll, Dr. Kenneth C. Froewiss and Ms. Rebecca W. Rimel.

For KTF and KSM only. At the Meeting, the holders of the preferred shares of beneficial interest (Preferred Shareholders), voting as a separate class, are entitled to elect two (2) Board Members, and the holders of the common shares of beneficial interest (Common Shareholders) and the Preferred Shareholders, voting together as a single class, are entitled to elect three (3) Board Members (as described below).

Pursuant to each Fund's Amended and Restated Agreement and Declaration of Trust and Amended and Restated By-Laws, the Board of each Fund, with the exception of the two Board Members elected by the vote of the Preferred Shareholders as a separate class, has been divided into three (3) classes with Board Members of each class being elected to serve until the third annual meeting following their election. In addition, two Board Members are elected by the Preferred Shareholders, voting as a separate class, to serve until the next annual meeting. At the Meeting, three (3) Class III Board Members are to be elected by each Fund's Common Shareholders and Preferred Shareholders, voting together as a single class, each to hold office until

the annual meeting of shareholders in 2020 and until such Board Member's successor is duly elected and qualifies or until such Board Member sooner dies, resigns, retires or is removed; and two (2) Board Members are to be elected by each Fund's Preferred Shareholders only, voting as a separate class, (the Preferred Board Members), each to hold office until the annual meeting of shareholders in 2018 and until such Preferred Board Member's successor has been duly elected and qualifies or until such Preferred Board Member sooner dies, resigns, retires or is removed. The Class III Board Member nominees standing for election at the Meeting are: Mr. John W. Ballantine, Dr. Kenneth C. Froewiss and Ms. Rebecca W. Rimel. The Preferred Board Member nominees standing for election at the Meeting are: Mr. Keith R. Fox and Dr. Paul K. Freeman.

For all Funds. The individuals nominated for election as Board Members of each Fund at the Meeting (collectively, the Board Member Nominees) were nominated by each Fund's Board upon the recommendation of the Board's Nominating and Governance Committee. The Board Member Nominees currently serve as Board Members of each Fund, and currently serve as Board Members of other Deutsche funds advised by DIMA.

It is the intention of the persons named in the enclosed Proxy Card to vote the shares represented thereby for the election of the Board Member Nominees unless the Proxy Card is marked otherwise. Each of the Board Member Nominees has consented to being named in the Proxy Statement and has agreed to serve as a Board Member of a Fund if elected. However, should any Board Member Nominee become unable or unwilling to serve prior to the Meeting, the persons named as proxies may vote your shares for substitute nominees, if any, recommended by the Board of your Fund.

Information Concerning the Board Member Nominees and Board Members

Information is provided below as of July 1, 2017 for the Board Member Nominees and the continuing Board Members for each Fund's Board. All of the Board Member Nominees and continuing Board Members are non-interested Board Members, as that term is used in the Investment Company Act of 1940, as amended (the 1940 Act) (Independent Board Members). See pages 9-10 for further discussion of the qualifications of the Board Member Nominees and the continuing Board Members.

Board Member Nominees/Board Members:

Name and Year of Birth	Position(s) with the Deutsche Funds	Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
John W. Ballantine (1946)	Board Member	Term: Class III Board Member until 2017 annual shareholder meeting for each Fund Length of Service: Since 1999	Retired; formerly: Executive Vice President and Chief Risk Management Officer, First Chicago NBD Corporation/The First National Bank of Chicago (1996-1998); Executive Vice President and Head of International Banking (1995-1996); former Directorships: Director and Chairman of the Board, Healthways Inc. (population well-being and wellness services) (2003-2014); Stockwell Capital Investments PLC (private equity); Enron Corporation; FNB Corporation; Tokheim Corporation; First Oak Brook Bancshares, Inc.; Oak Brook Bank; and Prisma Energy International. Not-for-Profit Director/ Trustee: Palm Beach Civic-Assn.; Public Radio International; Window to the World Communications (public media); and Harris Theater for Music and Dance (Chicago)	95	Portland General Electric (utility company) (2003- present)

