

Xtrackers II

Prospectus

January 2019

INTRODUCTION

General

Xtrackers II (the "**Company**") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended (the "**Law**"). The Company qualifies as an undertaking for collective investment in transferable Securities ("**UCITS**") under article 1(2) of the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as may be amended (the "**UCITS Directive**") and may therefore be offered for sale in each member state of the European Union ("**EU Member State**"), subject to registration. The Company is presently structured as an umbrella fund to provide both institutional and retail investors with a variety of sub-funds (the "**Sub-Funds**" or individually a "**Sub-Fund**") of which the performance may be linked partially or in full to the performance of an underlying asset, such as, for instance, a basket of securities or an index. The registration of the Company does not constitute a warranty by any supervisory authority as to the performance or the quality of the shares issued by the Company (the "**Shares**"). Any representation to the contrary is unauthorised and unlawful.

Listing on a Stock Exchange

Unless otherwise specified in the relevant Product Annex (as defined below), the purpose of the Company is for each of its Sub-Funds through having its Shares listed on one or more stock exchanges to qualify as an exchange traded fund ("**ETF**"). As part of those listings there is an obligation on one or more members of the relevant stock exchanges to act as market makers offering prices at which the Shares can be purchased or sold by investors. The spread between those purchase and sale prices may be monitored and regulated by the relevant stock exchange authority.

It is contemplated that application will be made to list certain Classes of Shares on (i) the Luxembourg Stock Exchange and/or (ii) the Frankfurt Stock Exchange and/or (iii) any other stock exchange.

The approval of any listing particulars pursuant to the listing requirements of the relevant stock exchange does not constitute a warranty or representation by such stock exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

Selling and Transfer Restrictions

None of the Shares has been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or under the securities laws of any state or political sub-division of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "**United States**"), and such Shares may not be offered, sold or otherwise transferred in the United States. The Shares are being offered and sold in reliance on an exemption from the registration requirements of the 1933 Act pursuant to Regulation S thereunder. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. Accordingly, Shares are not being offered or sold within the United States or to or for the account of U.S. persons (as defined for purposes of the United States federal securities, commodities and tax laws, including Regulation S under the 1933 Act) (together "**U.S. Persons**"). Subsequent transfers of Shares within the United States or to U.S. Persons are prohibited.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document (the "**Prospectus**") or the merits of the Shares. Any representation to the contrary is a criminal offence.

The United States Commodity Futures Trading Commission has not reviewed or approved this offering or any offering memorandum for the Company.

This Prospectus may not be distributed into the United States. The distribution of this Prospectus and the offering of the Shares may also be restricted in certain other jurisdictions.

No person is authorised to make any representation other than as contained in the Prospectus or in the documents referred to in the Prospectus (as defined under "**Definitions**"). Such documents are available to the public at the registered office of the Company which is located at, 49, avenue J.F. Kennedy, L-1855 Luxembourg.

Marketing and Distribution

The Management Company has the overall responsibility for marketing and distribution of the Shares. However, the Management Company may appoint distributors or dealers for the distribution of Shares in certain jurisdictions which in turn may appoint sub-distributors (each a "**Distributor**").

Shares may be purchased directly from the Company or from a Distributor on the terms as defined in the relevant product annex describing each Sub-Fund (the "**Product Annex**"). Information on the Distributors can be found in the country annex and/or the marketing material setting out information relevant for the jurisdictions in which the Shares are offered for subscription. The Distributors may not offset the orders received or carry out any duties connected to the individual processing of the subscription, redemption and conversion orders.

Marketing Rules

Subscriptions can be accepted only on the basis of the latest available version of this Prospectus, which is valid only if accompanied by a copy of the Company's latest annual report (the "**Annual Report**") containing the audited accounts, semi-annual report (the "**Semi-annual Report**") and (where required by law or any applicable stock exchange listing rules) the quarterly report (the "**Quarterly Report**") provided such reports are published after the latest Annual Report. The Annual

Report and the Semi-annual Report form an integral part of the Prospectus.

Prospective investors should review this Prospectus carefully, in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries of residence or nationality for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities. Investors that have any doubt about the contents of this document should consult their stockbroker, bank manager, solicitor, accountant, tax, or other financial adviser.

No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus, and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. To reflect material changes, this document may be updated from time to time and investors should investigate whether any more recent Prospectus is available.

Responsibility for the Prospectus

The Board of Directors has taken all reasonable care to ensure that at the date of publication of this Prospectus the information contained herein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly.

Currency References

All references in the Prospectus to "**USD**" refer to the currency of the United States of America; to "**Euro(s)**" or "**EUR**" refer to the currency of the EU Member States that adopt the single currency in accordance with the Treaty establishing the European Economic Community (signed in Rome on 25 March 1957), as amended; to "**JPY**" or "**Yen**" refer to the currency of Japan; to "**GBP**" refer to the currency of the United Kingdom, to "**CHF**" refer to the currency of Switzerland, to "**SEK**" refer to the currency of Sweden and/or such other currency as defined in the Product Annex.

Time

All references in the Prospectus to time are to Luxembourg time (which is equivalent to CET) unless otherwise indicated.

Date

The date of this Prospectus is the date mentioned on the cover page.

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MANAGEMENT & ADMINISTRATION

Registered Office

Xtrackers II
49, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Manooj Mistry (chairman of the Board of Directors)

Head of Passive Asset Management EMEA, DWS Investments UK Limited, Winchester House, 1 Great Winchester St, London EC2N 2DB, United Kingdom.

Philippe Ah-Sun

Chief Operating Officer of Exchange Traded Funds (ETF) and Systematic UCITS, DWS Investments UK Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

Alex McKenna

Head of Product Platform Engineering at DWS Investments UK Limited, Winchester House, 1 Great Winchester St, London EC2N 2DB, United Kingdom.

Petra Hansen

Director, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Freddy Brausch

Partner, Linklaters LLP, 35, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Depository

State Street Bank Luxembourg S.C.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Administrative Agent, Paying Agent, Domiciliary Agent and Listing Agent

State Street Bank Luxembourg S.C.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Registrar and Transfer Agent

State Street Bank Luxembourg S.C.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Management Company

DWS Investment S.A.
2, boulevard Konrad Adenauer,
L-1115 Luxembourg,
Grand Duchy of Luxembourg.

Management Board of the Management Company

Manfred Bauer (Chairman), DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Nathalie Bausch, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Barbara Schots, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Supervisory Board of the Management Company

Holger Naumann (Chairman), DWS Investment GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt am Main, Germany.

Dr. Matthias Liermann, DWS Investment GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt am Main, Germany.

Stefan Kreuzkamp, DWS Investment GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt am Main, Germany.

Frank Krings, Deutsche Bank Luxembourg S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

Nikolaus von Tippelskirch, DWS Investment GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt am Main, Germany.

Claire Louise Peel, DWS Investments UK Limited, 70 Victoria Street, SW1E 6SQ, London, United Kingdom.

Investment Managers / Sub-Portfolio Manager (as specified under "Management and Administration of the Company")

DWS Investment GmbH
Mainzer Landstrasse 11-17
60329 Frankfurt am Main
Germany

DWS Investments UK Limited
Winchester House
1 Great Winchester Street
London, EC2N 2DB
United Kingdom

Harvest Global Investments Limited (if and as specified in the relevant Product Annex)
31/F, One Exchange Square
8, Connaught Place, Central
Hong Kong

Securities Lending Agent

(unless otherwise specified in the relevant Product Annex)

Deutsche Bank AG, acting through its Frankfurt am Main head office and its London and New York branches

Auditor of the Company

Ernst & Young S.A.
35E, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers to the Company

Elvinger Hoss Prussen *société anonyme*
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

DEFINITIONS

Unless otherwise specified in the main part of this Prospectus or in the relevant Product Annex:

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| "Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement" | Means the agreement dated 7 February 2007 between the Company, the Management Company and the Administrative Agent; |
| "Administrative Agent" | Means State Street Bank Luxembourg S.C.A., with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg; |
| "Administrative Agent Fee" | Means any fees payable by the Company to the Administrative Agent pursuant to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement; |
| "Administrative Expenses" | Means the expenses incurred in connection with the Company's operations as described in more detail under section "Fees and Expenses"; |
| "Agency Securities Lending and Repurchase Agreement(s)" | Means the agreement(s) between the Securities Lending Agent, the Company in respect of the Sub-Funds concerned, as the case may be and/or the relevant Investment Manager and/or Sub-Portfolio Manager; |
| "AIFM Law" | Means the Luxembourg law of 12 July 2013 relating to alternative investment fund managers and implementing the AIFM Directive into Luxembourg legislation; |
| "All-In Fee" | Means an all-in fee comprising the Fixed Fee and the Management Company Fee; |
| "Annual Report" | Means the last available annual report of the Company including its audited accounts; |
| "Articles of Incorporation" | Means the articles of incorporation of the Company, as amended; |
| "Authorised Participant" | Means an institutional investor, market maker or broker entity authorised by the Company for the purposes of directly subscribing and/or redeeming Shares in a Sub-Fund with the Company; |
| "Authorised Payment Currency" | Means the currencies in which, in addition to the Reference Currency and the Denomination Currency, subscriptions and redemptions for Shares in a particular Class may be made; |
| "Bearer Shares" | Means Shares which are represented by a Global Share Certificate as described under "Subscriptions and Redemptions of Shares (Primary Market)"; |
| "Benchmark Regulation" | Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds; |
| "Board of Directors" | Means the board of directors of the Company. Any reference to the Board of Directors includes a reference to its duly authorised agents or delegates; |
| "Business Day" | Means (unless otherwise provided in the Product Annex) a day which is: (i) a Luxembourg Banking Day; and (ii) a London Banking Day. |
| "Capitalisation Shares" | Means Shares not distributing dividends; |
| "Cash Component" | Means the cash component of the Portfolio Composition File. The Cash Component will be made up of three elements, namely: (i) the accrued dividend attributable to Shareholders of the Sub-Fund (generally dividends and interest earned less fees and expenses incurred since the previous distribution); (ii) cash amounts representing amounts arising as a result of rounding down the number of Shares to be delivered, capital cash held by the Sub-Fund or amounts representing differences between the weightings of the Portfolio Composition File and the Sub-Fund; and (iii) any Primary Market Transaction Costs which may be payable; |
| "Class(-es)" or "Share Class(-es)" | Means the class or classes of Shares relating to a Sub-Fund where specific features with respect to fee structures, minimum subscription amount, dividend policy, investor eligibility criteria or other specific features may be applicable. The details applicable to each Class will be described in the relevant Product Annex; |
| "Clearing Agent(s)" | Means the clearing institution(s) selected in the countries where the Shares may be subscribed for and through which Global Share Certificates are transferred by book entry to the securities accounts of the Shareholders' financial intermediaries opened with such Clearing Agent(s) as described in further detail under "Subscriptions and Redemptions of |

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| | | | Shares (Primary Market)". Unless otherwise specified in the relevant Product Annex, Clearing Agent(s) will be Clearstream Banking société anonyme in Luxembourg and/or Clearstream Banking AG in Frankfurt am Main and such further clearing agents(s) or clearance system(s) that may be appointed; |
| "Company" | | | Means Xtrackers II, an investment company incorporated under Luxembourg law in the form of a <i>société anonyme</i> qualifying as a <i>société d'investissement à capital variable</i> under the Law (SICAV); |
| "Conversion Charge" | | | Means the charge to be paid by investors in the event of a conversion of Shares as described under "Conversion of Shares" and in the relevant Product Annex; |
| "CRS" | | | Means the common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis as developed by the OECD; |
| "CRS Law" | | | Means the Luxembourg law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation; |
| "CSSF" | | | The <i>Commission de Surveillance du Secteur Financier</i> of Luxembourg; |
| "Currency Class(-es)" | Hedged | Share | For Sub-Funds with a Direct Investment Policy, means a Share Class which seeks to reduce the impact of the exchange rate fluctuations between its Denomination Currency and the currencies of the underlying securities included in the portfolio. For Sub-Funds with an Indirect Investment Policy means a Share Class which seeks to reduce the impact of the exchange rate fluctuations between its Denomination Currency and the currencies of the underlying securities included in the Reference Index. Unless stated otherwise, all references to Classes or Share Classes include the Currency Hedged Share Classes; |
| "Cut-off Time" | | | Means the latest time by which an order for a subscription or redemption can be received for a Transaction Day, as further set out in the relevant Product Annex; |
| "DB Affiliates" | | | Means entities within, and/or employees, agents, affiliates or subsidiaries of members of, the Deutsche Bank AG group; |
| "DB Group" | | | Means an affiliate or subsidiary of Deutsche Bank AG (together the "DB Group"); |
| "Dealing Form" | | | Means such dealing form as the Directors may prescribe for the purposes of dealing in shares of the relevant Sub-Fund; |
| "Denomination Currency" | | | Means the currency that is used by the Administrative Agent to calculate the Net Asset Value per Share of the relevant Share Class. Unless otherwise specified in the relevant Product Annex, the Denomination Currency will be the Reference Currency; |
| "Depository" | | | Means State Street Bank Luxembourg S.C.A., with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg; |
| "Depository Agreement" | | | Means the agreement dated 12 October 2016 by which State Street Bank Luxembourg S.C.A. has been appointed as depository of the Company, as further described under "Management and Administration of the Company" and as may be amended from time to time; |
| "Depository Fee" | | | Means any fees payable by the Company to the Depository pursuant to the Depository Agreement; |
| "Direct Investment Policy" | | | Has the meaning set forth in the main part of the Prospectus under "Investment Objectives and Policies"; |
| "Director" | | | Means the directors of the Company for the time being; |
| "Direct Replication Significant Market" | | | Means any market and/or exchange or combination of markets and/or exchanges where the value of the Sub-Fund's investments in those markets and/or exchanges exceeds 30 percent. of the Net Asset Value of the Sub-Fund, calculated on a quarterly basis and recorded in the Company's financial statements. The Management Company may determine that a different percentage of Net Asset Value and/or date may apply at their discretion where they believe it is more appropriate; |
| "Distributor" | | | Means any distributor or dealer for the distribution of Shares in certain jurisdictions, as appointed by the Management Company, or any sub-distributor thereof; |
| "Distribution Fee" | | | Means the fees which may be paid by the Management Company to the relevant Distributor out of the Management Company Fee; |
| "Distribution Shares" | | | Means Shares distributing dividends; |

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| "DWS Group" | Means an affiliate or subsidiary of DWS Group GmbH & Co. KGaA (together the "DWS Group") which is part of the DB Group; |
| "Eligible State" | Means any OECD Member State and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin; |
| "EMIR" | Means (i) the European Union Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories, (ii) any regulation of any type taken pursuant to (i) and (iii) any rule, guideline and specific position from time to time adopted by the CSSF or the European Securities and Markets Authority; |
| "ESMA" | Means the European Securities and Markets Authority; |
| "ETF" | Means exchange traded fund(s); |
| "EU" | Means the European Union whose member states at the date of this Prospectus include Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, the Grand Duchy of Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom; |
| "EU Member State" | Means any of the member states of the EU. The states that are contracting parties to the agreement creating the European Economic Area other than the member states of the EU, within the limits set forth by this agreement and related acts, are considered as equivalent to member states of the EU; |
| "Euro-CRS Directive" | means Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, as adopted on 9 December 2014 in order to implement the CRS among the Member States; |
| "Extraordinary Expenses" | Means expenses relating to litigation costs as well as any tax, levy, duty or similar charge imposed on the Company or its assets that would otherwise not qualify as ordinary expenses; |
| "FATCA" | Means the Foreign Account Tax Compliance Act as enacted by the United States Congress in March 2010; |
| "FDI" | Means financial derivative instrument(s); |
| "First Class Institutions" | Means first class financial institutions selected by the Board of Directors, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC derivative transactions and specialised in this type of transactions; |
| "Fixed Fee" | Means, as further described under "Fees and Expenses" below, the comprehensive fee payable by the Company for each Sub-Fund in respect of the ordinary fees, expenses and costs incurred by that Sub-Fund; |
| "Fixed Fee Agent" | Means DWS Investments UK Limited; |
| "G20" | Means the countries represented in the Group of Twenty Finance Ministers and Central Bank Governors representing 20 major global economies; |
| "Global Share Certificate" | Means the certificates issued in the name of the Company (as described in further detail under "Subscriptions and Redemptions of Shares (Primary Market)"); |
| "Index Constituent Agent" | Means Deutsche Bank AG, acting through its London branch or any successor unless otherwise defined in the relevant Product Annex; |
| "Index Provider" | Means the entity described in the relevant Product Annex, acting as sponsor of the Reference Index; |
| "Index Sponsor" | Means Deutsche Bank AG, acting through its London branch, or any successor unless otherwise defined in the relevant Product Annex; |
| "Indirect Investment Policy" | Has the meaning set forth in the main part of the Prospectus under "Investment Objectives and Policies"; |
| "Indirect Replication Significant Market" | Means any market and/or exchange on which constituents of the Reference Index are traded, unless otherwise set out in the relevant Product Annex; |
| "Initial Issue Price" | Means the price at which Shares may be subscribed to during the Offering Period (if any) and/or up to (but excluding) the Launch Date (if applicable). The Initial Issue Price is available upon request and on www.Xtrackers.com ; |
| "Initial Subscriptions" | Means subscriptions for Shares made at the Initial Issue Price as described in detail under "Subscriptions and Redemptions of Shares (Primary Market)"; |

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| "Institutional Investors" | Means an investor meeting the requirements to qualify as an institutional investor for the purposes of article 174 of the Law; |
| "Insolvency Event" | Occurs in relation to a person where (i) an order has been made or an effective resolution passed for the liquidation or bankruptcy of the person; (ii) a receiver or similar officer has been appointed in respect of the person or of any of the person's assets or the person becomes subject to an administration order, (iii) the person enters into an arrangement with one or more of its creditors or is deemed to be unable to pay its debts, (iv) the person ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business, (v) an event occurs in relation to the person in any jurisdiction that has an effect similar to that of any of the events referred to in (i) to (iv) above or (vi) the Company in good faith believes that any of the above may occur; |
| "Invested Asset(s)" | Means certain assets in which a Sub-Fund is invested, as further described in the relevant Product Annex; |
| "Investment Management Agreement" | Means the agreement between the Management Company and the relevant Investment Manager as further defined under "Management and Administration of the Company" ; |
| "Investment Management Fee" | Means any fees payable by the Management Company to the relevant Investment Manager pursuant to the relevant Investment Management Agreement; |
| "Investment Manager" | Means the entities referred to under "MANAGEMENT & ADMINISTRATION" and "Management and Administration of the Company"; |
| "Investment Objective" | Means the predefined investment objective of the Sub-Funds as specified in the relevant Product Annex; |
| "Investment Policy" | Means the predefined investment policy of the Sub-Funds as specified in the relevant Product Annex; |
| "Investment Restrictions" | Means the investment restrictions set out in more detail under "Investment Restrictions"; |
| "Investments" | Means transferable securities and all other liquid financial assets referred to under section 1 of "Investment Restrictions"; |
| "Launch Date" | Means the date on which the Company issues Shares relating to a Sub-Fund for the first time in exchange for the subscription proceeds; |
| "Law" | Means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended; |
| "London Banking Day" | Means a day on which commercial banks are open and settle payments in London, excluding days on which such commercial banks are open for only half a day; |
| "Luxembourg Banking Day" | Means a day (other than a Saturday or a Sunday) on which commercial banks are open and settle payments in Luxembourg, excluding days on which such commercial banks are open for only half a day; |
| "Luxembourg IGA" | Means the Model 1 intergovernmental agreement between the government of the United States of America and the government of the Grand Duchy of Luxembourg to improve international tax compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act dated 28 March 2014, as implemented in Luxembourg law; |
| "Management Company" | Means DWS Investment S.A. with registered office at 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg (see also section "The Management Company" under "Management and Administration of the Company"). Any reference to the Management Company includes a reference to its duly authorised agents or delegates; |
| "Management Company Agreement" | Means the management company agreement dated 7 October 2015 between the Company and the Management Company as may be amended from time to time; |
| "Management Company Fee" | Means the annual fee, payable on a periodic basis by the Company to the Management Company, which will accrue daily on each calendar day and will be calculated on each Valuation Day on the basis of a percentage of (i) the last available Net Asset Value of each Sub-Fund or Class of Shares or (ii) the Initial Issue Price multiplied by the number of outstanding Shares of each Sub-Fund or Class of Shares (as indicated for each Sub-Fund or Class of Shares in the relevant Product Annex and further specified under section "Fees and Expenses"), pursuant to the Management Company Agreement; |
| "Market Makers" | Financial institutions that are members of the Relevant Stock Exchanges and have signed a market making contract with the Company or that are registered as such with the Relevant Stock Exchanges; |

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| "Maturity Date" | Means the date indicated in the relevant Product Annex on which the outstanding Shares will be redeemed, the Sub-Fund being thereafter closed, as more fully described under "Subscriptions and Redemptions of Shares (Primary Market)". Unless a Maturity Date has been indicated in the relevant Product Annex, Sub-Funds will have no Maturity Date; |
| "MiFID" | Means the Markets in Financial Instruments Directive 2014/65/EU; |
| "Minimum Holding Requirement" | Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be held at any time by a Shareholder. Unless otherwise specified in the relevant Product Annex, the Minimum Holding Requirement will be 1 Share; |
| "Minimum Initial Subscription Amount" | Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be subscribed/converted for by an investor during the Offering Period and up to but excluding the Launch Date (if applicable). Unless otherwise specified in the relevant Product Annex, the Minimum Initial Subscription Amount will be 1 Share; |
| "Minimum Net Asset Value" | Means an amount specified in the relevant Product Annex. Unless otherwise specified in the relevant Product Annex, the Minimum Net Asset Value per Sub-Fund will be Euro 50,000,000 (or the equivalent in the Reference Currency of the relevant Sub-Fund); |
| "Minimum Redemption Amount" | Means the minimum number of Shares or Net Asset Value for which Shares may be redeemed. Unless otherwise specified in the relevant Product Annex, the Minimum Redemption Amount will be 1 Share; |
| "Minimum Subsequent Subscription Amount" | Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be subscribed/converted for on or after the Launch Date. Unless otherwise specified in the relevant Product Annex, the Minimum Subsequent Subscription Amount will be 1 Share; |
| "Money Market Instruments" | Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time; |
| "NAV Date" | Means (unless otherwise provided in the Product Annex) a day which is a Business Day. A NAV Date is the day as of which the assets and liabilities of the Sub-Fund are valued in accordance with the section "Determination of the Net Asset Value" of the Prospectus. For the avoidance of doubt, each Transaction Day will be a NAV Date; |
| "Net Assets" | Means the Net Asset Value of a Sub-Fund or of a Class of a Sub-Fund or of the Shares but before deduction of the Management Company Fee and Fixed Fee and any other fees and expenses to be deducted from the assets of such Sub-Fund; |
| "Net Asset Value" | Means the net asset value of the Company, of a Sub-Fund or of a Class of Shares, as appropriate, calculated as described in this Prospectus; |
| "Net Asset Value per Share" | Means the Net Asset Value attributable to all the Shares issued in respect of a particular Sub-Fund and/or Class of Shares, as appropriate, divided by the number of Shares issued by the Company in respect of such Sub-Fund or Class of Shares; |
| "New Class" | Means, in case of conversion of Shares, the new Class of Shares into which a Shareholder has converted part or all of his Shares belonging to the Original Class, as described under "Conversion of Shares"; |
| "New Sub-Fund" | Means in case of conversion of Shares, the new Sub-Fund into which a Shareholder has converted part or all of his Shares relating to the Original Sub-Fund, as described under "Conversion of Shares"; |
| "OECD" | Means the Organisation for Economic Cooperation and Development, whose member states include all countries listed on the OECD website: http://www.oecd.org ; |
| "OECD Member State" | Means any of the member states of the OECD; |
| "Offering Period" | Means the period during which Shares in relation to a Sub-Fund may be subscribed at the Initial Issue Price as specified in the relevant Product Annex; |
| "Original Class" | Means, in case of a conversion of Shares, the Class of Shares from which a Shareholder wants to convert part or all of his Shares into Shares of a New Class, as described under "Conversion of Shares"; |
| "Original Sub-Fund" | Means in case of a conversion of Shares, the Sub-Fund from which a Shareholder requests to convert part or all of his Shares into Shares relating to the New Sub-Fund, as described under "Conversion of Shares"; |
| "Other Administrative Expenses" | Means the expenses incurred in connection with the Company's operations as described in more detail under "Fees and Expenses"; |

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| "Portfolio Composition File" | Means the file setting out the Investments and/or Cash Component which may be delivered (a) by Authorised Participants in the case of subscriptions or (b) by the Company in the case of redemptions; |
| "Primary Market Transaction Costs" | Means in relation to subscriptions or redemptions on the primary market, costs which may be charged to Authorised Participants, which may include: part or all of any Transaction Costs; all stamp and other duties; taxes; governmental charges; brokerage; bank charges; foreign exchange spreads; interest; custodian charges (relating to sales and purchases); transfer fees; registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Sub-Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of Investments or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable. For the avoidance of doubt, this may include a provision for the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated or actual price at which such assets shall be bought as a result of a subscription or sold as a result of a redemption. It shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Sub-Fund; |
| "Product Annex" | Means an annex to this Prospectus describing the specific features of a Sub-Fund. The Product Annex is to be regarded as an integral part of the Prospectus; |
| "Professional Investors" | Means an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and comply with the criteria of the MiFID (annex II); |
| "Prohibited Persons" | Means any person, firm or corporate entity, determined in the sole discretion of the Board of Directors as being not entitled to subscribe for or hold Shares in the Company or, as the case may be, in a specific Sub-Fund or Class, (i) if in the opinion of the Board of Directors such holding may be detrimental to the Company or the majority of its shareholders, (ii) if it may result in a breach of any law or regulation, whether Luxembourg or foreign, (iii) if as a result thereof the Company or its shareholders may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred (including inter alia any liability that might derive from FATCA or a requirement to register under any securities or investment laws or other laws or requirements of any country or authority) or (iv) if such person would not comply with the eligibility criteria of a given Class. Would especially qualify as Prohibited Person any person, firm or corporate entity which (i) is not an exempt beneficial owner, nor an active NFFE, (ii) is a U.S. person qualifying as U.S. specified person, or (iii) is a non-participating financial institution, within the meaning of the Luxembourg IGA; |
| "Prospectus" | Means this prospectus including, Annual Report, Semi-annual Report, Quarterly Reports (as the case may be) and Product Annexes, as amended, supplemented, restated or otherwise modified from time to time; |
| "Redemption Charge" | Means the charge or fee to be paid out of the Redemption Price which Shares may be subject to, as described under "Subscriptions and Redemptions of Shares (Primary Market)" and in the relevant Product Annex. No Redemption Charge will be applicable unless otherwise provided for in the relevant Product Annex; |
| "Redemption Dividend" | Means a dividend paid in respect of Shares which are the subject of a valid request for redemption; |
| "Redemption Price" | Means the price at which Shares are redeemed (before deduction of any charges, costs, expenses or taxes), as described under "Subscriptions and Redemptions of Shares (Primary Market)"; |
| "Redemption Proceeds" | Means the Redemption Price less any charges, costs, expenses or taxes, as described under "Subscriptions and Redemptions of Shares (Primary Market)"; |
| "Reference Currency" | Means the currency that is used by the Administrative Agent to calculate the Net Asset Value per Share of the relevant Sub-Fund. Unless otherwise specified in the relevant Product Annex, the Reference Currency will be Euro; |
| "Reference Index" | Means the index of securities or other assets whose performance a Sub-Fund will aim to reflect, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Product Annex. The "Reference Index" could comprise several indices, and references to "Reference Index" shall be read accordingly; |

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| "Registered Shares" | Means Shares which are issued in registered form of which the ownership is registered and documented in the Company's shareholders' register as described under "Subscriptions and Redemptions of Shares (Primary Market)"; |
| "Registrar and Transfer Agent" | Means State Street Bank Luxembourg S.C.A. with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg; |
| "Registrar, Transfer Agent and Listing Agent Fee" | Means any fees payable to the Registrar and Transfer Agent pursuant to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement; |
| "Regulated Market" | Means a regulated market, which operates regularly and is recognised and open to the public; |
| "Regulations" | Means (i) Part 1 of the Law, (ii) the UCITS Directive, (iii) any amendment or replacement legislation thereto for the time being in force, (iv) any regulation of any type taken in pursuant of (i), (ii) or (iii), as well as (v) any rule, binding guideline and general or specific position from time to time adopted by the CSSF or ESMA pursuant thereto; |
| "Relevant Stock Exchanges" | Markets on which the Shares of the Sub-Funds may be listed such as Luxembourg Stock Exchange, Deutsche Börse or other stock exchanges; |
| "Retail Investor" | Means an investor not qualifying as an Institutional Investor; |
| "Securities Lending Agent" | Means Deutsche Bank AG, acting through its Frankfurt am Main head office and its London and New York branches, unless otherwise specified in the Product Annex; |
| "Semi-annual Report" | Means the last available semi-annual report of the Company including the Company's semi-annual unaudited accounts, all to be considered as an integral part of the Prospectus; |
| "Settlement Day" | Means a Business Day on which the relevant Clearing Agent is open or, if such Clearing Agent is not open, the next following Business Day on which the Clearing Agent is open; |
| "Shareholder(s)" | Means (i) in respect of Registered Shares, the Shareholder(s) duly registered in the Company's shareholders' register and (ii) in respect of Bearer Shares, the persons holding such Bearer Shares; |
| "Shares" | Means the Shares with no par value in the Company, issued in such form as described in the relevant Product Annex; |
| "Significant Market" | Means either a Direct Replication Significant Market or an Indirect Replication Significant Market; |
| "Sub-Fund" | Means a separate portfolio of assets established for one or more Share Classes of the Company which is invested in accordance with a specific Investment Objective. The Sub-Funds do not have a legal existence distinct from the Company; however each Sub-Fund is liable only for the debts, liabilities and obligations attributable to it. The specifications of each Sub-Fund will be described in the relevant Product Annex; |
| "Sub-Portfolio Management Agreement" | Means the agreement between the relevant Investment Manager and a Sub-Portfolio Manager; |
| "Sub-Portfolio Manager" | Means the entities referred to under "MANAGEMENT & ADMINISTRATION" and "Management and Administration of the Company"; |
| "Subsequent Subscriptions" | Means subscriptions for Shares made on or after the Launch Date, as described under "Subscriptions and Redemptions of Shares (Primary Market)"; |
| "Swap Calculation Agent" | Means any Swap Counterparty of a Sub-Fund, unless otherwise specified in the Product Annex; |
| "Swap Counterparty" | Means any entity or entities with whom the Company or the Management Company will conclude OTC Swap Transactions in respect of one or more Sub-Funds as described under "The Swap Counterparties" under "Management and Administration of the Company"; |
| "Transaction Costs" | Means any costs and expenses incurred in respect of the buying and selling of portfolio securities and financial instruments, brokerage fees and commissions, interest or taxes payable in respect of such purchase and sale transactions, as may be more fully described in the relevant Product Annex; |
| "Transaction Day" | Means a day for which subscriptions for, conversions from and redemptions of Shares can be made in order to be dealt with by the Registrar and Transfer Agent as described under "Conversion of Shares" and "Subscriptions and Redemptions of Shares (Primary Market)" in the main part of the Prospectus. In general, each Business Day will be a Transaction Day. |

However, some Business Days will not be Transaction Days where Significant Markets are closed and/or such other days as the Management Company may from time to time determine provided that there is at least one Transaction Day per fortnight.

Any applications received by the Registrar and Transfer Agent after the Cut-off Time for a Transaction Day will be deferred to the next Transaction Day and processed on the basis of the Net Asset Value per Share calculated for such deferred Transaction Day.

The Management Company may declare that a Business Day is a Transaction Day when a Significant Market is closed, in its discretion, where it believes it to be more appropriate. The Transaction Day for each Sub-Fund is available from the Investment Manager and/or Sub-Portfolio Manager.

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| "UCI" | Means an undertaking for collective investment; |
| "UCITS" | Means an Undertaking for Collective Investment in Transferable Securities established pursuant to the Regulations; |
| "UCITS Directive" | Means the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as may be amended; |
| "United States" or "U.S." | Means the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico; |
| "Upfront Subscription Sales Charge" | Means the sales charge which investors subscribing for Shares as described under "Fees and Expenses" and in the relevant Product Annex may be subject to. No Upfront Subscription Sales Charge will be applicable unless otherwise provided for in the relevant Product Annex; |
| "U.S. Person" | Means U.S. persons (as defined for the purposes of the United States federal securities, commodities and tax laws, including Regulation S under the 1933 Act) or persons who are resident in the United States at the time the Shares are offered or sold; and |
| "Valuation Day" | <p>Means (unless otherwise defined in the Product Annex) the first Business Day following a NAV Date.</p> <p>A Valuation Day is the day on which the Net Asset Value in respect of a Sub-Fund is calculated and published.</p> |

STRUCTURE

The Sub-Funds

The Company has adopted an "umbrella" structure to provide both institutional and individual investors with a choice of different investment portfolios ("**Sub-Funds**"). Each Sub-Fund will be differentiated by its specific Investment Objective, Investment Policy, and currency of denomination or other specific features as described in the relevant Product Annex. A separate pool of assets is generally maintained for each Sub-Fund and is invested in accordance with each Sub-Fund's respective Investment Objective and Policy.

The Classes of Shares

The Board of Directors of the Company may decide to create within each Sub-Fund different Classes of Shares. All Classes of Shares relating to the same Sub-Fund will be commonly invested in accordance with such Sub-Fund's Investment Objective and Policy but may differ with regard to their fee structure, Minimum Initial Subscription Amount, Minimum Subsequent Subscription Amount, Minimum Holding Requirement, Minimum Redemption Requirement, dividend policy, investor eligibility criteria or other particular feature(s) as the Board of Directors shall decide. A separate Net Asset Value per Share will be calculated for each issued Class of Shares in relation to each Sub-Fund. The different features of each Class of Shares available relating to a Sub-Fund are described in detail in the relevant Product Annex.

The Company reserves the right to offer only one or several Classes of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Company also reserves the right to adopt standards applicable to certain classes of investors or transactions in respect of the purchase of a particular Class of Shares.

Any Shareholder or Authorised Participant may be required to provide the Company with any information or document considered as necessary for the purpose of determining whether or not the beneficial owner of such Shares is (i) a Prohibited Person or (ii) a U.S. Person.

If at any time it shall come to the Company's attention that Shares are beneficially owned by one of the persons mentioned under (i) and (ii) above, either alone or in conjunction with any other person, and such person fails to comply with the instructions of the Company to sell his Shares and to provide the Company with evidence of such sale within 30 calendar days of being so instructed by the Company, the Company may in its discretion compulsorily redeem such Shares at the Redemption Price immediately after the close of business specified in the notice given by the Company to the Prohibited Person or U.S. Person of such compulsory redemption, the Shares will be redeemed in accordance with their respective terms and such investors will cease to be the owners of such Shares.

Shareholders or Authorised Participants should note that in these circumstances a Redemption Charge may be levied on the basis of the Redemption Price.

The Shares will be issued by the Company exclusively in relation to Sub-Funds with the aforementioned Investment Policies and may be subscribed in cash or in kind (or a combination of both cash and in kind) as explained in further detail under "Subscriptions and Redemptions of Shares (Primary Market)" or as the case may be in the relevant Product Annex.

The Shares may be differentiated between Distribution Shares (identified by the letter "D") and Capitalisation Shares (identified by the letter "C"). Other Classes may be offered with specific features such as fee structures, minimum subscription amount, investor eligibility criteria or other specific features.

The Shares will be listed for trading on one or more stock exchanges, unless otherwise specified in the relevant Product Annex.

The Currency Hedged Share Classes

For a Currency Hedged Share Class, the Investment Manager and/or the Sub-Portfolio Manager, as the case may be, will seek to hedge the Denomination Currency of the Currency Hedged Share Class against the currency exposures of the underlying securities in the portfolio/Reference Index which differ to the Denomination Currency of that Currency Hedged Share Class. Currency Hedged Share Classes include "Hedged" and the relevant Denomination Currency in their name (e.g. 1C - EUR Hedged).

Hedging strategies with respect to Currency Hedged Share Classes will be implemented in line with the Regulations.

Currency Hedged Share Classes of Sub-Funds with a Direct Investment Policy

For Sub-Funds with a Direct Investment Policy, the Sub-Portfolio Manager will generally hedge these currency exposures at Share Class level by entering into currency forward exchange contracts or other types of derivative contracts which reflect a foreign exchange hedging exposure.

A tolerance level will be applied to seek to ensure that over-hedged positions will not exceed 105% of the Net Asset Value of the relevant Currency Hedged Share Class and that under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class which is to be hedged against currency movements.

Investors should note that there may be costs associated with the use of foreign exchange hedging transactions which will be borne by the relevant Currency Hedged Share Class.

Investors should also note that the Currency Hedged Share Classes do not completely eliminate currency risk or provide a precise hedge, and as such, investors may have exposures to currencies other than the currency of the Currency Hedged Share Class. Hedging involves additional risks which are set out in this Prospectus under chapter "Risk Factors".

INVESTMENT OBJECTIVES AND POLICIES

The Board of Directors determines the specific Investment Policy and Investment Objective of each Sub-Fund, which are described in more detail in the respective Product Annexes to this Prospectus. The Investment Objectives of the Sub-Funds will be carried out in compliance with the limits and restrictions set forth under "Investment Restrictions" below. Each Sub-Fund will adhere to the general investment strategy as described hereunder, which in the absence of any unforeseen circumstances or other events may not change.

The Investment Objective of a Sub-Fund is to provide the investors, via various investment techniques, with a return (either at the Maturity Date or on such payout date(s) as determined in the relevant Product Annex) linked to the Reference Index.

The value of the Sub-Fund's Shares is linked to the Reference Index, the performance of which may rise or fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. The Reference Index may have an Index Sponsor or other agents. The existence of such Index Sponsor and/or agents will be specified in the relevant Product Annex.

A list of the constituents which form the Reference Index as defined in the relevant Product Annex is available on the Company's website www.Xtrackers.com.

A Sub-Fund may carry out its Investment Objective via an Indirect Investment Policy and/or a Direct Investment Policy as more fully described in the following paragraphs.

Sub-Funds with an Indirect Investment Policy

The Sub-Funds with an Indirect Investment Policy include the reference "Swap" in their name.

Sub-Funds with an Indirect Investment Policy ("**Indirect Replication Funds**") may not invest directly in the constituents of the Reference Index. Instead, the exposure to the performance of the Reference Index will be achieved by way of derivative transactions and/or instruments (the "**Derivative Transaction(s)**"). In particular, an Indirect Replication Fund will conclude OTC swap transactions negotiated at arm's length with one or more Swap Counterparties (the "**OTC Swap Transaction(s)**").

For the avoidance of doubt, the OTC Swap Transactions would qualify as total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "**SFTR Regulation**").

Indirect Investment Policy does not currently provide for the possibility to enter into securities lending agreements, buy-sell or sell-buy back transactions, margin lending transactions or repurchase agreements (and/or reverse repurchase agreements), as covered by the SFTR Regulation. Should the Board of Directors decide to provide for such possibility, the Prospectus will be updated prior to the entry into force of such decision in order for the Company to comply with the relevant disclosure requirements of the SFTR Regulation for these Indirect Replication Funds.

In order to achieve its Investment Objective and in accordance with the Investment Restrictions, an Indirect Replication Fund may at any time invest part or all of the net proceeds of any issue of its Shares:

- (a) in Invested Assets and use one or more Derivative Transactions the purpose of which is to exchange all or part of the performance and/or income of such Invested Assets to gain exposure to the Reference Index (an "**Unfunded Swap**"); and/or,
- (b) in one or more Derivative Transactions the purpose of which is to exchange all or part of the invested proceeds to gain exposure to the Reference Index (a "**Funded Swap**").

The Invested Assets that can be subject to an Unfunded Swap are UCITS eligible fixed income securities, unless otherwise specified in the relevant Product Annex.

For Funded Swaps, the maximum proportion of Net Asset Value that is subject to Derivative Transactions is 110 percent, excluding the impact of fees and foreign exchange ("**FX**") hedging arrangements, as applicable; whilst the expected proportion of Net Asset Value that is subject to Derivative Transactions is 100 percent, of the Net Asset Value, excluding the impact of fees and FX hedging arrangements, as applicable, unless otherwise specified in the relevant Product Annex.

For Unfunded Swaps, the maximum proportion of the Net Asset Value that is subject to Derivatives Transactions in relation to the Reference Index is 110 percent, of the Net Asset Value excluding the impact of fees and FX hedging arrangements, as applicable; whilst the expected proportion of the Net Asset Value that is subject to Derivative Transactions in relation to the Reference Index is 100 percent, of the Net Asset Value, excluding the impact of fees and FX hedging arrangements, as applicable, unless otherwise specified in the relevant Product Annex.

For Unfunded Swaps, the maximum and expected proportion of the Net Asset Value that is subject to Derivatives Transactions in relation to Invested Assets is the same proportion as the proportion of the value of Invested Assets to the Net Asset Value of the relevant Sub-Fund.

An Indirect Replication Fund may, with due regard to the best interests of its Shareholders and subject to any conditions set forth in each specific Product Annex, decide from time to time to switch partially or totally from a Funded Swap to an Unfunded Swap, and vice versa.

The Invested Assets, Derivative Transactions and any techniques used to link the Invested Assets to the Reference Index or the Derivative Transactions, or the invested proceeds to the Reference Index will be managed by the relevant Investment Manager and/or the Sub-Portfolio Manager. The management of the Invested Assets will generally not involve the active buying and selling of securities on the basis of investment judgement and economic, financial and market analysis.

In principle, the return that the Shareholder will receive will largely be dependent on the performance of the Invested Assets, the performance of the Reference Index and the performance of any techniques used to link the Invested Assets and/or the net proceeds from the issue of Shares to the Reference Index.

Depending on the value of the Derivative Transactions and its chosen policy an Indirect Replication Fund may be at any time fully or partially exposed to one or more counterparties (including one or more Swap Counterparties), in which case appropriate collateral or other counterparty risk mitigation arrangements compliant with the Regulations and EMIR will be taken/implemented and/or payment will be received from the Derivative Transactions counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR. Please refer to section "OTC Derivative Transactions entered into on behalf of Indirect Replication Funds and Direct Replication Funds" below. Further information on the issuer credit quality, liquidity, valuation, collateral diversification, correlation policies and the management of collateral received are available in section 8 of chapter "Investment Restrictions" of this Prospectus.

Adjustment to OTC Swap Transactions to reflect index replication costs ("**OTC Swap Transaction Costs**")

In relation to Indirect Replication Funds, each of the Swap Counterparties may enter into hedging transactions in respect of the OTC Swap Transaction(s). According to the OTC Swap Transaction(s) entered into between the Sub-Funds and the Swap Counterparty, the Sub-Funds shall receive the performance of the Reference Index adjusted to reflect certain index replication costs and any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction. These costs may include, amongst other things, costs, taxes or other duties associated with the buying, selling, custody, holding or any other transactions relating to investments in transferable securities and/or OTC Swap Transactions and/or collateral. The nature of these costs may also differ depending on the Reference Index whose performance the Sub-Funds aim to reflect.