Edgar Filing: DEUTSCHE STRATEGIC MUNICIPAL INCOME TRUST - Form DEF 14A

Dawn-Marie Driscoll (1946)	Board Member	Term: Class III Board Member until 2017 annual shareholder meeting for KMM and KST	Emeritus Executive Fellow, Center for Business Ethics, Bentley University; formerly: President, Driscoll Associates (consulting firm); Partner, Palmer & Dodge (law firm) (1988-1990); Vice President of Corporate Affairs and General Counsel, Filene's (retail) (1978-1988); Directorships: Advisory Board, Center for Business Ethics, Bentley University; Trustee and former Chairman of the Board, Southwest Florida Community Foundation (charitable organization); former Directorships: ICI Mutual Insurance Company (2007-2015); Sun Capital Advisers Trust (mutual funds) (2007-2012); Investment Company Institute (audit, executive, nominating committees) and Independent Directors Council (governance, executive committees)	95	None
		Class I Board Member until 2018 annual shareholder meeting for KTF and KSM			
		Length of Service:			
		Since 1987			

Name and Year of Birth	Position(s) with the	Term of	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
	Deutsche Funds	Office and Length of Time Served ⁽¹⁾			
Kenneth C. Froewiss (1945)	Vice Chairperson of the Board and Board Member	Term: Class III Board Member until 2017 annual shareholder meeting for each Fund Length of Service: Vice Chairperson, Since 2017; Board Member, Since 2001	Retired Clinical Professor of Finance, NYU Stern School of Business (1997-2014); Member, Finance Committee, Association for Asian Studies (2002-present); Director, Mitsui Sumitomo Insurance Group (US) (2004-present); formerly, Managing Director, J.P. Morgan (investment banking firm) (until 1996)	95	The Central and Eastern Europe Fund, Inc.; The European Equity Fund, Inc. and The New Germany Fund, Inc. (since 2017)
Rebecca W. Rimel (1951)	Board Member	Term: Class III Board Member until 2017 annual shareholder meeting for each Fund Length of Service: Since 1995	President, Chief Executive Officer and Director, The Pew Charitable Trusts (charitable organization) (1994-present); formerly: Executive Vice President, The Glenmede Trust Company (investment trust and wealth management) (1983-2004); Board Member, Investor Education (charitable organization) (2004-2005); Trustee, Executive Committee, Philadelphia Chamber of Commerce (2001-2007); Director, Viasys Health Care (January 2007-June 2007); Trustee, Thomas	95	Director, Becton Dickinson and Company (medical technology company) (2012- present); Director BioTelemetry, Inc. (health care) (2009- present)

Jefferson Foundation
 (charitable organization)
 (1994-2012)

<p>Keith R. Fox, CFA (1954)</p>	<p>Chairperson of the Board and Board Member</p>	<p>Term: Class I Board Member until 2018 annual shareholder meeting for KMM and KST</p> <p>Preferred Board Member until 2017 annual shareholder meeting for KTF and KSM</p> <p>Length of Service: Chairperson, Since 2017; Board Member, Since 1996</p>	<p>Managing General Partner, Exeter Capital Partners (a series of private investment funds) (since 1986); Directorships: Progressive International Corporation (kitchen goods importer and distributor); The Kennel Shop (retailer); former Chairman, National Association of Small Business Investment Companies; former Directorships: BoxTop Media Inc. (advertising); Sun Capital Advisers Trust (mutual funds) (2011-2012)</p>	<p>95</p>	<p>None</p>
--	--	---	---	-----------	-------------

Name and Year of Birth	Position(s) with the	Term of	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
	Deutsche Funds	Office and Length of Time Served ⁽¹⁾			
Paul K. Freeman (1950)	Board Member	Term: Class II Board Member until 2019 annual shareholder meeting for KMM and KST Preferred Board Member until 2017 annual shareholder meeting for KTF and KSM Length of Service: Since 1993	Consultant, World Bank/Inter-American Development Bank; Independent Directors Council (former Chair); Investment Company Institute (executive and nominating committees); formerly: Chairman of Education Committee of Independent Directors Council; Project Leader, International Institute for Applied Systems Analysis (1998-2001); Chief Executive Officer, The Eric Group, Inc. (environmental insurance) (1986-1998); Directorship: Denver Zoo Foundation (December 2012-present); Knoebel Institute for Healthy Aging, and University of Denver (2017-present); former Directorship: Prisma Energy International	95	None
Henry P. Becton, Jr. (1943)	Board Member	Term: Class II Board Member until 2019 annual shareholder meeting for each Fund Length of Service:	Vice Chair and former President, WGBH Educational Foundation; Directorships: Public Radio International; Public Radio Exchange (PRX); the Pew Charitable Trusts (charitable organization); former Directorships:	95	Director, Becton Dickinson and Company (medical technology company) (1987- 2016)

Since 1990

Belo Corporation (media company); The PBS Foundation; Association of Public Television Stations; Boston Museum of Science; American Public Television; Concord Academy; New England Aquarium; Mass. Corporation for Educational Telecommunications; Committee for Economic Development; Public Broadcasting Service; Connecticut College; and North Bennett Street School (Boston)

Name and Year of Birth	Position(s) with the	Term of	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
	Deutsche Funds	Office and Length of Time Served ⁽¹⁾			
Richard J. Herring (1946)	Board Member	Term: Class I Board Member until 2018 annual shareholder meeting for each Fund Length of Service: Since 1990	Jacob Safra Professor of International Banking and Professor, Finance Department, The Wharton School, University of Pennsylvania (since July 1972); Co-Director, Wharton Financial Institutions Center; formerly: Vice Dean and Director, Wharton Undergraduate Division (July 1995-June 2000); Director, Lauder Institute of International Management Studies (July 2000-June 2006)	95	Director, Aberdeen Singapore and Japan Funds (since 2007); Independent Director of Barclays Bank Delaware (since September 2010)
William McClayton (1944)	Board Member	Term: Class II Board Member until 2019 annual shareholder meeting for each Fund Length of Service: Since 2004	Private equity investor (since October 2009); previously: Managing Director, Diamond Management & Technology Consultants, Inc. (global consulting firm) (2001-2009); Directorship: Board of Managers, YMCA of Metropolitan Chicago; formerly: Senior Partner, Arthur Andersen LLP (accounting) (1966-2001); Trustee, Ravinia Festival	95	None
William N. Searcy, Jr. (1946)	Board Member	Term: Class I Board Member until 2018 annual shareholder meeting for each	Private investor since October 2003; formerly: Pension & Savings Trust Officer, Sprint	95	None

		Fund	Corporation (telecommunications) (November 1989-September 2003);		
		Length of Service:	Trustee, Sun Capital Advisers Trust (mutual funds) (1998-2012)		
		Since 1993			
Jean Gleason Stromberg (1943)	Board Member	Term: Class II Board Member until 2019 annual shareholder meeting for each Fund	Retired; formerly: Consultant (1997-2001); Director, Financial Markets, US Government Accountability Office (1996-1997); Partner, Norton Rose Fulbright, L.L.P. (law firm) (1978-1996); former Directorships: The William and Flora Hewlett Foundation (charitable organization) (2000-2015), Service Source, Inc. (nonprofit), Mutual Fund Directors Forum (2002-2004), American Bar Retirement Association (funding vehicle for retirement plans) (1987-1990 and 1994-1996)	95	None
		Length of Service:			
		Since 1997			

(1) The length of time served represents the year in which the Board Member joined the Board of one or more Deutsche funds currently overseen by the Board.

Unless otherwise noted, each Board Member and Board Member Nominee has engaged in the principal occupation(s) noted in the table above for at least the most recent five years, although not necessarily in the same capacity. The mailing address of each Independent Board Member is Keith R. Fox, Deutsche Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600.

As reported to the Funds, Exhibit A to this Proxy Statement sets forth the dollar range of equity securities and number of shares beneficially owned by each Board Member in each Fund as of July 1, 2017. Exhibit A also sets forth the aggregate dollar range of equity securities beneficially owned by each Board Member in all Deutsche funds overseen by the Board Member as of July 1, 2017.