- Situation 1: the Reference Index is "long" (i.e. its objective is to reflect the performance of its constituents). Then the index replication costs will be associated with (i) the buying and selling by the Swap Counterparty of the constituents of the Reference Index in order to reflect the Reference Index performance; or (ii) custody or other related costs incurred by the Swap Counterparty in relation to holding the constituents of the Reference Index; or (iii) taxes or other duties imposed on the buying or selling of the constituents of the Reference Index; or (iv) taxes imposed on any income derived from the constituents of the Reference Index; or (v) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.
- Situation 2: the Reference Index is "leveraged" (i.e. its objective is to reflect the daily leveraged performance of the long version of the Reference Index). Then the index replications costs will be associated with (i) the buying and selling and any borrowing and/or financing of the constituents of the Reference Index in order to reflect the Reference Index performance, (ii) custody or other related costs incurred by the Swap Counterparty in relation to holding the constituents of the Reference Index, (iii) financing charges incurred to safeguard against severe market movements of the constituents of the Reference Index, (iv) unexpected financing costs in the event of severe market movements, (v) taxes imposed on any income derived from the constituents of the Reference Index, or (vi) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.
- Situation 3: the Reference Index is "short" (i.e. its objective is to reflect the daily inverse performance of the long version of the Reference Index) or "short and leveraged" (i.e. its objective is to reflect the leveraged daily inverse performance of the long version of the Reference Index). Then the index replications costs will be associated with (i) the borrowing and/or financing of the constituents of the Reference Index in order to reflect the Reference Index performance, (ii) financing charges incurred to safeguard against severe market movements of the constituents of the Reference Index, (iii) unexpected financing costs in the event of severe market movements or (iv) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.

According to the OTC Swap Transaction(s) entered into between the Sub-Funds and each Swap Counterparty, the Sub-Funds may receive the performance of the Reference Index adjusted to reflect taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s), in addition to any adjustments made in accordance with Situation 1, 2 or 3 above.

The applicable OTC Swap Transaction Costs with respect to each Indirect Replication Fund are disclosed in the Annual and Semi-annual Reports of the Company.

Enhancements resulting from Swap hedging policy

In relation to Indirect Replication Funds, from time to time each Swap Counterparty may achieve certain benefits or enhancements as a result of its hedging activities. In certain circumstances, the Swap Counterparty may, in its absolute and sole discretion, decide to pay some or all of such benefits or enhancements to the Sub-Fund under the OTC Swap Transaction(s) (such payments being referred to as "**Enhancements**") in addition to any payments contractually due under the OTC Swap Transaction(s). The amount and frequency of such Enhancements will be decided by the Swap Counterparty in its sole and absolute discretion. Therefore, a Sub-Fund may receive more than it is contractually entitled to under the OTC Swap Transaction(s) which will be reflected in the Net Asset Value and past performance of the Sub-Fund. Investors should note that there is no guarantee that Enhancements will be paid to the relevant Sub-Fund, even if the Swap Counterparty achieves certain benefits or enhancements as a result of its hedging activities, and investors should also note that payment of any future Enhancements may not mirror past payments of Enhancements (if any).

Sub-Funds with a Direct Investment Policy

Sub-Funds with a Direct Investment Policy ("**Direct Replication Funds**") may carry out their investment objective by investing in a portfolio of transferable securities or other eligible assets that may comprise all (or, on an exceptional basis, a substantial number of) the constituents of that Reference Index ("**Full Index Replication**"), an optimised sample thereof, or unrelated transferable securities or other eligible assets ("**Optimised Index Replication**").

Direct Investment Policy provides for the possibility to enter into securities lending agreements but does not currently provide for the possibility to enter into margin lending transactions or repurchase agreements (and/or reverse repurchase agreements), buy-sell or sell-buy back transactions or total return swaps as covered by the SFTR Regulation. Should the Board of Directors decide to provide for such possibility, the Prospectus will be updated prior to the entry into force of such decision in order for the Company to comply with the relevant disclosure requirements of the SFTR Regulation for these Direct Replication Funds.

Direct Replication Funds may from time to time invest temporary cash balances (such as subscription proceeds which are pending investment or any other temporary cash balances) in FDIs to gain market exposure and to seek to reduce Tracking Error.

Direct Replication Funds may not hold every constituent or the exact weighting of a constituent in the Reference Index but instead may seek to gain exposure to a Reference Index by utilising optimisation techniques and/or by investing in securities that are not part of that Reference Index. The types of securities in which Direct Replication Funds may invest include American depositary receipts ("**ADRs**"), global depositary receipts ("**GDRs**"), and/or non-voting depositary receipts ("**NVDRs**").

The extent to which a Direct Replication Fund utilises optimisation techniques will partly depend on the nature of the constituents of its Reference Index. For example, a Direct Replication Fund may utilise optimisation techniques and may be able to provide a return similar to that of its Reference Index by investing in a sub-set of the constituents on its Reference Index. Use of these investment techniques, the implementation of which is subject to a number of constraints detailed in the "Investment Restrictions" section of this Prospectus, may not produce the intended results.

Notwithstanding the foregoing, it should be noted that:

- exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause a Direct Replication Fund's tracking accuracy to diverge substantially from the Reference Index;
- due to various factors, including the Sub-Fund's fees and expenses involved, the concentration limits described in the Investment Restrictions, other legal or regulatory restrictions, and, in certain instances, certain securities being illiquid, it may not be possible or practicable to purchase all of the constituents in proportion to their weighting in the Reference Index or purchase certain of them at all.

Change of Reference Index

The Board of Directors may decide, if it considers it to be in accordance with the Law and in the interest of the Company or any relevant Sub-Fund to do so, to substitute the existing Reference Index of a Sub-Fund for another Reference Index.

The Board of Directors may, for instance, decide to substitute such a Reference Index in the following circumstances:

- the swaps and other techniques or instruments described under "Investment Restrictions" which are necessary for the implementation of the relevant Sub-Fund's Investment Objective cease to be available in a manner which is regarded as acceptable by the Board of Directors;
- in the determination of the Board of Directors, the accuracy and availability of data of a particular Reference Index has deteriorated;
- the constituents of the Reference Index would cause the Sub-Fund (if it were to follow the Reference Index closely) to be in breach of the limits set out under "Investment Restrictions" and/or materially affect the taxation or fiscal treatment of the Company or any of its Shareholders;
- the particular Reference Index ceases to exist or, in the determination of the Board of Directors, there is a material change in the formula for or the method of calculating a constituent of the Reference Index or there is a material modification of the constituents of the Reference Index;
- the counterparty of swap agreements or options or other derivative instruments notifies the Company that there is limited liquidity in a portion of the constituents of the Reference Index or it becomes impractical to invest in the constituents of the Reference Index;
- the Index Sponsor increases its license fees to a level which the Board of Directors considers excessive;
- the licence agreement is terminated; or
- any successor Index Sponsor is not considered acceptable by the Board of Directors.

The above list is indicative only and cannot be understood as being exhaustive or limiting the ability of the Board of Directors to change the Reference Index in any other circumstances as the Board of Directors considers appropriate. The Shareholders of the relevant Sub-Fund will be notified of the decision of the Board of Directors to proceed to change the Reference Index through the website www.Xtrackers.com or any successors thereto as well as, if necessary, in the official publications specified in the respective jurisdictions in which the Shares are made available for public distribution. The Prospectus will be updated in case of substitution of the existing Reference Index of a Sub-Fund for another Reference Index.

Any changes to a Reference Index, such as the composition and/or weighting of its constituents, may require a Sub-Fund with a Direct Investment Policy to make corresponding adjustments or rebalancings to its investment portfolio to conform to the relevant Reference Index. Such adjustments may result in (extraordinary) Transaction Costs. The Management Company, the Investment Managers and/or the Sub-Portfolio Managers (as applicable) will monitor such changes and may make adjustments to the portfolio as necessary over several days, if necessary. The use of benchmarks more generally is subject to ongoing regulatory development which may affect a Sub-Fund and/or Reference Index, as set out in this Prospectus under chapter "Risk Factors".

Efficient Portfolio Management

The Company may, on behalf of each Sub-Fund, under the conditions and within the meaning and the limits laid down by law and Regulations (including SFTR Regulation), and subject to the Investment Restrictions employ techniques and instruments relating to transferable securities and Money Market Instruments. Such techniques and instruments will be used for efficient portfolio management including for hedging purposes or to provide protection against exchange risk as more particularly described under "Risk Management Policy for FDI" in the Investment Restrictions section of the Prospectus. For the avoidance of doubt, Direct Replication Funds may use FDIs and/or transferable securities which relate to the Reference Index or constituents of the Reference Index, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Index, a constituent of the Reference Index or a sub-set of constituents of the Reference Index. The FDIs which each Direct Replication Fund may invest in include futures, options, swaps, Credit Default Swaps ("**CDSS**"), contracts for differences ("**CFDs**"), forwards including non-deliverable forwards ("**NDFs**"). A Direct Replication Fund may also invest in depositary receipts, certificates, ETFs, MBS, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments.

A Direct Replication Fund may enter into temporary sale and transfer transactions in regard to securities in its portfolio (i.e. securities lending) for up to 50 percent. of its assets and without distinction per asset classes ("**Securities Lending Transactions**") to generate additional income and therewith offset part or all of its costs. The expected portion of assets of Direct Replication Funds which should be subject to Securities Lending Transactions should represent up to 50 percent. of their assets. Such transactions are strictly regulated and must, amongst other things, be able to be terminated at any time at the initiative of the Sub-Fund. Securities Lending Transactions nonetheless give rise to certain risks including valuation and operational risks and market and counterparty risks. Depending on the value of the Securities Lending Transactions and its chosen policy, a Sub-Fund may be at any time fully or partially exposed to one or more counterparties, in which case appropriate collateral or other counterparty risk mitigation arrangements compliant with the Regulations will be taken/implemented and/or payment will be received from the Securities Lending Transactions counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations.

While all net assets of a Sub-Fund which engages in Securities Lending Transactions will be eligible for such transactions (with no distinction per asset classes in which the Sub-Fund may invest), the proportion of a Sub-Fund's net assets subject to Securities Lending Transactions may typically vary between 0 percent. and 50 percent. for each relevant Sub-Fund. Such variations may be dependent on factors such as, but not limited to, total Sub-Fund's net assets, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market. The Company's counterparties for Securities Lending Transactions are regulated financial institutions headquartered in OECD countries which have, either directly or at parent level, an investment grade rating from at least two of the three main credit rating agencies and which comply with Article 3 of the SFTR Regulation.

For certain Sub-Funds, the Company, as the case may be, and/or the relevant Investment Manager and/or Sub-Portfolio Manager have appointed the Securities Lending Agent. The Securities Lending Agent is authorised (i) to enter into Securities Lending Transactions on behalf of the Company and (ii) to invest any cash received/held on behalf of the Company as collateral pursuant to such Securities Lending Transactions, in accordance with and within the limits set forth in the Agency Securities Lending and Repurchase Agreement, the rules set out in this Prospectus and the Regulations. Any income generated by Securities Lending Transactions (reduced by any applicable direct or indirect operational costs and fees arising there from and paid to the Securities Lending Agent, as the case may be, and/or the relevant Investment Manager and/or Sub-Portfolio Manager) will be payable to the relevant Sub-Fund. As these direct and indirect operational costs do not increase the costs of running the Sub-Fund, they have been excluded from the ongoing charges.

Unless otherwise specified in the relevant Product Annex and to the extent a Sub-Fund undertakes Securities Lending Transactions, the Securities Lending Agent, as the case may be, and/or the relevant Investment Manager and/or Sub-Portfolio Manager shall receive a fee for the services provided in this respect.

Any revenues arising from efficient portfolio management techniques will, after deduction of any expenses and fees, be returned to the relevant Sub-Fund, as specified in the relevant Product Annex.

For further information, please refer to sections 10 and 11 of chapter "Investment Restrictions", chapter "Collateral Arrangements in respect of Securities Lending Transaction(s)" and chapter "Risk Factors" (*Securities lending, buy-sell or sell-buy back transactions and repurchase and reverse repurchase agreement transactions*).

OTC Derivative Transactions entered into on behalf of Indirect Replication Funds and Direct Replication Funds

Under EMIR, both parties to OTC derivative contracts not subject to central clearing obligations and not cleared through a CCP within the meaning of EMIR ("**Non-cleared OTC Transactions**"), are required to implement appropriate procedures and arrangements to measure, monitor and mitigate operational risk and counterparty credit risk. This includes the need to put in place between the parties to these Non-Cleared OTC Transactions measures to ensure timely, accurate and appropriately segregated exchange of collateral.

As a result thereof, the Company may have to provide variation margin for a Sub-Fund (i.e. collateral collected by a counterparty to reflect the results of the daily marking-to-market or marking-to-model of outstanding non-cleared OTC derivative contracts) to its counterparty to an OTC derivative transaction.

In relation to the OTC derivative transactions entered into between the Company and counterparties (including Swap Counterparties), the Company may deliver or receive requested collateral by way of title transfer or by way of pledge, depending on the terms of the agreement between the relevant Sub-Fund and the counterparty. Each party will deliver cash or securities with a view to reduce the net exposure of the relevant Sub-Fund to each counterparty, and vice versa, to 0% (zero per cent), albeit a minimum transfer amount of up to EUR 500,000 (or currency equivalent) will be applicable.

The securities which may be posted as collateral will be bonds issued by certain OECD country governments, central banks, international organisations or corporate bodies or any other eligible collateral under EMIR. Haircuts will be applied to such securities in line with the requirements under EMIR. These will be generally between at least 0.5% and 8% for bonds, the haircut depending on factors such as the credit rating, time to maturity and currency for such bonds. Cash collateral will not be subject to haircut. For all non-cash collateral in any other currency than the termination currency of the Non-cleared OTC Transaction, a haircut of at least 8% shall apply. There will also be diversification requirements such that concentration of collateral to cash, single issuer or single issuance is within the "Risk Diversification" requirements set out above.

The market value of securities received as collateral on any day is the bid price at close of business on the preceding day which is in line with market practice.

Further information on the issuer credit quality, liquidity, valuation, collateral diversification, correlation policies and the management of collateral received are available in section 8 of chapter "Investment Restrictions" of this Prospectus.

Broker Arrangements with Deutsche Bank AG, acting through its London branch

The Company may enter into arm's length securities broker transactions with Deutsche Bank AG, acting through its London branch or other broker institutions.

Reliance on Index Sponsors

The Management Company, the Investment Managers and/or the Sub-Portfolio Managers will rely solely on the Index Sponsor for information as to the constituents of the Reference Index. If the Management Company, the Investment Manager and/or the Sub-Portfolio Manager of a Sub-Fund is unable to obtain or process such information then the composition and/or weighting of the Reference Index most recently published may, subject to the Management Company's, the Investment Manager's and/or the Sub-Portfolio Manager's overall discretion, be used by the Sub-Fund for the purpose of all adjustments.

Benchmark Regulation

In accordance with the provisions of the Benchmark Regulation, supervised entities (such as UCITS management companies) may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to the Benchmark Regulation (the "**Register**").

Benchmark administrators located in the EU whose indices are used by the Company benefit from the transitional provisions under the Benchmark Regulation and accordingly may not yet appear on the Register. Benchmark administrators located in the EU should apply for authorisation or registration as an administrator under the Benchmark Regulation and be inscribed in the Register by 1 January 2020.

Benchmark administrators located in a third country whose indices are used by the Company benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register.

A list of the benchmark administrators whose indices are used by the Company and which, as at the date of this Prospectus, are inscribed in the Register is disclosed in Annex II.

The Management Company maintains a written plan setting out the actions that will be taken in the event that a Reference Index materially changes or ceases to be provided and which is available free of charge at the registered office of the Management Company. For further information please refer to "Change of Reference Index" under chapter "Investment Objectives and Policies".

Costs of rebalancing the Reference Index

Each investor should consider the rebalancing frequency of the relevant Reference Index with reference to their investment strategy.

Investors should note that index rebalancing allows the relevant Reference Index to adjust its constituent weightings to ensure it is accurately reflecting the market(s) it is aiming to represent. Index rebalancing can either occur (i) on a scheduled basis (please see the "General Description of the Reference Index" section of the relevant Product Annex for a more detailed description of the rebalancing frequency of the relevant Reference Index, if applicable); or (ii) on an ad hoc basis to reflect, for example, corporate activity such as mergers and acquisitions.

For Sub-Funds following an Indirect Investment Policy, the costs of rebalancing may be reflected in the level of the Reference Index, which will thus be reflected in the Net Asset Value of the relevant Sub-Fund. Where applicable, the types of costs of rebalancing will be disclosed in the relevant Product Annex. In this respect, it should be noted that such costs may be referred to by different terms, such as reconstitution costs or roll(ing) costs.

For Sub-Funds following a Direct Investment Policy, the rebalancing of a Reference Index may require the Sub-Fund's portfolio of transferable securities or other eligible assets to be re-balanced accordingly. This may result in transaction costs which may reduce the overall performance of the relevant Sub-Fund.

Tracking error

The Sub-Funds are subject to tracking error risks which may result in the value and performance of the Shares not tracking exactly the value and performance of the corresponding Reference Index. For further information on why tracking error may occur, please see "Risks in relation to the tracking of indices" under chapter "Risk Factors" below.

The tracking error is defined as the volatility (as measured by the standard deviation) of the difference between the return of the Sub-Fund and the return of its Reference Index, over a given period of time (the "**Tracking Error**"). It should be differentiated from the tracking difference, which is simply the difference between the return of the Sub-Fund and the return of its Reference Index, over a given period of time (the "**Tracking Difference**").

For Currency Hedged Share Classes of Sub-Funds with a Direct Investment Policy, the anticipated level of Tracking Error disclosed represents the anticipated level of Tracking Error of the unhedged Share Class(es) against the relevant Sub-Fund's Reference Index (which is also unhedged), where applicable.

The Tracking Difference indicates the extent to which a Sub-Fund has outperformed or underperformed its Reference Index. In contrast, the Tracking Error measures how consistently the Sub-Fund return matches its Reference Index.

Hence, while the Tracking Difference shows how a Sub-Fund's performance compares with that of its Reference Index over a given period of time, the Tracking Error indicates the consistency of the difference of return during this same period of time.

The anticipated level of Tracking Error, in normal market conditions, will be disclosed for each Share Class in the Product Annexes (please see the "General Description of Share Classes" section of the relevant Product Annex). Investors' attention is drawn to the fact that these figures are only estimates of the Tracking Error level in normal market conditions and should not be understood as strict limits. The anticipated tracking error disclosed in each Product Annex is calculated by measuring the performance of the adjusted NAV with reference to the total return net version of the relevant Reference Index, unless otherwise disclosed in the relevant Product Annex. This method is applied as the total return net version of the Reference Index assumes that dividends received from index constituents (net of the applicable withholding taxes) are reinvested in the index, and the adjusted NAV assumes that dividend amounts (net of applicable withholding taxes) payable by that Share Class are reinvested, rather than being distributed. The use of an adjusted NAV should result in an anticipated tracking error which is more representative of the actual performance of the Share Class, as both the index and the Share Class include both price appreciation/depreciation and distributions, if applicable.

Use of increased diversification limits

In certain exceptional market circumstances, a Sub-Fund may make use of the increased risk diversification limits permitted by the Law, which are more fully described in section 2 and 3 of chapter "Investment Restrictions" of this Prospectus, when the relevant Reference Index is rebalanced, either as a function of the rules for composition of the Reference Index, or as a result of the nature of the underlying security universe of the relevant Reference Index. In cases where a Sub-Fund intends to make consistent use of these increased risk diversification limits, an explanation as to the reason for this is given more fully in the relevant Product Annex.

However, in certain exceptional market circumstances, it may be that the weightings of the constituents of a Reference Index and the Sub-Fund tracking such Reference Index exceed the relevant risk diversification limits between rebalancings, irrespective of the relevant rules of composition for such Reference Index:

(1) Equity

In the event that the value of one constituent of the Reference Index increases in value relative to the other constituents within the same Reference Index, for example as a result of that Reference Index constituent significantly outperforming all other constituent companies, the situation may occur whereby the constituent with an increased proportion of the Reference Index could constitute a percentage of the Reference Index which is greater than 20 percent. and up to 35 percent. of the total value of the Reference Index.

For example, over the period 1 December 2001 to 1 December 2012 the weighting of 'Apple (APPL)' within the NASDAQ 100 index rose from 0.95 percent. to 18.21 percent., due to the significant increase in value of 'Apple (APPL)' relative to the other index constituents. As this index represents 100 of the largest non-financial securities listed on the NASDAQ Stock Exchange based on market capitalisation, such continued relative growth could result in the security 'Apple (APPL)' constituting a percentage of the Index which is greater than 20 percent.

(2) Fixed Income

In the event that the value of one constituent of the Reference Index increases in value relative to the other constituents within the same Reference Index, the situation may occur whereby the constituent with an increased proportion of the Reference Index could constitute a percentage of the Reference Index which is greater than 20 percent. and up to 35 percent. of the total value of the Reference Index. For example, such a situation may occur if a number of issuers contained within the Reference Index were to conduct further debt issuances (thereby increasing their respective credit risks and therefore reducing the value of their outstanding bonds) whilst simultaneously, the credit rating of another issuer were to improve, resulting in an increase in the market value of their outstanding bonds. This would result in an increase in the proportional value of the bonds of the issuer with the improved credit rating within the Reference Index.

For example, over the period 29 June 2012 to 31 December 2012 the weighting of 'Republic of Italy 1 March 2026' within the iBoxx® EUR Sovereigns Eurozone 10-15 Total Return Index rose from 4.06 percent. to 4.40 percent., due to the increase in value of this security relative to the other index constituents.

Daily leveraged and/or inverse index tracking Sub-Funds

The impact of path dependency and compounding on daily returns

Sub-Funds that aim to reflect the performance of daily short, daily leveraged short and daily leveraged long indices provide exposure to indices that reset on a daily basis. The performance of a Sub-Fund following such strategies will differ from the performance of the Reference Index it is linked to, on a comparable basis, if an open position in the ETF is held across a number of trading days.

The impact of compounding on Sub-Funds that aim to reflect the performance of daily short indices

Daily short indices provide the inverse performance of the corresponding long index on a daily basis. The closing value of a daily short index is therefore used as the starting reference point for index movements on the following day. Due to this daily 'resetting' of the daily short index, the returns of the daily short index will not be inversely proportional to that of the corresponding long index for periods longer than one day, due to the compounding or cumulative effect of the daily returns. The hypothetical example below illustrates the effect of this compounding.

The example below assumes that the daily short index and the corresponding long index are both at 100 points at the end of day 1. At the end of day 2 the long index has fallen by 10 percent. to 90 points and correspondingly the daily short index would increase by 10 percent. to 110 points and would be the starting point for the index measurement the next day.

| | Day 1 | Day 2 | Day 3 | Change over 3 days |
|-------------------|-------|------------|-------------|--------------------|
| Long index | 100 | 90 (-10%) | 94.5 (+5%) | -5.5% |
| Daily short index | 100 | 110 (+10%) | 104.5 (-5%) | +4.5% |

At the end of day 3 the long index has increased by 5 percent. so the new index level will be 94.5 (90 + 4.5; i.e. 5 percent. of 90). At the same time the short index will decrease by 5 percent. from 110 to 104.5 points (110 – 5.5; i.e. 5 percent. of 110). At this point it is clear that the returns of the daily short index are not inversely proportional to that of the corresponding long index. Due to the effects of compounding of the daily returns, the daily short index is up 4.5 percent. whereas the corresponding long index is down 5.5 percent. over the same period. The compounding of the daily returns on the daily short index shows that the cumulative return over periods longer than one day will not be inversely proportional to the returns of the corresponding long index. As the example above shows, compounding has caused the daily short index to underperform. To illustrate the impact of compounding on cumulative returns there are a further four hypothetical scenarios shown below:

1 – Steadily falling market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-------------------|-----|--------|--------|--------|--------|-------------------|
| Daily change | | -2% | -2% | -2% | -2% | |
| Long index | 100 | 98.00 | 96.04 | 94.12 | 92.24 | -7.76% |
| Daily short index | 100 | 102.00 | 104.04 | 106.12 | 108.24 | 8.24% |

2 – Steadily rising market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-------------------|-----|--------|--------|--------|--------|-------------------|
| Daily change | | 2% | 2% | 2% | 2% | |
| Long index | 100 | 102.00 | 104.04 | 106.12 | 108.24 | 8.24% |
| Daily short index | 100 | 98.00 | 96.04 | 94.12 | 92.24 | -7.76% |

3 – Market is flat overall and not volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-------------------|-----|--------|-------|--------|--------|-------------------|
| Daily change | | -1.0% | 1.0% | -0.5% | 1.5% | |
| Long index | 100 | 99.00 | 99.99 | 99.49 | 100.98 | 0.98% |
| Daily short index | 100 | 101.00 | 99.99 | 100.49 | 98.98 | -1.02% |

4 – Market is flat overall and volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-------------------|-----|--------|--------|--------|--------|-------------------|
| Daily change | | 8% | -6% | -7% | 7% | |
| Long index | 100 | 108.00 | 101.52 | 94.41 | 101.02 | 1.02% |
| Daily short index | 100 | 92.00 | 97.52 | 104.35 | 97.04 | -2.96% |

As the final example shows, the daily short index is likely to underperform against the corresponding long index during periods where markets are volatile and exhibit large day-to-day movements, even though the cumulative movement over the whole period is minimal.

The impact of compounding on Sub-Funds that aim to reflect the performance of daily leveraged short indices

The example below assumes that the daily leveraged short index and the corresponding long index are both at 100 points at the end of day 1. At the end of day 2 the long index has fallen by 10 percent. to 90 points. Ignoring the impact of the overnight interest, the daily leveraged short index would have increased by 20 percent. to 120 (100+20 (i.e. 20 percent. of 100)) points and this would be the starting point for the index measurement the next day.

At the end of day 3 the long index has increased by 5 percent. so the new index level will be 94.5 (90 + 4.5 (i.e. 5 percent. of 90)). At the same time the daily leveraged short index will have decreased by 10 percent. from 120 to 108 points (120 - 12 (i.e. 10 percent. of 120)).

At this point it is already clear that the returns of the daily leveraged short index are not two times the inverse returns of the corresponding long index. Due to the effects of compounding of the daily returns, the daily leveraged short index is up 8 percent., whereas the corresponding long index is down 5.5 percent. over the same period.

| | Day 1 | Day 2 | Day 3 | Change over 3 days |
|-----------------------------|-------|------------|------------|--------------------|
| Long index | 100 | 90 (-10%) | 94.5 (+5%) | -5.5% |
| Daily leveraged short index | 100 | 120 (+20%) | 108 (-10%) | 8% |

This compounding of the daily returns on the daily leveraged short index shows that the cumulative return over periods longer than one day will not be twice the inverse return of the corresponding long index. Rather, compounding has caused the daily leveraged short index to underperform.

To illustrate the impact of compounding on cumulative returns, a further four hypothetical scenarios are outlined below:

1 - Steadily falling market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-----------------------------|-----|--------------|-----------------|-----------------|-----------------|-------------------|
| Daily change | | -2% | -2% | -2% | -2% | |
| Long index | 100 | 98.00 | 96.04 | 94.12 | 92.24 | -7.76% |
| Daily leveraged short index | 100 | (+4%) 104 | (+4%) 108.16 | (+4%) 112.49 | (+4%) 116.99 | 16.99% |

2 - Steadily rising market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-----------------------------|-----|----------------|----------------|----------------|----------------|-------------------|
| Daily change | | 2% | 2% | 2% | 2% | |
| Long index | 100 | 102.00 | 104.04 | 106.12 | 108.24 | 8.24% |
| Daily leveraged short index | 100 | (-4%) 96.00 | (-4%) 92.16 | (-4%) 88.47 | (-4%) 84.93 | -15.07% |

3 - Market is flat overall and not volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-----------------------------|-----|--------------|----------------|-----------------|----------------|-------------------|
| Daily change | | -1.0% | 1.0% | -0.5% | 1.5% | |
| Long index | 100 | 99.00 | 99.99 | 99.49 | 100.98 | 0.98% |
| Daily leveraged short index | 100 | (+2%) 102 | (-2%) 99.96 | (+1%) 100.96 | (-3%) 97.93 | -2.07% |

4 - Market is flat overall and volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|-----------------------------|-----|--------------|-----------------|------------------|-----------------|-------------------|
| Daily change | | 8% | -6% | -7% | 7% | |
| Long index | 100 | 108.00 | 101.52 | 94.41 | 101.02 | 1.02% |
| Daily leveraged short index | 100 | (-16%) 84 | (+12%) 94.08 | (+14%) 107.25 | (-14%) 92.24 | -7.76% |

As the final example shows, the daily leveraged short index is likely to underperform against the corresponding long index during periods where markets are volatile and exhibit large day-to-day movements, even though the cumulative movement over the relevant period with respect to the corresponding long index is minimal. Shareholders should note that a relatively small upward movement in the value of the underlying long index may result in a disproportionately larger loss to an investor in a daily leveraged short ETF.

Impact of compounding on Sub-Funds that aim to reflect the performance of daily leveraged long indices

The example below assumes that the daily leveraged long index and the corresponding long index are both at 100 points at the end of day 1. At the end of day 2 the long index has increased by 10 percent. to 110 points. Ignoring the impact of the overnight interest, the daily leveraged long index would increase by 20 percent. to 120 (100 + 20 (i.e. 20 percent. of 100)) points and this would be the starting point for the index measurement the next day.

At the end of day 3 the long index has decreased by 5 percent., so the new index level will be 104.5 (110 - 5.5 (i.e. 5 percent. of 110)). At the same time the leveraged long index will have decreased by 10 percent. from 120 to 108 points (120 - 12 (i.e. 10 percent. of 120)).

At this point it is already clear that the returns of the daily leveraged long index are not two times those of the corresponding long index. Due to the effects of the compounding of the daily returns, the daily leveraged long index is up 8 percent., whereas the corresponding long index is up 4.5 percent. over the period.

| | End of Day 1 | End of Day 2 | End of Day 3 | Change over 3 days |
|----------------------------|--------------|--------------|--------------|--------------------|
| Long index | 100 | 110 (+10%) | 104.5 (-5%) | +4.5% |
| Daily leveraged long index | 100 | 120(+20%) | 108.0 (-10%) | +8.0% |

This compounding of the daily returns on the daily leveraged long index shows that the cumulative return over periods longer than one day will not be twice the return of the corresponding long index. Rather, compounding has caused the daily leveraged long index to seemingly "underperform".

To illustrate the impact of compounding on cumulative returns, a further four hypothetical scenarios are outlined below:

1 - Steadily rising market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|----------------------------|-----|-----------------|-----------------|-----------------|-----------------|-------------------|
| Daily change | | 2% | 2% | 2% | 2% | |
| Long index | 100 | 102.00 | 104.04 | 106.12 | 108.24 | 8.24% |
| Daily leveraged long index | 100 | (+4%) 104.00 | (+4%) 108.16 | (+4%) 112.49 | (+4%) 116.99 | 16.99% |

2 - Steadily falling market

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|----------------------------|-----|----------------|----------------|----------------|----------------|-------------------|
| Daily change | | -2% | -2% | -2% | -2% | |
| Long index | 100 | 98.00 | 96.04 | 94.12 | 92.24 | -7.76% |
| Daily leveraged long index | 100 | (-4%) 96.00 | (-4%) 92.16 | (-4%) 88.47 | (-4%) 84.93 | -15.07% |

3 - Market is flat overall and not volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|----------------------------|-----|----------------|---------------|----------------|----------------|-------------------|
| Daily change | | -1.0% | 1.0% | -0.5% | 1.5% | |
| Long index | 100 | 99.00 | 99.99 | 99.49 | 100.98 | 0.98% |
| Daily long leveraged index | 100 | (-2%) 98.00 | (2%) 99.96 | (-1%) 98.96 | (3%) 101.93 | 1.93% |

4 - Market is flat overall and volatile

| Day | 1 | 2 | 3 | 4 | 5 | Cumulative change |
|----------------------------|-----|-----------------|-----------------|-----------------|-----------------|-------------------|
| Daily change | | 11% | -12% | 14% | -10% | |
| Long index | 100 | 111.00 | 97.68 | 111.36 | 100.22 | 0.22% |
| Daily long leveraged index | 100 | (22%) 122.00 | (-24%) 92.72 | (28%) 118.68 | (-20%) 94.95 | -5.05% |

As the final example shows, the daily leveraged long index is likely to underperform against the corresponding long index during periods where markets are volatile and exhibit large day-to-day movements, even though the cumulative movement over the relevant period with respect to the corresponding long index is minimal. Shareholders should note that a relatively small adverse movement in the value of an underlying long index may result in a disproportionately larger loss to an investor in a daily leveraged long ETF.

Irrespective of the investment techniques used, there is no assurance that the Investment Objective of any Sub-Fund will actually be achieved. Investors should further pay thorough attention to the "Risk Factors", below.

COLLATERAL ARRANGEMENTS IN RESPECT OF SECURITIES LENDING TRANSACTION(S)

For certain Sub-Funds with a Direct Investment Policy, the Company, as the case may be, and/or the relevant Investment Manager and/or Sub-Portfolio Manager have appointed the Securities Lending Agent. The Securities Lending Agent has been authorised (i) to enter into Securities Lending Transactions on behalf of the Company and (ii) to invest any cash received/held on behalf of the Company as collateral pursuant to such Securities Lending Transactions, in accordance with and within the limits set forth in the Agency Securities Lending and Repurchase Agreement, the rules set out in this Prospectus and the Regulations.

In order to mitigate the counterparty risk in relation to such transactions, collateral may be received in accordance with the following collateral arrangement ("**Collateral**").

All diversification limits set out below shall apply on a Sub-Fund level. Therefore, where Collateral is held by both the Securities Lending Agent and The Bank of New York Mellon ("**BoNY**"), such Collateral shall be aggregated at the level of the relevant Sub-Fund and the diversification limits shall apply to the aggregated Collateral amounts.

Further information on the issuer credit quality, liquidity, valuation, collateral diversification and correlation policies are available in section 8 of chapter "Investment Restrictions" of this Prospectus.

Collateral received by way of transfer of title will be kept on a segregated account in the name of the Sub-Fund at the Depositary or the sub-custodian on behalf of the Depositary in accordance with applicable laws and the Depositary Agreement.

DB ELIGIBLE COLLATERAL

Where the Securities Lending Agent is acting as sub-custodian in respect of the Collateral (the Collateral in such case being referred to as "**DB Collateral**"), it is authorised to take Government Bonds and Supranational Bonds (each as defined below), in accordance with the limitations set out below, or cash as Collateral as agreed between the parties in writing from time to time ("**DB Eligible Collateral**").

The market value of securities comprising the DB Collateral is determined by the Securities Lending Agent, acting in good faith, based on the relevant valuation provisions contained in the relevant securities lending transaction agreement between the Securities Lending Agent and its securities lending counterparty. For purposes of determining the market value of DB Collateral, the Securities Lending Agent may rely on any recognised pricing service using generally mid-day market price from the previous business day for Collateral qualifying as fixed income bonds.

Fixed income bonds

| Type of Assets | Margin | Concentration Limits |
|---|--------|---|
| <p>Government bonds and supranational bonds</p> <p><i>Type of Issuer:</i> Bonds issued by governments and sovereigns ("Government Bonds") and bonds issued by supranational organizations ("Supranational Bonds"), in each case, stripped and unstripped.</p> <p><i>Eligible Issuers:</i></p> <ul style="list-style-type: none"> - Government Bonds issued by the governments and sovereigns of Austria, Finland, France, Germany, Netherlands, Switzerland, United Kingdom or United States of America. - Supranational Bonds will be eligible if included on the list of eligible Supranational Bonds provided, from time to time, by the Management Company. <p><i>Issuer Rating:</i> Only Government Bonds and Supranational Bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be DB Eligible Collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply.</p> | 105% | <ul style="list-style-type: none"> - The nominal (at par) of any DB Collateral comprising Government Bonds or Supranational Bonds identified by the same security identifier shall not exceed 3 percent. of the total outstanding issue size (by nominal (at par)) of such issuance (identified by the same security identifier). - The market value of any DB Collateral that comprises Government Bonds issued by the government or sovereign of the same country shall not exceed 15 percent. of the Net Asset Value of the relevant Sub-Fund. - The market value of DB Collateral comprising Supranational Bonds in respect of a single issuer shall not exceed 15 percent. of the Net Asset Value of the relevant Sub-Fund. |

BoNY Eligible Collateral

Where BoNY is acting as sub-party custodian in respect of the Collateral (the Collateral in such case being referred to as "**BoNY Collateral**"), it is authorised to take Fixed Income Bonds, Equities or cash (each as defined below) in accordance with the limitations set out below ("**BoNY Eligible Collateral**").

The market value of securities comprising the BoNY Collateral is determined by BoNY, by reference usually to the closing bid price on the Business Day immediately preceding the Business Day on which BoNY calculates the market value together with (in case of a fixed income security) accrued but unpaid interest and in accordance with the relevant terms and conditions for provision of collateral management services between the collateral receiver, the collateral provider and BoNY, divided by the applicable margin percentage.

(i) Equity

The equity-related BoNY Eligible Collateral shall be (i) listed on a recognised exchange in any of the countries listed below and (ii) a constituent of any of the below "**Eligible Indices**" in respect of countries as set out below. Any common stock which is a constituent of any of the Eligible Indices listed below is deemed to be listed on a recognised exchange, unless information to the contrary is available.

| Country | Eligible Indices |
|-----------------|--|
| Australia | Australian All Ordinaries Index, S&P/ASX20 Index, S&P/ASX200 Index |
| Austria | Austrian Traded ATX Index, Austrian ATX Prime Index |
| Belgium | BEL20 Index |
| Canada | S&P/TSX Composite Index, S&P/TSX60 Index |
| Czech Republic | Prague Stock Exchange Index |
| Denmark | OMX Cop ex OMX Cop20 (KFMX Index), OMX Copenhagen Midcap PR |
| Finland | OMX Helsinki Index, OMX Helsinki 25 Index |
| France | CAC40 Index, SBF120 Index, CAC All-Tradable (SBF250 Index), CAC All-Share Index |
| Germany | DAX Index, HDAX Index, Germ CDAX Performance |
| Hungary | Budapest Stock Exchange Index |
| Ireland | Irish Overall Index |
| Italy | FTSE MIB Index, FTSE Italia All-Share |
| Japan | Nikkei 225, Nikkei 300 Index, TOPIX Index (Tokyo) |
| Luxembourg | Luxembourg LuxX Index |
| Netherlands | Amsterdam Exchanges Index, Amsterdam Midcap Index |
| New Zealand | NZX 50 Gross Index |
| Norway | OBX Stock Index, OSE All-Share Index |
| Poland | WSE WIG Index |
| Portugal | PSI All-Share Index GR |
| Spain | IBEX 35 Index, Spain Madrid Index |
| Sweden | OMX Stockholm 30 Index, OMX Stockholm All-Share |
| Switzerland | Swiss Market Index |
| UK | FTSE100 Index, FTSE250 Index, FTSE350 Index, FTSE All-Share Index |
| European Others | EuroStoxx50, FTSEurofirst 300 Index |
| USA | S&P100 Index, S&P500 Index, Russell 1000 Index, Russell 2000 Index, Dow Jones Indus. AVG, NASDAQ 100 Stock Index, Russell 3000 Index, NASDAQ Composite Index, NYSE Composite Index |

The market value of any BoNY Collateral identified by the same security identifier, which comprises securities specified in this section "Equity", taken in aggregate in respect of all relevant Sub-Funds, shall not exceed 10 percent. of the relevant entity's market capitalisation of all outstanding securities identified by that same security identifier.

The market value of any BoNY Collateral comprising common stock of one or more entities within the same corporate group (as identified by their having the same ultimate parent identifier on Bloomberg) shall not in the aggregate exceed 4 percent. of the Net Asset Value of the relevant Sub-Fund.

| Type of Assets | Margin | Concentration Limits |
|---|--------|--|
| Common stock (For the avoidance of doubt, any security listed as "REITS" on Bloomberg's pages (or any alternative vendor used by BoNY) will be treated as common stock and hence as BoNY Eligible Collateral provided such security is one of the constituents of any of the Eligible Indices.) | 105% | <ul style="list-style-type: none"> - The market value of any BoNY Collateral comprising common stock identified by the same security identifier shall not exceed 3 percent. of the market capitalisation of all outstanding securities identified by this same security identifier. - The number of securities identified by the same security identifier and which are common stock comprising BoNY Collateral cannot be greater than five (5) times the 90 business days average daily trading volume of the common stock with such security identifier. |

(ii) **Fixed income bonds**

The market value of any BoNY Collateral, which comprises securities specified in this section "Fixed Income Bonds", taken in aggregate in respect of all relevant Sub-Funds, which BoNY Collateral comprises obligations in respect of a single issuer, shall not exceed 10 percent. of the total outstanding obligations (by nominal amount) of such issuer.

Bond accruals will be included in the value of the securities when calculating the market value of the BoNY Collateral.

| Type of Assets | Margin | Concentration Limits |
|--|--------|---|
| Government bonds and supranational bonds <i>Type of Issuer:</i> Bonds issued by governments and sovereigns (" Government Bonds ") and bonds issued by supranational organizations (" Supranational Bonds "), in each case, stripped and unstripped. <i>Eligible Issuers:</i> - Government Bonds issued by the governments and sovereigns of Austria, Australia, Canada, Denmark, Finland, France, Germany, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom or United States of America. <i>Issuer Rating:</i> Only Government Bonds and Supranational Bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be BoNY Eligible Collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply. | 105% | <ul style="list-style-type: none"> - The nominal (at par) of any BoNY Collateral comprising Government Bonds or Supranational Bonds identified by the same security identifier shall not exceed 3 percent. of the total outstanding issue size (by nominal (at par)) of such issuance (identified by the same security identifier). - The market value of any BoNY Collateral that comprises Government Bonds issued by the government or sovereign of the same country shall not exceed 15 percent. of the Net Asset Value of the relevant Sub-Fund. - The market value of BoNY Collateral comprising Supranational Bonds in respect of a single issuer shall not exceed 15 percent. of the Net Asset Value of the relevant Sub-Fund. |
| Corporate bonds <i>Country of Issue:</i> Corporate bonds (" Corporate Bonds ") issued by corporates whose country of incorporation is Austria, Australia, Canada, Denmark, Finland, France, Germany, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom or United States of America. <i>Security Rating:</i> Only Corporate Bonds that have a long-term issuer rating of S&P, Fitch or Moody's will be acceptable provided that the relevant rating of S&P and Fitch is above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's is above Baa1 (i.e. provided that the minimum rating is A3). In the case of different rating agencies issuing different credit ratings, the lower rating will apply. | 105% | <ul style="list-style-type: none"> - The nominal (at par) of any BoNY Collateral comprising Corporate Bonds identified by the same security identifier shall not exceed 3 percent. of the total outstanding issue size (by nominal (at par)) of such issuance (identified by the same security identifier). - The market value of BoNY Collateral comprising Corporate Bonds in respect of a single issuer shall not exceed 4 percent. of the Net Asset Value of the relevant Sub-Fund. |

(iii) Cash

Cash in U.S. Dollars, Euro or Sterling shall comprise BoNY Eligible Collateral, with a margin percentage of 100 percent. Appropriate haircut is applied on BoNY Eligible Collateral in the form of cash denominated in foreign currencies. For the avoidance of doubt, interest will not accrue in respect of any BoNY Eligible Collateral that comprises cash.

(iv) General Principles

The BoNY Collateral must also satisfy the following general principles. If there is any conflict between the following general principles and any other provisions, the general principles shall govern.