The Nominating and Governance Committee of the Board of each Fund is responsible for recommending proposed nominees for election to the full Board for its approval. In recommending the election of the current Board Members, the Committee generally considered the educational, business and professional experience of each Board Member in determining his or her qualifications to serve as a Board Member, including the Board Member's record of service as a director or trustee of public and private organizations. In the case of each Board Member, this included his or her many years of previous service as a director or trustee of certain of the Deutsche funds. This previous service has provided these Board Members with a valuable understanding of the history of the Deutsche funds and the DIMA organization and has also served to demonstrate his or her high level of diligence and commitment to the interests of fund shareholders and his or her ability to work effectively and collegially with other members of the Board. The Committee also considered, among other factors, the particular attributes described below with respect to the various individual Board Members:

John W. Ballantine Mr. Ballantine's experience in banking, financial risk management and investments acquired in the course of his service as a senior executive of a major U.S. bank.

Henry P. Becton, Jr. Mr. Becton's professional training and experience as an attorney, his experience as the chief executive officer of a major public media company and his experience as lead director of two NYSE companies, including his service at various times as the chair of the audit, compensation and nominating committees of one or both of such boards.

Dawn-Marie Driscoll Ms. Driscoll's professional training and experience as an attorney, her expertise as a consultant, professor and author on the subject of business ethics, her service as a member of the

executive committee of the Independent Directors Council of the Investment Company Institute and her experience as a director of an insurance company serving the mutual fund industry.

Keith R. Fox Mr. Fox's experience as the chairman and a director of various private operating companies and investment partnerships and his experience as a director and audit committee member of several public companies. In addition, he holds the Chartered Financial Analyst designation.

Paul K. Freeman Dr. Freeman's professional training and experience as an attorney and an economist, his experience as the founder and chief executive officer of an insurance company, his experience as a senior executive and consultant for various companies focusing on matters relating to risk management and his service on the Independent Directors Council of the Investment Company Institute.

Kenneth C. Froewiss Dr. Froewiss' professional training and experience as an economist, his experience in finance acquired in various professional positions with governmental and private banking organizations and his experience as a professor of finance at a leading business school.

Richard J. Herring Mr. Herring's experience as a professor of finance at a leading business school and his service as an advisor to various professional and governmental organizations.

William McClayton Mr. McClayton's professional training and experience in public accounting, including his service as a senior partner of a major public accounting firm focusing on financial markets companies and his service as a senior executive of a public management consulting firm.

Rebecca W. Rimel Ms. Rimel's experience on a broad range of public policy issues acquired during her service as the executive director of a major foundation and her experience as a director of several public companies.

William N. Searcy, Jr. Mr. Searcy's experience as an investment officer for various major public company retirement plans, which included evaluation of unaffiliated investment advisers and supervision of various administrative and accounting functions.

Jean Gleason Stromberg Ms. Stromberg's professional training and experience as an attorney specializing in federal securities law, her service in a senior position with the Securities and Exchange Commission and the U.S. Government Accountability Office and her experience as a director and audit committee member of several major non-profit organizations.

Officers

The officers of each Fund are set forth in Exhibit B hereto.

Compensation of Board Members and Officers

Each Independent Board Member receives compensation from each Fund for his or her services, which includes retainer fees and specified amounts for various committee services and for the Board Chairperson and Vice Chairperson, as applicable. No additional compensation is paid to any Independent Board Member for travel time to meetings, attendance at directors' educational seminars or conferences, service on industry or association committees, participation as speakers at directors' conferences or service on special fund industry director task forces or subcommittees. Independent Board Members do not receive any employee benefits such as pension or retirement benefits or health insurance from the Funds or any fund in the Deutsche fund complex.

Fund officers who are officers, directors, employees or stockholders of Deutsche Asset Management (Deutsche AM) or its affiliates receive no direct compensation from the Funds, although they are compensated as employees of the Deutsche AM division of Deutsche Bank AG, or its affiliates, and as a result may be deemed to indirectly receive a portion of their compensation from revenues generated by the Funds.

Exhibit C to this Proxy Statement sets forth compensation paid to each Independent Board Member by each Fund for its most recently completed fiscal year and to each Independent Board Member by the Deutsche fund complex for the calendar year ended December 31, 2016.