Concentration limits

1. The market value of any BoNY Collateral comprising securities identified by the same security identifier shall not exceed 3.3332 percent. of the Net Asset Value of the relevant Sub-Fund.
2. Unless otherwise stated, all concentration limits are applicable per relevant Sub-Fund.
3. The market value of any BoNY Collateral comprising securities issued by issuers, which are incorporated in or the government or sovereign of any of the countries listed below, or which are issuers of Supranational Bonds, at any time shall not exceed the applicable percentage (as set out below) of the Net Asset Value of the relevant Sub-Fund.

| | |
|---|-----|
| United States of America: | 45% |
| Germany: | 45% |
| United Kingdom: | 35% |
| Japan: | 35% |
| Canada: | 35% |
| Switzerland: | 35% |
| France: | 35% |
| Australia: | 35% |
| All other countries (including Supranational Bonds): | 25% |
4. Subject to general principle 6, the market value of any BoNY Collateral (excluding Government Bonds and Supranational Bonds) comprising securities in respect of a single sector (as represented by the Global Industry Classification Standard) at any time shall not exceed 25 percent. of the Net Asset Value of the relevant Sub-Fund at that time.
5. The market value of the BoNY Collateral (excluding Government Bonds and Supranational Bonds) comprising securities in the banking, insurance and financial sectors (represented by the Sector 40 Financials of the Global Industry Classification Standard) taken in aggregate at any time shall not exceed 15 percent. of the total market value of BoNY Collateral at that time.
6. Any determination or calculation in respect of diversification requirements (including compliance with concentration limits) will be performed (where necessary) based on the market value of BoNY Eligible Collateral before taking into account any margin applicable to such BoNY Eligible Collateral.

General exclusion principles

7. Structured securities in respect of which the principal and interest payments are contingent on the performance or payment flows of one or more specified entities or assets shall not be BoNY Eligible Collateral. Structured securities shall include (but not be limited to) credit linked notes, CDOs, CLOs, collateralised mortgage obligations (CMOs), asset-backed securities (ABS) and mortgage-backed securities (MBS). For purposes of this paragraph, classification of a security as ABS, MBS, CMO, CLO and CDO will be determined according to the Securities Lending Agent's internal classification.
8. BoNY Eligible Collateral may not consist of any securities issued by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG or any entity promoted or sponsored by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG.
9. BoNY Eligible Collateral in relation to a Securities Lending Transaction shall not consist of securities issued by the counterparty to such Securities Lending Transaction, or any securities issued by any affiliate or subsidiary of such counterparty.
10. In respect of common stock issued in, or by entities which are incorporated in Portugal, some specific criteria apply in particular with respect to tax documentation. In respect of Corporate Bonds, Government Bonds and/or Supranational Bonds issued in, by or by entities which are incorporated in Portugal, Italy and Japan, some specific criteria may apply in particular with respect to tax documentation.

11. Certain corporate bonds and supranational bonds may be excluded from the BoNY Eligible Collateral, if their credit risk as represented by the respective (i) the Z-spread (for fixed rate and zero coupon bonds) or (ii) the discount margin (for floating rate notes) (each the Z-spread and the discount margin being a "Credit Spread") exceeds certain thresholds (the "Maximum Credit Spread"). The Credit Spreads are determined by the Securities Lending Agent in their sole discretion.

The applicable Maximum Credit Spreads are:

Supranational Bonds: 2% (or 200 basis points)

Corporate Bonds: 5% (or 500 basis points)

TYPOLGY OF RISK PROFILES

Unless otherwise specified in the relevant Product Annex, the Sub-Funds are available for investment by Institutional and Retail Investors. The Sub-Funds are however complex products where typical investors are expected to be informed investors and, for certain Sub-Funds, to have a good knowledge of derivatives instruments. Generally speaking, typical investors are expected to be willing to adopt capital and income risk.

The risk associated with an investment in the various Sub-Funds of the Company can be low, medium or high as described below:

- a '*low risk*' grading applies to Sub-Funds exposed to limited capital losses. The low expectation of capital losses is the result of the low intrinsic volatility of the asset classes to which the Sub-Funds are exposed and/or the implementation of capital protection strategies (including, as the case may be, a bank guarantee applying on (a) date(s) as specified in the relevant Product Annex);
- a '*medium risk*' grading applies to Sub-Funds exposed to capital losses either because the asset classes to which the Sub-Funds are exposed have a medium intrinsic volatility and/or because the Sub-Funds entail some capital protection; and
- a '*high risk*' grading applies to Sub-Funds providing an exposure to asset classes with a high intrinsic volatility and/or limited liquidity and where no capital protection strategies are implemented.

The above grading is indicative of the level of risk associated with each Sub-Fund and is not supposed to be a guarantee of likely returns, nor is it equivalent to, or calculated in the same way as the risk and reward category¹ set out in a Sub-Fund's key investor information document ("**KIID**"). It should only be used for comparison purposes with other Sub-Funds offered to the public by the Company. If you are in any doubt as to the level of risk that you should take, you should seek independent advice from your personal investment adviser.

Additional information to that contained in the Prospectus may be provided to third parties concerning the typical investor profile to enable these third parties to comply with their legal or regulatory obligations.

¹ The risk and reward category set out in the KIIDs corresponds to the "synthetic risk and reward indicators" or "SRRI" as defined by CSSF Regulation No. 10-5 transposing Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and notification procedure (amended).

INVESTMENT RESTRICTIONS

The Company and the Sub-Funds are subject to the "Investment Restrictions" set out below. The Company may adopt further investment restrictions in order to conform to particular requirements in the countries where the Shares of the Company shall be distributed. To the extent permitted by applicable law and regulation, the Board of Directors may decide to amend the Investment Restrictions set forth below for any newly created Sub-Fund if this is justified by the specific Investment Policy of such Sub-Fund. Any amendments to the investment restrictions which relate to a particular Sub-Fund will be disclosed in the relevant Product Annex to this Prospectus.

1 Investments

1.1 The Company's investments in relation to each Sub-Fund may consist solely of:

- (a) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in an EU Member State;
- (b) transferable securities and Money Market Instruments dealt on another Regulated Market in an EU Member State;
- (c) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt on another Regulated Market of an Eligible State;
- (d) new issues of transferable securities and Money Market Instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market, provided that such choice of stock exchange or market is in an Eligible State;
 - such admission is secured within a year of issue;
- (e) units of UCITS and/or other collective investment undertakings within the meaning of points a) and b) of Article 1 (2) of the UCITS Directive, should they be situated in an EU Member State or not, provided that:
 - such other collective investment undertakings are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority, CSSF, to be equivalent to that laid down in European Union law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for unit-holders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive,
 - the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period,
 - no more than 10 percent. of the UCITS' or the other collective investment undertakings' net assets, whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other collective investment undertakings;
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs a), b) and c); and/or OTC derivatives, provided that:
 - the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its Investment Objective as stated in the Prospectus and the relevant Product Annex,
 - the counterparties to OTC derivative transactions are First Class Institutions, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and/or
- (h) Money Market Instruments other than those dealt in on a Regulated Market if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
 - issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or

- issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in subparagraphs a), b) or c), or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which (i) represents and publishes its annual accounts in accordance with Directive 2013/34/EU, (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 1.2** Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Regulations (i) create a Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS (or vice-versa), or (iii) change the Master UCITS of any of its Feeder UCITS.
- (a) A Feeder UCITS shall invest at least 85 percent. of its assets in the units of another Master UCITS;
- (b) A Feeder UCITS may hold up to 15 percent. of its assets in one or more of the following:
- ancillary liquid assets in accordance with paragraph 1.3 (b) below;
 - financial derivative instruments, which may be used only for hedging purposes;
- (c) For the purposes of compliance with paragraph 7.2 below, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under (b) with either;
- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
 - the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.
- 1.3** Contrary to the investment restrictions laid down in paragraph 1.1 above, each Sub-Fund may:
- (a) invest up to 10 percent. of its net assets in transferable securities and Money Market Instruments other than those referred to under paragraph 1.1 above; and
- (b) hold liquid assets on an ancillary basis.
- 1.4** A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company (each, a "**Target Sub-Fund**"), without the Company being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
- the Target Sub-Fund(s) does(do) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and
 - no more than 10 percent. of the assets of the Target Sub-Fund(s) whose acquisition is contemplated, may, according to its (their) investment policy, be invested in units of other UCITS or other UCIs; and
 - voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
 - there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund(s), and this (these) Target Sub-Fund(s).

2 Risk Diversification

- 2.1** In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10 percent. of the net assets of a Sub-Fund in transferable securities or Money Market Instruments of one and the same issuer. The total value of the transferable securities and Money Market Instruments in each issuer in which more than 5 percent. of the net assets of a Sub-Fund are invested must not exceed 40 percent. of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

- 2.2** The Company is not permitted to invest more than 20 percent. of the net assets of a Sub-Fund in deposits made with the same body.
- 2.3** The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction and/or efficient portfolio management transaction may not exceed:
- 10 percent. of its net assets when the counterparty is a credit institution referred to in paragraph 1.1 (f), or
 - 5 percent. of its net assets, in other cases.
- 2.4** Notwithstanding the individual limits laid down in paragraphs 2.1, 2.2 and 2.3, a Sub-Fund may not combine, where this would lead to investment of more than 20 percent. of its assets in a single body, any of the following:
- investments in transferable securities or Money Market Instruments issued by that body,
 - deposits made with that body, or
 - net exposures arising from OTC derivative transactions and efficient portfolio management techniques undertaken with that body.
- 2.5** The 10 percent. limit set forth in paragraph 2.1 can be raised to a maximum of 25 percent. in case of certain bonds issued by credit institutions which have their registered office in an EU Member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's failure. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5 percent. of the net assets, the total value of these investments may not exceed 80 percent. of the net assets of the corresponding Sub-Fund.
- 2.6** The 10 percent. limit set forth in paragraph 2.1 can be raised to a maximum of 35 percent. for transferable securities and Money Market Instruments that are issued or guaranteed by an EU Member State or its local authorities, by another Eligible State, or by public international organisations of which one or more EU Member States are members.
- 2.7** Transferable securities and Money Market Instruments which fall under the special ruling given in paragraphs 2.5 and 2.6 are not counted when calculating the 40 percent. risk diversification ceiling mentioned in paragraph 2.1.
- 2.8** The limits provided for in paragraphs 2.1 to 2.6 may not be combined, and thus investments in transferable securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body shall under no circumstances exceed in total 35 percent. of the net assets of a Sub-Fund.
- 2.9** Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this section 2.
- 2.10** A Sub-Fund may invest, on a cumulative basis, up to 20 percent. of its net assets in transferable securities and Money Market Instruments of the same group.

3 The following exceptions may be made:

- 3.1** Without prejudice to the limits laid down in section 6 the limits laid down in section 2 are raised to a maximum of 20 percent. for investment in shares and/or bonds issued by the same body if the constitutional documents of the Company so permit, and, if according to the Product Annex relating to a particular Sub-Fund the Investment Objective of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- its composition is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.

The above 20 percent. limit may be raised to a maximum of 35 percent., but only in respect of a single body, where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or Money Market Instruments are highly dominant.

- 3.2** **The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100 percent. of the net assets of a Sub-Fund in transferable securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, by Singapore or any member state of the G20, or by public international organisations in which one or more EU Member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30 percent. of the total net assets of a Sub-Fund.**

4 Investment in UCITS and/or other collective investment undertakings

- 4.1** A Sub-Fund may acquire the units of UCITS and/or other collective investment undertakings referred to in paragraph 1.1 e), provided that no more than 20 percent. of its net assets are invested in units of a single UCITS or other collective investment undertaking. If the UCITS or the other collective investment undertakings have multiple compartments (within the meaning of Articles 40 and 181 of the Law) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.
- 4.2** Investments made in units of collective investment undertakings other than UCITS may not exceed, in aggregate, 30 percent. of the net assets of the Sub-Fund.
- 4.3** When a Sub-Fund has acquired units of UCITS and/or other collective investment undertakings, the assets of the respective UCITS or other collective investment undertakings do not have to be combined for the purposes of the limits laid down in section 2.
- 4.4** When a Sub-Fund invests in the units of other UCITS and/or other collective investment undertakings that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a direct or indirect holding of more than 10 percent. of the capital or votes, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or collective investment undertakings. Moreover, in such case, the Management Company or other company may not charge a management fee to the Sub-Fund's assets in respect of such investments.
- A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or collective investment undertakings shall disclose in its Product Annex the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or collective investment undertakings in which it intends to invest. In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other collective investment undertaking in which the Sub-Fund invests.

5 Tolerances and multiple compartment issuers

If, because of market movements or the exercising of subscription rights, the limits mentioned in section 1 are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interests of the Shareholders.

Provided that they continue to observe the principles of diversification, newly established Sub-Funds may deviate from the limits mentioned under sections 2, 3 and 4 above for a period of six months following the date of their initial launch.

If an issuer of Investments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under sections 2, 3.1 and 4.

6 Investment Prohibitions

The Company is **prohibited** from:

- 6.1** acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question;
- 6.2** acquiring more than
- 10 percent. of the non-voting equities of one and the same issuer,
 - 10 percent. of the debt securities issued by one and the same issuer,
 - 10 percent. of the Money Market Instruments issued by one and the same issuer, or
 - 25 percent. of the units of one and the same UCITS and/or other undertaking for collective investment;

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue, cannot be calculated;

Exempted from the above limits are transferable securities and Money Market Instruments which, in accordance with Article 48, paragraph 3 of the Law are issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, by Singapore or any member state of the G20, or which are issued by public international organisations of which one or more EU Member States are members;

- 6.3** selling transferable securities, Money Market Instruments and other investments mentioned under subparagraphs e) g) and h) of paragraph 1.1 short;
- 6.4** acquiring precious metals or related certificates;
- 6.5** investing in real estate and purchasing or selling commodities or commodities contracts;

- 6.6** borrowing on behalf of a particular Sub-Fund, unless:
- the borrowing is in the form of a back-to-back loan for the purchase of foreign currency; or
 - the loan is only temporary and does not exceed 10 percent. of the net assets of the Sub-Fund in question (taking into account the possibility of a temporary loan amounting to not more than 10 percent. of the net assets of the Sub-Fund in question, the overall exposure may not exceed 210 percent. of the net assets of the Sub-Fund in question). The Company may borrow for investment purposes. The Sub-Fund in question may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" of this Prospectus;
- 6.7** granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of transferable securities, Money Market Instruments and other investments mentioned under sub-paragraphs e), g) and h) of paragraph 1.1 that are not fully paid up.

7 Risk management and limits with regard to derivative instruments and the use of techniques and instruments

- 7.1** The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC derivatives.
- 7.2** Each Sub-Fund shall ensure that its global risk exposure relating to derivative instruments does not exceed its total Net Asset Value.

The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

A Sub-Fund may invest, as a part of its Investment Policy and within the limit laid down in paragraphs 2.7 and 2.8, in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 2. If a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 2.

When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

8 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

- 8.1** All assets received by each Sub-Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of these guidelines and should comply with the criteria laid down in section 8.2 below.

- 8.2** *Liquidity:* any collateral received other than cash must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the UCITS Directive.

Valuation: collateral received must be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

Issuer credit quality: collateral received must be of high quality.

Maturity: the maturity of the collateral received by the Company is not a decisive criterion for the Company.

Correlation: while correlation is not a main criterion, the collateral received by the Sub-Fund must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

Collateral diversification (asset concentration): collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if each Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20 percent. of its net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 percent. limit of exposure to a single issuer.

By way of derogation from the abovementioned 20 percent. limit of exposure to a single issuer, a Sub-Fund may receive up to 100 percent. collateral consisting of different transferable securities and Money Market Instruments issued or guaranteed by a single EU Member State, one or more of its local authorities, by another OECD Member State, by Singapore or any member state of the G20, or a public international body to which one or more EU Member States belong. Such a Sub-Fund shall receive securities from at least six different issues, and securities from any single issue shall not account for more than 30 percent. of the net assets of the Sub-Fund. Any use of such derogation will be disclosed in the relevant Product Annex to this Prospectus.

Risks linked to the management of collateral, such as operational and legal risks, must be identified, managed and mitigated by the risk management process.

Where there is a title transfer, the collateral received must be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral received must be capable of being fully enforced by the Sub-Funds at any time without reference to or approval from the counterparty.

Non-cash collateral received should not be sold, reinvested or pledged.

Cash collateral received should only be:

- placed on deposit with entities prescribed in section 1.1.f);
- invested (if allowed under the relevant Product Annex) in high-quality government bonds and/or short-term money market funds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the relevant Sub-Fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the CESR's Guidelines on a common definition of European money market funds (Ref.: CESR/10-049).

8.3 Reinvested cash collateral (if allowed under the relevant Product Annex) must be diversified in accordance with the diversification requirements applicable to non-cash collateral.

8.4 A Sub-Fund receiving collateral for at least 30 percent. of its assets must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy must at least prescribe the following:

- a) design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) reporting frequency and limit/loss tolerance threshold/s; and
- d) mitigation actions to reduce loss including haircut policy and gap risk protection.

8.5 The Sub-Funds must have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, the Sub-Funds must take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the above. This policy must be documented and must justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

9 Techniques and Instruments for Hedging Currency Risks

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company may enter into foreign exchange transactions, call options or put options in respect of currencies, forward foreign exchange transactions, or transactions for the exchange of currencies, provided that these transactions be made either on a Regulated Market or over-the-counter with First Class Institutions specialising in these types of transactions.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency – including a currency bearing a substantial relation to the value of the Reference Currency of a Sub-Fund (usually referred to as "cross hedging") – may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be held or for which such liabilities are incurred or anticipated to be incurred. It should be noted, however, that transactions with the aim of hedging currencies for single Share Classes of a Sub-Fund may have a negative impact on the Net Asset Value of other Share Classes of the same Sub-Fund since Share Classes are not separate legal entities.

10 Securities Lending and Repurchase Transactions

To the extent permitted by the Regulations, and in particular the CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments and CSSF Circular 14/592, each Sub-Fund may, for the purpose of generating additional capital or income or for reducing its costs or risks, engage in securities lending transactions and enter, either as purchaser or seller, into repurchase or buy-sell and sell-buy back transactions.

These transactions may be carried out for 50 percent. of the assets held by the relevant Sub-Fund provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and (ii) that these transactions do not jeopardise the management of the Company's assets in accordance with the investment policy of the relevant Sub-Fund. Their risks shall be captured by the risk management process of the Company. All the revenues arising from these transactions (if any), net of direct and indirect operational costs, will be returned to the relevant Sub-Fund.

These transactions will be subject to the main investment restrictions described under the following paragraphs, it being understood that this list is not exhaustive. In case any of the Sub-Funds shall receive revenues by engaging in securities lending or repurchase transactions, (i) the Company's or Sub-Fund's policy regarding direct and indirect operational costs/fees arising from securities lending or repurchase transactions that may be deducted from the revenue delivered to the relevant Sub-Fund and (ii) the identity of the entity(ies) to which the direct and indirect costs

and fees are paid and if these are related parties to the Depositary shall be described under the following paragraphs or in the relevant Product Annex, as appropriate.

10.1 Securities lending transactions

The Company may, for certain Sub-Funds, enter into Securities Lending Transactions provided that it complies with the following rules:

- 10.1.1** the Company must be able at any time to recall any security that has been lent out or terminate any Securities Lending Transaction into which it has entered;
- 10.1.2** the Company may lend securities either directly or through a standardised system organised by a recognised clearing institution or a lending programme organised by a financial institution subject to prudential supervision rules which are recognised by the CSSF as equivalent to those laid down in European Union law and specialised in this type of transactions;
- 10.1.3** the borrower must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law;
- 10.1.4** as part of its lending transactions, the Company must receive collateral issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty, the value of which, during the duration of the lending agreement, must be equal to at least 90 percent. of the global valuation of the securities lent (interests, dividends and other eventual rights included). Non-cash collateral must be sufficiently diversified in accordance with section 8.2 "Collateral diversification" above;
- 10.1.5** such collateral must be received prior to or simultaneously with the transfer of the securities lent. When the securities are lent through the intermediaries referred to under 10.1.2 above, the transfer of the securities lent may be effected prior to receipt of the collateral, if the relevant intermediary ensures proper completion of the transaction. Said intermediary may provide collateral in lieu of the borrower;
- 10.1.6** the collateral must be given in the form of:
 - (i) liquid assets such as cash, short term bank deposits, money market instruments as defined in Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;
 - (ii) bonds issued or guaranteed by a OECD Member State or by their local authorities or supranational institutions and bodies of a community, regional or world-wide scope;
 - (iii) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;
 - (iv) shares or units issued by UCITS investing mainly in bonds/shares mentioned under (v) and (vi) hereunder;
 - (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
 - (vi) shares admitted to or dealt in on a regulated market of a EU Member State or on a stock exchange of a OECD Member State, provided that these shares are included in a main index;
- 10.1.7** the collateral given under any form other than cash or shares/units of a UCI/UCITS shall be issued by an entity not affiliated to the counterparty;
- 10.1.8** when the collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this collateral, such exposure shall be subject to the 20 percent. limitation as laid down in paragraph 2.2 above. Moreover such cash collateral shall not be safekept by the counterparty unless it is legally protected from consequences of default of the latter;
- 10.1.9** the collateral given in a form other than cash may be safekept by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral but shall be safekept by the Depositary in case of a title transfer;
- 10.1.10** the Company shall proceed on a daily basis to the valuation of the collateral received. In case the value of the collateral already granted appears to be insufficient in comparison with the amount to be covered, the counterparty shall provide additional collateral at very short term. A haircut policy adapted for each class of assets received as collateral shall apply in order to take into consideration credit risk, exchange risks or market risks inherent to the assets accepted as collateral. In addition, when the Company is receiving collateral for at least 30 percent. of the net assets of the relevant Sub-Fund, it shall have an appropriate stress testing policy in place to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral;
- 10.1.11** the Company shall ensure that it is able to claim its rights on the collateral in case of the occurrence of an event requiring the execution thereof, meaning that the collateral shall be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Company is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities lent;

10.1.12 during the duration of the agreement, the collateral cannot be sold or given as a security or pledged; and,

10.1.13 the Company shall disclose the global valuation of the securities lent in the Annual and Semi-annual Reports.

10.2 Repurchase transactions

The Company may, for certain Sub-Funds, enter into (i) repurchase transactions which consist of the purchase or sale of securities with a clause reserving the seller the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement and (ii) reverse repurchase agreement transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Company the obligation to return the securities received under the transaction (collectively, the "**repo transactions**").

The Company can act either as purchaser or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

10.2.1 the Sub-Fund that enters into a repurchase agreement must ensure that it is able at any time to recall (i) any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered and (ii) the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net assets of the Sub-Fund. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company;

10.2.2 the fulfilment of the conditions 10.1.2 and 10.1.3;

10.2.3 during the life of a repo transaction with the Company acting as purchaser, the Company shall not sell the securities which are the object of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired;

10.2.4 the securities acquired by the Company under a repo transaction must conform to the Sub-Fund's investment policy and investment restrictions and must be limited to:

- (i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
- (ii) bonds issued by non-governmental issuers offering an adequate liquidity; and,
- (iii) assets referred to under 10.1.6 (ii), (iii) and (vi) above.

10.2.5 the Company shall disclose the total amount of the open repo transactions on the date of reference of its Annual and Semi-Annual Reports.

10.3 Reinvestment of the cash collateral

Without prejudice to the more restrictive provisions in section 8 above, the Company may reinvest the collateral received in the form of cash under securities lending and/or repo transactions in:

- (i) shares or units of UCIs of the short-term money market-type, as defined in the CESR's Guidelines on a common definition of European money market funds (Ref.: CESR/10-049);
- (ii) short-term bank deposits eligible in accordance with section 1 (f) above;
- (iii) high-quality government bonds; and
- (iv) reverse repurchase agreements.

In addition, the conditions under 10.1.6, 10.1.7, 10.1.8, 10.1.9 and 10.1.11 above, shall apply mutatis mutandis to the assets into which the cash collateral is reinvested. Reinvested cash collateral must be sufficiently diversified in accordance with section 8.2 "Collateral diversification" above. The reinvestment of the cash collateral in financial assets providing a return in excess of the risk free rate shall be taken into account for the calculation of the Company's global exposure in accordance with section 7.2 above. The Annual and Semi-Annual Reports of the Company shall disclose the assets into which the cash collateral is re-invested.

11 Risk Management Policy for FDI

The following section provides a summary of the risk management policy and procedures implemented by the Management Company, the Investment Managers and/or the Sub-Portfolio Managers (as applicable) in relation to the use of FDIs by the Sub-Funds for investment purposes. Shareholders are invited to refer to the sections headed "RISK FACTORS – General Risks - Use of Derivatives" and "RISK FACTORS – General Risks – Risk of Swap Transactions" in this Prospectus for a general description of the risks associated with the use of FDIs.

General

The ultimate responsibility for monitoring the risks linked to the use of FDIs by the Sub-Funds and for the implementation of risk management procedures lies with the Board of Directors of the Company, as well as the Management Company. The Management Company may appoint the Investment Managers to provide certain risk

management services in order to monitor the risk exposure of the Sub-Funds. The day-to-day monitoring function may be delegated to the Investment Managers with the view of:

- (i) ensuring review and assessment of risks independently from the fund management duties performed by the Management Company; and
- (ii) reducing conflicts of interests, and eliminating them where possible.

The relevant Investment Manager may, with the approval of the Management Company and of the CSSF but under its own supervision, responsibility and expenses, appoint a Sub-Portfolio Manager to provide certain portfolio management and risk management services with respect to a Sub-Fund.

The members of the Board of Directors, as well as the personnel of the Management Company, the Investment Managers and the Sub-Portfolio Managers, are highly qualified and have an extensive experience related to fund management, and also specific experience relevant to the use of FDIs. The persons responsible for risk management at the Management Company all have graduate degrees and have all the necessary knowledge and experience.

Control Management

Each Investment Manager shall monitor the activities of the Sub-Portfolio Managers (if any) it has appointed and shall receive regular reports as agreed between the relevant Investment Manager and the Sub-Portfolio Manager. The Investment Managers will report any breaches and compliance issues that may arise to the Management Company, which will in turn inform the Board of Directors. The Management Company shall review and monitor the activities of the Investment Managers on an ongoing basis, perform additional independent controls and submit regular reports for the consideration of the Board of Directors. The Management Company shall notify the Board of Directors of any material and significant issues and any breaches of the guidelines laid down in the risk management manual and in this Prospectus.

An Investment Manager may have the day-to-day responsibility for the provision of such risk management services to the Sub-Funds in respect of which it has been appointed, as may be agreed between the Investment Manager and the Management Company from time to time, and shall provide periodic reports to the Management Company covering amongst other things:

- (i) new FDI trades entered into on behalf of the Sub-Funds;
- (ii) a review and confirmation of Sub-Funds' performance in accordance with the Reference Index over the period;
- (iii) the occurrence of any investment restriction breach; and
- (iv) any other information which the Investment Manager considers relevant to the Sub-Funds, or which is requested by the Management Company.

Calculation of the Global Exposure

The Global Exposure resulting from the use of FDIs can be defined as the sum of the counterparty risk and the market risk to which a Sub-Fund is exposed. Unless otherwise provided in the relevant Product Annex, the Management Company will apply the commitment approach for the purposes of calculating the Global Exposure of the Sub-Funds, in accordance with the Regulations and based on the principle that the FDIs entered into by the Indirect Replication Funds are structured to reflect the performance of the Reference Index.

The performance of the Indirect Replication Funds with a non-leveraged underlying can be compared to the performance of the Reference Index as if the Indirect Replication Funds were not exposed to FDIs. In other words, this means that these Indirect Replication Funds do not bear any additional market risk (compared to Direct Replication Funds) as a result of their investment into FDIs if the un-invested cash position of the Indirect Replication Funds is zero, i.e. if there is no residual leverage or de-leverage. Compared to a Direct Replication Fund, the Global Exposure to FDIs can therefore be reduced to the counterparty risk.

The Indirect Replication Funds may be linked to a Reference Index which may include a leverage (or multiplication) factor of maximum two (2). Such leverage (or multiplication) factor embedded in the Reference Index is described in the Description of the Reference Index in the relevant Product Annex. Such Reference Indices reflect the performance of a leveraged position in an underlying index. The risks of taking a leveraged position are greater than the risks corresponding to an unleveraged position. Leverage will magnify any gains compared with an unleveraged position but, conversely, will also magnify any losses. Such Reference Indices are constructed to reflect the performance of a leveraged position in an underlying index on a daily basis only. Therefore this should not be equated with seeking a leveraged position for periods longer than a day. For the avoidance of doubt, the risk management of such Indirect Replication Funds will be conducted in accordance with the commitment approach.

Calculation of the Gross Counterparty Exposure ("Gross CRE")

The Gross CRE is calculated by the Management Company as the sum of the mark-to-market value of all the FDIs entered into by the Sub-Fund with the Swap Counterparty.

Use of Leverage

When calculating the leverage used by the Sub-Funds in accordance with the commitment approach, the leverage will be the quotient of the:

- i) the notional value of the FDIs, and
- ii) the Net Asset Value of the Sub-Fund.

At the time the Sub-Fund enters into a FDI with the Swap Counterparty, the leverage ratio will always be 1.

The Indirect Replication Funds may be linked to a Reference Index which may include a leverage (or multiplication) factor of maximum two (2) as further described in the above mentioned paragraph "Calculation of the Global Exposure".

Calculation of the Net Counterparty Exposure ("Net CRE")

The Net CRE is defined as the Gross CRE after deductions for provision of collateral by the Swap Counterparty. The Net CRE must be maintained below 10 percent. at all times. The Investment Manager may reduce the Gross CRE related to the Indirect Replication Funds FDIs by causing the Swap Counterparty to deliver collateral. Alternatively, the Investment Manager may require that the Swap Counterparty proceed to a restrike of existing swap transactions to the current level of the Reference Index and/or foreign exchange rate which, by fully resetting the mark-to-market value of these transactions to zero (or partially resetting it to a lower value), will result in the payment of an amount in cash to the Indirect Replication Funds which, at the discretion of the Investment Manager, will be used in the general cash management of the relevant Indirect Replication Funds (e.g. to finance pending redemptions), or will be reinvested into a new swap transaction entered into at the current level of the Reference Index.

12 Mitigation of Counterparty Risk Exposure

When applying the limits specified in sections 2.3 and 2.4 of the chapter "Investment Restrictions" in the Prospectus to the OTC Swap Transaction, reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. In order to reduce its net counterparty risk exposure, the Company may in relation to any of its Sub-Funds use risk mitigation techniques such as netting and financial collateral techniques which are or would become authorised by the Regulations and EMIR.

The Company may notably reduce the overall counterparty risk of each Sub-Fund's OTC Swap Transaction by causing the relevant Swap Counterparty to deliver to the Depositary or to a third party bank collateral in the form of eligible financial assets and given in accordance with the Regulations. Such collateral will be enforceable by the Company at all times and will be marked to market on a daily basis. The amount of collateral to be delivered will be at least equal to the value by which the overall exposure limit as determined pursuant to the Regulations and EMIR has been exceeded.

In this context, the Company may notably cause the relevant Swap Counterparty to pledge certain of its assets, or certain accounts on which these assets are held, in favour of the Company in accordance with the provisions of appropriate collateral contractual documentation. These accounts may be opened in the books of, and the assets held thereon maintained by, one or more financial institutions which do not necessarily belong to the group of the Depositary and which are hence acting as sub-custodian.

The Company may also organize relevant collateral arrangements via any of the pooling techniques which are or would become authorised by the Regulations and which are compliant with the ring fencing principles among Sub-Funds as required by the Law. Such a collateral arrangement may in particular be organised through a global account opened in the name of the relevant Swap Counterparty, which account would be pledged in favour of the Company acting on behalf of all or part of its Sub-Funds and the financial assets of which would be allocated among the Sub-Funds concerned so that each of the latter would be able to identify the specific financial assets held on such account which are pledged in its favour.

The Company may also reduce the overall counterparty risk of the Sub-Fund's OTC Swap Transaction by resetting the OTC Swap Transaction. The effect of resetting the OTC Swap Transaction is to reduce the marked to market of the OTC Swap Transaction and, herewith, reduce the net counterparty exposure to the applicable rate.

The collateral arrangement applicable to each Sub-Fund may vary from time to time. Information in relation to the outstanding collateral arrangement applicable to any specific Sub-Fund may be obtained by investors at the registered office of the Company, which is located at, 49, avenue J.F. Kennedy, L-1855 Luxembourg.

RISK FACTORS

The following is a general discussion of a number of risks which may affect the value of Shares. See also the section of the relevant Product Annex headed "Other Information – Risk Factors" (if any) for a discussion of additional risks particular to a specific issue of Shares. Such risks are not, nor are they intended to be, exhaustive. Not all risks listed necessarily apply to each issue of Shares, and there may be other considerations that should be taken into account in relation to a particular issue. What factors will be of relevance to a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Sub-Fund's Investment Policy.

No investment should be made in the Shares until careful consideration of all these factors has been made. Investors should note that the Sub-Funds are not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in the Sub-Funds should be prepared and able to sustain losses up to the total capital invested.

General Risk Factors

In general: The value of investments and the income from them, and therefore the value of and income from Shares relating to a Sub-Fund can go down as well as up and an investor may not get back the amount he invests. Due to the various commissions and fees which may be payable on the Shares, an investment in Shares should be viewed as medium to long term. An investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers. The legal, regulatory, tax and accounting treatment of the Shares can vary in different jurisdictions. Any descriptions of the Shares set out in the Prospectus and/or a Product Annex are for general information purposes only. Investors should recognise that the Shares may decline in value and should be prepared to sustain a total loss of their investment. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares.

Extreme Market Movements: In the event of large index movements, including large intra-day movements, a Sub-Fund's performance may be inconsistent with its stated investment objective.

Valuation of the Shares: The value of a Share will fluctuate as a result of, amongst other things, changes in the value of the Sub-Fund's assets, the Reference Index and, where applicable, the derivative techniques used to link the two.

Lack of Discretion of the Management Company to Adapt to Market Changes: The Sub-Funds follow a passive investment strategy and hence are not "actively managed". Accordingly, the Management Company will not adjust the composition of a Sub-Fund's portfolio except (where relevant) in order to seek to closely correspond to the duration and total return of the relevant Reference Index. The Sub-Funds do not try to "beat" the market they reflect and do not seek temporary defensive positions when markets decline or are judged to be overvalued. Accordingly, a fall in the relevant Reference Index may result in a corresponding fall in the value of the Shares of the relevant Sub-Fund.

Use of Derivatives: As a Sub-Fund whose performance is linked to a Reference Index will often be invested in derivative instruments or securities which differ from the Reference Index, derivative techniques will be used to link the value of the Shares to the performance of the Reference Index. While the prudent use of such derivatives can be beneficial, derivatives also involve risks which, in certain cases, can be greater than the risks presented by more traditional investments. There may be transaction costs associated with the use of derivatives.

Risk of Swap Transactions: Swap transactions are subject to the risk that the Swap Counterparty may default on its obligations or become insolvent. If such a default were to occur the Sub-Funds would, however, have contractual remedies pursuant to the relevant OTC Swap Transaction. Investors should be aware that such remedies may be subject to bankruptcy and insolvency laws which could affect a Sub-Fund's rights as a creditor and as a result a Sub-Fund may for example not receive the net amount of payments that it contractually is entitled to receive on termination of the OTC Swap Transaction where the Swap Counterparty is insolvent or otherwise unable to pay the amount due. The net counterparty risk exposure each Sub-Fund may have with respect to a single Swap Counterparty, expressed as a percentage (the "Percentage Exposure") (i) is calculated by reference to this Sub-Fund's Net Asset Value, (ii) may take into account certain mitigating techniques (such as remittance of collateral in accordance with the Regulations and EMIR) and (iii) cannot exceed 5 percent, or 10 percent, depending on the status of the Swap Counterparty, in accordance with and pursuant to the Regulations (please refer to paragraph 2.3 of the section "Risk Diversification" for more details on the maximum Percentage Exposure and to the section "Investment Objectives and Policies" for more information on the collateral arrangements and subject to EMIR, as the case may be). Investors should nevertheless be aware that the actual loss suffered as a result of a Swap Counterparty's default may exceed the amount equal to the product of the Percentage Exposure multiplied by the Net Asset Value, even where arrangements have been taken to reduce the Percentage Exposure to nil. As a matter of illustration, there is a risk that the realised value of collateral received by a Sub-Fund may prove less than the value of the same collateral which was taken into account as an element to calculate the Percentage Exposure, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity of the market in which the collateral is traded. Any potential investor should therefore understand and evaluate the Swap Counterparty credit risk prior to making any investment.

Valuation of the Reference Index and the Sub-Fund's assets: The Sub-Fund's assets, the Reference Index or the derivative techniques used to link the two may be complex and specialist in nature. Valuations for such assets or derivative techniques will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations.

Exchange Rates: An investment in the Shares may directly or indirectly involve exchange rate risk. Because the Net Asset Value of the Sub-Fund will be calculated in its Reference Currency, the performance of a Reference Index or of its constituents denominated in another currency than the Reference Currency will also depend on the strength of such currency against the Reference Currency and the interest rate of the country issuing this currency. Equally, the currency denomination of any Sub-Fund asset in another currency than the Reference Currency will involve exchange rate risk for the Sub-Fund. It should be noted that the Shares may be denominated in a currency other than (i) the currency of the investor's home jurisdiction and/or (ii) the currency in which an investor wishes to receive monies.

Currency Hedging Risk: The Sub-Funds may enter into foreign exchange hedging transactions, the aim of which is to protect against adverse currency fluctuations. Such hedging transactions may consist of foreign exchange forward contracts or other types of derivative contracts which reflect a foreign exchange hedging exposure that is regularly adjusted in line with the Regulations. Investors should note that there may be costs associated with the use of foreign exchange hedging transactions which may be borne by the relevant Sub-Fund.

Interest Rates: Fluctuations in interest rates of the currency or currencies in which the Shares, the Sub-Fund's assets and/or the Reference Index are denominated may affect financing costs and the real value of the Shares.

Inflation: The rate of inflation will affect the actual rate of return on the Shares. A Reference Index may reference the rate of inflation.

Yield: Returns on Shares may not be directly comparable to the yields which could be earned if any investment were instead made in any Sub-Fund's assets or Reference Index.

Correlation: The Shares may not correlate either perfectly or highly with movements in the value of Sub-Fund's assets and/or the Reference Index.

Volatility: The value of the Shares may be affected by market volatility and/or the volatility of the Sub-Fund's assets and/or the Reference Index.

Credit Risk: The ability of the Company to make payments to Shareholders in respect of the Shares will be diminished to the extent of any other liabilities undertaken by, or imposed on, the Company. Any Sub-Fund's assets, Reference Index or derivative technique used to link the two may involve the risk that the counterparty to such arrangements may default on any obligations to perform thereunder.

Liquidity Risk: Certain types of securities invested in by the Sub-Fund or provided as collateral to the Sub-Fund may be difficult to buy or sell, particularly during adverse market conditions. This may also affect the ability to obtain prices for the components of the Underlying Asset, if applicable, and may therefore affect the value of the Underlying Asset. As a result, the Net Asset Value per Share of the Sub-Fund may be affected. The fact that the Shares may be listed on a stock exchange is not an assurance of liquidity in the Shares.

Leverage Risk: The Sub-Fund's assets, Reference Index and the derivative techniques used to link the two may comprise elements of leverage (or borrowings) which may potentially magnify losses and may result in losses greater than the amount borrowed or invested.

Shortfall Risk: Shortfall risk of a portfolio refers to the risk that a portfolio's net assets may suffer from an accelerated decrease in value due to the income on investments made with borrowed funds being lower than the cost of the borrowed capital and the value of such investments decreasing and becoming less than the value of the borrowed capital, and which may in extreme circumstances result in such a portfolio incurring losses greater than the value of its assets, which would result in investors in such a portfolio losing more than the total capital invested.

Political Factors, Emerging Market and Non-OECD Member State Assets: The performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD Member States. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD Member States, may not provide the same degree of investor information or protection as would generally apply to major markets.

Emerging Markets: Investors in emerging markets Sub-Funds should be aware of the risk associated with investment in emerging market securities. Investments in emerging markets may be subject to greater risks than investments in well developed markets, as a result of a number of considerations, including potentially significant legal and political risks. Such considerations may include greater risk of market shutdown, greater governmental involvement in the economy, less complete and reliable official data and, in some cases, greater volatility, greater liquidity risks, greater unpredictability and higher risk of civil or international conflict. Emerging markets may also be exposed to greater political and economic risks, such as the possibility of nationalisation, expropriation, political changes, social instability or other developments which could adversely affect the economies of such nations or the foreign exchange rates.

Capital Protection: Shares may be expressed to be fully or partially protected. In certain circumstances, such protection may not apply. Shareholders may be required to hold their Shares until maturity in order to realise the maximum protection available. Investors should read the terms of any protection with great care. Specifically, it should be noted that, unless otherwise expressly provided, it is unlikely that protection levels will be based on the price at which investors may purchase the Shares in the secondary market (if any).

Path Dependency: Shares may be linked to products which are path dependent. This means that any decision or determination made (whether pursuant to the exercise of a discretion in consequence of an error or otherwise) can have a cumulative effect and may result in the value of such product over time being significantly different from the value it would have been if there had been no such cumulative effect. Please refer to the numerical examples in the section "Daily leveraged and/or inverse index tracking Sub-Funds" above for further explanation in this regard.

Share Subscriptions and Redemptions: Provisions relating to the subscription and redemption of Shares grant the Company discretion to limit the amount of Shares available for subscription or redemption on any Transaction Day and, in conjunction with such limitations, to defer or pro rata such subscription or redemption. In addition, where requests for subscription or redemption are received late, there will be a delay between the time of submission of the request and the actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Shares or the redemption amount to be received.

Authorised Participant Concentration Risk: only an Authorised Participant may subscribe or redeem Shares directly with the Company. The Company has a limited number of institutions that may act as Authorised Participants. To the extent that Authorised Participant(s) are unable or do not desire to proceed with subscription or redemption orders with respect to the Company and no other Authorised Participant(s) are able or willing to do so, Shares may trade at a premium or discount to Net Asset Value and this may lead to liquidity issues or delisting.

Large Shareholder Risk: Certain account holders may from time to time own or control a significant percentage of a Sub-Fund's Shares. A Sub-Fund is subject to the risk that a redemption by large Shareholders of all or a portion of their Shares or a purchase of Shares in large amounts and/or on a frequent basis will adversely affect a Sub-Fund's performance if it is forced to sell portfolio securities or invest cash when the Investment Managers would not otherwise choose to do so. This risk will be particularly pronounced if one Shareholder owns a substantial portion of a Sub-Fund. Redemptions of a large number of Shares may affect the liquidity of a Sub-Fund's portfolio, increase a Sub-Fund's transaction costs and/or lead to the liquidation of a Sub-Fund.

Listing: There can be no certainty that a listing on any stock exchange applied for by the Company will be achieved and/or maintained or that the conditions of listing will not change. Further, trading in Shares on a Stock Exchange may be halted pursuant to that Stock Exchange's rules due to market conditions and investors may not be able to sell their Shares until trading resumes.

Regulatory Reforms: The Prospectus has been drafted in line with currently applicable laws and regulations. It cannot be excluded that the Company and/or the Sub-Funds and their respective Investment Objective and Policy may be affected by any future changes in the legal and regulatory environment. New or modified laws, rules and regulations may not allow, or may significantly limit the ability of, the Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent the Sub-Fund from entering into transactions or service contracts with certain entities. This may impair the ability of all or some of the Sub-Funds to carry out their respective Investment Objectives and Policies. Compliance with such new or modified laws, rules and regulations may also increase all or some of the Sub-Funds' expenses and may require the restructuring of all or some of the Sub-Funds with a view to complying with the new rules. Such restructuring (if possible) may entail restructuring costs. When a restructuring is not feasible, a termination of affected Sub-Funds may be required. A non-exhaustive list of potential regulatory changes in the European Union and the United States of America are listed below.

European Union: Europe is currently dealing with numerous regulatory reforms that may have an impact on the Company and the Sub-Funds. Policy makers have reached agreement or tabled proposals or initiated consultations on a number of important topics, such as (list not exhaustive): the consultation initiated by the EU Commission on product rules, liquidity management, depositary, money market funds, long-term investments in view of a further revision of the UCITS Directive (i.e., the so called "UCITS VI Directive") along with the guidelines adopted by ESMA in July 2012 concerning ETFs and other UCITS, the update of the existing regulatory framework in the Markets in Financial Instruments Directive more commonly referred to as "MIFID" and (ii) to set up directly applicable requirements to be contained in the new regulation known as the Markets in Financial Instruments Regulation more commonly referred to as "MIFIR", the adoption by the European Parliament of the Regulation on Over-the-Counter Derivatives and Market Infrastructures more commonly referred to as "EMIR" and the proposal for a Financial Transaction Tax ("FTT").

Brexit: On 29 March 2017 the United Kingdom submitted a notification of its intention to withdraw from the European Union. This means that the United Kingdom will potentially no longer be a Member State of the European Union with effect from 30 March 2019. Depending on the outcome of the negotiations with the United Kingdom on the withdrawal agreement, there may be a need to amend the structure of the fund or replace certain service providers.

United States of America: The U.S. Congress, the SEC, the U.S. Commodity Futures Trading Commission ("CFTC") and other regulators have also taken or represented that they may take action to increase or otherwise modify the laws, rules and regulations applicable to short sales, derivatives and other techniques and instruments in which the Company may invest. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") imposed the so-called "Volcker Rule" which restricts, "banking entities" and "non-bank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in investment funds.

Legal and Regulatory: The Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, and such compliance might require a change in the investment policy and objectives followed by a Sub-Fund, and/or the restructuring or termination of such policy and objective. The Sub-Fund's assets, the Reference Index and any other derivative transaction or securities financing transaction the Sub-Fund enters into may also be subject to change in laws or regulations and/or regulatory action which may affect their value and/or liquidity or may require some form of restructuring or termination.

Nominee Arrangements: Where an investor invests in Shares via a Distributor and/or a nominee or holds interests in Shares through a Clearing Agent, such investor will typically not appear on the Register of the Company and may not therefore be able to exercise voting or other rights available to those persons appearing on the Register.

Bans on Short Selling: In light of the credit crunch and the financial turmoil which started in late 2007 and aggravated in September 2008, many markets around the world have made significant changes to rules regarding short selling. In particular, many regulators (including those in the United States and the United Kingdom) have moved to ban "naked" short selling or to completely suspend short selling for certain stocks. The operation and market making activities in respect of a Sub-Fund may be affected by regulatory changes to the current scope of such bans. Furthermore, such bans may have an impact on the market sentiment which may in turn affect the performance of the Reference Index and as a result the performance of a Sub-Fund. It is impossible to predict whether such an impact caused by the ban on short selling will be positive or negative for any Sub-Fund. In the worst case scenario, a Shareholder may lose all his investments in a Sub-Fund.

Past and Future Performance: The performance of a Sub-Fund is dependent upon several factors including, but not limited to, the Reference Index's performance, as well as fees and expenses, tax and administration duties, certain amounts (such as Enhancements resulting from Swap hedging policy), etc. which will or may have actually been charged, applied and/or discounted. These elements generally vary during any performance period, and it should therefore be noted that when comparing performance periods, some may appear to have enhanced or reduced performance when compared to similar performance periods, due to the application (or reduction) of some or all of the factors set out above. Past performance, as published in the KIID or in any marketing documentation, is not a guarantee of, and should not be used as a guide to, future returns.

Reference Index Calculation and Substitution: In certain circumstances described in the relevant Product Annex, the Reference Index may cease to be calculated or published on the basis described, or such basis may be altered, or the Reference Index may be substituted.

In certain circumstances such as the discontinuance in the calculation or publication of the Reference Index or suspension in the trading of any constituents of the Reference Indices, it could result in the suspension of trading of the Shares or the requirement for Market Makers to provide two way prices on the Relevant Stock Exchanges.

Corporate Actions: Securities comprising a Reference Index may be subject to change in the event of corporate actions in respect of those securities.

Risks in relation to the tracking of indices: Investors should be aware and understand that Sub-Funds are subject to risks which may result in the value and performance of the Shares varying from those of the Reference Index. Reference Indices such as financial indices may be theoretical constructions which are based on certain assumptions and Sub-Funds aiming to reflect such financial indices may be subject to constraints and circumstances which may differ from the assumptions in the relevant Reference Index. Factors that are likely to affect the ability of a Sub-Fund to track the performance of the relevant Reference Index include:

- the composition of a Sub-Fund's portfolio deviating from time to time from the composition of the Reference Index, especially in case not all components of the Reference Index can be held and/or traded by the relevant Sub-Fund;
- investment, regulatory and/or tax constraints (including Investment Restrictions) affecting the Company but not the Reference Index;
- investments in assets other than the Reference Index giving rise to delays or additional costs/taxes compared to an investment in the Reference Index;
- constraints linked to income reinvestment;
- constraints linked to the timing of rebalancing of the Sub-Fund's portfolio;
- transaction costs and other fees and expenses to be borne by the Sub-Funds (including costs, fees and expenses to be borne in relation to the use of financial techniques and instruments);
- adjustments to OTC Swap Transactions to reflect index replication costs ("OTC Swap Transaction Costs"); and/or
- the possible existence of idle (non invested) cash or cash assimilated positions held by a Sub-Fund and, as the case may be, cash or cash assimilated positions beyond what it requires to reflect the Reference Indices (also known as "cash drag").

No investigation or review of the Reference Index: None of the Company, any Investment Manager or Sub-Portfolio Manager or each of their affiliates has performed or will perform any investigation or review of the Reference Index on behalf of any prospective investor in the Shares. Any investigation or review made by or on behalf of the Company, any Investment Manager, Sub-Portfolio Manager or any of their affiliates is or shall be for their own proprietary investment purposes only.

Licence to use the relevant Reference Index may be terminated: Each Sub-Fund has been granted a licence by the relevant Index Sponsor to use the relevant Reference Index in order to create a Sub-Fund based on the relevant Reference Index and to use certain trademarks and any copyright in the relevant Reference Index. A Sub-Fund may not be able to fulfil its objective and may be terminated if the licence agreement between the Sub-Fund and the relevant Index Sponsor is terminated. A Sub-Fund may also be terminated if the relevant Reference Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the relevant Reference Index.

Changes made to the Reference Index by the Index Sponsor: The attention of Shareholders is hereby drawn to the complete discretion of the Index Sponsor to decide upon and so amend the features of the relevant Reference Index for which it acts as sponsor. Depending on the terms of the relevant licence agreement, an Index Sponsor may have no obligation to provide the licence holders who use the relevant Reference Index (including the Company) with adequate prior notice of any changes

which are made to such Reference Index. As a consequence, the Company shall not necessarily be able to inform the Shareholders of the Sub-Fund in advance of any such changes made by the relevant Index Sponsor to the features of the relevant Reference Index. Once becoming aware of such changes, the Company shall inform those Shareholders affected by any such changes as soon as practically possible, through a notice on the website www.Xtrackers.com or any successors thereto. For those changes made to a Reference Index which require a prior notice and the right for Shareholders to redeem their shares free of charge, the Company will accord such rights to the relevant Shareholders as soon as possible; however, this will not necessarily take place prior to the effective date of those changes made to the features of the relevant Reference Index.

Benchmarks: Allegations of manipulation of interest rate benchmarks such as LIBOR and EURIBOR have led to increased scrutiny of such benchmarks, and the use by market participants of benchmarks more generally, culminating in the introduction of the Benchmark Regulation. In addition, doubts surrounding the continued viability of certain benchmarks has already led to an increased shift by market participants, supported by regulators, towards alternative risk free rates (the "RFRs").

For example, the UK Financial Conduct Authority has made clear publicly that market participants should prepare for the discontinuation of LIBOR and transition to alternative RFRs ahead of the end of 2021. As a result of such regulatory and market developments, existing benchmarks may be gradually phased out or need to be terminated or restructured. Where such benchmarks (including Reference Indices) are referenced or used by a Sub-Fund, or investments to which the Sub-Fund is exposed (directly or indirectly), there may be a need to replace such benchmarks with alternatives and terminate or restructure the Sub-Fund or relevant investment.

Allocation of shortfalls among Classes of a Sub-Fund: The right of holders of any Class of Shares to participate in the assets of the Company is limited to the assets (if any) of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes (as set out in the relevant Product Annex). For example, if (i) on a winding-up of the Company or (ii) as at the Maturity Date (if any), the amounts received by the Company under the relevant Sub-Fund's assets (after payment of all fees, expenses and other liabilities which are to be borne by the relevant Sub-Fund) are insufficient to pay the full Redemption Amount payable in respect of all Classes of Shares of the relevant Sub-Fund, each Class of Shares of the Sub-Fund will rank *pari passu* with each other Class of Shares of the relevant Sub-Fund, and the proceeds of the relevant Sub-Fund will be distributed equally amongst each Shareholder of that Sub-Fund pro rata to the amount paid up on the Shares held by each Shareholder. The relevant Shareholders will have no further right of payment in respect of their Shares or any claim against any other Sub-Fund or any other assets of the Company. This may mean that the overall return (taking account of any dividends already paid) to Shareholders who hold Shares paying dividends quarterly or more frequently may be higher than the overall return to Shareholders who hold Shares paying dividends annually and that the overall return to Shareholders who hold Shares paying dividends may be higher than the overall return to Shareholders who hold Shares paying no dividends. In practice, cross liability between Classes is only likely to arise where the aggregate amounts payable in respect of any Class exceed the assets of the Sub-Fund notionally allocated to that Class, that is, those amounts (if any) received by the Company under the relevant Sub-Fund's assets (after payment of all fees, expenses and other liabilities which are to be borne by such Sub-Fund) that are intended to fund payments in respect of such Class or are otherwise attributable to that Class. Such a situation could arise if, for example, there is a default by a counterparty in respect of the relevant Sub-Fund's assets. In these circumstances, the remaining assets of the Sub-Fund notionally allocated to any other Class of the same Sub-Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable on such other Class.

Segregated Liability between Sub-Funds: While the provisions of the Law provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Sub-Fund of the Company may be exposed to the liabilities of other funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Sub-Fund of the Company.

Contagion Risk between Share Classes: There is no legal segregation of liability between Share Classes in the same Sub-Fund. Where a Sub-Fund is comprised of multiple Currency Hedged Share Classes, there is a risk that under certain circumstances, other Share Class holders of a Sub-Fund will be exposed to liabilities arising from currency exposure hedging transactions for a Currency Hedged Share Class which negatively impacts the Net Asset Value of the other Share Classes. An up-to-date list of Share Classes with a contagion risk can be obtained from the Management Company upon request.

Consequences of winding-up proceedings: If the Company fails for any reason to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding-up of the Company. The commencement of such proceedings may entitle creditors (including counterparties) to terminate contracts with the Company (including Sub-Fund's assets) and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Company being dissolved at a time and its assets (including the assets of all Sub-Funds) being realised and applied to pay the fees and expenses of the appointed liquidator or other insolvency officer, then in satisfaction of debts preferred by law and then in payment of the Company's liabilities, before any surplus is distributed to the Shareholders of the Company. In the event of proceedings being commenced, the Company may not be able to pay the full amounts anticipated by the Product Annex in respect of any Class or Sub-Funds.

Potential Conflicts of Interest: The following discussion enumerates certain potential divergences and conflicts of interest that may exist or arise in relation to the Directors, Shareholders, Management Company, and any other service provider (including their affiliates and respective potential investors, partners, members, directors, officers, employees, consultants, agents and representatives) (each a "Service Provider"), with respect to all or part of the Sub-Funds (collectively the "Connected Persons" and each a "Connected Person").

This section does not purport to be an exhaustive list or a complete explanation of all the potential divergences and conflicts of interest.

- Each Connected Person may be deemed to have a fiduciary relationship with a Sub-Fund in certain circumstances and consequently the responsibility for dealing fairly with the Company and relevant Sub-Fund(s). However, the Connected Persons may engage in activities that may diverge from or conflict with the interests of the Company, one or several Sub-Funds or potential investors. They may for instance:
 - contract or enter into any financial, banking or other transactions or arrangements with one another or with the Company including, without limitation, investment by the Company in securities or investment by any Connected Persons in any company or body any of whose investments form part of the assets of the Company or be interested in any such contracts or transactions;
 - invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Company for their respective individual accounts or for the account of a third party; and
 - deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with any Investment Manager, Sub-Portfolio Manager, investment adviser or the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof.

Any assets of the Company in the form of cash or securities may be deposited with any Connected Person. Any assets of the Company in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

- DB Affiliates may act as Service Providers. DB Affiliates may for instance act as counterparties to the derivatives transactions or contracts entered into by the Company (for the purposes hereof, the "**Counterparty**" or "**Counterparties**"), Director, distributor, index sponsor, index constituent agent, market maker, management company, investment manager, sub-portfolio manager, investment adviser and provide sub-custodian services to the Company, all in accordance with the relevant agreements which are in place. In addition, in many cases the Counterparty may be required to provide valuations of such derivative transactions or contracts. These valuations may form the basis upon which the value of certain assets of the Company is calculated.

The Board of Directors acknowledges that, by virtue of the functions which DB Affiliates will perform in connection with the Company, potential conflicts of interest are likely to arise. In such circumstances, each DB Affiliate has undertaken to use its or his reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its or his respective obligations and duties) and to ensure that the interests of the Company and the Shareholders are not unfairly prejudiced.

Prospective investors should note that, subject always to their legal and regulatory obligations in performing each or any of the above roles:

- DB Affiliates will pursue actions and take steps that it deems appropriate to protect their interests;
- DB Affiliates may act in their own interests in such capacities and need not have regard to the interests of any Shareholder;
- DB Affiliates may have economic interests adverse to those of the Shareholders. DB Affiliates shall not be required to disclose any such interests to any Shareholder or to account for or disclose any profit, charge, commission or other remuneration arising in respect of such interests and may continue to pursue its business interests and activities without specific prior disclosure to any Shareholder;
- DB Affiliates do not act on behalf of, or accept any duty of care or any fiduciary duty to any investors or any other person;
- DB Affiliates shall be entitled to receive fees or other payments and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors; and
- DB Affiliates may be in possession of information which may not be available to investors. There is no obligation on any DB Affiliate to disclose to any investor any such information.

Notwithstanding the above, the Board of Directors believes that these divergences or conflicts can be adequately managed, and expect that the Counterparty will be suitable and competent to provide such services and will do so at no further cost to the Company which would be the case if the services of a third party were engaged to provide such services.

Operations: The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers some of whom are described in the section headed "Administration of the Company". The Company follows a rigorous due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts.

In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

Depositary: The Company's assets, as well as the assets provided to the Company as collateral, are held in custody by the Depositary or, as the case may be, third party custodians and sub-custodians. This exposes the Company to custody risk. Investors should note that under Luxembourg law, assets held in custody (excluding cash) by the Depositary or, as the case may be, third party custodians and sub-custodians located within the EU are unavailable for distribution among, or realisation for the benefit of, creditors of the Depositary, third party custodians or sub-custodians and, subject to certain exceptions, the

Depository is required to return to the Company assets of identical type or the corresponding amount where assets held in its custody are lost by the Depository or its sub-custodians. The Company however remains exposed to the risk of loss of assets as a result of negligence or fraudulent trading by the Depository, its sub-custodians and third parties, and particularly in respect of cash, as well as the insolvency of third party custodians located in non-EU jurisdictions.

Where Company's assets as well as the assets provided to the Company as collateral are held by Custodians or third party custodians and sub-custodians in emerging market jurisdictions, the Company is exposed to greater custody risk due to the fact that emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may adversely affect the safe custody of the Company's assets.

DB Affiliates significant holdings: Investors should be aware that DB Affiliates may from time to time own interests in any individual Sub-Fund which may represent a significant amount or proportion of the overall investor holdings in the relevant Sub-Fund. Investors should consider what possible impact such holdings by DB Affiliates may have on them. For example, DB Affiliates may like any other Shareholder ask for the redemption of all or part of their Shares of any Class of the relevant Sub-Fund in accordance with the provisions of this Prospectus which could result in (a) a reduction in the Net Asset Value of the relevant Sub-Fund to below the Minimum Net Asset Value which might result in the Board of Directors deciding to close the Sub-Fund and compulsorily redeem all the Shares relating to the Sub-Fund or (b) an increase in the holding proportion of the other Shareholders in the Sub-Fund beyond those allowed by laws or internal guidelines applicable to such Shareholder.

Shares may trade at prices other than Net Asset Value: The Net Asset Value of a Sub-Fund represents the price for subscribing or redeeming Shares of that Sub-Fund. The market price of Shares may sometimes trade above or below this Net Asset Value. There is a risk, therefore, that investors may not be able to buy or sell at a price close to this Net Asset Value. The deviation from the Net Asset Value is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for underlying securities. The "bid/ask" spread of the Shares (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from the Net Asset Value. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from the Net Asset Value.

Taxes on transactions (Financial transaction tax): a number of jurisdictions have implemented, or are considering implementing, certain taxes on the sale, purchase or transfer of financial instruments (including derivatives), such tax commonly known as the "Financial Transaction Tax" ("**FTT**"). By way of example, the EU Commission adopted a proposal on 14 February 2013 for a common Financial Transaction Tax which will, subject to certain exemptions, affect: (i) financial transactions to which a financial institution established in any of the participating EU Member States is a party; and (ii) financial transactions in financial instruments issued in a participating EU Member State regardless of where they are traded. It is currently unclear as to when the EU Financial Transaction Tax will apply from. In addition, certain countries such as France and Italy have implemented their own financial transaction tax provisions at a domestic level already and others, including both EU and non-EU countries, may do so in the future.

The imposition of any such taxes may impact Sub-Funds in a number of ways. For example:

- where Sub-Funds enter directly into transactions for the sale, purchase or transfer of financial instruments, FTT may be payable by the Sub-Fund and the Net Asset Value of such Sub-Funds may be adversely impacted;
- similarly, the imposition of FTT on transactions relating to the underlying securities of an Underlying Asset may have an adverse effect on the value of such Underlying Asset and hence the Net Asset Value of any Sub-Fund that references such Underlying Asset;
- the Net Asset Value of Sub-Funds may be adversely impacted by any adjustments to the valuation of OTC Swap Transaction(s) made as a result of costs associated with any FTT suffered by the relevant Swap Counterparty in relation to its hedging activities (see "Specific Risks in relation to Indirect Replication Funds" below);
- subscriptions, transfers and redemptions of Shares may be affected by FTT.

Cyber Security Risk: Failures or breaches of the electronic systems of the Company, its service providers, or the issuers of securities in which a Sub-Fund invests have the ability to cause disruptions and negatively impact a Sub-Fund's business operations, potentially resulting in financial losses to a Sub-Fund and its Shareholders. While the Management Company has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, the Management Company cannot control the cyber security plans and systems of the Company's service providers or issuers of securities in which a Sub-Fund invests.

Specific Risks in relation to Direct Replication Funds

Securities lending, buy-sell or sell-buy back transactions and repurchase and reverse repurchase agreement transactions: Use of the aforesaid techniques and instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Although Regulations require each Sub-Fund entering into one of the aforementioned transactions to receive sufficient collateral to reduce its counterparty exposure, the Regulations do however not require that such counterparty exposure be fully covered by collateral. This leaves room for the Sub-Funds to be exposed to a net counterparty risk and investors should be aware of the possible resulting loss in case of default or insolvency of the relevant counterparty.

In relation to reverse repurchase transactions and buy-sell or sell-buy back transactions in which a Sub-Fund acts as purchaser and in the event of the failure of the counterparty from whom securities have been purchased, investors should note that (A) there is the risk that the value of the securities purchased may yield less than the cash originally paid, whether because of inaccurate pricing of such securities, an adverse market value evolution, a deterioration in the credit rating of the issuers of such securities, or the illiquidity of the market in which these are traded; and (B) (i) locking cash in transactions of excessive size or duration, and/or (ii) delays in recovering cash at maturity may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment.

In relation to repurchase transactions and buy-sell or sell-buy back transactions in which a Sub-Fund acts as seller and in the event of the failure of the counterparty to which securities have been sold, investors should note that (A) there is the risk that the value of the securities sold to the counterparty is higher than the cash originally received, whether because of a market appreciation of the value of such securities or an improvement in the credit rating of their issuer; and (B) (i) locking investment positions in transactions of excessive size or duration, and/or (ii) delays in recovering, at maturity, the securities sold, may restrict the ability of the Sub-Fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.

In relation to securities lending transactions, investors should note that (A) if the borrower of securities lent by a Sub-Fund fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded; (B) in case of reinvestment of cash collateral, such reinvestment is subject to all risks associated with a normal investment and may also (i) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (ii) yield a sum less than the amount of collateral to be returned; and (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales or payment obligations arising from redemption requests.

In addition, it should be noted that:

- exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause a Direct Replication Fund's tracking accuracy to diverge substantially from the Reference Index;
- due to various factors, including the Sub-Fund's fees and expenses involved, the concentration limits described in the Investment Restrictions, other legal or regulatory restrictions, and, in certain instances, certain securities being illiquid, it may not be possible or practicable to purchase all of the constituents in proportion to their weighting in the Reference Index or purchase certain of them at all.

Specific Risks in relation to Indirect Replication Funds

Adjustment to OTC Swap Transactions to reflect index replication costs ("OTC Swap Transaction Costs"): A Swap Counterparty may enter into hedging transactions in respect of the OTC Swap Transaction(s). According to the OTC Swap Transaction(s) entered into between the Sub-Funds and a Swap Counterparty, the Sub-Funds shall receive the performance of the Reference Index adjusted to reflect certain index replication costs. The nature of these costs may differ depending on the Reference Index whose performance the Sub-Funds aim to reflect.

- Situation 1: the Reference Index is "long" (i.e. its objective is to reflect the performance of its constituents). Then the index replication costs will be associated with (i) the buying and selling by the Swap Counterparty of the constituents of the Reference Index in order to reflect the Reference Index performance; or (ii) custody or other related costs incurred by the Swap Counterparty in relation to holding the constituents of the Reference Index; or (iii) taxes or other duties imposed on the buying or selling of the constituents of the Reference Index; or (iv) taxes imposed on any income derived from the constituents of the Reference Index; or (v) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.
- Situation 2: the Reference Index is "leveraged" (i.e. its objective is to reflect the daily leveraged performance of the long version of the Reference Index). Then the index replications costs will be associated with (i) the buying and selling and any borrowing and/or financing of the constituents of the Reference Index in order to reflect the Reference Index performance, (ii) custody or other related costs incurred by the Swap Counterparty in relation to holding the constituents of the Reference Index, (iii) financing charges incurred to safeguard against severe market movements of the constituents of the Reference Index, (iv) unexpected financing costs in the event of severe market movements, (v) taxes imposed on any income derived from the constituents of the Reference Index, or (vi) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.
- Situation 3: the Reference Index is "short" (i.e. its objective is to reflect the daily inverse performance of the long version of the Reference Index) or "short and leveraged" (i.e. its objective is to reflect the leveraged daily inverse performance of the long version of the Reference Index). Then the index replications costs will be associated with (i) the borrowing and/or financing of the constituents of the Reference Index in order to reflect the Reference Index

performance, (ii) financing charges incurred to safeguard against severe market movements of the constituents of the Reference Index, (iii) unexpected financing costs in the event of severe market movements or (iv) any other transactions performed by the Swap Counterparty in relation to the constituents of the Reference Index.

These index replication costs may affect the ability of the Sub-Funds to achieve their Investment Objectives. As a result, the attention of investors is drawn to the fact that (x) the Net Asset Value of the Sub-Funds may be adversely impacted by any such adjustments to the valuation of the OTC Swap Transaction(s); (y) the potential negative impact on the Sub-Funds' performance that investors may suffer as a result of any such adjustments could depend on the timing of their investment in and/or divestment from the Sub-Funds; and (z) the magnitude of such potential negative impact on the performance of the Sub-Funds may not correspond to an investor's profit or loss arising out of such investor's holding in the Sub-Funds as a result of the potential retroactive effect of any such costs, including those arising from changes in taxation in certain jurisdictions.

Cash Collateral Related Costs: Posting or receiving cash collateral may entail additional costs for the Sub-Fund as a result of the differential between bank charges and interest rates applicable to this collateral.

Specific Risk Factors in Respect of Particular Assets

Certain risks associated with investment in particular assets (whether or not these are Reference Indices or securities comprised therein) are set out below:

- **Shares**

The value of an investment in shares will depend on a number of factors including, but not limited to, market and economic conditions, sector, geographical region and political events.

- **Bonds and other debt securities**

Bonds and other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero).

- **Pooled Investment Vehicles**

Alternative investment funds, mutual funds and similar investment vehicles operate through the pooling of investors' assets. Investments are then invested either directly into assets or are invested using a variety of hedging strategies and/or mathematical modelling techniques, alone or in combination, any of which may change over time. Such strategies and/or techniques can be speculative, may not be an effective hedge and may involve substantial risk of loss and limit the opportunity for gain. It may be difficult to obtain valuations of products where such strategies and/or techniques are used and the value of such products may depreciate at a greater rate than other investments. Pooled investment vehicles are often unregulated, make available only limited information about their operations, may incur extensive costs, commissions and brokerage charges, involve substantial fees for investors (which may include fees based on unrealised gains), have no minimum credit standards, employ high risk strategies such as short selling and high levels of leverage and may post collateral in unsegregated third party accounts.

- **Real Estate**

The risks associated with a direct or indirect investment in real estate include: the cyclical nature of real estate values, changes in environmental, planning, landlord and tenant, tax or other laws or regulations affecting real property, demographic trends, variations in rental income and increases in interest rates.

- **Commodities**

Prices of commodities are influenced by, among other things, various macro economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other events.

- **Structured Finance Securities**

Structured finance securities include, without limitation, asset-backed securities and credit-linked securities, which may entail a higher liquidity risk than exposure to sovereign or corporate bonds. Certain specified events and/or the performance of assets referenced by such securities, may affect the value of, or amounts paid on, such securities (which may in each case be zero). It is not the Company's current intention to invest in any structured finance securities.

- **Sovereign Risk**

Where the issuer of the underlying fixed income security is a government or other sovereign issuer, there is a risk that such government is unable or unwilling to meet its obligations, therefore exposing the Sub-Fund to a loss corresponding to the amount invested in such security.

- **Others**

A Reference Index may include other assets which involve substantial financial risk such as distressed debt, low quality credit securities, forward contracts and deposits with commodity trading advisors (in connection with their activities).

ADMINISTRATION OF THE COMPANY

Determination of the Net Asset Value

General Valuation Rules

The Net Asset Value of the Company is at any time equal to the total of the Net Asset Values of the Sub-Funds.

The Articles of Incorporation provide that the Board of Directors shall establish a portfolio of assets for each Sub-Fund as follows:

- (i) the proceeds from the issue of each Share are to be applied in the books of the relevant Sub-Fund to the pool of assets established for such Sub-Fund and the assets and liabilities and incomes and expenditures attributable thereto are applied to such portfolio subject to the provisions set forth hereafter;
- (ii) where any asset is derived from another asset, such asset will be applied in the books of the relevant Sub-Fund from which such asset was derived, meaning that on each revaluation of such asset, any increase or diminution in value of such asset will be applied to the relevant portfolio;
- (iii) where the Company incurs a liability which relates to any asset of a particular portfolio or to any action taken in connection with an asset of a particular portfolio, such liability will be allocated to the relevant portfolio;
- (iv) where any asset or liability of the Company cannot be considered as being attributable to a particular portfolio, such asset or liability will be allocated to all the Sub-Funds *pro rata* to the Sub-Funds' respective Net Asset Value at their respective Launch Dates;
- (v) upon the payment of dividends to the Shareholders in any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the gross amount of such dividends.

The liabilities of each Sub-Fund shall be segregated on a Sub-Fund-by-Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned.

Any assets held in a particular Sub-Fund not expressed in the Reference Currency will be translated into the Reference Currency at the rate of exchange prevailing in a recognised market on the Business Day immediately preceding the Valuation Day.

The Net Asset Value per Share of a specific Class of Shares will be determined by dividing the value of the total assets of the Sub-Fund which are attributable to such Class of Shares less the liabilities of the Sub-Fund which are attributable to such Class of Shares by the total number of Shares of such Class of Shares outstanding on the relevant Transaction Day.

For the determination of the Net Asset Value of a Class of Shares the rules sub (i) to (v) above shall apply *mutatis mutandis*. The Net Asset Value per Share of each Class in each Sub-Fund will be calculated by the Administrative Agent in the Reference Currency of the relevant Class of Shares and, as the case may be, in the Denomination Currency as specified in the relevant Product Annex by applying the relevant market conversion rate prevailing on each Valuation Day.

The assets and liabilities of the Sub-Funds are valued periodically as specified in the Prospectus and/or in the relevant Product Annex.

The Net Asset Value per Share is or will be calculated on each Valuation Day. The Net Asset Value for all Sub-Funds will be determined on the basis of the last closing prices on the Business Day immediately preceding the Valuation Day or the last available prices from the markets on which the investments of the various Sub-Funds are principally traded.

The Net Asset Value per Share of the different Classes of Shares can differ within each Sub-Fund as a result of the declaration/payment of dividends, differing fee and cost structure for each Class of Shares. In calculating the Net Asset Value, income and expenditure are treated as accruing on a day to day basis.

The Company intends to declare dividends for the Distribution Shares only.

Shareholders owning Distribution Shares are entitled to dividends, which will be determined in accordance with the provisions set out in the relevant Product Annex.

Specific Valuation Rules

The Net Asset Value of the Sub-Funds shall be determined in accordance with the following rules:

- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- (ii) the value of all securities which are listed or traded on an official stock exchange or traded on any other Regulated Market will be valued on the basis of the last available prices on the Business Day immediately preceding the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Funds are principally traded. The Board of Directors will approve a pricing service which will supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities will be determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate;
- (iii) securities not listed or traded on a stock exchange or a Regulated Market will be valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors;

- (iv) securities issued by open-ended investment funds shall be valued at their last available net asset value or in accordance with item (ii) above where such securities are listed;
- (v) the liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets shall be determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- (vi) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method; this amortised cost method may result in periods during which the value deviates from the price the relevant Sub-Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board of Directors. If the Board of Directors believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Board of Directors shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;
- (vii) the swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows;
- (viii) all other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions

Pursuant to its Articles of Incorporation, the Company may suspend the calculation of the Net Asset Value of the Sub-Funds, Shares and/or Classes of Shares and the issue, redemption and conversion of Shares:

- (i) during any period in which any of the principal stock exchanges or other markets on which a substantial portion of the constituents of the Invested Assets and/or the Reference Index from time to time are quoted or traded is closed otherwise than for ordinary holidays, or during which transactions therein are restricted, limited or suspended, provided that such restriction, limitation or suspension affects the valuation of the Invested Assets or the Reference Index;
- (ii) where the existence of any state of affairs which, in the opinion of the Board of Directors, constitutes an emergency or renders impracticable, a disposal or valuation of the assets attributable to a Sub-Fund;
- (iii) during any breakdown of the means of communication or computation normally employed in determining the price or value of any of the assets attributable to a Sub-Fund;
- (iv) during any period in which the Company is unable to repatriate monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (v) when for any other reason the prices of any constituents of the Reference Index or, as the case may be, the Invested Assets and, for the avoidance of doubt, where the applicable techniques used to create exposure to the Reference Index, cannot promptly or accurately be ascertained;
- (vi) during any period in which the calculation of an index underlying a financial derivative instrument representing a material part of the assets of a Sub-Fund or Class of Shares is suspended;
- (vii) in the case of the Company's liquidation or in the case a notice of liquidation has been issued in connection with the liquidation of a Sub-Fund or Class of Shares;
- (viii) where in the opinion of the Board of Directors, circumstances which are beyond the control of the Board of Directors make it impracticable or unfair vis-à-vis the Shareholders to continue trading the Shares or any other circumstance or circumstances where a failure to do so might result in the Shareholders of the Company, a Sub-Fund or Class of Shares incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Shareholders of the Company, a Sub-Fund or a Class of Shares might not otherwise have suffered;
- (ix) where in the case of a merger of the Company or a Sub-Fund, the Board of Directors deems it necessary and in the best interest of Shareholders; and
- (x) in case of a Feeder UCITS, if the net asset value calculation of the Master UCITS is restricted or suspended or when the value of a significant proportion of the assets of any Sub-Fund cannot be calculated with accuracy.

Such suspension in respect of a Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-Fund.

Notice of the beginning and of the end of any period of suspension will be given to the Luxembourg supervisory authority and, if required, to the Luxembourg Stock Exchange and any other relevant stock exchange where the Shares are listed and to any foreign regulator where any Sub-Fund is registered in accordance with the relevant rules. Such notice will be published to the attention of Shareholders in accordance with the notification policy as described under paragraph "Notification To Shareholders" of "The Secondary Market" below, and in accordance with applicable laws and regulations.

Publication of the Net Asset Value

The Net Asset Value per Share of each Class of Shares within each Sub-Fund (expressed in the Reference Currency and, as the case may be, translated into the Denomination Currency as specified in the relevant Product Annex), and any dividend declaration will be made public at the registered office of the Company and made available at the offices of the Administrative Agent on each Valuation Day. The Company may arrange for the publication of this information in one or more leading financial newspapers in such countries where the Sub-Funds are distributed to the public and may notify the relevant stock exchanges where the Shares are listed, if applicable. The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices which are beyond its control.

The Net Asset Value per Share may also be available on the following Website: www.Xtrackers.com. The access to such publication on the Website may be restricted and is not to be considered as an invitation to subscribe for, purchase, convert, sell or redeem Shares.

Anti-Dilution Levy/Duties

The Company reserves the right to impose "an anti-dilution levy" representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Sub-Fund, in the event of receipt for processing of net subscription or redemption including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Sub-Fund into another Sub-Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests and deduced from the price at which Shares will be redeemed in the case of net redemption requests including the price of Shares issued or redeemed as a result of requests for conversion. Such levy may vary from Sub-Fund / Class to Sub-Fund /Class and will not exceed 2 percent. of the original Net Asset Value per Share.

SUBSCRIPTIONS AND REDEMPTIONS OF SHARES (PRIMARY MARKET)

Shares can be bought and sold on either the primary market or secondary market.

The Primary Market

The primary market is the market on which Shares are issued by the Company to Authorised Participants or redeemed by the Company from Authorised Participants.

The Company has entered into agreements with the Authorised Participants, determining the conditions under which the Authorised Participants may subscribe for and redeem Shares.

An Authorised Participant may submit a dealing request to subscribe or redeem Shares in a Sub-Fund by an electronic order entry facility or by submitting a Dealing Form via facsimile to the Registrar and Transfer Agent. The Cut-off Time for applications received on a Transaction Day is 5.00 p.m. Luxembourg time on this day, unless otherwise defined in the relevant Product Annex. The use of the electronic order entry facility is subject to the prior consent of the Administrative Agent and the Registrar and Transfer Agent and must be in accordance with and comply with applicable law. Subscription and redemption orders placed electronically may be subject to the specific Cut-off Time which will then be specified in the relevant Product Annex. Dealing Forms may be obtained from the Registrar and Transfer Agent.

All applications are at the Authorised Participant's own risk. Dealing Forms and electronic dealing requests, once accepted, shall (save as determined by the Management Company) be irrevocable. The Company, the Management Company and the Registrar and Transfer Agent shall not be responsible for any losses arising in the transmission of Dealing Forms or for any losses arising in the transmission of any dealing request through the electronic order entry facility.

The Company has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason thereto. The Company also has absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for Shares prior to the issue of Shares to an Authorised Participant in the event that an Insolvency Event occurs to the Authorised Participant and/or to minimise the exposure of the Company to an Authorised Participant's Insolvency Event. The Company also has the right to determine whether it will only accept redemptions from an Authorised Participant in kind or in cash (or a combination of both cash and in kind) on a case by case basis: (i) upon notification to the relevant Authorised Participant where an Insolvency Event occurs to the relevant Authorised Participant, or the Company reasonably believes that the relevant Authorised Participant poses a credit risk, or (ii) in all other cases, with the relevant Authorised Participant's consent (where relevant). Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record. In addition, the Company may impose such restrictions as it believes necessary to ensure that no Shares are acquired by Authorised Participants who are Prohibited Persons.

The Board of Directors may also, in its sole and absolute discretion, determine that in certain circumstances, it is detrimental for existing Shareholders to accept an application for Shares in cash or in kind (or a combination of both cash and in kind), representing more than 5 percent. of the Net Asset Value of a Sub-Fund. In such case, the Board of Directors may postpone the application and, in consultation with the relevant Authorised Participant, require such Authorised Participant to stagger the proposed application over an agreed period of time. The Authorised Participant shall be liable for any costs or reasonable expenses incurred in connection with the acquisition of such Shares.

The Registrar and Transfer Agent and/or Company reserves the right to request further details from an Authorised Participant. Each Authorised Participant must notify the Registrar and Transfer Agent of any change in their details and furnish the Company with any additional documents relating to such change as it may request. Amendments to an Authorised Participant's registration details and payment instructions will only be effected upon receipt by the Registrar and Transfer Agent of original documentation.

Measures aimed at the prevention of money laundering may require an Authorised Participant to provide verification of identity to the Company.

The Company will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of the Authorised Participant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

It is further acknowledged that the Company, the Management Company and the Registrar and Transfer Agent shall be held harmless by the Authorised Participant against any loss arising as a result of a failure to process the subscription if information that has been requested by the Company has not been provided by the Authorised Participant.

General Information

Shares may be subscribed for on each Transaction Day at the Net Asset Value thereof plus any applicable Upfront Subscription Sales Charge and Primary Market Transaction Costs in relation to such subscription. Shares may be redeemed on each Transaction Day at the Net Asset Value thereof less any applicable Redemption Charge and Primary Market Transaction Costs in relation to such redemption.

Applications received after the Cut-off Time will be deferred to the next Transaction Day and processed on the basis of the Net Asset Value per Share of the relevant Sub-Fund calculated for such Transaction Day.

Settlement of the transfer of Investments and/or cash payments in respect of subscriptions and redemptions will take place within the Business Days specified in the relevant Product Annex after the Transaction Day (or such earlier time as the Board of Directors may determine). The Company reserves the right, in its sole discretion, to require the applicant to indemnify the Company against any losses arising as a result of a Sub-Fund's failure to receive payment within stated settlement times.

Unless otherwise specified in the relevant Product Annex, the standard settlement period for subscribing directly to Shares will be no later than 5 Settlement Days following the relevant Transaction Day.

Unless otherwise specified in the relevant Product Annex, in the case of redemptions, the Registrar and Transfer Agent will issue instructions for payment or settlement to be effected no later than 5 Settlement Days after the relevant Transaction Day for all Sub-Funds. The Company reserves the right to delay payment for a further 5 Settlement Days, provided such delay is in the interest of the remaining Shareholders.

Notwithstanding the foregoing, the payment of the Redemption Proceeds may be delayed if there are any specific local statutory provisions or events of force majeure which are beyond the Company's control which makes it impossible to transfer the Redemption Proceeds or to proceed to such payment within the normal delay. This payment shall be made as soon as reasonably practicable thereafter but without interest.

Dealings in Kind and in Cash

The Company may accept subscriptions and pay redemptions either in kind or in cash (or a combination of both cash and in kind). The Articles of Incorporation empower the Company to charge such sum as the Board of Directors consider represents an appropriate figure for any applicable Upfront Subscription Sales Charges and Redemption Charges.

Subscription (in kind or in cash) and redemption (in kind or in cash) orders will normally be accepted in multiples of the Minimum Initial Subscription Amount or Minimum Redemption Amount mentioned in the relevant Product Annex. Such minimums may be reduced in any case at the discretion of the Board of Directors.

Minimum Initial Subscription Amounts, Minimum Subsequent Subscription Amounts and Minimum Redemption Amounts are unrelated to the sizes of the Portfolio Composition Files ("**PCFs**"). For Authorised Participants, the Minimum Initial Subscription Amounts, Minimum Subsequent Subscription Amounts and Minimum Redemption Amounts may be higher than the amounts disclosed herein. Minimum PCF sizes, Minimum Initial Subscription Amounts, Minimum Subsequent Subscription Amounts and Minimum Redemption Amounts will be available upon request from the Registrar and Transfer Agent and available via the website: www.Xtrackers.com. For the avoidance of doubt, for investors other than Authorised Participants, the Minimum Initial Subscription Amounts, Minimum Subsequent Subscription Amounts and Minimum Redemption Amounts will remain as stated in each relevant Product Annex, together with any applicable Upfront Subscription Sales Charge and Redemption Charge.

If any single application for cash redemption is received in respect of any one Valuation Day which represents more than 10 percent. of the Net Asset Value of any one Sub-Fund, the Board of Directors may ask such Shareholder to accept payment in whole or in part by an in kind distribution of the portfolio securities in lieu of cash. In the event that a redeeming Shareholder accepts payment in whole or in part by a distribution in kind of portfolio securities held by the relevant Sub-Fund, the Company may, but is not obliged to, establish an account outside the structure of the Company into which such portfolio securities can be transferred. Any expenses relating to the opening and maintenance of such an account will be borne by the Shareholder. Once such portfolio assets have been transferred into the account, the account will be valued and a valuation report will be obtained from the Company's auditor. Any expenses for the establishment of such a report shall be borne by the Shareholders concerned or any third party unless the Board of Directors considers that the dealing in kind is in the interest of the Company (or the Sub-Fund concerned) or made to protect the interests of the Company (or the Sub-Fund concerned). The account will be used to sell such portfolio securities in order that cash can then be transferred to the redeeming Shareholder. Investors who receive such portfolio securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of such portfolio securities. In addition, the Redemption Proceeds from the sale by the redeeming Shareholder of the Shares may be more or less than the Redemption Price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of such portfolio securities.

If any application for redemption is received in respect of any one Valuation Day (the "**First Valuation Date**") which either singly or when aggregated with other applications so received, is more than 10 percent. of the Net Asset Value of any one

Sub-Fund, the Board of Directors reserves the right in its sole and absolute discretion (and taking into account the best interests of the remaining Shareholders) to scale down pro rata each application with respect to such First Valuation Date

so that not more than 10 percent. of the Net Asset Value of the relevant Sub-Fund be redeemed or converted on such First Valuation Date. To the extent that any application is not given full effect on such First Valuation Date by virtue of the exercise of the power to prorate applications, it shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in respect of the next Valuation Day and, if necessary, subsequent Valuation Days with a maximum of 7 Valuation Days. With respect to any application received in respect of the First Valuation Date, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Date, but subject thereto shall be dealt with as set out in the preceding sentence.