Board Structure

The primary responsibility of each Fund's Board is to represent the interests of the Fund and to provide oversight of the management of the Fund. SEC rules currently require a majority of the board members of a fund to be independent if the fund takes advantage of certain exemptive rules under the 1940 Act. If the Board Member Nominees are elected by shareholders, each Board will be comprised of eleven individuals, all of whom are Independent Board Members. Each of the Board Member Nominees that will be considered an Independent Board Member, if elected, has been selected and nominated solely by the current Independent Board Members of each Fund.

Each Fund's Board meets multiple times during the year to review investment performance and other operational matters, including regulatory and compliance related policies and procedures. Furthermore, the Independent Board Members review the fees paid to

the Advisor and its affiliates for investment advisory services and other services. Each Board has adopted specific policies and guidelines that, among other things, seek to further enhance the effectiveness of the Independent Board Members in performing their duties. For example, the Independent Board Members select independent legal counsel to work with them in reviewing fees, advisory and other contracts and overseeing fund matters, and regularly meet privately with their counsel. An Independent Board Member, Mr. Fox, currently serves as Chairperson of the Board of each Fund.

During calendar year 2016, the Board of each Fund met six (6) times. Each Board Member attended at least 75% of the respective meetings of each Board and the committees (if a member thereof) held during calendar year 2016. One Board member attended the 2016 annual shareholder meeting of each Fund.

The Board of each Fund provides a process for shareholders to send communications to the Board. Correspondence should be sent by U.S. mail or courier service Keith R. Fox, Deutsche Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600, who will forward it to a specific Board Member if addressed to that Board Member.

Taking into account the number, the diversity and the complexity of the funds overseen by the Board Members and the aggregate amount of assets under management in the Deutsche funds, each Board has determined that the efficient conduct of its affairs makes it desirable to delegate responsibility for certain specific matters to committees of the Board. These committees, which are described in more detail below, review and evaluate matters specified in their charters and make recommendations to the Board as they deem appropriate. Each committee may utilize the resources of the Fund's counsel and auditors as well as other experts. The committees meet as often as necessary, either in conjunction with regular meetings of the Board or otherwise. The membership and chair of each committee are appointed by the Board upon recommendations of the Nominating and Governance Committee. The membership and chair of each committee consists solely of Independent Board Members.

Each Board has determined that this committee structure also allows the Board to focus more effectively on the oversight of risk as part of its broader oversight of the Fund's affairs. While risk management is the primary responsibility of each Fund's investment advisor, the Board regularly receives reports regarding investment risks and compliance risks. The Board's committee structure allows separate committees to focus on different aspects of these risks and their potential impact on some or all of the Deutsche funds and to discuss with the Fund's

investment advisor and administrator how it monitors and controls such risks.

The Board of each Fund has established the following standing committees: Audit Committee and Valuation Sub-Committee, Nominating and Governance Committee, Contract Committee, Investment Oversight Committee and Operations Committee (each a Committee). The Board of each Fund also has a Dividend Committee which has no responsibility with respect to the Funds. For each Committee, except the Dividend Committee, a written charter setting forth the Committee's responsibilities was adopted by each Board. The function, membership and number of meetings held in calendar year 2016 for each Committee is discussed below.

Audit Committee. The Audit Committee, which consists entirely of Independent Board Members, assists the Board in fulfilling its responsibility for oversight of (1) the integrity of the financial statements, (2) a Fund's accounting and financial reporting policies and procedures, (3) a Fund's compliance with legal and regulatory requirements related to accounting and financial reporting, (4) valuation of Fund assets and securities and (5) the qualifications, independence and performance of the independent registered public accounting firm for a Fund. The Audit Committee oversees the valuation of Fund securities and other assets and determines, as needed, the fair value of Fund securities or other assets under certain circumstances as described in a Fund's Valuation Procedures. The Audit Committee has appointed a Valuation Sub-Committee, which may make determinations of fair value required when the Audit Committee is not in session. The current members of each Fund's Valuation Sub-Committee are Paul K. Freeman, Richard J. Herring, John W. Ballantine (Alternate), Henry P. Becton, Jr. (Alternate) and William McClayton (Alternate). The Audit Committee also approves and recommends to the Board the appointment, retention or termination of the independent registered public accounting firm for a Fund, reviews the scope of audit and internal controls, considers and reports to the Board on matters relating to a Fund's accounting and financial reporting practices, and performs such other tasks as the full Board deems necessary or appropriate. Each Fund's Audit Committee is governed by the Audit Committee Charter, which is available on each Fund's information page at <https://fundsus.deutscheam.com/EN/products/closed-end-prices-performance.jsp> (click on the relevant Fund). Each Fund's Audit Committee is comprised of only Independent Board Members who are independent as defined in the New York Stock Exchange (NYSE) listing standards applicable to closed-end funds. Pursuant to the charter of each Fund's Audit Committee, no member of the Audit Committee shall serve on the audit committee of more than three public companies unless the Board determines that