In Kind Dealings

The Company will publish the Portfolio Composition File for the Sub-Funds setting out the form of Investments and/or the Cash Component to be delivered (a) by Authorised Participants in the case of subscriptions; or, (b) by the Company in the case of redemptions, in return for Shares. The Company's current intention is that the Portfolio Composition File will normally stipulate that Investments must be in the form of the constituents of the relevant Reference Index. Only Investments which

form part of the investment objective and policy of a Sub-Fund will be included in the Portfolio Composition File.

The Portfolio Composition File for the Sub-Funds for each Transaction Day will be available upon request from the Registrar and Transfer Agent and available via the website: www.Xtrackers.com.

In the case of in kind redemptions, the transfer of Investments and Cash Component by the Company will normally take place not later than four Business Days after Shares have been returned to the Company's account at the Clearing Agent.

The settlement of any in kind redemption may include the payment of a Redemption Dividend. Any Redemption Dividend so payable will be included in the Cash Component paid to the redeeming Shareholder.

Cash Dealings

The Company may accept subscription and redemption requests which consist wholly of cash. The Articles of Incorporation empower the Company to charge such sum as the Board of Directors considers represents an appropriate figure for any applicable Upfront Subscription Sales Charges and Redemption Charges.

Authorised Participants wishing to make a cash redemption should notify the Company, care of the Registrar and Transfer Agent in writing and make arrangements for the transfer of their Shares into the Company's account at the Clearing Agent by the relevant redemption settlement time. The proceeds for a cash redemption shall be the Net Asset Value per Share calculated as at the Valuation Day for the Sub-Fund, less any applicable Redemption Charges and Primary Market Transaction Costs.

The settlement of any cash redemption may include the payment of a Redemption Dividend. Any Redemption Dividend so payable will be included in the cash amount paid to the redeeming Shareholder.

Redemption proceeds will normally be paid in the Reference Currency or the Denomination Currency of the relevant Sub-Fund or Share Class, or, alternatively, at the request of the Authorised Participant, in the Authorised Payment Currency in which the subscription was made. Depending whether a multi-currency Net Asset Value is published or not, the Administrative Agent or the Registrar and Transfer Agent, respectively, will proceed with the currency conversion. If necessary, the relevant agent will effect a currency transaction at the Shareholder's cost, to convert the Redemption Proceeds from the Reference Currency of the relevant Sub-Fund into the relevant Authorised Payment Currency. Any such currency transaction will be effected with the relevant agent at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.

Directed Cash Dealings

If any request is made by an Authorised Participant to execute underlying security trades and/or foreign exchange in a way that is different than normal and customary convention, the Registrar and Transfer Agent will use reasonable endeavours to satisfy such request if possible but the Registrar and Transfer Agent will not accept any responsibility or liability if the execution request is not achieved in the way requested for any reason whatsoever.

If any Authorised Participant submitting a cash subscription or redemption requests to have the Investments traded with a particular designated broker, the relevant Investment Manager and/or the Sub-Portfolio Manager may at their sole discretion (but shall not be obliged to) transact for Investments with the designated broker. Authorised Participants that wish to select a designated broker are required, prior to the relevant Investment Manager and/or the Sub-Portfolio Manager transacting Investments, to contact the relevant portfolio trading desk of the designated broker to arrange the trade.

The Investment Managers and/or the Sub-Portfolio Managers will not be responsible, and shall have no liability, if the execution of the underlying securities with the designated broker and, by extension, the Authorised Participant's subscription or redemption, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the designated broker. Should the Authorised Participant or the designated broker default on, or change the terms of, any part of the underlying securities transaction, the Shareholder shall bear all associated risks and costs. In such circumstances, the Company, the Investment Managers and/or the Sub-Portfolio Managers have the right to transact with another broker and amend the terms of the Authorised Participant's subscription or redemption to take into account the default and the changes to the terms.

Redemption Dividend

The Company may pay any accrued dividends related to a cash redemption or related to the Investments transferred to a Authorised Participant in satisfaction of a valid in kind redemption request. Such a dividend will become due immediately prior to the redemption of the Shares and paid to the Authorised Participant as part of the cash amount in the case of a cash redemption or as part of the Cash Component in the case of an in kind redemption.

Failure to Deliver

In the event an Authorised Participant fails to deliver (i) the required Investments and Cash Component in relation to an in kind subscription; or (ii) cash in relation to a cash subscription in the stated settlement times for the Sub-Funds (as set out in the relevant Product Annex) the Company reserves the right to cancel the relevant subscription order and the Authorised Participant shall indemnify the Company for any loss suffered by the Company as a result of a failure by the Shareholder to deliver the required Investments and Cash Component or cash in a timely fashion. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances.

The Directors may, in their sole discretion where they believe it is in the best interests of a Sub-Fund, decide not to cancel a subscription and provisional allotment of Shares where an Authorised Participant has failed to deliver the required Investments and Cash Component or cash, as applicable, within the stated settlement times. In this event, the Company may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant Sub-Fund. Once the required Investments and Cash Component or cash, as applicable, have been received, the Company will use this to repay the borrowings. The Company reserves the right to charge the

relevant Authorised Participant for any interest or other costs incurred by the Company as a result of this borrowing. If the Authorised Participant fails to reimburse the Company for those charges, the Company, the Investment Managers and/or the Sub-Portfolio Managers will have the right to sell all or part of the applicant's holdings of Shares in the Sub-Fund or any other Sub-Fund of the Company in order to meet those charges.

Form of the Shares and Register

The Shares can be issued either in the form of Registered Shares or Bearer Shares. Bearer Shares, if issued, are represented by a Global Share Certificate.

Registered Shares

As provided in the Product Annex, the Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares. In respect of Registered Shares, fractions will be issued and rounded up to 3 decimal places unless otherwise provided in the Product Annex. Any rounding may result in a benefit for the relevant Shareholder or Sub-Fund.

Registered Shares will be issued without share certificates.

Bearer Shares represented by Global Share Certificates

The Board of Directors may decide to issue Bearer Shares represented by one or more Global Share Certificates (as will be specified in the relevant Product Annex).

Such Global Share Certificates will be issued in the name of the Company and deposited with the Clearing Agents. Bearer Shares represented by a Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by any Clearing Agent concerned with such transfer. Investors will receive the Bearer Shares represented by a Global Share Certificate by way of book entry form to the securities accounts of their financial intermediaries held, directly or indirectly, with the Clearing Agents. Such Bearer Shares represented by a Global Share Certificate are freely transferable subject to and in accordance with the rules set out in this Prospectus, the rules of the relevant stock exchange, if applicable, and/or the rules of the relevant Clearing Agent. Shareholders who are not participants in such systems will only be able to transfer such Bearer Shares represented by a Global Share Certificate through a financial intermediary who is a participant in the settlement system of the relevant Clearing Agent.

Further information in respect of Bearer Shares represented by Global Share Certificates and their respective processing procedures is available from the Registrar and Transfer Agent.

THE SECONDARY MARKET

Listing on a Stock Exchange

Unless otherwise specified in the relevant Product Annex, it is the intention of the Company for each of its Sub-Funds, through having its Shares listed on one or more Relevant Stock Exchanges, to qualify as an exchange traded fund ("ETF"). As part of those listings there is an obligation on one or more members of the Relevant Stock Exchange to act as market makers offering prices at which the Shares can be purchased or sold by investors. The spread between those purchase and sale prices may be monitored and regulated by the relevant stock exchange authority.

Unless otherwise stated in the Product Annex for the relevant Sub-Fund, it is contemplated that application will be made to list the Shares of each Sub-Fund on one or more of the Relevant Stock Exchanges. If the Directors decide to create additional Sub-Funds or Classes they may in their discretion apply for the Shares of such Sub-Funds to be listed on one or more of the Relevant Stock Exchanges. For so long as the Shares of any Sub-Fund are listed on any Relevant Stock Exchange, the Sub-Fund shall endeavour to comply with the requirements of the Relevant Stock Exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares this Prospectus may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

The Company does not charge any fee for purchases of Shares on the secondary market. Orders to buy Shares, including in the case of ETFs through the Relevant Stock Exchanges, can be placed via a member firm or stockbroker. Such orders to buy Shares may incur costs to the investor over which the Company has no control.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

Certain Authorised Participants who subscribe for Shares may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more Relevant Stock Exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants. Investors should be aware that on days other than Business Days or Transaction Days of a Sub-Fund when one or more markets are trading Shares but the underlying market(s) on which the Reference Index of the Sub-Fund are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. Investors should also be aware that on such days the Reference Index would not necessarily be calculated and available for investors in making their investment decisions because prices of the Reference Index would not be available on such days. The settlement of trades in Shares on Relevant Stock Exchanges will be through the facilities of one or more clearing and settlement systems following applicable procedures which are available from the Relevant Stock Exchanges.

Intra-Day Net Asset Value ("iNAV")

The Company may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day net asset value or "iNAV" for one or more Sub-Funds. If the Company or its designee makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the assets/exposures of the Sub-Fund and/or the Reference Index in effect on such Business Day, together with any cash amount in the Sub-Fund as at the previous Business Day. The Company or its designee will make available an iNAV if this is required by any Relevant Stock Exchange.

An iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any Relevant Stock Exchange. In particular, any iNAV provided for any Sub-Fund where the constituents of the Reference Index are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share, may be misleading and should not be relied on.

Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the Reference Index or the iNAV of other exchange traded funds based on the same Reference Index. Investors interested in subscribing for or redeeming Shares on a Relevant Stock Exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Reference Index, the relevant constituent securities and financial instruments based on the Reference Index corresponding to the relevant Sub-Fund).

Title to Shares and settlement

If Shares are held in bearer form and held in the primary market settlement systems represented by a global share certificate, investors in Shares will directly or indirectly have their interests in the Shares credited by book-entry in the accounts of the primary market settlement systems. No individual certificates representing the Shares will be issued. Authorised Participants who subscribe for or redeem Shares will hold for settlement purposes an account in a primary market settlement system or have access to such an account through another settlement system which links into a primary market settlement system.

Investors will receive Shares by book entry to the securities accounts of their financial intermediary held, directly or indirectly, in a primary market settlement system, or a settlement system that interfaces with a primary market settlement system.

Investors' attention is drawn to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the Shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Holding of Shares and settlement by investors who are not Authorised Participants

If Shares are held in bearer form and held in the primary market settlement systems represented by a global share certificate, investors in Shares who purchase or who are transferred Shares and who are not themselves participants in a primary market settlement system or a linking settlement system will have their interests in the Shares credited by book-entry in the internal accounts of a financial intermediary (who may also be an Authorised Participant) as the investor's nominee. The financial intermediary will be a participant itself in such a system or will have indirect access to such settlement systems through another financial intermediary (which may also be an Authorised Participant), such as a bank, a depository, a broker, a dealer or a trust company which clears through or maintains a custodial relationship with participants in such settlement systems.

Complaints

Complaints of a general nature regarding the Company's activities or complaints concerning the Board of Directors may be lodged directly with the Company or sent to: complaints.am-lu@dws.com.

Complaints concerning the Management Company or its agents may be lodged directly with the Management Company or sent to: complaints.am-lu@dws.com. Information regarding the Management Company's internal complaint handling procedures is available on request at its e-mail or postal address.

For complaints concerning the service provided by a Distributor, financial intermediary or agent, Shareholders should contact the relevant Distributor, financial intermediary or agent for further information on any potential rights arising out of the relationship with such Distributor, financial intermediary or agent.

Notification to Shareholders

Unless other communication media are specified in the Prospectus or required in accordance with the applicable laws and regulations (including the Law and the Luxembourg law of 10 August 1915 on commercial companies, as amended), the Shareholders will be notified of any developments concerning their investment in the Company through the website www.Xtrackers.com or any successors thereto. The Shareholders are consequently invited to consult this website on a regular basis.

Redemption of Shares by Secondary Market Investors

Shares purchased on the secondary market cannot usually be sold directly back to the Company. Investors must purchase and redeem their Shares on the secondary market with the assistance of an intermediary (e.g. a market maker or a stock broker) and may incur fees for doing so as further described above in this section "The Secondary Market". In addition, investors may pay more than the current Net Asset Value when buying Shares on the secondary market and may receive less than the current Net Asset Value when selling them on the secondary market.

If on a Business Day the stock exchange value of the Shares significantly varies from the Net Asset Value due to, for example market disruption caused by the absence of market makers (as described above under "Listing on a Stock Exchange"), investors who are not Authorised Participants may apply directly to the Company for the redemption of their Shares via the depository or financial intermediary through which they hold the Shares, such that the Administrative Agent is able to confirm the identity of such investor, the number of Shares and the details of the relevant Sub-Fund and Share Class held by such investors wishing to redeem. In such situations, information shall be communicated to the Relevant Stock Exchange indicating that such direct redemption procedure is available to investors on the secondary market. Applications for redemption shall be made in accordance with the procedure described in the "Subscription and Redemption of Shares: the Primary Market" section of the Prospectus, and the redemption fees disclosed in the Product Annex in respect of the relevant Sub-Fund shall apply.

CONVERSION OF SHARES

Unless otherwise stated in the relevant Product Annex, Shareholders will not be entitled to convert within a given Class of Shares or Sub-Fund all or part of their Shares into Shares relating to other Sub-Funds or Classes of Shares. Prior to converting any Shares, Shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares.

If conversions are allowed, the details of how the conversion will be processed will be set out in the relevant Product Annex.

PROHIBITION OF LATE TRADING AND MARKET TIMING

Late Trading is to be understood as the acceptance of a subscription (or conversion or redemption) order after the relevant Cut-off Time (as set out in the relevant Product Annex) on the relevant Transaction Day and the execution of such order at the price based on the Net Asset Value applicable to such same day. Late Trading is strictly forbidden.

Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the Company within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the relevant Sub-Fund. Market Timing practices may disrupt the investment management of the portfolios and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued at an unknown price and neither the Company, nor a Distributor will accept orders received after the relevant Cut-off Time.

The Company reserves the right to refuse purchase (and conversion) orders into a Sub-Fund by any person who is suspected of market timing activities.

FEES AND EXPENSES

Dealing Fees Payable by Investors

The Shares may be subject to selling commission and fee structures which are different from those detailed below. Any such exceptions will be described in the relevant Product Annex.

Upfront Subscription Sales Charge

Subscription for Shares made during the Offering Period may be subject to an Upfront Subscription Sales Charge calculated on the Initial Issue Price in the Denomination Currency. Investors subscribing to Shares on or after the Launch Date may be subject to an Upfront Subscription Sales Charge which will be calculated on the basis of the Net Asset Value per Share as determined on the Valuation Day immediately following the relevant Transaction Day. The Upfront Subscription Sales Charge may be waived in whole or in part at the discretion of the Board of Directors. No Upfront Subscription Sales Charge will be applied unless otherwise provided for in the relevant Product Annex. The Upfront Subscription Sales Charge shall revert to the Distributor through which the subscription was made.

Redemption Charge

The Board of Directors of the Company may decide that Shares will be subject to a Redemption Charge which will be calculated on the basis of the Net Asset Value per Share as determined on the Valuation Day immediately following the relevant Transaction Day (as will be determined in the Product Annex) and will usually revert to the relevant Distributor through which the redemption was made. The Redemption Charge may be waived in whole or in part at the discretion of the Board of Directors with due regard to the equal treatment of Shareholders. Shares for which a Maturity Date is designated will not be subject to any Redemption Charge if redeemed on such Maturity Date. Shares for which no Maturity Date has been designated and which have been terminated by a decision of the Board of Directors will not be subject to a Redemption Charge if redeemed as a result of the termination of the relevant Sub-Fund. No Redemption Charge will be applied unless otherwise provided for in the relevant Product Annex.

Conversion Charge

Conversions from Shares relating to one Sub-Fund to Shares relating to another Sub-Fund or, in relation to the same Sub-Fund, from one Class of Shares to another Class of Shares will be subject to a Conversion Charge of maximum 1 percent, based on the Net Asset Value per Share (as will be determined in the Product Annex). No Conversion Charge will be applicable unless otherwise specified in the Product Annex.

Primary Market Transaction Costs

In relation to subscriptions or redemptions on the primary market, Primary Market Transaction Costs may be charged to Authorised Participants.

Fees and Expenses Payable by the Company

Management Company Fee

In accordance with and subject to the terms of the Management Company Agreement, the annual Management Company Fee will accrue on each calendar day and will be calculated on each Valuation Day on the basis of a percentage of (i) the last available Net Asset Value of each Sub-Fund or Class of Shares or (ii) the Initial Issue Price multiplied by the number of outstanding Shares of each Sub-Fund or Class of Shares (as indicated for each Sub-Fund or Class of Shares in the relevant Product Annex). The Management Company Fee is payable on a periodic basis. The Management Company is also entitled to receive reimbursement for any reasonable expenses that were made in its capacity as management company of the Company in the context of the execution of the Management Company Agreement and that were not reasonably foreseeable in the ordinary course of business.

Notwithstanding the above, the Management Company and the Company may agree on a different fee structure in respect of a certain Sub-Fund or Class of Shares, as indicated in the relevant Product Annex.

The Management Company may pay a Distribution Fee to the Distributors out of the Management Company Fee.

A Distributor may re-allocate an amount of the Distribution Fee to a sub-distributor (as applicable).

Transaction Costs

No Transaction Costs shall be payable by the Company, unless otherwise specified in the relevant Product Annex.

Extraordinary Expenses

The Company shall be liable for Extraordinary Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the Company or its assets that would otherwise not qualify as ordinary expenses. Extraordinary expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of the Sub-Funds to which they are attributable. Extraordinary Expenses are allocated across each Class of Shares.

Investment Managers/Sub-Portfolio Managers

The Management Company shall remunerate the Investment Managers out of the Management Company Fee as agreed from time to time between the two parties.

Each Investment Manager shall remunerate out of the applicable Investment Management Fee any appointed Sub-Portfolio Manager, as agreed from time to time between the parties.

Any agents appointed by an Investment Manager and/or Sub-Portfolio Manager to provide them with administrative or operational support or any other services shall be remunerated by such Investment Manager or Sub-Portfolio Manager, respectively.

Fixed Fee

Under the terms of an arrangement between the Company and the Fixed Fee Agent, the Fixed Fee Agent will in exchange for the payment of a Fixed Fee, calculated on the average daily Net Asset Value per Sub-Fund or per Class as specified in the relevant Product Annex and payable periodically, pay certain fees and expenses, unless otherwise specified in the relevant Product Annex.

The fees and expenses covered by the arrangement are the Administrative Agent Fee, the Depositary Fee, the Registrar, Transfer Agent and Listing Agent Fee, the annual tax in Luxembourg (if any) (the "**Taxe d'Abonnement**"), the formation expenses and certain Other Administrative Expenses, as further described below.

Administrative Agent Fee

The Fixed Fee covers the Administrative Agent Fee, which is normally due under the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement. According to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement, the Company shall pay to the Administrative Agent an Administrative Agent Fee according to current bank practice in Luxembourg for its services as central administration agent, domiciliary agent and listing agent. The Administrative Agent is also entitled to receive reimbursement for any reasonable disbursements and out-of-pocket expenses incurred in connection with the Company.

Registrar, Transfer Agent and Listing Agent Fee

The Fixed Fee covers the Registrar, Transfer Agent and Listing Agent Fee, which is normally due under the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement. According to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement, the Company pays to the Registrar, Transfer Agent and Listing Agent a monthly Registrar, Transfer Agent and Listing Agent Fee according to current bank practice in Luxembourg for its services as registrar, transfer agent and listing agent. The Registrar, Transfer Agent and Listing Agent is also entitled to receive reimbursement for any reasonable disbursements and out-of-pocket expenses incurred in connection with the Company.

Depositary Fee

The Fixed Fee covers the Depositary Fee, which is normally due under the Depositary Agreement.

According to the Depositary Agreement, the Company pays to the Depositary a Depositary Fee according to current bank practice in Luxembourg for its services as depositary bank. The fee will be calculated on the basis of a percentage of the assets of each Sub-Fund under the custody of the Depositary and will be paid on a monthly basis by the Company to the Depositary. The Depositary is entitled to receive reimbursement for its reasonable out-of-pocket expenses incurred in connection with the Company.

Other Administrative Expenses

The Fixed Fee covers certain "Other Administrative Expenses", which include but are not limited to, the costs and expenses relating to the establishment of the Company; organisation and registration costs; licence fees payable to licence holders of an index; taxes, such as Taxe d'Abonnement (if any); expenses for legal and auditing services; cost of any proposed listings; maintaining such listings; printing Share certificates (if any), Shareholders' reports; prospectuses; preparation, maintenance, translation and updating of investors fact-sheets for the Sub-Funds; monitoring the performance of the Sub-Funds including the costs of any software associated with such monitoring; maintenance of the website in respect of the Company and the Sub-Funds which provides investors with information on the Company and the Sub-Funds, including but not limited to, provision of Net Asset Values, secondary market prices and updated prospectuses; all reasonable out-of-pocket expenses of the Board of Directors and any remuneration to be paid to the Directors (as may be applicable); foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions; insurance; brokerage costs which are applicable to the Sub-Fund generally and not those which can be attributed to a specific investment transaction and the costs of publication of the Net Asset Value and such other information which is required to be published in the different jurisdictions; and all costs relating to the distribution of the Sub-Funds in the different jurisdictions. The costs relating to the distribution of the Sub-Funds should not exceed 0.30 percent. of the Net Assets per Sub-Fund, will be amortised per Sub-Fund over a period not exceeding 3 years and will be borne by the relevant Sub-Fund.

The Fixed Fee Agent will only pay invoices of legal advisers, local paying agents and translators provided and to the extent that these invoices do not in aggregate exceed the overall threshold of Euro ten Million (EUR 10,000,000) per Financial Year and the Company will be liable to pay for any amount that exceeds this threshold. The Company will pay this amount out of the relevant Sub-Fund's assets to which the specific costs are attributed.

In addition, since the Fixed Fee will be determined at the outset on a yearly basis by the Company and the Fixed Fee Agent, investors should note that the amount paid to the Fixed Fee Agent may at year end be greater than if the Company would have paid directly the relevant expenses. Conversely, the expenses the Company would have had to pay might be greater than the Fixed Fee and the effective amount paid by the Company to the Fixed Fee Agent would be less. The Fixed Fee will be determined and will correspond to anticipated costs fixed on terms no less favourable for each Sub-Fund than on an arm's length basis by the Company and the Fixed Fee Agent and will be disclosed in the relevant Product Annex.

The Fixed Fee does not include the following fees, expenses and costs:

- the applicable Investment Management Fee;
- the Management Company Fee;
- the costs of any marketing agencies appointed by the Company or the Management Company to provide certain marketing and distribution services to the Company or the Management Company;
- any taxes or fiscal charges which the Company may be required to pay, except the *Taxe d'Abonnement* (if any), or if it should be payable, any value added tax or similar sales or services tax payable by the Company (VAT) (all such taxes or fiscal charges), unless otherwise specified in the relevant Product Annex;
- expenses arising out of any advertising or promotional activities in connection with the Company; nor,
- any costs and expenses incurred outside of the Company's ordinary course of business such as Extraordinary Expenses (e.g. legal fees incurred in prosecuting or defending, a claim or allegation, by or against, the Company).

Costs and Charges Disclosure

This Prospectus, the KIID and financial statements relating to a Sub-Fund contain certain information relating to fees and costs and charges applicable to the Sub-Fund. If the Shareholder is advised by third parties (in particular companies providing services related to financial instruments, such as credit institutions and investment firms) when acquiring the Shares, or if the third parties mediate the purchase, such third parties may have to provide the Shareholder, as the case may be, with a breakdown of costs and charges or expense ratios that are not laid out in the cost details in this Prospectus, the KIID, or the financial reports of the Company.

In particular, such differences may result from regulatory requirements governing how such third parties determine, calculate and report costs and charges. These requirements may arise for example in the course of the national implementation of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (also known as "**MiFID**"). Shareholders should note that the information provided by third parties on all relevant costs and charges may vary from one party to the other due to these third parties additionally invoicing the costs of their own services (e.g. a surcharge or, where applicable, recurrent brokering or advisory fees, depositary fees, etc.).

GENERAL TAXATION

Warning

The information set forth below is based on present laws, regulations and administrative practice and may be subject to modification possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, holding, selling (via an exchange or otherwise) and redemption of Shares in the country in which they are subject to tax.

This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

The Company

Under current law and practice, the Company is not liable to any Luxembourg income taxes, stamp or other tax. Investment income and capital gains, if any, received or realised by the Company may, however, be subject to taxation in the country of origin at varying rates, which normally cannot be recovered by the Company.

Although the Company is, in principle, subject in Luxembourg to a subscription tax (*Taxe d'Abonnement*) at an annual rate of 0.05 percent., the Sub-Funds which are ETFs are exempt from such tax as (i) their Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and (ii) their exclusive objective is to reflect the performance of one or more indices, it being understood that this condition of exclusive objective does not prevent the management of liquid assets, if any, on an ancillary basis, or the use of techniques and instruments used for hedging or for purposes of efficient portfolio management. A Grand-Ducal regulation may determine additional or alternative criteria with respect to the indices under that exemption.

Subscription tax exemption also applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, and (iii) money market UCIs.

A reduced subscription tax of 0.01 percent. per annum is applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

The Shareholders

Under current legislation and administrative practice, Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg.

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individual Shareholders who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold before or within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10 percent. of the capital or assets of the Company.

Distributions made by the Company will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale.

Luxembourg resident institutional investors

Luxembourg resident institutional investors will be subject to corporate taxation at the rate of 26.01 percent. (in 2018 for entities having the registered office in Luxembourg-City) on the distribution received from the Company and the gains received upon disposal of the Shares.

Luxembourg resident institutional investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the Law, (ii) specialized investment funds subject to the amended law of 13 February 2007 related to specialised investment funds, (iii) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident institutional investors except if the holder of the Shares is (i) an UCI subject to the Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitization, (iii) an investment company governed by the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds, (v) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds or (vi) a family

wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5 percent.

EU Tax Considerations

The OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the EU Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holders to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons), in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. The Company shall communicate any information to the investor according to which (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to CRS-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-EU Member States; it requires agreements on a country-by-country basis.

The Company reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

Shareholders should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

FATCA

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the U.S. tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30 percent. withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into the Luxembourg IGA. The Company would hence have to comply with the Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified U.S. Persons for FATCA purposes ("**reportable accounts**"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be treated as complying with FATCA and will thus not be subject to the 30 percent. withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Management Company may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b) report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable U.S. withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Company communicates to the investor that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Company reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

GENERAL INFORMATION ON THE COMPANY AND THE SHARES

I. The Shares

I.a: Rights attached to the Shares

The Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class of Shares or Sub-Fund to which it relates is entitled to one vote at all general meetings of Shareholders. The Shares are issued without par value and must be fully paid for. The Shares in relation to any Sub-Fund, within a given Class of Shares, are freely transferable (provided that the Shares are not transferred to a Prohibited Person). Upon issue, and subject to the Class they belong to, the Shares are entitled to participate equally in the profits and dividends of the Sub-Fund attributable to the relevant Class of Shares in which they have been issued as well as in the liquidation proceeds of such Sub-Fund.

If Bearer Shares are issued for any Class of Shares, Global Share Certificates will be issued as described under "Subscriptions and Redemptions of Shares (Primary Market)". No fractions of Shares will be issued.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

I.b: Listing of the Shares

Application can be made to list the Shares of each Class of Shares of the Sub-Funds on (i) the Luxembourg Stock Exchange and/or (ii) the Frankfurt Stock Exchange and/or (iii) any other stock exchange. If the Board of Directors decides to create additional Sub-Funds or Classes it may in its discretion apply for the Shares of such Sub-Funds to be listed on the stock exchanges mentioned above. For so long as the Shares of any Sub-Fund are listed on any stock exchange, the Sub-Fund shall comply with the requirements of the relevant stock exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares outside Luxembourg this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

I.c: Dividend policy

Income and capital gains arising in each Sub-Fund in relation to Shares of "C" Classes will be reinvested in such Sub-Fund. The value of the Shares of each such Class will reflect the capitalisation of income and gains. The Board of Directors currently intends to propose to the annual general meeting of the Company the reinvestment of the net results of the year for all such Classes of Shares of Sub-Fund. However, should payment of a dividend in respect of any such Classes of Shares be considered to be appropriate the Board of Directors will propose to the general meeting of Shareholders that a dividend be declared out of any income attributable to such Class of Shares and available for distribution and/or realised investments.

For "D" Classes, the Company intends to declare dividends. Such dividends, if any, will be declared on the dates, which will be determined in the relevant Product Annex. In such a case, Shareholders will be informed in accordance with the procedure set out in section "Publication of the Net Asset Value" of the chapter "Administration of the Company" in the main part of the Prospectus. Dividends which should have been declared on a day which is not a Luxembourg Banking Day, will be accrued and declared on the next succeeding Luxembourg Banking Day. Dividends will generally be paid within 10 Luxembourg Banking Days of the date of declaration.

In the event that a dividend is paid by one or several Sub-Funds, such dividend will be paid to the registered Shareholders by bank transfer. All dividends will be calculated and paid in accordance with the requirements of the Relevant Stock Exchange.

Distributions of dividends and other payments with respect to Shares held through settlement systems will be credited, to the extent received by the Depositary as depositary, to the cash accounts of such settlements systems' participants in accordance with the relevant system's rules and procedures. Any information to the investors will likewise be transmitted via the settlement systems.

II. The Company

II.a: Incorporation of the Company

The Company is an investment company that has been incorporated under the laws of the Grand Duchy of Luxembourg as a SICAV under the name "db x-trackers II" on 7 February 2007 for an unlimited period. It changed its name to Xtrackers II on 16 February 2018. The minimum capital required by Luxembourg law is Euro 1,250,000.

The Articles of Incorporation have been deposited with the Luxembourg Trade and Companies' Register ("*Registre de Commerce et des Sociétés de Luxembourg*") and were published in the Mémorial of the Grand Duchy of Luxembourg (the "*Mémorial*") on 1 March 2007. The Articles of Incorporation were last amended by extraordinary shareholders' meeting on 14 February 2018 and the minutes of such meeting were published in the RESA on 26 February 2018. The Company is registered with the Luxembourg Trade and Companies' Register under number B-124 284.

II.b: Merger of Sub-Funds or Classes of Shares

Although it is not the intention of the Company to merge any of the Sub-Funds or Classes of Shares, any merger of a Sub-Fund with another Sub-Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the merger decision to a meeting of Shareholders of the Sub-Fund(s) concerned. In the latter case, no quorum is required for such meeting and the decision for

such merger shall be taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Company ceases to exist, such merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders resolving in accordance with the quorum and majority requirements for the amendment of the Articles of Incorporation. Such decision will be notified to the relevant shareholders in accordance with the Regulations.

II.c: Dissolution and Liquidation of the Company

The Company has been established for an unlimited period of time. However, the Company may be dissolved and liquidated at any time by a resolution of an extraordinary general meeting of Shareholders. Such a meeting must be convened if the Net Asset Value of the Company becomes less than two thirds of the minimum required by the Law.

In the event of dissolution, the liquidator(s) appointed by the Shareholders of the Company will realise the assets of the Company in the best interests of the Shareholders, and the Administrative Agent, upon instruction given by the liquidator(s), will distribute the net proceeds of liquidation (after deducting all liquidation expenses) among the Shareholders of each Class of Shares in proportion to their respective rights. As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to Shares not surrendered for repayment will be kept in safe custody at the "Caisse de Consignation". If not claimed, they shall be forfeited after 30 years. If an event requiring liquidation arises, issue, redemption, exchange or conversion of the Shares are void.

II.d: Termination of Sub-Funds

The Board of Directors may redeem all (but not some) of the outstanding Shares of a Sub-Fund or Class of Shares in the following circumstances:

- a) if, for any reason, the value of the total net assets of any individual Sub-Fund or Class falls below, at any time, the Minimum Net Asset Value;
- b) if a redemption request is received that would cause any Sub-Fund's or Classes assets to fall under the Minimum Net Asset Value;
- c) if a change in the economic, regulatory or political situation relating to the Sub-Fund or Class concerned would justify such liquidation;
- d) if the Board of Directors deems it appropriate to rationalize the Sub-Funds or Classes offered to Investors; and
- e) if for other reasons the Board of Directors believes it is required for the interests of the Shareholders, which may include – but is not limited to – any of the following:
 - in the case of a material decrease of the Net Asset Value of the relevant Sub-Fund or Class to the extent that there is no reasonable recovery forecast;
 - in the case of (i) a change of tax, law or regulatory provisions or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), that has an impact on the performance or the attractiveness for investment of the relevant Sub-Fund or Class;
 - if Deutsche Bank AG, any of its affiliates, the Company, the Management Company or any Shareholder is exposed, for any reason, to a reputational risk in respect of the continuation of a Sub-Fund or Class, such as, but not limited to, a reputational risk in respect of using a particular service provider associated with such Sub-Fund or Class, to the extent that there is no reasonable satisfactory alternate to such service provider;
 - if an entity providing such services in relation to a Sub-Fund or Class or its Reference Index:
 - (i) fails to perform its duties in a satisfactory manner;
 - (ii) is subject to criminal or regulatory sanctions or is subject to a criminal or regulatory investigation which could lead to criminal or regulatory sanctions;
 - (iii) loses any licence of authorisation necessary to perform its services in relation to such Sub-Fund or Class or Reference Index; or
 - (iv) notifies the termination of the relevant agreement;to the extent that there is no reasonably satisfactory alternate to such service provider;
 - the counterparty of swap agreements or options or other derivative instruments used in order to meet the Investment Objective and Policy of a Sub-Fund or Class is unable to, or it is impractical for such counterparty, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset which such counterparty reasonably deems necessary or appropriate to hedge the risk relating to the relevant derivative instrument and there is no reasonably satisfactory alternate to such counterparty;
 - if the counterparty of swap agreements or options or other derivative instruments used in order to meet the Investment Objective and Policy of the Sub-Fund or Class notifies the termination of the relevant agreement or in the occurrence of an early termination event (as defined in the relevant Product Annex) in relation to such derivative instrument and there is no reasonably satisfactory alternate to such derivative instrument; or
 - in any circumstances listed under paragraph "Change of Reference Index" of Chapter "Investment Objectives and Policies".

A notice regarding the liquidation, to the extent required by Luxembourg laws and regulations or otherwise deemed appropriate by the Board of Directors, will be published in the newspaper(s) determined by the Board of Directors, and/or sent to the Shareholders and/or communicated via other means prior to the effective date of the liquidation.

Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request redemption or, if available, conversion of their Shares. However, the liquidation costs will be taken into account in the redemption and conversion price. If a Sub-Fund qualifies as Feeder UCITS of a Master UCITS, the liquidation or merger of such Master UCITS will trigger the liquidation of the Feeder UCITS, unless the Board of Directors decides, in accordance with the Law, to replace the Master UCITS with another Master UCITS or to convert the Feeder UCITS into a standard UCITS Sub-Fund.

In determining the procedure to be followed, the Company will take into due consideration the termination/delisting requirements provided for by any applicable stock exchange rules and/or regulations.

In addition, the general meeting of Shareholders of a Sub-Fund or of a (sub)-Class of Shares issued in any Sub-Fund may, upon proposal from the Board of Directors, resolve to close a Sub-Fund or a Class of Shares by way of liquidation or to redeem all the Shares relating to the relevant Sub-Fund or Class of Shares issued in a Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented. For Sub-Funds for which no Maturity Date has been designated, the Board of Directors may in accordance with the provisions of the Articles of Incorporation in its discretion decide to close such a Sub-Fund and redeem all the Shares relating to such Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. The Shareholders of the relevant Sub-Fund will be notified in the same manner as described above.

All redeemed Shares shall be cancelled and will become null and void. Upon compulsory redemptions, the relevant Sub-Fund or Class of Shares will be closed.

Liquidation or redemption proceeds which may not be distributed to the relevant Shareholders upon termination will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. If not claimed, they shall be forfeited after 30 years in accordance with Luxembourg law.

II.e: General Meetings

The annual general meeting of Shareholders of the Company is held at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice, at a date and time decided by the Board of Directors being no later than six months after the end of the Company's previous financial year.

Shareholders of any Class of Shares or Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or to such Class of Shares.

Notices of general meetings will be sent by mail to all registered Shareholders at their registered address at least 8 calendar days prior to the meeting.

The convening notice may be sent to Shareholders by any other means of communication having been individually accepted by such Shareholder such as the email, the fax, the ordinary letter, the courier services or any other means satisfying the conditions provided for by the law. Any Shareholder having accepted email as an alternative means of convening shall provide his email address to the Company no later than fifteen (15) days before the date of the general meeting of Shareholders.

The notice will indicate the time and place of the meeting, the conditions of admission thereto, will contain the agenda and refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting. To the extent required by law, further notices will be published in the *Recueil Electronique des Sociétés et Associations* (Luxembourg) (the "**RESA**"), in a Luxembourg newspaper and/or such other newspapers as the Board of Directors may determine.

The notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attached to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

II.f: Annual, Semi-Annual and Quarterly Reports

Audited Annual Reports, containing the audited consolidated financial reports of the Company and the Sub-Funds expressed in Euro in respect of the preceding financial period, will be made available at the registered office of the Company, of the Registrar and Transfer Agent and of the Distributors. In addition, Semi-annual Reports will also be made available at such registered office within two months after 30 June. The Company's financial year ends on 31 December. In addition Quarterly Reports will be made available if so provided in the relevant Product Annex.

The Company may make available to Shareholders and potential investors an abridged version of the financial reports referred to above, which shall not contain the detailed list of shareholdings held by each of the Sub-Funds. Such abridged annual reports and abridged semi-annual reports will contain the offer to provide to those persons upon request and free of charge a copy of the complete version of such documents.

II.g: Documents Available for Inspection

Copies of the following documents may be inspected free of charge during usual business hours on any Luxembourg Banking Day at the registered office of the Company, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg:

- (i) the Articles of Incorporation;
- (ii) the Management Company Agreement;
- (iii) the Investment Management Agreement(s);
- (iv) the Sub-Portfolio Management Agreement(s);
- (v) the Depositary Agreement;
- (vi) Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement; and
- (vii) the financial reports of the Company.

The Articles of Incorporation may be delivered to investors at their request.

II.h: Information available on the website

The following information may be inspected on the website of the Company, www.Xtrackers.com:

- (i) the Intra-Day Net Asset Value (the "iNAV"); and
- (ii) portfolio information.

III. Personal Data

The Company may hold, store and process personal data in relation to investors, which may or may not be recorded in the register of Shareholders, and as such the Company may act as data controller.

Personal data will be processed to process, manage and administer investors' holding(s) and any related accounts, on an ongoing basis. This includes the assessment of investors' application, the management of investors' investment, maintaining the register of Shareholders, and the provision of associated services to investors (such as account statements or other communications relevant to investors' application or investment), directly or through the use of service providers.

Personal data is processed for the purposes above to the extent necessary to perform the Company's contractual obligations to investors.

The Company is subject to various Luxembourg and international legal and regulatory obligations or statutory requirements (e.g. Luxembourg company law, the Law, laws and regulations relating to anti-money laundering, tax laws) as well as supervisory requirements (e.g. of the Luxembourg *Commission de Surveillance du Secteur Financier*). The Company will process investors' personal data to the extent necessary to comply with its legal and regulatory obligations, including identity verification, prevention of fraud and money laundering, prevention and detection of crime and compliance with monitoring and reporting duties required by tax law such as reporting to the tax authorities under Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) or any other tax identification legislation to prevent tax evasion and fraud as applicable.

The Company may be obliged to collect and report any relevant information in relation to investors and their investments (including but not limited to name and address, date of birth and U.S. tax identification number (TIN), account number, balance on account) to the Luxembourg tax authorities (*Administration des contributions directes*) which will exchange this information (including personal data, financial and tax data) on an automatic basis with the competent authorities in the United States or other permitted jurisdictions (including the U.S. Internal Revenue Service (IRS) or other US competent authority and foreign tax authorities located outside the European Economic Area) only for the purposes provided for in FATCA and CRS at OECD and European levels or equivalent Luxembourg legislation.

It is mandatory that investors answer questions and requests with respect to their identification and investment and, as applicable, FATCA and/or CRS. The Company reserves the right to reject any application for investment if investors do not provide the requested information and/or documentation and/or if investors do not comply with the applicable requirements. Investors acknowledge that failure to provide relevant information may result in incorrect or double reporting, prevent them from acquiring or maintaining their investment and may be reported by us to the relevant Luxembourg authorities.

The Company may also process investors' personal data in furtherance of our legitimate business interests, which include:

- Assertion of legal entitlements and defence in the event of legal disputes;
- Ensuring IT security and IT operations of the Company;
- Prevention of criminal acts;
- Measures for business control and the further development of products;
- Risk management.

The Company has published a notice regarding the collection, recording, adaptation, transfer and other processing and use of personal data by and on behalf of the Company acting as controller (the "**Privacy Notice**"), in accordance with the Luxembourg Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data (as amended), the European Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or GDPR) and any other EU or national legislation which implements or supplements the foregoing.

Such Privacy Notice sets out the types of personal data that may be processed, to whom such personal data may relate and how it may be sourced, and the relevant parties who may process or receive such personal data and for what purposes, and otherwise explains certain policies and practices that have been put in place to ensure the privacy of such personal data.

The Privacy Notice further describes the rights of investors to request (i) the access to their personal data, (ii) the rectification and (iii) the erasure of their personal data, (iv) the restriction to the processing of their personal data, and (v) the transfer of their personal data to third parties, as well as the right of investors to lodge a complaint in terms of data protection related issues with the relevant supervisory authority, the right to withdraw their consent on the processing of personal data and the right to object the processing of their personal data.

Details of the up-to-date Privacy Notice are available under "Risks and Terms" or "Additional Information" on the website www.Xtrackers.com.

IV. Anti-money laundering and prevention of terrorist financing

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556 and 15/609 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacement, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment such as the Company for money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any AML&KYC document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to CRS Law.

In case of delay or failure by an applicant to provide the documents required, the application for subscription will not be accepted and in case of redemption, payment of redemption proceeds delayed. Neither the Company, the Management Company, nor the Registrar and Transfer Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under relevant laws and regulations.

The list of identification documents to be provided by each applicant to the Registrar and Transfer Agent will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application will not be accepted.

Before redemption proceeds are released, the Registrar and Transfer Agent will require original documents or certified copies of original documents to comply with the Luxembourg regulations.

MANAGEMENT AND ADMINISTRATION OF THE COMPANY

The Board of Directors

According to the Articles of Incorporation, the Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of Shareholders fall within the competence of the Board of Directors.

The Board of Directors of the Company hereinafter is responsible for the overall investment policy, objective, management and control of the Company and for its administration. The Board of Directors will in particular be responsible for the day-to-day discretionary management of the various Sub-Funds unless otherwise indicated in the relevant Product Annex. There are no existing or proposed service contracts between any of the Directors and the Company. None of the Directors has received any remuneration or other direct or indirect benefit material to him.

Manooj Mistry (British): Mr Mistry is Head of Passive Asset Management for the EMEA region for DWS (formerly the Asset Management division of Deutsche Bank). He joined Deutsche Bank in May 2006 and was part of the team that launched the Xtrackers ETF business in 2007. Prior to joining Deutsche Bank, Mr Mistry was with Merrill Lynch International in London where he was responsible for the development of the LDRS ETFs, the first ETFs to be launched in Europe in 2000. At Merrill Lynch, Mr Mistry was also responsible for the development of a number of fund platforms offering solutions for retail and institutional investors. Mr Mistry graduated in Economics and Business Finance from Brunel University.

Philippe Ah-Sun (British): Mr Ah-Sun is Chief Operating Officer of Exchange Traded Funds (ETF) and Systematic UCITS within the DWS Passive Asset Management division. Mr Ah-Sun has a degree in English literature from the University of East Anglia, and is a chartered accountant. Prior to joining Deutsche Bank, Mr Ah-Sun was part of a Graduate Program in finance with Dell Computer Corporation. In 2008 he took up a position in Product Control within Deutsche Bank's Corporate and Investment Bank, focusing on Delta One and ETF products. His scope broadened across a series of equity desks, culminating in a role as Finance Director for European Equity Trading. In 2013, Mr Ah-Sun joined the Passive Asset Management team.

Alex McKenna (British): Mr McKenna joined Deutsche Bank in 2005 and is currently a Director and Head of Product Platform Engineering within DWS. Mr McKenna has a degree in History from Cambridge University and was called to the Bar of England & Wales in 1995. Prior to joining Deutsche Bank he was Vice President & lawyer in JP Morgan, a lawyer in the capital markets practice of Simmons & Simmons and a barrister in private practice.

Petra Hansen (German): Ms Hansen joined DWS in 1990 where she held several management functions mostly in Governance and Operations. As of 2010 she was appointed Conducting Officer for DB Advisors SICAV for Business Management, Operations, Risk Management and Compliance. She joined the board of directors of DB Advisors SICAV as chairwoman in April 2017. She is also chairwoman for several other Luxembourg based SICAVs of DWS and is a member of the ALFI Forum Governance - Conducting Officers and ManCo.

Freddy Brausch (Luxembourgish): Mr Brausch is a member of the Luxembourg Bar. He is a partner of Linklaters LLP. Mr Brausch specialises in banking and securities laws, with a focus on investment funds. Mr Brausch is a member of the High Committee for the Development of the Financial Centre led by Luxembourg Ministry of Finance. He is also a member of the CSSF's consultative committee on Investment Fund Management. He is a member of the Board of Directors of the Luxembourg Investment Funds Association (ALFI), a member of the Executive Committee and Vice Chairman in charge of national affairs.

The Management Company

The Management Company has been appointed to act as the management company of the Company and is responsible for providing the investment management services, administration services and distribution and marketing services to the various Sub-Funds (unless otherwise indicated in the relevant Product Annex).

The Management Company has been established under the laws of the Grand Duchy of Luxembourg in the form of a "Société Anonyme" on 15 April 1987. The Management Company is registered with the Luxembourg Trade and Companies' Register under number B 25.754. The Management Company is authorised as a UCITS management company under Chapter 15 of the Law and as alternative investment fund manager under Chapter 2 of the AIFM Law.

The articles of incorporation of the Management Company have been lodged with the Luxembourg Trade and Companies' Register and have been published in the Mémorial on 4 May 1987. The articles of incorporation have been last amended by notarial deed on 14 February 2018 with effect from 16 February 2018. The revised articles of incorporation have been deposited with the Luxembourg Trade and Companies Register on or around February 2018.

The Management Company provides investment management services to other investment funds. Further information may be obtained upon request at the registered office of the Company.

The Management Company is part of the DWS Group.

The Management Company Agreement contains provisions indemnifying the Management Company against any liability other than due to its bad faith, fraud, negligence or wilful default.

With the approval of the Company, the Management Company may delegate, under its own supervision and responsibility and at its own expense, any or all of its advisory duties to advisers previously approved by the Company and by the regulatory authorities.

The Management Company Agreement entered into between the Company and the Management Company is for an undetermined duration and may be terminated at any time by either party upon 90 days' prior notice or unilaterally with immediate effect by the Company, in the case of negligence, wilful default, fraud or bad faith on the part of the Management Company or if the interests of Shareholders so require.

In accordance with and subject to the terms of the Management Company Agreement and under its own supervision, responsibility and expense, the Management Company is authorised to delegate its advisory duties and functions. Any such delegation is subject to the prior approval of the Company and, to the extent required by applicable law, any regulatory authorities.

The following functions have been delegated by the Management Company:

- Investment management services including compliance with the investment restrictions and certain risk management services of the Sub-Funds to the Investment Manager specified in the relevant Product Annex;
- Provision of certain services as agreed from time to time, including but not limited to legal, regulatory and tax advice, relationship management, marketing, assistance in relation to structuring and restructuring and assistance in relation to the registrations of the Company to DWS Investments UK Limited;
- Position reporting services to Deutsche Bank AG, acting through its London branch;
- Administration, registrar and transfer agency services, accounting and valuations of the Sub-Funds to State Street Bank Luxembourg S.C.A.;
- Payment of certain administrative expenses of the Sub-Funds to DWS Investments UK Limited in consideration for a fixed fee;
- Data processing, including the recording of each portfolio transaction or subscription or redemption order to State Street Bank Luxembourg S.C.A.;
- Securities lending agency services, either directly or via the relevant Investment Manager and/or Sub-Portfolio Manager, (including checking the eligibility and allocation of collateral) to:
 - Deutsche Bank AG, acting through its Frankfurt am Main head office;
 - Deutsche Bank AG, acting through its New York branch;
 - Deutsche Bank AG, acting through its London branch.
- Checking of the total value and administration of posted collateral for OTC Swap Transactions for certain Sub-Funds to State Street Bank International GmbH, Zweigniederlassung Frankfurt.

The Management Company is included in the compensation strategy of the Deutsche Bank Group. All matters related to compensation as well as compliance with the regulatory requirements are monitored by the relevant committees of the Deutsche Bank Group. The Deutsche Bank Group employs a total compensation philosophy, which comprises fixed pay and variable compensation as well as deferred compensation components, which are linked to both individual future performance and the sustainable development of the Deutsche Bank Group. To determine the amount of the deferred compensation and the instruments linked to long-term performance (such as equities or fund units), the Deutsche Bank Group has defined a compensation system that avoids significant dependency on the variable compensation component. The compensation system is laid down in a policy, which, inter alia, fulfils the following requirements:

- a) The compensation policy is consistent with and promotes sound and effective risk management and does not encourage excessive risk taking;
- b) The compensation policy is in line with the business strategy, objectives, values and interests of the Deutsche Bank Group (including the Management Company and the UCITS that it manages and of the investors in such UCITS), and includes measures to avoid conflicts of interest;
- c) The assessment of performance is set in context of a multi-year framework; and
- d) Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Further details on the current compensation policy are published on the Internet at <https://annualreport.deutsche-bank.com/2017/ar/management-report/compensation-report.html> and in the linked Deutsche Bank AG Compensation Report. This includes a description of the calculation methods for remuneration and bonuses to specific employee groups, as well as the specification of the persons responsible for the allocation including members of the remuneration committee. The Management Company shall provide this information free of charge in paper form upon request.

The Investment Managers and Sub-Portfolio Managers

The Investment Managers have been appointed to act as the investment manager of the Company by the Management Company pursuant to the Investment Management Agreements, which may be amended by mutual consent of the relevant parties from time to time. In investing the assets of the Sub-Funds for which they have been appointed as Investment Manager, each Investment Manager is obligated to comply at all times with (i) the Investment Policy, (ii) the Investment Restrictions and (iii) the terms of the relevant Investment Management Agreement.

An Investment Manager may, with the approval of the Management Company and the regulatory authorities but under its own supervision and responsibility, appoint a Sub-Portfolio Manager to provide certain portfolio management and risk management services with respect to a Sub-Fund. Any of the entities mentioned under this section or any other entity may be

appointed as a Sub-Portfolio Manager with respect to one or more Sub-Funds.

The Investment Managers and Sub-Portfolio Managers, details of which are set out below, have been appointed in respect of one or more Sub-Funds as specified below:

(i) Direct Replication Funds

Unless otherwise provided in the relevant Product Annex, the Management Company sub-delegates the day-to-day investment management with respect to Direct Replication Funds to DWS Investment GmbH.

The Investment Management Agreement entered into between the Management Company and DWS Investment GmbH is for an undetermined duration and may notably be terminated at any time by either party upon 90 days' prior notice or unilaterally with immediate effect by the Management Company at any time where the interests of Shareholders so require.

DWS Investment GmbH, was established in the Federal Republic of Germany as a private limited liability company (*Gesellschaft mit beschränkter Haftung*), having its registered office at Mainzer Landstraße 11-17, D-60329 Frankfurt am Main, Germany and is authorized and regulated by the Federal Financial Supervisory Authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*).

DWS Investment GmbH may, from time to time, and in accordance with an agreed process, delegate all or part of its investment management responsibilities with respect to one or more Direct Replication Funds to DWS Investments UK Limited.

(ii) Indirect Replication Funds

Unless otherwise provided in the relevant Product Annex, the Management Company sub-delegates the day-to-day investment management with respect to Indirect Replication Funds to DWS Investments UK Limited.

The Investment Management Agreement entered into between the Management Company and DWS Investments UK Limited is for an undetermined duration and may notably be terminated at any time by either party upon 90 days' prior notice or unilaterally with immediate effect by the Management Company at any time where the interests of Shareholders so require.

DWS Investments UK Limited is a limited liability company incorporated under the laws of England and Wales on 16 September 2004 and having its registered office at Winchester House, 1 Great Winchester Street, London, EC2N 2DB. It is authorised and regulated by the Financial Conduct Authority.

(iii) Harvest Sub-Funds

The Management Company has sub-delegated the day-to-day investment management of certain Sub-Funds to Harvest Global Investments Limited as and if specifically provided in the relevant Product Annex.

Harvest Global Investments Limited was established in Hong Kong and holds licences from the SFC in Hong Kong to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

The Investment Management Agreement entered into between the Management Company and Harvest Global Investments Limited is for an undetermined duration. The appointment of the Investment Manager may be terminated in accordance with the terms of the Investment Management Agreement.

The Investment Management Agreement may be terminated by either party, without cause (except within the first six years from the Investment Management Agreement becoming effective) upon three (3) months' prior notice. It may also be terminated unilaterally by the Management Company with immediate effect *inter alia* if (i) the Investment Manager is in breach of any of its obligations and, if the breach is capable of remedy, it has continued un-remedied for a period of 20 days after notification given to the Investment Manager, (ii) if the Investment Manager breaches the eligibility requirements applicable to investments and does not immediately rectify the breach, and (iii) if the Management Company determines such termination would be in the best interests of the Shareholders of the Sub-Fund concerned.

Investors should be aware that upon the Investment Manager ceasing actively to manage a Sub-Fund, such Sub-Fund will remain exposed to the performance of the investment portfolio of the Sub-Fund but, will not have the benefit of the management expertise of the Investment Manager and no further trades requests may be made in respect of the relevant Sub-Fund's portfolio and the Board of Directors may decide in their sole and absolute discretion to terminate the Sub-Fund concerned.

The Investment Manager shall indemnify the Management Company and the relevant Sub-Fund in respect of which it has been appointed as Investment Manager against all direct loss, including any loss resulting from a breach of the Investment Restrictions and/or costs incurred by the Management Company and the Sub-Fund concerned in correcting such breach, as well as against any damage suffered by the Management Company or the Sub-Fund concerned arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the Investment Management Agreement, provided that the Investment Manager (or any of its directors, employees or agents) shall not in the absence of negligence, bad faith, or wilful default or fraud be responsible for any

loss or damage which the Management Company or the relevant Sub-Fund may sustain or suffer as a result of, or in the course of the discharge of its duties under the Investment Management Agreement.

The Management Company shall indemnify the Investment Manager against all direct loss and damage suffered by the Investment Manager in respect of the Investment Manager's performance of its duties, except to the extent that the loss or damage arises, wholly or partially, due to the negligence, bad faith, wilful default or fraud on the part of the Investment Manager or its directors, employees or agents.

Neither the Investment Manager nor the Management Company is liable for any consequential, incidental, indirect or similar loss or damage.

Best Execution Agent

DWS Investments UK Limited has appointed DWS International GmbH to provide best execution services in respect to Indirect Replication Funds.

Other Agents

Any Investment Manager and/or Sub-Portfolio Manager may at its own costs and expenses obtain administrative and operational support services from agents (including DB Affiliates) with respect to the Sub-Funds for which it has been appointed as Investment Manager or Sub-Portfolio Manager.

DWS Investments UK Limited has appointed Apex Fund Services (Ireland) Limited ("**Apex**") to provide certain operational support services in respect to Indirect Replication Funds for which DWS Investments UK Limited has been appointed as Investment Manager. For the avoidance of any doubt, Apex will not carry out any portfolio management functions. Apex is incorporated under the laws of Ireland and is authorised and regulated by the Central Bank of Ireland. The principal activity of Apex is to manage and/or administer collective investment schemes and special purpose vehicles.

The Swap Counterparties

Each Swap Counterparty must be an approved counterparty in relation to OTC derivatives for a UCITS and be subject to prudential supervision rules and specialised in this type of transactions. The Company and the Management Company will seek to appoint First Class Institutions as Swap Counterparties that have been subject to an approval process, approved in relation to OTC derivatives for a UCITS, subject to prudential supervision rules and specialised in this type of transaction. Swap Counterparties are regulated financial institutions headquartered in OECD Member States which have, either directly or at parent-level, an investment grade credit rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation. The Management Company must be satisfied that the Swap Counterparty does not carry undue credit risk, will value the transactions with reasonable accuracy and on a reliable basis and will close out the transactions at any time at the request of the Management Company, the relevant Investment Manager and/or Sub-Portfolio Manager at fair value.

Indirect Replication Funds may enter into OTC Swap Transactions with one or more Swap Counterparties. The Swap Counterparties to each Indirect Replication Fund may vary from time to time. Information in relation to the Swap Counterparties may be obtained by investors at the registered office of the Company, which is located at, 49, avenue J.F. Kennedy, L-1855 Luxembourg and will be disclosed in the Annual and Semi-annual Reports of the Company. The list of the Swap Counterparties is available on the website www.Xtrackers.com.

The Depositary

The Depositary has been appointed by the Board of Directors to act as the depositary bank for (i) the safekeeping of the Company's assets (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement, which may be amended by mutual consent of the parties. The Depositary has been appointed for an undetermined duration.

The Depositary is State Street Bank Luxembourg S.C.A., a *société en commandite par actions* under the laws of Luxembourg, incorporated in Luxembourg as a *société anonyme* on 19 January 1990 for an unlimited duration. The registered office of the Depositary is located at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial sector, as amended.

Depositary's functions

The Depositary is entrusted with the safekeeping of the Company's assets including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through other credit institutions or financial intermediaries acting as its correspondents, sub-custodians, nominees, agents or delegates. The Depositary also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary on behalf of the Company.

The Depositary has also been entrusted with following functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the Law and the Articles of Incorporation;
- ensuring that the value of the Shares is calculated in accordance with the Law and Articles of Incorporation;
- carrying out the instructions of the Company unless they conflict with the Law and the Articles of Incorporation;
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits; and
- ensuring that the income of the Company is applied in accordance with the Law and Articles of Incorporation.

The Depositary regularly provides the Company and its Management Company with a complete inventory of all assets of the Company.

Depositary's liability

In carrying out its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

In the event of a loss of financial instruments held in custody, determined in accordance with the Law and related regulations, and in particular Article 18 of the Commission Delegated Regulation (EU) 2016/438, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Law.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company or the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company and to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 34 (3) / 18 (4) of the Law to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safekeeping functions which have been delegated and the up-to-date list of the relevant delegates and sub-delegates of the Depositary is available to investors upon request at the registered office of the Company and on the website <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to the Company the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which may derive from holding such cash as banker and not as trustee.

An Investment Manager or the Management Company may also be a client or counterparty of the Depositary or its affiliates.

Miscellaneous

Under the Depositary Agreement, the Depositary or the Company may at any time, subject to advance notice of at least ninety days' from one party to the other, terminate the Depositary's duties, it being understood that the Company is under a duty to appoint a new depositary who shall assume the functions and responsibilities defined by the Law. In case of termination by the Depositary, the Company is required to use its best endeavours to appoint a new depositary which will assume the responsibilities and functions of the Depositary as set forth herein.

The Depositary may not be removed by the Company unless a new depositary is appointed within two months and the duties of the Depositary shall continue after its removal for such period as may be necessary to allow the transfer of all assets of the Company to the succeeding depositary.

Any legal disputes arising among or between the Shareholders, the Company and the Depositary shall be subject to the jurisdiction of the competent court in Luxembourg, provided that the Company may submit itself to the competent courts of such countries where required by regulations for the registration of Shares for offer and sale to the public with respect to matters relating to subscription and redemption, or other claims related to their holding by residents in such country or which have evidently been solicited from such country. Claims of Shareholders against the Company or the Depositary shall lapse 5 years after the date of the event giving rise to such claims (except that claims by Shareholders on the proceeds of liquidation to which they are entitled shall lapse only 30 years after these shall have been deposited at the *Caisse de Consignation* in Luxembourg).

Up-to-date information on the Depositary, and a description of its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, as well as the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

The Administrative Agent, Paying Agent, Domiciliary Agent and Listing Agent

The Administrative Agent has been appointed as the Company's administration agent, paying agent, domiciliary agent and listing agent pursuant to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement.

In such capacity the Administrative Agent furnishes certain administrative and clerical services delegated to it, including the calculation of the Net Asset Values. It further assists in the preparation of, and filing with the competent authorities of, financial reports.

The Administrative Agent is authorised to delegate under its full responsibility some or all of its duties hereunder to an agent or agents, to the extent required, upon clearance from the CSSF, in which case the Prospectus shall be updated.

The Administrative Agent is appointed for an undetermined duration. The Administrative Agent or the Company may each terminate the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement on giving ninety days' prior notice.

The Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement contains provisions indemnifying the Administrative Agent against any liability other than due to its negligence, bad faith, fraud or wilful misconduct.

The Administrative Agent is State Street Bank Luxembourg S.C.A., a *société en commandite par actions* under the laws of Luxembourg, incorporated in Luxembourg as a *société anonyme* on 19 January 1990. The registered office of the Administrative Agent is located at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The consolidated and regulatory own funds of the Administrative Agent amounted to Euro 65,000,812.50 as at 31 August 2012.

The Registrar, Transfer Agent and Listing Agent

Pursuant to the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement, the Company has appointed State Street Bank Luxembourg S.C.A. in Luxembourg as its registrar, transfer agent and listing agent to administer the issue, conversion and redemption of Shares, the maintenance of records and other related administrative functions.

The Registrar and Transfer Agent is entrusted moreover by the Company with the duty to:

- deliver to investors, if requested, the certificates representing Shares or written confirmations issued against payment of the corresponding asset value; and
- receive and carry out redemption and conversion requests complying with the Articles of Incorporation and cancel certificates or written confirmations issued in lieu of certificates in respect of Shares redeemed or converted.

UK ANNEX
IMPORTANT INFORMATION FOR SHAREHOLDERS IN THE UNITED KINGDOM
TAX INFORMATION LAST UPDATED MAY 2018

Recognised scheme

The Company is recognised in the United Kingdom (the “UK”) under Section 264 of the Financial Services and Markets Act 2000 (the “Act”). The Company is structured as an open-ended umbrella fund in that Shares representing interests in different Sub-Funds may be issued from time to time by the Directors.

The Sub-Funds available for distribution in the UK are set out in the final section of this country annex.

Representative in the UK

The Management Company acting on behalf of the Company has appointed Deutsche Asset Management (UK) Limited to act as the representative of the Company in the UK (the “UK Representative”). Details of the UK Representative principal place of business are as follows:

Deutsche Asset Management (UK) Limited
The Zig Zag Building
70 Victoria Street
London SW1E 6SQ

The UK Representative is authorised by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS (the “FCA”), and regulated by the FCA for the conduct of UK business.

Communications (including financial promotion) in the UK

This is a financial promotion in relation to the Company, whose Shares are promoted to investors in the UK by the UK Representative or by other distributors appointed by the Management Company.

The language in which Shareholders may communicate with the UK Representative and receive documents and other information from is English.

The nature, frequency and timing of reports to be provided to Shareholders is set out in the Prospectus.

Complaints

Complaints concerning the Company or Management Company may be lodged with the UK Representative for forwarding to the Company or Management Company, or their relevant agents.

Shareholders are advised that the rules made by the FCA under the Act do not in general apply to the Company in relation to its investment business. In particular the rules made under the Act for the protection of retail clients (for example, those conferring rights to cancel or withdraw from certain investment agreements) do not apply, and the Financial Services Compensation Scheme will generally not be available, in connection with an investment in the Company. In addition, the protections available under the Financial Ombudsman Service (such as the right to refer to that service to resolve disputes regarding the Company) will not be available in connection with an investment in the Company.

Dealing Procedures and Notices

Applications to subscribe for, or redeem (and obtain payment in respect of), Shares may be placed in accordance with the Prospectus terms (please see “Issue of Shares and Subscription” and “Redemption of Shares”).

In addition, the Shares will be distributed by the UK Representative and a number of other distributors appointed by the Management Company to investors or may be acquired through brokers or on one or more Relevant Stock Exchanges. The Company does not charge any fees for sales of Shares on the secondary market. In particular, Shares will be listed on one or more Relevant Stock Exchanges and Shareholders may sell their Shares on such Relevant Stock Exchanges at a price not significantly different from net asset value.

Further information on the Relevant Stock Exchanges upon which Shares in a particular Sub-Fund are listed may be found on the following website: www.etf.dws.com.

Where relevant, holders of bearer certificates may obtain free of charge the payment of dividends and details or copies of any notices given to Shareholders from the UK Representative.

Publication of Prices

Details of the most recent prices of Shares may be obtained from the UK Representative in English.

The Net Asset Value per Share may also be available on the following website: www.etf.dws.com. The access to such publication on the website may be restricted and is not to be considered as an invitation to subscribe for, purchase, convert, sell or redeem Shares.

UK Taxation

The comments below relate to Shareholders holding Shares as absolute beneficial owners thereof and as an investment (as opposed to an acquisition or holding by a dealer or other person acting in the course of a trade). The comments are based on the advice received by the Directors regarding current UK tax law in force and the published practice of the UK tax authorities in force and as applied at the date of this Country Annex.

The comments on UK tax consequences are not intended as tax advice but are a general summary relevant only to persons resident, or (in the case of individuals) resident and domiciled, for tax purposes in the UK. Certain categories of Shareholder or types of Shares may be subject to special rules and this summary does not apply to such Shareholders or Shares.

Shareholders are strongly advised to seek independent professional advice concerning possible taxation or other considerations that may be relevant to their particular circumstances.

As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time an investment in a Sub-Fund is made will apply to a particular Shareholder or endure indefinitely. **Tax treatment depends on the individual circumstances of each Shareholder and may be subject to change in the future.**

Taxation of UK Resident Shareholders

Offshore Fund Rules

Shareholders will be treated as investing in an offshore fund for the purposes of the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) as amended (the "**Tax Regulations**"). Consequently, unless the Sub-Fund (or applicable Class of that Sub-Fund) is accepted by HM Revenue & Customs ("**HMRC**") as, and remains, a "reporting fund" under the Tax Regulations, gains realised on the disposal of Shares (including redemption) would normally be taxed as "offshore income gains" (which are treated as income) for UK tax purposes under Part 2 of the Tax Regulations.

Shareholders may wish to note that, under the Tax Regulations, a fund can elect to "report" its income. Where a fund reports the appropriate level of income, investors will be taxed as though they had in fact received the "reported income". Accordingly (subject to any available exemptions or reliefs, including in the case of an individual any available foreign tax credit or in the case of certain companies, an exemption from UK tax where certain conditions are met), such investors will be subject to income tax or corporation tax as applicable on: (i) the amount of any actual distributions received by them plus (ii) any excess of the reported income of the fund in respect of a reporting period over distributions made by the fund attributable to that investor. Under the Tax Regulations, any such excess is treated as if it were (additional) distributions made to investors in the fund in proportion to their rights. Any gains realised on an eventual disposal of an investment in what has been a reporting fund throughout the investor's holding period should not be taxed as "offshore income gains" and therefore gains realised on the disposal of that investment (including redemption) should be subject to capital gains tax or to corporation tax on chargeable gains as applicable. Under the Tax Regulations, the "offshore income gains" treatment will generally apply to persons investing in non-reporting funds.

Applications have been made for certain Classes of Shares in certain Sub-Funds to be recognised as reporting funds. Details of the Classes of Shares that have reporting fund status may be found on the HMRC website at <http://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Dividends and Other Income Distributions

Shareholders will, depending on their particular circumstances and any available reliefs or exemptions (including, in the case of an individual, any available foreign tax credit), be liable to UK income tax or corporation tax in respect of dividends or other

income distributions of the Company (as well as in respect of any reported amount in excess of distributions paid). Corporate Shareholders may wish to note that distributions paid to certain UK companies are exempt from UK tax, where certain conditions are met.

An individual shareholder who is resident and domiciled for tax purposes in the UK and who receives a cash dividend from the Company will, for the tax year 6 April 2018 to 5 April 2019, pay no tax on the first £2,000 of dividend income received in that tax year (the “**Dividend Allowance**”). For these purposes “dividend income” includes UK and non-UK source dividends and certain other distributions in respect of shares. The current rates of tax on dividend income above the Dividend Allowance are 7.5 per cent. on dividend income received by individuals within the basic rate tax band, 32.5 per cent. on dividend income received by individuals within the higher rate tax band, and 38.1 per cent. on dividend income received by individuals within the additional rate tax band for the tax year 6 April 2018 to 5 April 2019. Dividend income that is within the Dividend Allowance counts towards determining an individual's basic, higher or additional rate limits, and will therefore affect the level of savings allowance to which they are entitled and the rate of tax which is due on dividend income in excess of the dividend allowance. In calculating which tax band any dividend income over the Dividend Allowance is to be attributed, dividend income is treated as the top slice of an individual shareholder's income.

Interest treatment rules (individuals) and the Loan Relationship rules (corporates)

The attention of individual Shareholders is drawn to section 378A Income Tax (Trading and Other Income) Act 2005, which provides that where the market value of relevant underlying interest bearing securities and other qualifying investments is at any time more than 60 per cent. of the market value of the relevant investments of the company, distributions (if any) paid to individual investors (and any reported amount in excess of such distribution) may, in certain circumstances, be treated as interest for tax purposes. Individuals are generally taxed at a higher rate on interest than on dividend income. Individuals domiciled and resident in the UK are generally taxed either at the basic rate (currently 20 per cent.) or (if total income in a tax year exceeds the higher rate threshold) the higher rate (currently 40 per cent.). Interest income for individuals with taxable income for a tax year in excess of £150,000 is charged at 45 per cent.

The attention of corporate Shareholders is drawn to Chapter 3 of Part 6 of the Corporation Tax Act 2009, whereby relevant interests of companies in offshore funds may be deemed to constitute a loan relationship with the consequence that profits and losses on such relevant interests are chargeable to corporation tax (or relievable) in accordance with fair value accounting. The relevant provisions apply where the market value of relevant underlying interest bearing securities and other qualifying investments is at any time in any relevant period more than 60 per cent. of the market value of the relevant investments of the Company.

Prevention of avoidance of income tax

Individual Shareholders resident in the UK should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 (“ITA 2007”). These provisions are directed at the prevention of avoidance of income tax through transactions involving the transfer of assets or income to persons (including companies) resident or domiciled outside the UK and may render the relevant individual liable to taxation in respect of any undistributed income and profits of the Company on an annual basis.

However, these provisions do not apply if such a Shareholder can satisfy HMRC, in accordance with the relevant provisions, that:

- it would not be reasonable to draw the conclusion, from all the circumstances, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the investment in the Company or other relevant transaction was effected;
- an investment in the Company or other relevant transaction was a "genuine commercial transaction" and it would not be reasonable to draw the conclusion, from all the circumstances, that such investment or other relevant transaction was more than incidentally designed for the purpose of avoiding liability to taxation; or
- it is protected by the treaty freedoms of the European Union and that its investment in the Company or other relevant transaction is a genuine transaction on arm's length terms and, in the case of transactions for the purposes of a business establishment, gives rise to income attributable to economically significant activity that takes place overseas.

An individual Shareholder who is in any doubt as to the potential application of these provisions to his/her own circumstances should seek advice from their own professional tax adviser.

Attribution of gains to persons resident in the UK

The attention of Shareholders resident in the UK is also drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 ("**Section 13**"). Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such proportion does not exceed one-quarter of the gain.

Section 13 will not apply to chargeable gains accruing on the disposal of an asset by the non-UK resident company where that asset was used only for the purposes of "economically significant activities" carried on by that company wholly or mainly outside the UK or where it is shown that neither the disposal of that asset nor the acquisition or holding of that asset by that company formed part of a scheme or arrangements of which the main purpose, or one of the main purposes, was the avoidance of liability to capital gains tax or corporation tax.

Sections 731-751 of the Corporation Tax Act 2010 (CTA 2010) and Sections 682-713 of ITA 2007 (Transactions in Securities)

The attention of Shareholders who are corporation tax payers is drawn to the provisions of sections 731 to 751 of CTA 2010. The attention of Shareholders who are income tax payers is drawn to sections 682 to 713 of ITA 2007. These provisions could potentially apply to counteract UK tax advantages arising to a Shareholder but the provisions will not apply provided the Shareholder can demonstrate that:

1. in the case of a Shareholder who is a corporation tax payer:
 - (i) its investment in the Company was made for bona fide commercial reasons or in the ordinary course of making or managing investments, and
 - (ii) none of the main objects of the investment in the Company was to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010; or
2. in the case of a Shareholder who is an income tax payer, none of the main purposes of the investment in the Company was to obtain an income tax advantage within the meaning of sections 687 of ITA 2007.

Controlled Foreign Companies

The UK controlled foreign companies rules, found in Part 9A of the Taxation (International and Other Provisions) Act 2010, can cause a proportion of certain categories of profits of non-UK resident companies, which are controlled by persons resident in the UK, to be imputed to and taxed upon UK companies which have a "relevant interest" in the non-UK resident company. The categories of profits which may be imputed in this way are referred to as "chargeable profits". A holding of Shares by a UK tax resident company would qualify as a relevant interest in the Company for these purposes. "Relevant interests" held by bare trustees or nominees will be treated as held by the person or persons for whom the bare trustee or nominee holds the interest. Each Sub-Fund in respect of which Shares are issued by the Company will be treated as a separate non-UK resident company under the rules. No imputation of profits of a Sub-Fund in respect of which Shares are issued by the Company to a UK tax resident corporate Shareholder will take place unless the Shareholder (and persons connected with that Shareholder) would have at least 25 per cent. of the relevant Sub-Fund's chargeable profits imputed to it on a "just and reasonable basis".

Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty, stamp duty reserve tax or other similar tax should be payable in the UK on the issue of any bearer shares (based on current HMRC guidance) or on the issue of registered shares.

No UK stamp duty reserve tax should be payable on an agreement to transfer the Shares or depositary interests in the Shares held within CREST.

Individual Shareholders who acquire their investment in Shares through an Individual Savings Account ("ISA")

Subject as follows, the Shares should qualify for inclusion within a stocks and shares ISA provided that the Company remains a recognised UCITS.

UK tax resident Shareholders who acquire their investment in Shares through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to either UK income tax or UK capital gains tax on income and gains realised from their investment and any losses on their investment will be disregarded for the purposes of UK capital gains tax and income tax on offshore gains.

Individual Shareholders who acquire their investment in Class 2C Shares through a Self-Invested Pension Plan (“SIPP”) or a Small Self-Administered Scheme (“SSAS”)

The Shares should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Shareholders. Shareholders should obtain independent advice in relation to the tax treatment of the Shares held within a SIPP or SSAS.

The proposed Financial Transaction Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope. Recital 9 of the draft of the Council Directive implementing the Commission’s Proposal suggests that a redemption of shares may fall within the scope of the FTT whilst the issue of shares may not be chargeable. However, the extent to which the FTT will apply to any issue or redemption of the Shares is not yet clear.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Shares where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Documents Available for Inspection

Further copies of the Prospectus, the Key Investor Information Documents (including any amendments) and the latest available annual and half-yearly reports of the Company can be inspected and obtained upon request during business hours on any business day in the UK at the offices of the UK Representative free of charge.

In addition, copies of the articles of incorporation of the Company (and any amendments) can be inspected (free of charge) and can be obtained at no more than a reasonable cost upon request during business hours on any business day in the UK at the offices of the UK Representative.

Further information about the Company and the relevant dealing procedures may be obtained from the UK Representative.

PRODUCT ANNEX 1: Xtrackers II Eurozone Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € SOVEREIGNS EUROZONE® index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by Eurozone governments.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |

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| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 22 May 2007 for the 1C Share Class and 24 August 2011 for the 1D Share Class. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|---|---|--|
| Classes | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290355717 | LU0643975591 |
| WKN Code | DBX0AC | DBX0KC |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 2,000 Shares | 2,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares | 2,000 Shares |
| Management Company Fee² | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

² The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index³

The Reference Index represents the overall Eurozone currency sovereign debt issued by Eurozone governments. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers all Sovereigns Eurozone maturity buckets.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

³ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 2: Xtrackers II Eurozone Government Bond 1-3 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 1-3 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 1-3 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 1 year and up to 3 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of</p> |

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|--|---|
| | such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 25 May 2007 for the 1C Share Class and 24 August 2011 for the 1D Share Class. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|---|---|--|
| Classes | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290356871 | LU0614173549 |
| WKN Code | DBX0AD | DBX0JH |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 3,000 Shares | 3,000 Shares |
| Minimum Subsequent Subscription Amount | 3,000 Shares | 3,000 Shares |
| Management Company Fee⁴ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁴ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁵

The Reference Index represents the 1-3 years maturity Eurozone currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 1-3 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁵ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 3: Xtrackers II Eurozone Government Bond 3-5 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 3-5 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 3-5 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies and issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 3 years and up to 5 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of</p> |

| | |
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| | such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 25 May 2007 for the 1C Share Class and 24 August 2011 for the 1D Share Class. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|---|---|--|
| Classes | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290356954 | LU0614173895 |
| WKN Code | DBX0AE | DBX0JJ |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 2,500 Shares | 2,500 Shares |
| Minimum Subsequent Subscription Amount | 2,500 Shares | 2,500 Shares |
| Management Company Fee⁶ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁶ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁷

The Reference Index represents the 3-5 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least three years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 3-5 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁷ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 4: Xtrackers II Eurozone Government Bond 5-7 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 5-7 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 5-7 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 5 years and up to 7 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 30 May 2007 |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |

| | |
|--|---|
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |
|--|---|

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357176 |
| WKN Code | DBX0AF |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 2,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares |
| Management Company Fee⁸ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

⁸ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁹

The Reference Index represents the 5-7 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least five years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 5-7 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁹ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 5: Xtrackers II Eurozone Government Bond 7-10 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 7-10 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of Markit iBoxx EUR Eurozone (DE ES FR IT NL) 7-10 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain), that have a remaining time to maturity of at least 7 years and up to 10 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 30 May 2007 |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |

| | |
|--|---|
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357259 |
| WKN Code | DBX0AG |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 2,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares |
| Management Company Fee¹⁰ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

¹⁰ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index¹¹

The Reference Index represents the 7-10 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least seven years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 7-10 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

¹¹ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 6: Xtrackers II Eurozone Government Bond 10-15 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 10-15 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 10-15 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 10 years and up to 15 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 1 June 2007 |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |

| | |
|--|---|
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |
|--|---|

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357333 |
| WKN Code | DBX0AH |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 1,500 Shares |
| Minimum Subsequent Subscription Amount | 1,500 Shares |
| Management Company Fee¹² | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

¹² The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index¹³

The Reference Index represents the 10-15 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least ten years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 10-15 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

¹³ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 7: Xtrackers II Eurozone Government Bond 15-30 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 15-30 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 15-30 Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 15 years and up to 30 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 1 June 2007 |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |

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|--|---|
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357507 |
| WKN Code | DBX0AJ |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 1,500 Shares |
| Minimum Subsequent Subscription Amount | 1,500 Shares |
| Management Company Fee¹⁴ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

¹⁴ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index¹⁵

The Reference Index represents over 15-30 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least fifteen years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the 15-30 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

¹⁵ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 8: Xtrackers II Eurozone Government Bond 25+ UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 25+ UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) 25+ Index (the Reference Index). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by governments of five Eurozone countries (France, Germany, Italy, Netherlands and Spain) that have a remaining time to maturity of at least 25 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 5 June 2007 |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |

| | |
|--|---|
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |
|--|---|

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357846 |
| WKN Code | DBX0AK |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 1,500 Shares |
| Minimum Subsequent Subscription Amount | 1,500 Shares |
| Management Company Fee¹⁶ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

¹⁶ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index¹⁷

The Reference Index represents the over 25 years maturity Eurozone-currency sovereign debt issued by governments of France, Germany, Italy, Netherlands and Spain. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least twenty five years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the over 25 years maturity bucket of the Markit iBoxx EUR Eurozone (DE ES FR IT NL) Index.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

¹⁷ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 9: Xtrackers II Global Inflation-Linked Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Inflation-Linked Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays World Government Inflation-Linked Bond Index (the "Reference Index"). The Reference Index aims to reflect the total return performance of the investment grade, government inflation-linked bonds from certain developed market countries. The Reference Index is denominated in EUR.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, as applicable, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in any Share Class of the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |

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| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | The Offering Period for the 6D-AUD Hedged Share Class will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | Means 8 June 2007 for the 1C-EUR Hedged Share Class, 6 February 2013 for the 2C-USD Hedged Share Class, 25 November 2011 for the 3D-GBP Hedged Share Class, 17 August 2012 for the 4D-CHF Hedged Share Class, 14 August 2013 for the 5C Share Class and 28 October 2013 for the 1D-EUR Hedged Share Class. The Launch Date for the 6D-AUD Hedged Share Class will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Classes | "1C-EUR Hedged" | "1D-EUR Hedged" | "2C-USD Hedged" | "3D-GBP Hedged" | "4D-CHF Hedged" | "5C" | "6D-AUD Hedged" |
|---|---|--|---|--|--|---|--|
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290357929 | LU0962078753 | LU0641007009 | LU0641007264 | LU0641007421 | LU0908508814 | LU1772332778 |
| WKN Code | DBX0AL | DBX0N9 | DBX0L2 | DBX0L3 | DBX0L4 | DBX0NN | DBX0QP |
| Denomination Currency | EUR | EUR | USD | GBP | CHF | EUR | AUD |
| Minimum Initial Subscription Amount | 2,000 Shares | 2,000 Shares | 20,000 Shares | 20,000 Shares | 5,000 Shares | 20,000 Shares | 20,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares | 2,000 Shares | 20,000 Shares | 20,000 Shares | 5,000 Shares | 20,000 Shares | 20,000 Shares |
| Management Company Fee¹⁸ | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.10% p.a. | Up to 0.15% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.20% p.a. | Up to 0.25% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |

¹⁸ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

| Classes | "1C-EUR Hedged" | "1D-EUR Hedged" | "2C-USD Hedged" | "3D-GBP Hedged" | "4D-CHF Hedged" | "5C" | "6D-AUD Hedged" |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------|-----------------|
| Anticipated level of Tracking Error ¹⁹ | Up to 1 % | | | | | | |

¹⁹ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index²⁰

The Reference Index represents the performance of the investment grade, government inflation-linked bonds from developed market countries.

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible bond universe in order to determine those bonds which shall be included in the Reference Index upon each rebalancing.

Eligible Countries:

Eligible bonds must be issued by developed market countries from the following regions: Americas, Europe and Asia-Pacific. Eligible countries must not be defined as an Emerging Market under the Bloomberg Barclays Emerging Markets definition.

Credit rating:

Eligible bonds must be rated investment grade (Baa3/BBB/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used.

Additional selection criteria:

The Index Sponsor may impose certain additional requirements on debt securities to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) minimum issue size, (ii) minimum remaining time to maturity and (iii) market size, i.e. aggregate issuance of relevant country. Eligible bonds must also be capital-indexed and linked to a commonly used domestic inflation index.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergingindices.com/bloomberg-barclays-indices/>).

²⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 10: Xtrackers II Eurozone Inflation-Linked Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Inflation-Linked Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Euro Government Inflation-Linked Bond Index (the "Reference Index"). The Reference Index aims to reflect the total return performance of the investment grade, euro denominated government inflation-linked bonds from countries within the European Economic and Monetary Union ("EMU").</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 8 June 2007 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |

| | |
|--|---|
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290358224 |
| WKN Code | DBX0AM |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 2,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares |
| Management Company Fee²¹ | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

²¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index²²

The Reference Index represents the performance of the investment grade, euro denominated government inflation-linked bonds from countries within the European Economic and Monetary Union ("**EMU**").

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible bond universe in order to determine those bonds which shall be included in the Reference Index upon each rebalancing.

Eligible Countries:

Eligible bonds must be issued by an EMU member state and denominated in EUR.

Credit rating:

Eligible bonds must have a minimum investment grade rating using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used.

Additional selection criteria:

The Index Sponsor may impose certain additional requirements on debt securities to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) minimum issue size and (ii) minimum remaining time to maturity. Eligible bonds must also be capital-indexed and linked to an EMU member's domestic measure of inflation or the Harmonised Index of Consumer Prices.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergindeces.com/bloomberg-barclays-indices/>).

²² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 11: Xtrackers II EUR Overnight Rate Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Overnight Rate Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the DEUTSCHE BANK EONIA TOTAL RETURN INDEX® (the "Reference Index"). The Reference Index reflects the performance of a deposit earning interest at the rate of the Euro Over Night Index Average (EONIA), with the interest being re-invested in the deposit, daily.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and the notional deposit earning the EONIA.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | <p>Means:</p> <p>(i) in respect of Share Class 1C, 25 May 2007; and</p> <p>(ii) in respect of Share Class 1D, 11 March 2008.</p> |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Transaction Day |

| | |
|-----------------------------------|-------------|
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | |
|---|---|--|
| Classes | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290358497 | LU0335044896 |
| WKN Code | DBX0AN | DBX0A2 |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 or a lower amount as decided by the Company in its own discretion | EUR 75,000 or a lower amount as decided by the Company in its own discretion |
| Minimum Subsequent Subscription Amount | EUR 75,000 or a lower amount as decided by the Company in its own discretion | EUR 75,000 or a lower amount as decided by the Company in its own discretion |
| Management Company Fee²³ | Up to 0.02% p.a. | Up to 0.02% p.a. |
| Fixed Fee | Up to 0.00833% per month (0.08% p.a.) | Up to 0.00833% per month (0.08% p.a.) |
| All-In Fee | Up to 0.10% p.a. | Up to 0.10% p.a. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

²³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index²⁴

The Reference Index reflects a daily rolled deposit earning EONIA (the Euro Over Night Index Average), an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market determined by the European Central Bank. It has been initiated within the euro area by the contributing panel banks. It is one of the two benchmarks for the money and capital markets in the euro zone (the other one being Euribor).

The deposit is compounded (reinvested) daily, and the compounding is done with a 360 day year convention.

The EONIA rate (the "Interest Rate") is based on the European close rate, downloaded from Reuters (RIC: EONIA=).

Reference Index Calculation

$$IL(t) = (1 + R(t')/360) * IL(t-1)$$

where

IL(t) - Index level on day t

R(t') - EONIA on t', the latest day before t on which a closing quote is available

The Reference Index has an inception date of 31 December 1998 with a level of 100.

The Reference Index is calculated on all calendar days.

The Reference Index is calculated and disseminated by Deutsche Bank on a daily basis.

Additional information on the Reference Index and the general methodology behind the Interest Rate can be respectively found on <http://index.db.com> and <http://www.euribor.org/> or any successor thereto. An English language version of a detailed description of the Reference Index is available to investors upon request at the Company's registered office.