such simultaneous service would not impair the ability of the Audit Committee member to serve effectively on the committee. At its January 2012 meeting, the Board of each Fund considered the fact that Mr. Richard J. Herring had begun simultaneous service on more than three public company audit committees and determined that such service would not impair his ability to effectively serve on the Audit Committee. During the calendar year 2016, the Audit Committee of each Fund's Board held ten (10) meetings.

In January 2017, each Fund's Audit Committee reviewed and discussed the audited financial statements with management for the Fund's fiscal year ended 2016. Each Fund's Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 1301 (Communications With Audit Committees). Each Fund's independent registered public accounting firm provided the Fund's Audit Committee the written disclosure required by Public Company Accounting Oversight Board Rule 3526 (Communications with Audit Committees Concerning Independence), and each Fund's Audit Committee discussed with representatives of the independent registered public accounting firm their firm's independence. Based on its review of each Fund's financial statements and discussions with management and the independent registered public accounting firm and other written disclosure provided by the independent registered public accounting firm, each Fund's Audit Committee recommended to its Fund's Board that the audited financial statements be included in the annual report provided to shareholders for each Fund's fiscal year ended 2016. The current members of each Fund's Audit Committee are:

Paul K. Freeman (Chair)

William McClayton (Vice Chair)

John W. Ballantine

Henry P. Becton, Jr.

Richard J. Herring

Nominating and Governance Committee. The Nominating and Governance Committee, which consists entirely of Independent Board Members, recommends individuals for membership on the Board, nominates officers, Board and committee chairs, vice chairs and committee members, and oversees the operations of the Board. The Nominating and Governance Committee has not established specific, minimum qualifications that must be met by an individual to be considered by the Nominating and Governance Committee for nomination as a Board Member. The Nominating and Governance Committee may take into account a wide variety of factors in considering Board Member candidates, including, but not limited to:

(i) availability and commitment of a candidate to attend meetings and perform his or her responsibilities to the Board, (ii) relevant industry and related experience, (iii) educational background, (iv) financial expertise, (v) an assessment of the candidate's ability, judgment and expertise, and (vi) the current composition of the Board. Each Fund's Nominating and Governance Committee generally believes that the Board benefits from diversity of background, experience and views among its members, and considers this as a factor in evaluating the composition of the Board, but has not adopted any specific policy in this regard. The Nominating and Governance Committee reviews recommendations by shareholders for candidates for Board positions on the same basis as candidates recommended by other sources. Shareholders may recommend candidates for Board positions by forwarding their correspondence by U.S. mail or courier service to Keith R. Fox, Deutsche Funds Board Chair, c/o Thomas R. Hiller, Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, MA 02199-3600. Each Fund's Nominating and Governance Committee is governed by a Nominating and Governance Committee Charter, which is available on each Fund's information page at <https://fundsus.deutscheam.com/EN/products/closed-end-prices-performance.jsp> (click on the relevant Fund). Each Fund's Nominating and Governance Committee is comprised of only Independent Board Members who are independent as defined in the NYSE listing standards applicable to closed-end funds. The current members of each Fund's Nominating and Governance Committee are Rebecca W. Rimel (Chair), Henry P. Becton, Jr. (Vice Chair), Kenneth C. Froewiss and William McClayton. During the calendar year 2016, the Nominating and Governance Committee of each Fund's Board held five (5) meetings.