EONIA reference rates are published on the Moneyline Telerate pages 247 and 47867.

²⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 12: Xtrackers II iTraxx Europe Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iTraxx Europe Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iTraxx[®] Europe 5-year TOTAL RETURN INDEX (the "Reference Index"). The Reference Index measures the return for a credit protection seller holding the most current issue of the iTraxx[®] Europe credit derivative transaction with a term of 5 years. The performance of the Reference Index will depend on several factors including the market value of 5-year iTraxx[®] Europe credit derivative transactions, returns generated by selling credit protection in respect of the issuers included in the Reference Index and losses paid following defaults by those issuers.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Sub-Fund does not intend to make dividend payments.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> <p>An investment in the Sub-Fund is intended for Professional Investors who wish to take a very short term view on the underlying market e.g. for day trading purposes. Therefore the Sub-Fund is appropriate only for Professional Investors who understand its strategy, characteristics and risks. The Sub-Fund is not intended to be a buy and hold investment.</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> <p>Please note that additional risk warnings relevant to an investment in the Sub-Fund are set out in the section 'General Description of the Reference Index' in this Product Annex.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 16 July 2007 |

| | |
|-----------------------------------|--|
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290358653 |
| WKN Code | DBX0AP |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee²⁵ | Up to 0.08% p.a. |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) |
| All-In Fee | Up to 0.18% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

²⁵ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index²⁶

The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit"), and measures the return for a credit protection seller of holding the on-the-run iTraxx[®] Europe credit derivative transaction with a tenor, at the inception of the credit derivative transaction, of five years.

The Reference Index's performance will be a function of:

- the coupon payments a credit protection seller would receive for selling protection in respect of the portfolio of reference entities referenced by the on-the-run iTraxx[®] Europe credit derivative transaction (as set out on the website identified below);
- the mark-to-market value of the five-year on-the-run iTraxx[®] Europe credit derivative transaction when a credit protection seller ends its exposure to it on a roll date (in order to facilitate exposure to the new on-the-run iTraxx[®] Europe credit derivative transaction);
- transaction costs arising from the roll from an off-the-run contract into an on-the-run one;
- the loss amount paid by a credit protection seller following defaults by reference entities; and
- the amount of interest accruing at EONIA (the Euro Over Night Index Average) each day. EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market determined by the European Central Bank. It is one of the two benchmarks for the money and capital markets in the Euro zone (the other one being Euribor). The EONIA rate is based on the European close rate, downloaded from Reuters (RIC: EONIA=).

Conference calls are organized on a regular basis by Markit for market makers to agree on various features of the iTraxx[®] Europe credit derivative transactions, including the reference entities composition, reference obligations, coupon levels and recovery rates. Each market maker has the right to participate in the conference calls. Each market maker has one vote.

Reference entities are weighted equally in the iTraxx[®] Europe credit derivative transactions.

At the point when the related iTraxx[®] Europe credit derivative transaction becomes on-the-run the reference entities within the Reference Index must satisfy the following criteria:

Subject to the poll process mentioned below, the Reference Index comprises 125 investment grade rated European entities.

- All reference entities must be rated investment grade by Fitch, Moody's or S&P. Entities rated BBB-/Baa3 with negative outlook or below are excluded. If an entity is rated by two or more agencies, the lowest rating is considered.
- If it is confirmed that one reference entity has more than 50 percent. of the voting rights of another entity and both trade under different tickers, then the most liquid reference entity qualifies for index membership.
- Affiliates of a reference entity included in the index, already guaranteed by that reference entity, are eliminated. Non-guaranteed wholly-owned subsidiaries of a reference entity are eligible.
- Each reference entity is assigned to its appropriate iTraxx sector and is ranked within its sector by averaging the liquidity ranking of the market makers.
- Subject to the poll process mentioned below, the (final) portfolio comprises 125 entities, and is constructed by selecting the highest ranking reference entities in each sector below:
 - o 30 Autos & Industrials
 - o 30 Consumers
 - o 20 Energy
 - o 20 TMT
 - o 25 Financials; composed as described below.
- Reference Index composition is initially set to be the same as the previous series. Ineligible entities (downgraded, defaulted, changed sector or merged) are excluded. Any reference entities in the top 50 percent. of the number of reference entities in that sector not already in the iTraxx[®] Europe credit derivative transaction are added. e.g. in the Autos sector, any reference entity in the top 5 by liquidity ranking, but not in the current on-the-run iTraxx[®] Europe credit derivative transaction, is included, and the lowest ranking entity in that sector is eliminated. Reference entities ranked lower than 125 percent. of the number of entities in the sector are removed and replaced by the next most liquid reference entity not yet in the index. e.g. if a reference entity in the previous series' Autos index is ranked #14 in the new Autos ranking, it is excluded. Reference entities ranked below 150 in the overall master list that includes

²⁶ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

all sectors, are removed and replaced by the most liquid reference entity in that sector that is not yet in the iTraxx® Europe credit derivative transaction. If the replacement is less liquid than the entity to be dropped, no change is made.

The roll date for the Reference Index is 20 March and 20 September. The new iTraxx® Europe credit derivative transaction starts on the roll date, or the following business day if the roll date is not a business day.

The regular roll process of the Reference Index from the off-the-run iTraxx® Europe credit derivative transaction into the new on-the-run one has an associated cost arising from exiting the long risk position in the old iTraxx® Europe credit derivative transaction and simultaneously entering the new contract.

This transaction cost is reflected in the Reference Index and related to the roll can be found on <http://www.itraxx.com>

Management of credit events in the Reference Index

When credit events occur, Markit announces that a new "reduced" contract will replace the current "full" contract as the official one. Markit does not determine credit events, but effectively credit events are treated in the Reference Index as an early roll to this new contract.

Trigger event

Following a credit event in a constituent of the iTraxx® Europe credit derivative transaction, the ISDA determinations committee votes to decide if a credit event has occurred for the entity and if an auction for the defaulted entity is to be held. If the outcome of this vote is positive, Markit publishes a "reduced" iTraxx® Europe credit derivative transaction in which the relevant entity has a zero weighting.

Procedure

The date on which the Reference Index is rolled from the "full" iTraxx® credit derivative transaction (with the defaulted name) to the "reduced" iTraxx® credit derivative transaction (without the defaulted name) is usually done on the business day following the auction date. However for "restructuring" credit events this will be done on the business day following the Event Determination Date (EDD).

The prices at which the position of the "full" and the "reduced" iTraxx® credit derivative transactions are valued are determined using the Markit 17:00 London price. The price for the "full" previous version on the business day following the auction date will be derived from the auction recovery rate and the new "reduced" version price. Mid levels are used and roll transaction costs have to be taken into account in the Reference Index. The roll transaction costs to be added up are calculated according to the following methodology:

1. For a calculation to be valid, more than five market makers must be available for the "full" iTraxx® credit derivative transaction calculation who deliver valid bid/offers. If the calculation is invalid, the maximum roll transaction costs will be applied. The maximum roll transaction costs are 10 percent. of the respective series coupon.
2. If the calculation is valid, the roll transaction costs are calculated in line with the calculation for the "regular" roll transaction costs (i.e. the roll transaction costs for a normal roll as described above), subject to the maximum roll transaction costs described in 1. above and the minimum roll transaction costs described in 3. below.
3. The minimum roll transaction costs will be twice the "regular" roll transaction costs, i.e. 2 percent. of the respective "old" series coupon plus 2 percent. of the respective "new" series coupon applied to the spread level used for the Total Return Index calculation.

For the calculation to be valid, the average bid and offer prices should be consistent with quotations in the underlying market at the time of the fixing. The decision on the validity of the calculation will take into account whether, in the opinion of the calculation agent, participating market makers have taken due care and attention when publishing both their bid and offer prices.

Additional Information on Credit Risk

The Sub-Fund's Shares are linked to certain credit risks which will affect the returns they generate.

Credit Risk

Credit risk refers to the risk that a company or other entity (referred to as the "**reference entity**") may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. This is a risk for the other companies or parties which enter into transactions with the reference entity or in some other way have exposure to the credit of the reference entity. The terms "transactions" and "obligations" are used widely. They can include loan agreements entered into by the reference entity and also securities issued by the reference entity.

The parties which bear the credit risk of a reference entity may seek to pass on this risk through a "**credit derivative transaction**" with other companies. A derivative is a financial instrument which derives its value from an underlying asset or variable. In the case of a credit derivative transaction the credit risk of the reference entity is the relevant variable.

Many financial institutions or banks will regularly quote prices for entering into a credit derivative transaction. For a financial institution credit derivative transactions may be a large part of its business. Prices are quoted on the basis of an analysis of the credit risk of the relevant reference entity. If participants in the credit derivatives market think that a credit event (as described in the following paragraph) is likely to occur in relation to a particular reference entity, then the cost of buying credit protection on that reference entity through a credit derivative transaction will increase. This is regardless of whether or not there has been an actual credit event in respect of the reference entity. The party to the credit derivative transaction which

purchases credit protection is referred to as the "**credit protection buyer**" and the party which sells the credit protection is referred to as the "**credit protection seller**".

The Reference Index refers to a credit derivative transaction using the following "**credit events**" (i) the insolvency of the reference entity (ii) its failure to pay a specified amount in respect of its obligations or (iii) a restructuring of the debt owed or guaranteed by the reference entity due to a deterioration in its financial condition. Typical obligations may include (i) any obligation for the payment or repayment of borrowed money, (ii) certain obligations represented by bonds or notes or (iii) any obligation that is documented by a term loan agreement, revolving loan agreement or similar credit agreement.

If a specified credit event occurs in respect of the relevant reference entity or in respect of an obligation and certain procedures are satisfied (referred to as "**conditions to settlement**"), the credit protection seller may be obliged to take delivery of certain specified obligations at a price of par (typically 100 percent of their face amount) from the credit protection buyer. The market price of the obligations is expected to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of any sale of the obligations in the market are called "**recoveries**". A credit protection buyer is likely to select obligations to deliver to the credit protection seller with the lowest market value. Consequently the value of the recoveries will be less than would otherwise be the case. The loss that the credit protection seller incurs (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a "**physically settled credit derivative transaction**".

Often credit derivative transactions do not provide for physical delivery of the relevant obligations against the payment of the par value. Instead, the recovery value is determined by obtaining quotations for a specified obligation referred to as the "**reference obligation**" from other credit derivatives market participants. The credit protection seller must then make a payment (sometimes referred to as a "**loss amount**" or a "**cash settlement amount**") to the credit protection buyer equal to the difference between par value and recovery value. This is referred to as a "**cash settled credit derivative transaction**".

A credit protection seller normally receives periodic payments referred to as "**credit premiums**" from the credit protection buyer for the credit protection it provides.

Portfolio Credit Derivative Transactions

iTraxx indices reference credit derivative transactions known as "**credit portfolio transactions**". This refers to there being a portfolio of reference entities rather than a single reference entity. Each reference entity represents a certain proportion of the portfolio. In a cash settled credit derivative transaction, where a credit event occurs in relation to a reference entity and conditions to settlement are satisfied, a payment will be triggered from the credit protection seller to the credit protection buyer. The occurrence of a credit event may mean that the credit protection seller has to pay the credit protection buyer certain amounts in relation to the portfolio.

Portfolio Adjustments

A credit portfolio transaction may involve either a static portfolio or a portfolio which may be adjusted from time to time. A static portfolio is a portfolio where the reference entities in the portfolio remain constant through the life of the portfolio (subject to reference entities being removed from the portfolio following a credit event or upon certain reference entity reorganisation events). Subject to this qualification, credit protection sellers can therefore assess their investment knowing to what reference entities they are exposed. With a non-static portfolio, on the other hand, reference entities may be substituted with new reference entities over the life of the transaction. At the time they enter into any transaction relating to the non-static portfolio, credit protection sellers may know what the initial reference entities will be, but those reference entities will change over time. The iTraxx indices portfolios are non-static, as the reference entities may change on each 20 March and 20 September (or, if such is not a business day, the next business day) (each such date, a "**roll date**"). Accordingly, investors in transactions of this type face both credit risk of the reference entities comprising the portfolio as well as the risks arising from the adjustment regime.

The ability to substitute reference entities with new reference entities is subject to any replacement reference entities complying with certain requirements (generally referred to as the "**eligibility criteria**") and subject to the credit portfolio as a whole satisfying certain guidelines (generally referred to as the "**portfolio guidelines**") and subject to one or more conditions to substitution (each a "**condition to substitution**") being met. The eligibility criteria, portfolio guidelines and conditions to substitution applicable to the Reference Index are set out above in "General Description of the Reference Index". Any addition and/or removal of a reference entity is referred to as a "**substitution**".

Upon a substitution being effected, certain values in relation to the portfolio may be adjusted to reflect the net value of the substitution to the value of the credit risk represented by the portfolio. Such value adjustments are dependent, amongst other things, on the cost of buying credit protection (referred to as "**credit spread**") in relation to the reference entities which are added to and/or removed from the portfolio. In relation to any substitution, if the reference entity being added to the portfolio (a "**replacement reference entity**") has a high credit spread (i.e. the likelihood of a credit event occurring is considered high by market participants) and the reference entity being removed from the portfolio (a "**replaced reference entity**") has a low credit spread (i.e. the likelihood of a credit event occurring is considered low by market participants), the credit premium payable to the credit protection seller will be increased to reflect this greater risk. Likewise if the replacement reference entity has a low credit spread and the replaced reference entity a high credit spread, the credit premium payable to the credit protection seller will be decreased to reflect this decreased risk.

Adjustment of the portfolio creates the potential for both gains and losses from the credit protection seller's perspective and has the potential to either increase or decrease the amount payable to investors in credit-linked securities as described further below under "Relevance to the Sub-Fund's Shares".

Relevance to the Sub-Fund's Shares

Portfolio adjustment gains and losses and the occurrence of credit events have different effects depending on the specific credit portfolio transaction. In the case of the Sub-Fund's Shares, the Reference Index reflects the position of a credit protection seller in relation to the entire portfolio of reference entities. Additionally, the credit premiums payable in recognition of the credit risk assumed in relation to the portfolio of reference entities will increase the Reference Index level. Therefore a substitution which increases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean an increase in the Reference Index level if other factors remain constant. Similarly a substitution which decreases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean a decrease in the Reference Index level, if other factors remain constant.

The credit premium will reflect the average cost of buying credit protection on the reference entities then comprising the portfolio (referred to as an "**average credit spread**"). A higher average credit spread for all reference entities in the portfolio will therefore mean a higher Reference Index level, if other factors remain constant. Similarly, a lower average credit spread for all reference entities in the portfolio will mean a lower Reference Index level, if other factors remain constant. The credit premium is determined by reference to certain rates and quotations for buying credit protection in relation to reference entities.

Where the credit risk in the portfolio increases, a credit event is more likely to occur. If a credit event does occur, subject to conditions to settlement being satisfied, this will mean that the credit protection seller pays money, the Reference Index falls, and reduces the Net Asset Value of the Sub-Fund. If the Net Asset Value is reduced to zero, no redemption amounts will be payable to Shareholders.

Additional Risk Factors

Information on reference entities

The Shareholders will not have the right to obtain from the Sub-Fund any information in relation to the reference entities or any information regarding any obligation of any reference entity. The Sub-Fund will not have any obligation to keep the Shareholders informed as to matters arising in relation to any reference entity, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

Purchasers of Shares should conduct such independent investigation and analysis regarding the reference entities and the portfolio as they deem appropriate to evaluate the merits and risks of an investment in the Shares. A Share does not represent a claim against any reference entity or in respect of any obligation of a reference entity and, in the event of any loss, a Shareholder will not have recourse under a Share to any reference entity. However, investors in the Shares will be exposed to the credit risk of the reference entities. Neither the Sub-Fund, the Swap Counterparty nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of any reference entity or any obligations of a reference entity.

Substitution of reference entities

The IIC has the right to require substitutions of one or more reference entities in the portfolio in accordance with the terms of the Reference Index.

No liability whatsoever shall attach to any of the Company, the Swap Counterparty or any of their respective affiliates as a result of a substitution of a reference entity in accordance with the provisions of the Reference Index or as a result of any failure by Markit to make a substitution in accordance with the terms of the Reference Index rules. Because the composition of the portfolio may vary over time, the performance of the portfolio and the occurrence of credit events, and therefore the Reference Index level, will be dependent upon, amongst other things, the selections of the reference entities and the substitutions of reference entities.

Non-compliance of portfolio with criteria

Although Markit may only require a substitution that is likely to comply with the eligibility criteria, conditions to substitution and portfolio guidelines, as more fully described above, the portfolio and reference entities may fail from time to time to comply with eligibility criteria and portfolio guidelines, for example due to changes in the creditworthiness or other characteristics of a reference entity. This may make a decrease in the Reference Index level more likely.

Volatility of the shares

The market value of the Shares will be affected by changes in the credit risk of the reference entities which in turn will fluctuate with, amongst other things, changes in prevailing interest rates, general economic conditions, conditions of financial markets, European and international political events, events in the home countries of the reference entities, developments or trends in any particular industry and the financial condition of each reference entity. A decrease in the credit rating of any reference entity is very likely to adversely affect the market value of the Shares.

MARKIT's role

Markit is crucial to the compilation of the Reference Index and reporting of its level. If Markit fails to perform its role, or fails to do so to an appropriate standard, the market value of the Shares may fall.

Business relationships and fees

Each of the Company, the Swap Counterparty or any of their respective affiliates may have existing or future business relationships with each other, any reference entity (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Shareholder. Furthermore, the Company, the Swap Counterparty or any of their respective affiliates may buy, sell or hold positions in obligations of, or credit protection in relation to, any obligor in respect of any reference entity or may act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any such entity. In addition, distributors and other parties appointed in connection with the sale or placement of the Shares may also receive certain upfront and/or ongoing fees in return for their services.

Each of such persons may have acquired, or may acquire, confidential information with respect to the reference entities. None of such persons is under any obligation to make such information available to Shareholders.

Each of the Company, the Swap Counterparty or any of their respective affiliates may receive certain upfront and/or ongoing fees in connection with the Shares.

The Reference Index is calculated on a total return basis, which means that if after acquiring the credit exposure a balance is left, such balance will earn interest at the rate of EONIA and such interest is added to the return generated by the credit exposure.

Additional information on the Reference Index and the general methodology behind the iTraxx Europe credit derivative transactions can be found on <http://www.itraxx.com>.

PRODUCT ANNEX 13: Xtrackers II iTraxx Crossover Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iTraxx Crossover Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iTraxx[®] Crossover 5-year TOTAL RETURN INDEX (the "Reference Index"). The Reference Index measures the return for a credit protection seller holding the most current issue of the iTraxx[®] Crossover credit derivative transaction with a term of 5 years. The performance of the Reference Index will depend on several factors including the market value of 5-year iTraxx[®] Crossover credit derivatives transactions, returns generated by selling credit protection in respect of the issuers included in the Reference Index and losses paid following defaults by those issuers.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> <p>An investment in the Sub-Fund is intended for Professional Investors who wish to take a very short term view on the underlying market e.g. for day trading purposes. Therefore the Sub-Fund is appropriate only for Professional Investors who understand its strategy, characteristics and risks. The Sub-Fund is not intended to be a buy and hold investment.</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> <p>Please note that additional risk warnings relevant to an investment in the Sub-Fund are set out in the section 'General Description of the Reference Index' in this Product Annex.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |

| | |
|-----------------------------------|--|
| Launch Date | 16 July 2007 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0290359032 |
| WKN Code | DBX0AR |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee²⁷ | Up to 0.14% p.a. |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) |
| All-In Fee | Up to 0.24% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

²⁷ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index²⁸

The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**"), and measures the return for a credit protection seller of holding the on-the-run iTraxx[®] Crossover credit derivative transaction with a tenor, at the inception of the credit derivative transaction, of five years.

The Reference Index's performance will be a function of:

- the coupon payments a credit protection seller would receive for selling protection in respect of the portfolio of reference entities referenced by the on-the-run iTraxx[®] Crossover credit derivative transaction (as set out on the website identified below);
- the mark-to-market value of the five-year on-the-run iTraxx[®] Crossover credit derivative transaction when a credit protection seller ends its exposure to it on a roll date (in order to facilitate exposure to the new on-the-run iTraxx[®] Crossover credit derivative transaction);
- transaction costs arising from the roll from an off-the-run contract into an on-the-run one;
- the loss amount paid by a credit protection seller following defaults by reference entities; and
- the amount of interest accruing at EONIA (the Euro Over Night Index Average) each day. EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market determined by the European Central Bank. It is one of the two benchmarks for the money and capital markets in the Euro zone (the other one being Euribor). The EONIA rate is based on the European close rate, downloaded from Reuters (RIC: EONIA=).

Conference calls are organized on a regular basis by Markit for market makers to agree on various features of the iTraxx[®] Crossover credit derivative transactions, including the reference entities composition, reference obligations, coupon levels and recovery rates. Each market maker has the right to participate in the conference calls. Each market maker has one vote.

Reference entities are weighted equally in the iTraxx[®] Crossover credit derivative transactions.

At the point when the related iTraxx[®] Crossover credit derivative transaction becomes on-the-run the reference entities within the iTraxx[®] Crossover 5-year Total Return Index must satisfy the following criteria:

Subject to the poll process mentioned below, the Reference Index comprises up to 50 European entities, which number may be increased from time to time at a Reference Index roll upon reasonable notice if the poll determines it is warranted by market conditions.

- All reference entities must be incorporated in Europe with more than €100 million publicly traded debt. Entities rated BBB-/Baa3/BBB- (Fitch/Moody's/S&P) with stable outlook or higher are excluded. If an entity is rated by two or more agencies, the lowest rating is considered.
- If it is confirmed that one reference entity has more than 50 percent. of the voting rights of another entity and both trade under different tickers, then the most liquid reference entity qualifies for index membership.
- Affiliates of a reference entity included in the index, already guaranteed by that reference entity, are eliminated. Non-guaranteed wholly-owned subsidiaries of a reference entity are eligible.
- Reference entities that are eligible have a spread at least twice the average spread of the constituents of the iTraxx[®] Non-Financial Index, subject to certain maximum amounts. Eligibility is determined on the basis of the 5-year mid-spreads published by Markit on the last business day of the month prior to roll date. Effective from 22 September 2008, eligibility shall be determined on the basis of the 5-year mid-spreads published by Markit calculated over the last 10 London trading days in the month prior to roll. Further eligibility criteria apply if additional payments other than just spread were made to a credit protection seller in respect of such reference entity.
- The final portfolio comprises up to 50 highest ranking entities (up to 50 entities with the highest credit default swap CDS trading volume, as measured over the previous 6 months).

The roll date for the Reference Index is 20 March and 20 September. The new iTraxx[®] Crossover credit derivative transaction starts on the roll date, or the following business day if the roll date is not a business day.

The regular roll process of the Reference Index from the off-the-run iTraxx[®] Crossover credit derivative transaction into the new on-the-run one has an associated cost arising from exiting the long risk position in the old iTraxx[®] Crossover credit derivative transaction and simultaneously entering the new contract.

This transaction cost is reflected in the Reference Index and related to the roll can be found on <http://www.itraxx.com>.

²⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

Management of credit events in the Reference Index

When credit events occur, Markit announces that a new "reduced" contract will replace the current "full" contract as the official one. Markit does not determine credit events, but effectively credit events are treated in the Reference Index as an early roll to this new contract.

Trigger event

Following a credit event in a constituent of the iTraxx® Crossover credit derivative transaction, the ISDA determinations committee votes to decide if a credit event has occurred for the entity and if an auction for the defaulted entity is to be held. If the outcome of this vote is positive, Markit publishes a "reduced" iTraxx® Crossover credit derivative transaction in which the relevant entity has a zero weighting.

Procedure

The date on which the Reference Index is rolled from the "full" iTraxx® credit derivative transaction (with the defaulted name) to the "reduced" iTraxx® credit derivative transaction (without the defaulted name) is usually done on the business day following the auction date. However for "restructuring" credit events this will be done on the business day following the Event Determination Date (EDD).

The prices at which the position of the "full" and the "reduced" iTraxx® credit derivative transactions are valued are determined using the Markit 17:00 London price. The price for the "full" previous version on the business day following the auction date will be derived from the auction recovery rate and the new "reduced" version price. Mid levels are used and roll transaction costs have to be taken into account in the Reference Index. The roll transaction costs to be added up are calculated according to the following methodology:

1. For a calculation to be valid, more than five market makers must be available for the "full" iTraxx® credit derivative transaction calculation who deliver valid bid/offers. If the calculation is invalid, the maximum roll transaction costs will be applied. The maximum roll transaction costs are 10 percent. of the respective series coupon.
2. If the calculation is valid, the roll transaction costs are calculated in line with the calculation for the "regular" roll transaction costs (i.e. the roll transaction costs for a normal roll as described above), subject to the maximum roll transaction costs described in 1. above and the minimum roll transaction costs described in 3. below.
3. The minimum roll transaction costs will be twice the "regular" roll transaction costs, i.e. 2 percent. of the respective "old" series coupon plus 2 percent. of the respective "new" series coupon applied to the spread level used for the Total Return Index calculation.

For the calculation to be valid, the average bid and offer prices should be consistent with quotations in the underlying market at the time of the fixing. The decision on the validity of the calculation will take into account whether, in the opinion of the calculation agent, participating market makers have taken due care and attention when publishing both their bid and offer prices.

Additional Information on Credit Risk

The Sub-Fund's Shares are linked to certain credit risks which will affect the returns they generate.

Credit Risk

Credit risk refers to the risk that a company or other entity (referred to as the "**reference entity**") may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. This is a risk for the other companies or parties which enter into transactions with the reference entity or in some other way have exposure to the credit of the reference entity. The terms "transactions" and "obligations" are used widely. They can include loan agreements entered into by the reference entity and also securities issued by the reference entity.

The parties which bear the credit risk of a reference entity may seek to pass on this risk through a "**credit derivative transaction**" with other companies. A derivative is a financial instrument which derives its value from an underlying asset or variable. In the case of a credit derivative transaction the credit risk of the reference entity is the relevant variable.

Many financial institutions or banks will regularly quote prices for entering into a credit derivative transaction. For a financial institution credit derivative transactions may be a large part of its business. Prices are quoted on the basis of an analysis of the credit risk of the relevant reference entity. If participants in the credit derivatives market think that a credit event (as described in the following paragraph) is likely to occur in relation to a particular reference entity, then the cost of buying credit protection on that reference entity through a credit derivative transaction will increase. This is regardless of whether or not there has been an actual credit event in respect of the reference entity. The party to the credit derivative transaction which purchases credit protection is referred to as the "**credit protection buyer**" and the party which sells the credit protection is referred to as the "**credit protection seller**".

The Reference Index refers to a credit derivative transaction using the following "**credit events**" (i) the insolvency of the reference entity (ii) its failure to pay a specified amount in respect of its obligations or (iii) a restructuring of the debt owed or guaranteed by the reference entity due to a deterioration in its financial condition. Typical obligations may include (i) any obligation for the payment or repayment of borrowed money, (ii) certain obligations represented by bonds or notes or (iii) any obligation that is documented by a term loan agreement, revolving loan agreement or similar credit agreement.

If a specified credit event occurs in respect of the relevant reference entity or in respect of an obligation and certain procedures are satisfied (referred to as "**conditions to settlement**"), the credit protection seller may be obliged to take delivery of certain specified obligations at a price of par (typically 100 percent of their face amount) from the credit protection buyer. The market price of the obligations is expected to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of any sale of the obligations in the market are called "**recoveries**". A credit protection buyer is likely to select obligations to deliver to the credit protection seller with the lowest market value. Consequently the value of the recoveries will be less than would otherwise be the case. The loss that the credit protection seller incurs (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a "**physically settled credit derivative transaction**".

Often credit derivative transactions do not provide for physical delivery of the relevant obligations against the payment of the par value. Instead, the recovery value is determined by obtaining quotations for a specified obligation referred to as the "**reference obligation**" from other credit derivatives market participants. The credit protection seller must then make a payment (sometimes referred to as a "**loss amount**" or a "**cash settlement amount**") to the credit protection buyer equal to the difference between par value and recovery value. This is referred to as a "**cash settled credit derivative transaction**".

A credit protection seller normally receives periodic payments referred to as "**credit premiums**" from the credit protection buyer for the credit protection it provides.

Portfolio Credit Derivative Transactions

iTraxx indices reference credit derivative transactions known as "**credit portfolio transactions**". This refers to there being a portfolio of reference entities rather than a single reference entity. Each reference entity represents a certain proportion of the portfolio. In a cash settled credit derivative transaction, where a credit event occurs in relation to a reference entity and conditions to settlement are satisfied, a payment will be triggered from the credit protection seller to the credit protection buyer. The occurrence of a credit event may mean that the credit protection seller has to pay the credit protection buyer certain amounts in relation to the portfolio.

Portfolio Adjustments

A credit portfolio transaction may involve either a static portfolio or a portfolio which may be adjusted from time to time. A static portfolio is a portfolio where the reference entities in the portfolio remain constant through the life of the portfolio (subject to reference entities being removed from the portfolio following a credit event or upon certain reference entity reorganisation events). Subject to this qualification, credit protection sellers can therefore assess their investment knowing to what reference entities they are exposed. With a non-static portfolio, on the other hand, reference entities may be substituted with new reference entities over the life of the transaction. At the time they enter into any transaction relating to the non-static portfolio, credit protection sellers may know what the initial reference entities will be, but those reference entities will change over time. The iTraxx indices portfolios are non-static, as the reference entities may change on each 20 March and 20 September (or, if such is not a business day, the next business day) (each such date, a "**roll date**"). Accordingly, investors in transactions of this type face both credit risk of the reference entities comprising the portfolio as well as the risks arising from the adjustment regime.

The ability to substitute reference entities with new reference entities is subject to any replacement reference entities complying with certain requirements (generally referred to as the "**eligibility criteria**") and subject to the credit portfolio as a whole satisfying certain guidelines (generally referred to as the "**portfolio guidelines**") and subject to one or more conditions to substitution (each a "**condition to substitution**") being met. The eligibility criteria, portfolio guidelines and conditions to substitution applicable to the Reference Index are set out above in "General Description of the Reference Index". Any addition and/or removal of a reference entity is referred to as a "**substitution**".

Upon a substitution being effected, certain values in relation to the portfolio may be adjusted to reflect the net value of the substitution to the value of the credit risk represented by the portfolio. Such value adjustments are dependent, amongst other things, on the cost of buying credit protection (referred to as "**credit spread**") in relation to the reference entities which are added to and/or removed from the portfolio. In relation to any substitution, if the reference entity being added to the portfolio (a "**replacement reference entity**") has a high credit spread (i.e. the likelihood of a credit event occurring is considered high by market participants) and the reference entity being removed from the portfolio (a "**replaced reference entity**") has a low credit spread (i.e. the likelihood of a credit event occurring is considered low by market participants), the credit premium payable to the credit protection seller will be increased to reflect this greater risk. Likewise if the replacement reference entity has a low credit spread and the replaced reference entity a high credit spread, the credit premium payable to the credit protection seller will be decreased to reflect this decreased risk.

Adjustment of the portfolio creates the potential for both gains and losses from the credit protection seller's perspective and has the potential to either increase or decrease the amount payable to investors in credit-linked securities as described further below under "Relevance to the Sub-Fund's Shares".

Relevance to the Sub-Fund's Shares

Portfolio adjustment gains and losses and the occurrence of credit events have different effects depending on the specific credit portfolio transaction. In the case of the Sub-Fund's Shares, the Reference Index reflects the position of a credit protection seller in relation to the entire portfolio of reference entities. Additionally, the credit premiums payable in recognition of the credit risk assumed in relation to the portfolio of reference entities will increase the Reference Index level. Therefore a substitution which increases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean an increase in the Reference Index level if other factors remain constant. Similarly a substitution which decreases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean a decrease in the Reference Index level, if other factors remain constant.

The credit premium will reflect the average cost of buying credit protection on the reference entities then comprising the portfolio (referred to as an "**average credit spread**"). A higher average credit spread for all reference entities in the portfolio will therefore mean a higher Reference Index level, if other factors remain constant. Similarly, a lower average credit spread for all reference entities in the portfolio will mean a lower Reference Index level, if other factors remain constant. The credit premium is determined by reference to certain rates and quotations for buying credit protection in relation to reference entities.

Where the credit risk in the portfolio increases, a credit event is more likely to occur. If a credit event does occur, subject to conditions to settlement being satisfied, this will mean that the credit protection seller pays money, the Reference Index falls, and reduces the Net Asset Value of the Sub-Fund. If the Net Asset Value is reduced to zero, no redemption amounts will be payable to Shareholders.

Additional Risk Factors

Information on reference entities

The Shareholders will not have the right to obtain from the Sub-Fund any information in relation to the reference entities or any information regarding any obligation of any reference entity. The Sub-Fund will not have any obligation to keep the Shareholders informed as to matters arising in relation to any reference entity, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

Purchasers of Shares should conduct such independent investigation and analysis regarding the reference entities and the portfolio as they deem appropriate to evaluate the merits and risks of an investment in the Shares. A Share does not represent a claim against any reference entity or in respect of any obligation of a reference entity and, in the event of any loss, a Shareholder will not have recourse under a Share to any reference entity. However, investors in the Shares will be exposed to the credit risk of the reference entities. Neither the Sub-Fund, the Swap Counterparty nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of any reference entity or any obligations of a reference entity.

Substitution of reference entities

The IIC has the right to require substitutions of one or more reference entities in the portfolio in accordance with the terms of the Reference Index.

No liability whatsoever shall attach to any of the Company, the Swap Counterparty or any of their respective affiliates as a result of a substitution of a reference entity in accordance with the provisions of the Reference Index or as a result of any failure by Markit to make a substitution in accordance with the terms of the Reference Index rules. Because the composition of the portfolio may vary over time, the performance of the portfolio and the occurrence of credit events, and therefore the Reference Index level, will be dependent upon, amongst other things, the selections of the reference entities and the substitutions of reference entities.

Non-compliance of portfolio with criteria

Although Markit may only require a substitution that is likely to comply with the eligibility criteria, conditions to substitution and portfolio guidelines, as more fully described above, the portfolio and reference entities may fail from time to time to comply with eligibility criteria and portfolio guidelines, for example due to changes in the creditworthiness or other characteristics of a reference entity. This may make a decrease in the Reference Index level more likely.

Volatility of the shares

The market value of the Shares will be affected by changes in the credit risk of the reference entities which in turn will fluctuate with, amongst other things, changes in prevailing interest rates, general economic conditions, conditions of financial markets, European and international political events, events in the home countries of the reference entities, developments or trends in any particular industry and the financial condition of each reference entity. A decrease in the credit rating of any reference entity is very likely to adversely affect the market value of the Shares.

Markit's role

Markit is crucial to the compilation of the Reference Index and reporting of its level. If Markit fails to perform its role, or fails to do so to an appropriate standard, the market value of the Shares may fall.

Business relationships and fees

Each of the Company, the Swap Counterparty or any of their respective affiliates may have existing or future business relationships with each other, any reference entity (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Shareholder. Furthermore, the Company, the Swap Counterparty or any of their respective affiliates may buy, sell or hold positions in obligations of, or credit protection in relation to, any obligor in respect of any reference entity or may act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any such entity. In addition, distributors and other parties appointed in connection with the sale or placement of the Shares may also receive certain upfront and/or ongoing fees in return for their services.

Each of such persons may have acquired, or may acquire, confidential information with respect to the reference entities. None of such persons is under any obligation to make such information available to Shareholders.

Each of the Company, the Swap Counterparty or any of their respective affiliates may receive certain upfront and/or ongoing fees in connection with the Shares.

The Reference Index is calculated on a total return basis, which means that if after acquiring the credit exposure a balance is left, such balance will earn interest at the rate of EONIA and such interest is added to the return generated by the credit exposure to the Reference Index.

Additional information on the Reference Index and the general methodology behind the iTraxx Crossover credit derivative transactions can be found on <http://www.itraxx.com>.

PRODUCT ANNEX 14: Xtrackers II iTraxx Crossover Short Daily Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iTraxx Crossover Short Daily Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iTraxx[®] Crossover 5-year Short TOTAL RETURN INDEX (the "Reference Index"). The Reference Index measures the return for a credit protection buyer holding the most current issue of the iTraxx[®] Crossover credit derivative transaction with a term of 5 years. The performance of the Reference Index will depend on several factors including the market value of 5-year iTraxx[®] Crossover credit derivative transactions, returns arising from defaults by issuers included in the Reference Index and payments made for purchasing credit protection.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Sub-Fund does not intend to make dividend payments.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> <p>An investment in the Sub-Fund is intended for Professional Investors who wish to take a very short term view on the underlying market e.g. for day trading purposes. Therefore the Sub-Fund is appropriate only for Professional Investors who understand its strategy, characteristics and risks. The Sub-Fund is not intended to be a buy and hold investment.</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> <p>Please note that additional risk warnings relevant to an investment in the Sub-Fund are set out in the section 'General Description of the Reference Index' in this Product Annex.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 7 November 2007 |

| | |
|-----------------------------------|--|
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 3 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321462870 |
| WKN Code | DBX0AU |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee²⁹ | Up to 0.14% p.a. |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) |
| All-In Fee | Up to 0.24% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

²⁹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index³⁰

The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**"), and measures the return for a credit protection buyer of holding the on-the-run iTraxx[®] Crossover credit derivative transaction with a tenor, at the inception of the credit derivative transaction, of five years.

The Reference Index's performance will be a function of:

- the coupon payments a credit protection buyer would pay for buying protection in respect of the portfolio of reference entities referenced by the on-the-run iTraxx[®] Crossover credit derivative transaction (as set out on the website identified below);
- the mark-to-market value of the five-year on-the-run iTraxx[®] Crossover credit derivative transaction when a credit protection buyer ends its exposure to it on a roll date (in order to facilitate exposure to the new on-the-run iTraxx[®] Crossover credit derivative transaction);
- transaction costs arising from the roll from an off-the-run contract into an on-the-run one;
- the amount received by a credit protection buyer following defaults by reference entities; and
- the amount of interest accruing at EONIA (the Euro Over Night Index Average) each day. EONIA is an effective overnight rate computed as a weighted average of all overnight unsecured lending transactions in the interbank market determined by the European Central Bank. It is one of the two benchmarks for the money and capital markets in the Euro zone (the other one being Euribor). The EONIA rate is based on the European close rate, downloaded from Reuters (RIC: EONIA=).

Conference calls are organized on a regular basis by Markit for market makers to agree on various features of the iTraxx[®] Crossover credit derivative transactions, including the reference entities composition, reference obligations, coupon levels and recovery rates. Each market maker has the right to participate in the conference calls. Each market maker has one vote.

Reference entities are weighted equally in the iTraxx[®] Crossover credit derivative transactions.

At the point when the related iTraxx[®] Crossover credit derivative transaction becomes on-the-run the reference entities within the iTraxx[®] Crossover 5-year Short Total Return Index must satisfy the following criteria:

Subject to the poll process mentioned below, the Reference Index comprises 50 European entities, which number may be increased from time to time at a Reference Index roll upon reasonable notice if the poll determines it is warranted by market conditions.

- All reference entities must be incorporated in Europe with more than €100 million publicly traded debt. Entities rated BBB-/Baa3/BBB- (Fitch/Moody's/S&P) with stable outlook or higher are excluded. If an entity is rated by two or more agencies, the lowest rating is considered.
- If it is confirmed that one reference entity has more than 50 percent. of the voting rights of another entity and both trade under different tickers, then the most liquid reference entity qualifies for index membership.
- Affiliates of a reference entity included in the index, already guaranteed by that reference entity, are eliminated. Non-guaranteed wholly-owned subsidiaries of a reference entity are eligible.
- Reference entities that are eligible have a spread at least twice the average spread of the constituents of the iTraxx[®] Non-Financial Index, subject to certain maximum amounts. Eligibility is determined on the basis of the 5-year mid-spreads published by Markit on the last business day of the month prior to roll date. Effective from 22 September 2008, eligibility shall be determined on the basis of the 5-year mid-spreads published by Markit calculated over the last 10 London trading days in the month prior to roll. Further eligibility criteria apply if additional payments other than just spread were made by a credit protection buyer in respect of such reference entity.
- The final portfolio comprises the 50 highest ranking entities (50 entities with the highest credit default swap CDS trading volume, as measured over the previous 6 months).

The roll date for the Reference Index is 20 March and 20 September. The new iTraxx[®] Crossover credit derivative transaction starts on the roll date, or the following business day if the roll date is not a business day.

The regular roll process of the Reference Index from the off-the-run iTraxx[®] Crossover credit derivative transaction into the new on-the-run one has an associated cost arising from exiting the short risk position in the old iTraxx[®] Crossover credit derivative transaction and simultaneously entering the new contract.

This transaction cost is reflected in the Reference Index and related to the roll can be found on <http://www.itraxx.com>.

³⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

Management of credit events in the Reference Index

When credit events occur, Markit announces that a new "reduced" contract will replace the current "full" contract as the official one. Markit does not determine credit events, but effectively credit events are treated in the Reference Index as an early roll to this new contract.

Trigger event

Following a credit event in a constituent of the iTraxx® Crossover credit derivative transaction, the ISDA determinations committee votes to decide if a credit event has occurred for the entity and if an auction for the defaulted entity is to be held. If the outcome of this vote is positive, Markit publishes a "reduced" iTraxx® Crossover credit derivative transaction in which the relevant entity has a zero weighting.

Procedure

The date on which the Reference Index is rolled from the "full" iTraxx® credit derivative transaction (with the defaulted name) to the "reduced" iTraxx® credit derivative transaction (without the defaulted name) is usually done on the business day following the auction date. However for "restructuring" credit events this will be done on the business day following the Event Determination Date (EDD).

The prices at which the position of the "full" and the "reduced" iTraxx® credit derivative transactions are valued are determined using the Markit 17:00 London price. The price for the "full" previous version on the business day following the auction date will be derived from the auction recovery rate and the new "reduced" version price. Mid levels are used and roll transaction costs have to be taken into account in the Reference Index. The roll transaction costs to be added up are calculated according to the following methodology:

1. For a calculation to be valid, more than five market makers must be available for the "full" iTraxx® credit derivative transaction calculation who deliver valid bid/offers. If the calculation is invalid, the maximum roll transaction costs will be applied. The maximum roll transaction costs are 10 percent. of the respective series coupon.
2. If the calculation is valid, the roll transaction costs are calculated in line with the calculation for the "regular" roll transaction costs (i.e. the roll transaction costs for a normal roll as described above), subject to the maximum roll transaction costs described in 1. above and the minimum roll transaction costs described in 3. below.
3. The minimum roll transaction costs will be twice the "regular" roll transaction costs, i.e. 2 percent. of the respective "old" series coupon plus 2 percent. of the respective "new" series coupon applied to the spread level used for the Total Return Index calculation.

For the calculation to be valid, the average bid and offer prices should be consistent with quotations in the underlying market at the time of the fixing. The decision on the validity of the calculation will take into account whether, in the opinion of the calculation agent, participating market makers have taken due care and attention when publishing both their bid and offer prices.

Additional Information on Credit Risk

The Sub-Fund's Shares are linked to certain credit risks which will affect the returns they generate.

Credit Risk

Credit risk refers to the risk that a company or other entity (referred to as the "**reference entity**") may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition. This is a risk for the other companies or parties which enter into transactions with the reference entity or in some other way have exposure to the credit of the reference entity. The terms "transactions" and "obligations" are used widely. They can include loan agreements entered into by the reference entity and also securities issued by the reference entity.