Contract Committee. The Contract Committee, which consists entirely of Independent Board Members, reviews at least annually (a) a Fund's financial arrangements with DIMA and its affiliates, and (b) a Fund's expense ratios. The current members of each Fund's Contract Committee are John W. Ballantine (Chair), Dawn-Marie Driscoll (Vice Chair), Paul K. Freeman, Richard J. Herring, William N. Searcy, Jr. and Jean Gleason Stromberg. During the calendar year 2016, the Contract Committee of each Fund's Board held six (6) meetings.

Investment Oversight Committee. The Investment Oversight Committee, which consists entirely of Independent Board Members, reviews the investment operations of the Funds. The current members of each Fund's Investment Oversight Committee are William McClayton (Chair), Richard J. Herring (Vice Chair), John W. Ballantine, Henry P. Becton, Jr., Dawn-Marie Driscoll, Paul K. Freeman, Kenneth C. Froewiss, Rebecca W. Rimel, William N. Searcy, Jr. and Jean Gleason Stromberg. During the calendar year 2016, the

Investment Oversight Committee of each Fund's Board held five (5) meetings.

Operations Committee. The Operations Committee, which consists entirely of Independent Board Members, reviews the administrative operations and general compliance matters of a Fund. The Operations Committee reviews administrative matters related to the operations of a Fund, policies and procedures relating to portfolio transactions, custody arrangements, fidelity bond and insurance arrangements and such other tasks as the full Board deems necessary or appropriate. The current members of each Fund's Operations Committee are William N. Searcy, Jr. (Chair), Kenneth C. Froewiss (Vice Chair), Dawn-Marie Driscoll, Rebecca W. Rimel and Jean Gleason Stromberg. During the calendar year 2016, the Operations Committee of each Fund's Board held five (5) meetings.

Ad Hoc Committees. In addition to the standing committees described above, from time to time the Board of each Fund may also form ad hoc committees to consider specific issues.

Required Vote

Each Fund will vote separately on the election of Board Member Nominees. For KMM and KST only, a majority of the shares outstanding and entitled to vote on the matter shall elect a Board Member Nominee. For KTF and KSM only, a plurality of shares entitled to vote on the matter shall elect a Board Member Nominee.

Recommendation of the Board

The Board of your Fund believes that the election of each Board Member Nominee is in the best interests of your Fund. **Accordingly, the Board unanimously recommends that shareholders of each Fund vote FOR the election of each Board Member Nominee as set forth in the Proposal above.**

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Each Fund's Board, including the Independent Board Members, has selected Ernst & Young LLP (EY) to act as independent registered public accounting firm to audit the books and records of its Fund for the current fiscal year. EY has served each Fund in this capacity since each Fund was organized and has no direct or indirect financial interest in any Fund except as the independent registered public accounting firm. Representatives of EY will not be present at the Meeting.

The following table shows the amount of fees that EY billed to (i) each Fund during the Fund's last two fiscal years; and (ii) DIMA and any entity controlling, controlled by, or under common control with DIMA (collectively, the DIMA Entities) that provides ongoing services to each Fund, for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two fiscal years. Each Fund's Audit Committee approved in advance all audit services and non-audit services that EY provided to the Fund.

Services that each Fund's Independent Registered Public Accountant Billed to the Fund and DIMA Entities

Fiscal Year Ended November 30, KMM	Audit Fees Billed to	Audit Related Fees Billed to ⁽²⁾		Tax Fees Billed to		All Other Fees Billed to ⁽⁵⁾	
	Fund ⁽¹⁾	Fund	DIMA Entities	Fund ⁽³⁾	DIMA Entities ⁽⁴⁾	Fund	DIMA Entities
2016	\$ 72,137	\$ 0	\$ 0	\$ 7,588	\$ 449,529	\$ 0	\$ 0
2015	\$ 72,137	\$ 0	\$ 0	\$ 7,588	\$ 563,986	\$ 0	\$ 2,350,151
KTF							
2016	\$ 74,036	\$ 0	\$ 0	\$			