The parties which bear the credit risk of a reference entity may seek to pass on this risk through a "**credit derivative transaction**" with other companies. A derivative is a financial instrument which derives its value from an underlying asset or variable. In the case of a credit derivative transaction the credit risk of the reference entity is the relevant variable.

Many financial institutions or banks will regularly quote prices for entering into a credit derivative transaction. For a financial institution credit derivative transactions may be a large part of its business. Prices are quoted on the basis of an analysis of the credit risk of the relevant reference entity. If participants in the credit derivatives market think that a credit event (as described in the following paragraph) is likely to occur in relation to a particular reference entity, then the cost of buying credit protection on that reference entity through a credit derivative transaction will increase. This is regardless of whether or not there has been an actual credit event in respect of the reference entity. The party to the credit derivative transaction which purchases credit protection is referred to as the "**credit protection buyer**" and the party which sells the credit protection is referred to as the "**credit protection seller**".

The Reference Index refers to a credit derivative transaction using the following "**credit events**" (i) the insolvency of the reference entity (ii) its failure to pay a specified amount in respect of its obligations or (iii) a restructuring of the debt owed or guaranteed by the reference entity due to a deterioration in its financial condition. Typical obligations may include (i) any obligation for the payment or repayment of borrowed money, (ii) certain obligations represented by bonds or notes or (iii) any obligation that is documented by a term loan agreement, revolving loan agreement or similar credit agreement.

If a specified credit event occurs in respect of the relevant reference entity or in respect of an obligation and certain procedures are satisfied (referred to as "**conditions to settlement**"), the credit protection buyer may be obliged to deliver certain specified obligations at a price of par (typically 100 percent. of their face amount) to the credit protection seller. The market price of the obligations is expected to be lower than par (because the reference entity has suffered a credit event, its obligations are less likely to be met and therefore are worth less in the market). The proceeds of any sale of the obligations in the market are called "**recoveries**". A credit protection buyer is likely to select obligations to deliver to the credit protection seller with the lowest market value. Consequently the value of the recoveries will be less than would otherwise be the case. The loss against which the credit protection buyer is insured (par value minus recoveries) is assumed to be the same as the loss that a holder of such obligation would incur following the occurrence of a credit event. This type of credit derivative transaction is referred to as a "**physically settled credit derivative transaction**".

Often credit derivative transactions do not provide for physical delivery of the relevant obligations against the payment of the par value. Instead, the recovery value is determined by obtaining quotations for a specified obligation referred to as the "**reference obligation**" from other credit derivatives market participants. The credit protection buyer then receives a payment (sometimes referred to as a "**loss amount**" or a "**cash settlement amount**") from the credit protection seller equal to the difference between par value and recovery value. This is referred to as a "**cash settled credit derivative transaction**".

A credit protection buyer normally pays periodic payments referred to as "**credit premiums**" to the credit protection seller for the credit protection provided.

Portfolio Credit Derivative Transactions

iTraxx indices reference credit derivative transactions known as "**credit portfolio transactions**". This refers to there being a portfolio of reference entities rather than a single reference entity. Each reference entity represents a certain proportion of the portfolio. In a cash settled credit derivative transaction, where a credit event occurs in relation to a reference entity and conditions to settlement are satisfied, a payment will be triggered from the credit protection seller to the credit protection buyer. The occurrence of a credit event may mean that the credit protection buyer receives from the credit protection seller certain amounts in relation to the portfolio.

Portfolio Adjustments

A credit portfolio transaction may involve either a static portfolio or a portfolio which may be adjusted from time to time. A static portfolio is a portfolio where the reference entities in the portfolio remain constant through the life of the portfolio (subject to reference entities being removed from the portfolio following a credit event or upon certain reference entity reorganisation events). Subject to this qualification, credit protection buyers can therefore assess their investment knowing to what reference entities they are exposed. With a non-static portfolio, on the other hand, reference entities may be substituted with new reference entities over the life of the transaction. At the time they enter into any transaction relating to the non-static portfolio, credit protection buyers may know what the initial reference entities will be, but those reference entities will change over time. The iTraxx indices portfolios are non-static, as the reference entities may change on each 20 March and 20 September (or, if such is not a business day, the next business day) (each such date, a "**roll date**"). Accordingly, investors in transactions of this type face both credit risk of the reference entities comprising the portfolio as well as the risks arising from the adjustment regime.

The ability to substitute reference entities with new reference entities is subject to any replacement reference entities complying with certain requirements (generally referred to as the "**eligibility criteria**") and subject to the credit portfolio as a whole satisfying certain guidelines (generally referred to as the "**portfolio guidelines**") and subject to one or more conditions to substitution (each a "**condition to substitution**") being met. The eligibility criteria, portfolio guidelines and conditions to substitution applicable to the Reference Index are set out above in "General Description of the Reference Index". Any addition and/or removal of a reference entity is referred to as a "**substitution**".

Upon a substitution being effected, certain values in relation to the portfolio may be adjusted to reflect the net value of the substitution to the value of the credit risk represented by the portfolio. Such value adjustments are dependent, amongst other things, on the cost of buying credit protection (referred to as "**credit spread**") in relation to the reference entities which are added to and/or removed from the portfolio. In relation to any substitution, if the reference entity being added to the portfolio (a "**replacement reference entity**") has a high credit spread (i.e. the likelihood of a credit event occurring is considered high by market participants) and the reference entity being removed from the portfolio (a "**replaced reference entity**") has a low credit spread (i.e. the likelihood of a credit event occurring is considered low by market participants), the credit premium paid by the credit protection buyer will be increased to reflect this greater risk. Likewise if the replacement reference entity has a low credit spread and the replaced reference entity a high credit spread, the credit premium paid by the credit protection buyer will be decreased to reflect this decreased risk.

Adjustment of the portfolio creates the potential for both gains and losses from the credit protection buyer's perspective and has the potential to either increase or decrease the amount payable to investors in credit-linked securities as described further below under "Relevance to the Sub-Fund's Shares".

Relevance to the Sub-Fund's Shares

Portfolio adjustment gains and losses and the occurrence of credit events have different effects depending on the specific credit portfolio transaction. In the case of the Sub-Fund's Shares, the Reference Index reflects the position of a credit protection buyer in relation to the entire portfolio of reference entities. Additionally, the credit premiums payable in recognition of the credit risk assumed in relation to the portfolio of reference entities will decrease the Reference Index level. Therefore a substitution which decreases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean an increase in the Reference Index level if other factors remain constant. Similarly a substitution which increases the level of credit risk in the portfolio, subject to certain portfolio sensitivity calculations, will mean a decrease in the Reference Index level, if other factors remain constant.

The credit premium will reflect the average cost of buying credit protection on the reference entities then comprising the portfolio (referred to as an "**average credit spread**"). A higher average credit spread for all reference entities in the portfolio will therefore mean a lower Reference Index level, if other factors remain constant. Similarly, a lower average credit spread for all reference entities in the portfolio will mean a higher Reference Index level, if other factors remain constant. The credit premium is determined by reference to certain rates and quotations for buying credit protection in relation to reference entities.

Where the credit risk in the portfolio increases, a credit event is more likely to occur. If a credit event does occur, subject to conditions to settlement being satisfied, this will mean that the credit protection buyer receives money, the Reference Index rises, and increases the Net Asset Value of the Sub-Fund.

If the credit risk of the portfolio decreases, the value of the acquired protection decreases, the Reference Index falls and reduces the Net Asset Value of the Sub-Fund. If the Net Asset Value is reduced to zero, no redemption amounts will be payable to Shareholders.

Additional Risk Factors

Early Close/Trading Disruption Risk

A stock exchange or market may close early or issue trading halts or restrictions on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted. This may result in the Swap Counterparty being unable to buy or sell certain securities or financial instruments. This may limit the Swap Counterparty's ability to take short positions and may prevent the Swap Counterparty from achieving the Reference Index performance through the OTC Swap Transaction. In such circumstances, the Swap Counterparty may be unable to provide accurate valuations of the OTC Swap Transaction and valuation of the Net Asset Value may be suspended as further described under the section "Administration of the Company".

Information on reference entities

The Shareholders will not have the right to obtain from the Sub-Fund any information in relation to the reference entities or any information regarding any obligation of any reference entity. The Sub-Fund will not have any obligation to keep the Shareholders informed as to matters arising in relation to any reference entity, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

Purchasers of Shares should conduct such independent investigation and analysis regarding the reference entities and the portfolio as they deem appropriate to evaluate the merits and risks of an investment in the Shares. A Share does not represent a claim against any reference entity or in respect of any obligation of a reference entity and, in the event of any loss, a Shareholder will not have recourse under a Share to any reference entity. However, investors in the Shares will be exposed to the credit risk of the reference entities. Neither the Sub-Fund, the Swap Counterparty nor any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of any reference entity or any obligations of a reference entity.

Substitution of reference entities

Markit has the right to require substitutions of one or more reference entities in the portfolio in accordance with the terms of the Reference Index.

No liability whatsoever shall attach to any of the Company, the Swap Counterparty or any of their respective affiliates as a result of a substitution of a reference entity in accordance with the provisions of the Reference Index or as a result of any failure by Markit to make a substitution in accordance with the terms of the Reference Index rules. Because the composition of the portfolio may vary over time, the performance of the portfolio and the occurrence of credit events, and therefore the Reference Index level, will be dependent upon, amongst other things, the selections of the reference entities and the substitutions of reference entities.

Non-compliance of portfolio with criteria

Although Markit may only require a substitution that is likely to comply with the eligibility criteria, conditions to substitution and portfolio guidelines, as more fully described above, the portfolio and reference entities may fail from time to time to comply with eligibility criteria and portfolio guidelines, for example due to changes in the creditworthiness or other characteristics of a reference entity. This may make an increase in the Reference Index level more likely.

Volatility of the shares

The market value of the Shares will be affected by changes in the credit risk of the reference entities which in turn will fluctuate with, amongst other things, changes in prevailing interest rates, general economic conditions, conditions of financial markets, European and international political events, events in the home countries of the reference entities, developments or trends in any particular industry and the financial condition of each reference entity. A decrease in the credit rating of any reference entity is very likely to positively affect the market value of the Shares.

Markit's role

Markit is crucial to the compilation of the Reference Index and reporting of its level. If Markit fails to perform its role, or fails to do so to an appropriate standard, the market value of the Shares may fall.

Business relationships and fees

Each of the Company, the Swap Counterparty or any of their respective affiliates may have existing or future business relationships with each other, any reference entity (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Shareholder. Furthermore, the Company, the Swap Counterparty or any of their respective affiliates may buy, sell or hold positions in obligations of, or credit protection in relation to, any obligor in respect of any reference entity or may act as investment or commercial bankers, advisers or fiduciaries to, or hold directorship and officer positions in, any such entity. In addition, distributors and other parties appointed in connection with the sale or placement of the Shares may also receive certain upfront and/or ongoing fees in return for their services.

Each of such persons may have acquired, or may acquire, confidential information with respect to the reference entities. None of such persons is under any obligation to make such information available to Shareholders.

Each of the Company, the Swap Counterparty or any of their respective affiliates may receive certain upfront and/or ongoing fees in connection with the Shares.

The Reference Index is calculated on a total return basis, which means that if after acquiring protection on the credit exposure a balance is left, such balance will earn interest at the rate of EONIA and such interest is added to the return generated by the sale of the credit exposure.

Further information on iTraxx® can be found with the Bloomberg code ITRX <GO>.

Additional information on the Reference Index and the general methodology behind the iTraxx Crossover credit derivative transactions can be found on <http://www.itraxx.com>.

PRODUCT ANNEX 15: Xtrackers II USD Emerging Markets Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II USD Emerging Markets Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE Emerging Markets USD Government and Government-Related Bond Select Index ("Reference Index"). The Reference Index aims to represent the composite total return performance of investment-grade and high-yield USD-denominated debt issued by governments, regional governments and government related entities, domiciled in emerging market countries.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Sub-Fund may distribute dividends in relation to the D Share Class(es) up to four times a year. Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed.</p> <p>Investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Emerging Market Risk</i></p> <p>Investments in the market to which the Reference Index relates are currently exposed to</p> |

| | |
|--|--|
| | <p>risks pertaining to emerging markets generally. These may contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.</p> <p><i>Liquidity Risk</i></p> <p>The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market is not guaranteed. The Sub-Fund may suffer losses in trading in such instruments. The bid and offer spread of the price of debt securities may be large, so that the Sub-Fund may incur significant trading and realization costs and may suffer losses accordingly.</p> <p><i>Sovereign Bond Risk</i></p> <p>Sovereign bond indices, such as the Reference Index, provide notional exposure to the value and/or return of certain bonds which may fall significantly in case of default. Markets in these asset classes may at times become volatile or illiquid. This means that ordinary trading activity may occasionally be disrupted or impossible. Such indices may be affected and your investment may suffer a consequent loss. The possibility of default of emerging markets sovereign debt issuers is higher than that of non-emerging market issuers of sovereign debt. This may in turn negatively affect the value of your investment.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Offering Period | The Offering Period for the 2C, the 3C-CHF Hedged and the 4D-GBP Hedged Share Classes will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | Means 6 May 2008 for the 1C-EUR Hedged and 9 May 2018 for the 2D Share Classes. The Launch Date for the 2C, 3C-CHF Hedged and the 4D-GBP Hedged Share Classes will be set at a date yet to be determined by the Board of Directors. |
| Cut-off Time | 3.00 p.m. Luxembourg time on the Transaction Day |
| Significant Market | Direct Replication Significant Market |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | | | | |
|---|---|---|---|---|---|
| Classes | "1C-EUR Hedged" | "2C" | "2D" | "3C-CHF Hedged" | "4D-GBP Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321462953 | LU1920015440 | LU0677077884 | LU1633124331 | LU1633126468 |
| WKN Code | DBX0AV | DBX0RD | DBX0MB | DBX1MC | DBX1MD |
| Denomination Currency | EUR | USD | USD | CHF | GBP |
| Minimum Initial Subscription Amount | 3,700 Shares | 3,700 Shares | 3,700 Shares | 3,700 Shares | 3,700 Shares |
| Minimum Subsequent Subscription Amount | 3,700 Shares | 3,700 Shares | 3,700 Shares | 3,700 Shares | 3,700 Shares |
| Management Company Fee³¹ | Up to 0.30% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.30% p.a. | Up to 0.30% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.40% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.40% p.a. | Up to 0.40% p.a. |
| Primary Market Transaction Costs | Applicable | | | | |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | | | | |
| Dividends | N/A | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |

³¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

| Description of Share Classes | | | | | |
|---|-----------------|------|------|-----------------|-----------------|
| Classes | "1C-EUR Hedged" | "2C" | "2D" | "3C-CHF Hedged" | "4D-GBP Hedged" |
| Anticipated level of Tracking Error ³² | Up to 2% | | | | |

³² The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index³³

The Reference Index is the FTSE Emerging Markets USD Government and Government-Related Bond Select Index and is calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of both investment-grade and high-yield USD-denominated debt issued by governments, regional governments and government related entities, domiciled in emerging market countries.

Reference Index methodology

Emerging Market Countries:

Only issuers from countries classified as emerging markets with a per capita income below 2x the World Bank definition of "High Income" for 3 consecutive years are eligible for the Reference Index. The Index Sponsor classifies a country to be "emerging" if it is defined by the IMF World Economic Outlook to be among "emerging and developing economies" or if it is defined by the World Bank (WB) to be among "low-income economies" or "lower-middle-income economies" or "upper-middle-income economies".

Credit rating:

All issuers of the eligible debt securities must have a long-term debt credit rating equal to or greater than C in the case of Standard & Poor's or Ca in the case of Moody's (excludes defaulted bonds).

Eligible security universe:

Only USD denominated debt securities are eligible for inclusion. Eligible debt securities must be issued by governments, government-sponsored and government-guaranteed entities, regional governments and regional government-sponsored entities domiciled in emerging market countries.

Additional selection criteria:

The Index Sponsor may impose certain additional requirements on debt securities to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) minimum and maximum issue size; and (ii) minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The Reference Index is market capitalization weighted. The Index Sponsor may impose country caps on the minimum or maximum par amount considered for market capitalization. Rebalances are conducted once a month (at the end of the month).

The Reference Index is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 2011.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on https://www.yieldbook.com/x/ixPubDoc/factsheet_i_emusd_govt_select.pdf

³³ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website https://www.yieldbook.com/x/ixPubDoc/factsheet_i_emusd_govt_select.pdf. They may change from time to time and details of the changes will appear on the Index Sponsor's website.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 16: Xtrackers II Eurozone Government Bond Short Daily Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond Short Daily Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of Short IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN INDEX (the "Reference Index"). The Reference Index reflects the daily opposite performance of the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN INDEX, plus a rate of interest. This means that the level of the Reference Index should rise when the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN INDEX falls and fall when the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN INDEX rises, on a daily basis.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | <p>The Sub-Fund is available to all investors. An investment in the Sub-Fund is intended for investors who wish to take a very short term view on the underlying index and is not intended as a buy and hold investment.</p> <p>The amount that can be reasonably invested in the Sub-Fund depends on each investor's personal situation. To determine this amount, investors should take into account their personal wealth and/or estate, their current cash requirements and their willingness to take on risk or their preference for more prudent investment. Investors should consult their investment advisor with respect to diversifying their investment sufficiently to meet their investment and risk exposure goals All investors are therefore asked to consider their specific situation with the help of their usual investment advisor.</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> <p>Please note that additional risk warnings relevant to an investment in the Sub-Fund are set out in the section 'General Description of the Reference Index' in this Product Annex.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |

| | |
|-----------------------------------|--|
| Launch Date | 6 May 2008 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 3 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321463258 |
| WKN Code | DBX0AW |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee³⁴ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

³⁴ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index³⁵

With the Reference Index, Markit (the "Index Sponsor") calculates and publishes an index that is linked inversely to the movements of the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index. The Reference Index replicates the performance of an investor with a short position on the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index that is rebalanced daily.

On a daily basis, the performance of the Reference Index is the negative performance of the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index, plus a prorated portion of interest, based on the following two components 1) the EONIA rate, 2) an assumed repo rate meaning the EONIA rate minus $\text{cost}_{\text{repo}}\%$. The $\text{cost}_{\text{repo}}$ rate is published on <https://ihsmarkit.com>.

Euro Over Night Index Average ("EONIA") is the effective reference rate computed daily as a weighted average of all overnight unsecured lending transactions undertaken in the interbank market by European Central Bank since 1 January 1999.

The repo rate is the difference between the EONIA rate and an indicative market cost (the $\text{cost}_{\text{repo}}$ rate) of borrowing the bonds in order to short them. The assumed repo rate may vary at the discretion of the Index Sponsor if, following discussion with market participants, it is determined that another rate is a better reflection of market conditions, a notice announcing the change and the new rate will be posted on <https://ihsmarkit.com> at least one week before the change becomes effective.

The Reference Index is calculated daily, for each day on which a EONIA rate is officially published by the ECB and the long version of the index is published by the Index Sponsor.

The daily Reference Index return is:

$$tr_t^{\text{daily}} = -\left(\frac{TR_t^{\text{iBoxx Eurozone}}}{TR_{t-1}^{\text{iBoxx Eurozone}}} - 1\right) + \left(r_{t-1}^{\text{Eonia}} + r_{t-1}^{\text{Re po}}\right) \cdot \frac{\text{days}(t-1, t)}{360}$$

And the corresponding Reference Index Level is:

$$TR_t^{\text{ShortiBoxx}} = (1 + tr_t^{\text{daily}}) \cdot TR_{t-1}^{\text{ShortiBoxx}}$$

where

$\text{days}(t-1, t)$ Number of calendar days between t-1 and t, including t but excluding t-1

r_{t-1}^{Eonia} EONIA® rate on day t-1

$r_{t-1}^{\text{Re po}}$ Assumed repo rate on day t-1

t Calculation day t

t-1 Previous calculation day

tr_t^{daily} Daily return of the Reference Index on day t

$TR_t^{\text{iBoxx Eurozone}}$ IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index level on day t

$TR_t^{\text{ShortiBoxx}}$ Reference Index level of the Index on day t

³⁵ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

General information on the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index represents the overall Eurozone currency sovereign debt issued by Eurozone governments. The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is calculated and disseminated by Markit.

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is calculated based on bid prices. Bonds that are not in the universe of the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index for the current month, but become eligible for inclusion at the next re-balancing, enter the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index at their ask price.

Selection criteria for the inclusion of bonds in the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index. The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index.

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is calculated on a total return basis which means that the payments from coupons are reinvested in the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index.

Once a month the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index.

2. IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index composition

General iBoxx® EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index covers all Sovereigns Eurozone maturity buckets.

3. Weighting adjustments

Within the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, the Index Sponsor publishes the constituents list.

Additional Risk Factors

Early Close/Trading Disruption Risk

A stock exchange or market may close early or issue trading halts or restrictions on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted. This may result in the Swap Counterparty being unable to buy or sell certain securities or financial instruments. This may limit the Swap Counterparty's ability to take short positions and may prevent the Swap Counterparty from achieving the Reference Index performance through the OTC Swap Transaction. In such circumstances, the Swap Counterparty may be unable to provide accurate valuations of the OTC Swap Transaction and valuation of the Net Asset Value may be suspended as further described under the section "Administration of the Company".

Daily Index Movements

The Reference Index is constructed to track the performance of a short position on the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index on a daily basis only. Therefore this should not be equated with seeking a short position for periods longer than a day. For periods longer than one day it is important to understand the effects of path dependency and compounding of the daily returns of the Reference Index. Due to the effects of path dependency and compounding, the performance of the Shares over periods longer than one day may not be inversely proportional or symmetrical with the returns of the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on both the Reference Index and the IBOXX® € SOVEREIGNS EUROZONE TOTAL RETURN Index and the general methodology behind the iBoxx® indices can be found on <https://ihsmarkit.com>.

PRODUCT ANNEX 17: Xtrackers II iBoxx Germany Covered Bond Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iBoxx Germany Covered Bond Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € GERMANY COVERED® index (the "Reference Index"). The Reference Index reflects certain types of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by German entities which are governed by rules designed to protect bond-holders (covered bonds) and which have a remaining time to maturity of at least one year.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index:</i></p> <p>The Reference Index covers debt securities issued by German issuers. The Sub-Fund will hence have exposure in only one country. The Sub-Fund will therefore have greater exposure to market, political, legal, economic and social risks of that country than a Sub-Fund which diversifies country risk across a number of countries. Any country-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |

| | |
|-----------------------------------|--|
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 10 October 2007 for the 1C Share Class and 28 October 2013 for the 1D Share Class. |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | |
|--|---|--|
| Classes | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321463506 | LU0962081203 |
| WKN Code | DBX0AX | DBX0PA |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 | EUR 75,000 |
| Management Company Fee ³⁶ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

³⁶ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index³⁷

The Reference Index represents the overall German covered bonds universe respecting the selection criteria defined below. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index calculation is based on bid and ask quotes provided by the price contributors. As at April 2010 the following supply bond prices:

Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC Bank, JP Morgan, Morgan Stanley, Royal Bank of Scotland, UBS.

The quotes from the price contributors are consolidated and enter the Reference Index calculation as consolidated prices. In the event that no new quotes for a particular bond are received, the Reference Index will continue to be calculated based on the last available consolidated prices. The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

A covered bond is a bond that fulfils the criteria specified in article 22(4) of the UCITS Directive³⁸ (issued by a credit institution which is subject by law to special public supervision designed to protect bond-holders) or similar directives, e.g. CAD III³⁹. In addition, other bonds with a structure affording an equivalent risk and credit profile, and considered by the market as covered bonds, will be included in the iBoxx covered bond indices. The criteria taken into account by the iBoxx technical committee in evaluating the status of a bond will be structure, trading patterns, issuance process, liquidity and spread-levels.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers all covered bonds Germany maturity buckets.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

³⁷ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

³⁸ Council Directive 85/611/EEC, amended by Council Directives 2001/107/EC and 2001/108/EC, article 22(4).

³⁹ Directives 2006/48/EC and 2006/49/EC of the European Parliament and of the Council.

4. Re-balancing timeframe

On the last business day of each month, Markit and Deutsche Börse publish the membership list with closing prices of all bonds at the close of business.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

PRODUCT ANNEX 18: Xtrackers II USD Overnight Rate Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II USD Overnight Rate Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FED FUNDS EFFECTIVE RATE TOTAL RETURN INDEX® (the "Reference Index"). The Reference Index reflects the performance of a notional deposit earning the federal funds effective rate with interest being reinvested in the deposit daily.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Launch Date | Means 10 October 2007 for the 1C Share Class. For the 2C Share Class this will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | |
|--|---|---|
| Classes | "1C" | "2C" ⁴⁰ |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321465469 | LU0744440677 |
| WKN Code | DBX0A0 | DBX0KZ |
| Denomination Currency | USD | USD |
| Minimum Initial Subscription Amount | USD 100,000 | USD 100,000 |
| Minimum Subsequent Subscription Amount | USD 100,000 | USD 100,000 |
| Management Company Fee ⁴¹ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁴⁰ No interim profits (Zwischengewinne) will be published for Share Class 2C. For German tax purposes, the 2C Share Class will be a transparent Share Class without the obligation to publish interim profits.

⁴¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁴²

The Reference Index reflects a daily rolled deposit earning the federal funds effective rate (the "Interest Rate"), which is the short-term money market reference in the U.S..

The federal funds rate is the interest rate that is charged by depository institutions, with excess reserves at a United States Federal Reserve District Bank, to lend money to other depository institutions overnight. The federal funds effective rate is the average interest rate charged in relation to such loans on a given day. The Federal Open Market Committee sets a target rate and the federal funds effective rate tends to be within a range of that target.

The federal funds rate is decided at Federal Open Market Committee meetings. Depending on their agenda and the economic conditions of the U.S., the FOMC members will either increase, decrease, or leave the rate unchanged. It is possible to infer the approximate probabilities of decisions at future meetings from the Chicago Board of Trade Fed Funds futures contracts, and these probabilities are widely reported in the financial media.

The Interest Rate represents the weighted average interbank interest rate that federal funds actually trade at in a day.

The deposit is compounded (reinvested) daily, and the compounding is done on a 360 day per year convention.

The Reference Index is calculated and disseminated by the Index Sponsor on each day (other than a Saturday or a Sunday) on which commercial banks, foreign exchange markets and clearing agents are open and settle payments in New York and will be made available as soon as reasonably practicable.

Reference Index Calculation

$$IL(t) = (1 + R(t')/360) * IL(t-1)$$

where

IL(t) – Reference Index level on day t

R(t') - Federal funds effective rate on t', the latest day before t on which a closing quote is available

The Reference Index has an inception date of 31 December 1997 with a level of 100.

Additional information on the Reference Index and the general methodology behind the Interest Rate can be respectively found on <http://index.db.com> and <https://www.federalreserve.gov/> or any successor thereto. An English language version of a detailed description of the Reference Index is available to investors upon request at the Company's registered office.

Information on the Reference Index can be found on <https://index.db.com/servlet/home>.

⁴² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 19: Xtrackers II GBP Overnight Rate Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II GBP Overnight Rate Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the SONIA TOTAL RETURN INDEX® (the "Reference Index"). The Reference Index reflects the performance of a notional deposit earning interest at the rate of the Sterling Overnight Index Average (SONIA) with the interest being reinvested in the deposit daily.</p> <p>Further information on the Reference Index is contained under "General Description of Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and the notional deposit earning the SONIA.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Class will make dividend payments. Where a dividend payment is made by the Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> |
| Minimum Net Asset Value | GBP 50,000,000 |
| Reference Currency | GBP |
| Launch Date | 10 October 2007 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Transaction Day |

| | |
|----------------------------|-------------|
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|--|--|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0321464652 |
| WKN Code | DBX0A1 |
| Denomination Currency | GBP |
| Minimum Initial Subscription Amount | GBP 50,000 or a lower amount as decided by the Company in its own discretion |
| Minimum Subsequent Subscription Amount | GBP 50,000 or a lower amount as decided by the Company in its own discretion |
| Management Company Fee ⁴³ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁴³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁴⁴

The Reference Index reflects a daily rolled deposit earning the SONIA rate (the Sterling Overnight Index Average), which is the short-term money market reference in the UK (the "Interest Rate").

The Interest Rate is the weighted average rate of all unsecured sterling overnight cash transactions brokered in London and reported to the Bank of England's Money Market daily data collection with a minimum deal size of £25 million.

SONIA is administered by the Bank of England. The website of the Bank of England provides historical data and a guide for the Sterling Overnight Index Average.

The deposit is compounded (reinvested) daily, and the compounding is done on a 365 day per year convention.

The Reference Index is calculated and disseminated by Deutsche Bank on a daily basis, on all calendar days.

Reference Index Calculation

$$IL(t) = (1 + R(t')/365) * IL(t-1)$$

where

IL(t) – Reference Index level on day t

R(t') – SONIA on t', the latest day before t on which a closing quote is available

Additional information on the Reference Index and the general methodology behind the Interest Rate can be respectively found on <http://index.db.com> and <https://www.bankofengland.co.uk/markets/benchmarks> or any successor thereto. An English language version of a detailed description of the Reference Index is available to investors upon request at the Company's registered office.

⁴⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 20: Xtrackers II Global Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Government Bond UCITS ETF (DR) (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE World Government Bond Index - Developed Markets (the "Reference Index"). The Reference Index is denominated in EUR and aims to represent the composite total return performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in any Share Class of the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> |

| | |
|--|---|
| | The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 20 October 2008 for the 1C-EUR Hedged Share Class, 24 August 2011 for the 2D-GBP Hedged Share Class, 22 November 2011 for the 1D-EUR Hedged Share Class, 20 October 2008 for the 3C-USD Hedged Share Class, 27 January 2012 for the 4C-CHF Hedged Share Class and 14 August 2013 for the 5C Share Class. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | | | | | |
|---|---|--|--|---|---|---|
| Classes | "1C-EUR Hedged" | "1D-EUR Hedged" | "2D-GBP Hedged" | "3C-USD Hedged" | "4C-CHF Hedged" | "5C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0378818131 | LU0690964092 | LU0641006290 | LU0641006456 | LU0641006613 | LU0908508731 |
| WKN Code | DBX0A8 | DBX0MF | DBX0LY | DBX0LZ | DBX0L0 | DBX0NM |
| Denomination Currency | EUR | EUR | GBP | USD | CHF | EUR |
| Minimum Initial Subscription Amount | 2,000 Shares | 2,000 Shares | 15,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| Minimum Subsequent Subscription Amount | 2,000 Shares | 2,000 Shares | 15,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| Management Company Fee⁴⁵ | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | N/A | N/A | N/A |
| Anticipated level of Tracking Error⁴⁶ | Up to 1% | | | | | |

⁴⁵ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

⁴⁶ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index⁴⁷

The Reference Index is determined, calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible sovereign debt universe in order to determine those debt instruments which shall be included in the Reference Index.

Eligible Countries:

Eligible sovereign debt instruments must be issued by developed market countries, as defined by the Index Sponsor.

Credit rating:

All Issuers of the eligible debt securities must have a minimum investment grade long-term debt credit rating using the rating of the applicable ratings of Moody's and S&P.

Additional selection criteria:

The Index Sponsor may impose certain additional requirements on debt securities to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) minimum issue size, (ii) minimum market size per region and (iii) minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated daily on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 2011.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on <https://www.yieldbook.com/m/indices/single.shtml?ticker=WGBIDM>

⁴⁷ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 21: Xtrackers II Singapore Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Singapore Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE Singapore Government Bond Index (the "Reference Index"). The Reference Index is denominated in SGD and aims to represent the performance of fixed-rate, local currency sovereign debt issued by the Singapore government.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | SGD 75,000,000 |
| Reference Currency | SGD |
| Launch Date | 11 May 2010 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |

| | |
|--|---|
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |
|--|---|

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0378818560 |
| WKN Code | DBX0BC |
| Denomination Currency | SGD |
| Minimum Initial Subscription Amount | 5,000 Shares |
| Minimum Subsequent Subscription Amount | 5,000 Shares |
| Management Company Fee⁴⁸ | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A |
| Anticipated level of Tracking Error | Up to 1% |

⁴⁸ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁴⁹

The Reference Index is determined, calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of fixed-rate, local currency sovereign debt issued by the Singapore government.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible sovereign debt universe in order to determine those debt instruments which shall be included in the Reference Index.

Selection criteria:

The Index Sponsor may impose certain requirements on debt securities to be included in the Reference Index. Such requirements may include minimum issue size and minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 1999.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on https://www.yieldbook.com/x/ixPubDoc/factsheet_i_sggbi.pdf

⁴⁹ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 22: Xtrackers II US Treasuries UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX \$ TREASURIES index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in U.S. Dollars issued by the U.S. government, which have a minimum remaining time to maturity at issuance of 18 months and a remaining time to maturity of at least one year on a rebalancing day.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |

| | |
|--|---|
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Offering Period | The Offering Period for the 1C Share Class will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | Means for the Share Class 1D 7 July 2009 and 30 November 2016 for the 2D-EUR Hedged Share Class. The Launch Date for the 1C Share Class will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time for the 1D and 1C Share Classes, 3.30 p.m. Luxembourg time for all other share classes on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| | Description of Share Classes | | |
|--|---|---|---|
| Class | "1C" | "1D" | "2D-EUR Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1920015796 | LU0429459356 | LU1399300455 |
| WKN Code | DBX0RF | DBX0CQ | DBX0QG |
| Denomination Currency | USD | USD | EUR |
| Minimum Initial Subscription Amount | USD 50,000 | USD 50,000 | EUR 50,000 |
| Minimum Subsequent Subscription Amount | USD 50,000 | USD 50,000 | EUR 50,000 |
| Management Company Fee ⁵⁰ | Up to 0.02% p.a. | Up to 0.02% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) | 0.00833% <i>per</i> month (0.10% p.a.) | 0.01250% <i>per</i> month (0.12% p.a.) |
| All-In Fee | Up to 0.12% p.a. | Up to 0.12% p.a. | Up to 0.17% p.a. |
| Primary Market Transaction Costs | Applicable | | |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | | |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | |
| Anticipated level of Tracking Error | Up to 1% | | |

⁵⁰ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁵¹

The Reference Index represents the overall USD sovereign debt issued by the U.S. government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit" or the "Index Sponsor").

The Reference Index is calculated on the basis of end-of-day consolidated iBoxx prices for the bonds in the universe on each trading day defined in the iBoxx USD Index calculation calendar. The Reference Index calculation calendar conforms to the recommendations of the Securities Industry and Financial Markets Association (SIFMA).

Prices for the bonds in the Reference Index are provided by several major financial institutions.

Selection criteria for the inclusion of bonds in the Reference Index:

Amongst others, the following three selection criteria are material. They are used to derive the Reference Index constituents: bond type, time to maturity and amount outstanding.

The following bond types are excluded: floating rate notes, zero coupon bonds and zero-coupon step-up bonds, inflation and other index-linked bonds. Also excluded are bonds whose complete coupons are paid at maturity, as they are similar to zero-coupon bonds with only one cash flow.

To be included in the Reference Index, all bonds must have a minimum time to maturity at issuance of 18 months. Extendable bonds whose maturities are extended also require a minimum time to maturity of 18 months from the date of extension. In addition, all bonds must have a remaining time to maturity of at least one year on a rebalancing day.

All bonds require a minimum amount outstanding of USD 1 billion in order to be eligible for the Reference Index.

General iBoxx USD Index Rules establish that all bonds are assigned to each iBoxx USD index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers all Treasuries maturity buckets.

Within the Reference Index, each bond is weighted according to its amount outstanding.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced.

The cut-off for amount outstanding is three business days before the last trading day of the month. Any changes after the Reference Index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating and amount outstanding has become known at least three trading days before the end of the month.

The final Reference Index membership list for the following month is published at the close of business two trading days before the end of the month.

Further information on Markit iBoxx can be found with the Reuters code IBOX `<Enter>` and the Bloomberg code IBOX `<GO>`.

Additional information on the Reference Index, its constituents and the general methodology behind the iBoxx indices can be found on the Index Sponsor's website <https://ihsmarkit.com>.

⁵¹ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the Index Sponsor's website. They may change from time to time and details of the changes will appear on the Index Sponsor's website.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 23: Xtrackers II US Treasuries Inflation-Linked UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries Inflation-Linked UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx TIPS Inflation-Linked Index (the "Reference Index"). The Reference Index reflects tradable debt (bonds) issued in U.S. dollars by the U.S. government which meet certain criteria. Interest payments on the bonds are linked to an inflation index.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | USD 50,000,000 |

| | |
|-----------------------------------|--|
| Reference Currency | USD |
| Launch Date | 7 July 2009 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|--|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0429459513 |
| WKN Code | DBX0CS |
| Denomination Currency | USD |
| Minimum Initial Subscription Amount | USD 50,000 |
| Minimum Subsequent Subscription Amount | USD 50,000 |
| Management Company Fee⁵² | Up to 0.02% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.12% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁵² The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁵³

The Reference Index represents inflation-linked investment grade debt issued by the U.S. government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**"). All iBoxx indices are priced based on multiple data inputs. The Markit iBoxx ILB Index family uses multi-source prices as described in the document "Markit iBoxx Pricing Rules" publicly available on <https://ihsmarkit.com>.

Selection criteria for the inclusion of bonds in the Reference Index:

Amongst others, the following four selection criteria are material. They are used to derive the Reference Index constituents: credit rating, bond type, time to maturity and amount outstanding.

Only investment grade bonds issued by sovereigns or sub-sovereigns are eligible. All bonds must have a remaining time to maturity of at least one year at the rebalancing date. All bonds require a minimum amount outstanding of USD 2 billion in order to be eligible for the Reference Index.

Both the coupon and principal of a bond included in the Reference Index are required to be linked to a domestic measure of consumer price inflation. Bonds where only the coupon or only the principal are linked to an inflation-index are ineligible for inclusion in the Reference Index, as are bonds whose coupon and principal are linked to producer price inflation or other non-domestic consumer price inflation indices. The following bond types are excluded: callable bonds, putable bonds, retail bonds (for individual investors), "when issued" bonds.

Within the Reference Index, each bond is weighted according to its market capitalisation in relation to the index capitalisation.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

The Reference Index is reviewed and re-balanced once a month.

The cut-off for changes to relevant static data is three business days before the last trading day of the relevant month. Any changes after the Reference Index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating and amount outstanding has become known at least three trading days before the end of the month.

The final Reference Index membership list for the following month is published at the close of business two trading days before the end of the month.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁵³ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 24: Xtrackers II US Treasuries 1-3 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries 1-3 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX \$ TREASURIES 1-3[®] index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in U.S. Dollars issued by the U.S. government, which have a remaining time to maturity of at least one year and up to three years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a substantial number of the constituents of the Reference Index in a similar proportion as the Reference Index as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |

| | |
|-----------------------------------|--|
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Offering Period | The Offering Period for the 1C Share Class will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | Means for the Share Class 1D 7 July 2009. The Launch Date for the 1C Share Class will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| | Description of Share Classes | |
|---|---|---|
| Class | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1920015523 | LU0429458895 |
| WKN Code | DBX0RE | DBX0CU |
| Denomination Currency | USD | USD |
| Minimum Initial Subscription Amount | USD 50,000 | USD 50,000 |
| Minimum Subsequent Subscription Amount | USD 50,000 | USD 50,000 |
| Management Company Fee⁵⁴ | Up to 0.02% p.a. | Up to 0.02% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.12% p.a. | Up to 0.12% p.a. |
| Primary Market Transaction Costs | Applicable | |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |
| Anticipated level of Tracking Error | Up to 1% | |

⁵⁴ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁵⁵

The Reference Index represents the 1-3 years maturity USD sovereign debt issued by the U.S. government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**" or the "**Index Sponsor**").

The Reference Index is calculated on the basis of end-of-day consolidated iBoxx prices for the bonds in the universe on each trading day defined in the iBoxx USD index calculation calendar. The index calculation calendar conforms to the recommendations of the Bond Market Association (BMA).

Prices for the bonds in the Reference Index are provided by several major financial institutions:

Selection criteria for the inclusion of bonds in the Reference Index:

Amongst others, the following three selection criteria are material. They are used to derive the Reference Index constituents: bond type, time to maturity and amount outstanding.

The following bond types are excluded: floating rate notes, zero coupon bonds and zero-coupon step-up bonds, inflation and other index-linked bonds. Also excluded are bonds whose complete coupons are paid at maturity, as they are similar to zero-coupon bonds with only one cash flow.

To be included in the Reference Index, all bonds must have a minimum time to maturity at issuance of 18 months. Extendable bonds whose maturities are extended also require a minimum time to maturity of 18 months from the date of extension. In addition, all bonds must have a remaining time to maturity of at least one year on a rebalancing day.

All bonds require a minimum amount outstanding of USD 1 billion in order to be eligible for the Reference Index.

General iBoxx USD index rules establish that all bonds are assigned to each iBoxx USD index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the U.S. Treasuries 1-3 years maturity buckets

Within the Reference Index, each bond is weighted according to its amount outstanding.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced.

The cut-off for amount outstanding is three business days before the last trading day of the month. Any changes after the Reference Index cut-off day (t-3) will not be considered in the re-balancing process, but will become effective at the end of the following month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating and amount outstanding has become known at least three trading days before the end of the month.

The final Reference Index membership list for the following month is published at the close of business two trading days before the end of the month.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on the Index Sponsor's website <https://ihsmarkit.com>.

⁵⁵ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the Index Sponsor's website. They may change from time to time and details of the changes will appear on the Index Sponsor's website.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 25: Xtrackers II EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Corporate Bond UCITS ETF (the "Sub-Fund") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Euro Corporate Bond Index (the "Reference Index"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to</p> |

| | |
|--|---|
| | one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | For the 1D, 2D-GBP Hedged and 3D-CHF Hedged Share Classes the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | In respect of 1C Share Class, means 23 February 2010. For the 1D, 2D-GBP Hedged and 3D-CHF Hedged Share Classes, the Launch Date will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | | | |
|---|---|---|---|---|
| Classes | "1C" | "1D" | "2D-GBP Hedged" | "3D-CHF Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0478205379 | LU0478205965 | LU1492586802 | LU1492589574 |
| WKN Code | DBX0EY | DBX0EZ | DBX0QL | DBX0QM |
| Denomination Currency | EUR | EUR | GBP | CHF |
| Minimum Initial Subscription Amount | 3,000 Shares | 3,000 Shares | 3,000 Shares | 3,000 Shares |
| Minimum Subsequent Subscription Amount | 3,000 Shares | 3,000 Shares | 3,000 Shares | 3,000 Shares |
| Management Company Fee⁵⁶ | Up to 0.06% p.a. | Up to 0.06% p.a. | Up to 0.11% p.a. | Up to 0.11% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.16% p.a. | Up to 0.16% p.a. | Up to 0.21% p.a. | Up to 0.21% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |
| Anticipated level of Tracking Error⁵⁷ | Up to 1% | | | |

⁵⁶ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

⁵⁷ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index⁵⁸

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds.

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference Index are priced on the offer side, and are priced at bid thereafter. The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, specific rules will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. These rules include bond minimum time to maturity and amount outstanding. In addition, for bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergindices.com/bloomberg-barclays-indices/>).

⁵⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 26: Xtrackers II Germany Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Germany Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € Germany[®] index (the "Reference Index"). The Reference Index reflects the performance of the tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by the German government that have a remaining time to maturity of at least one year.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |

| | |
|--|---|
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 5 January 2010 for the 1D Share Class and 24 August 2011 for the 1C Share Class. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|--|--|---|
| Classes | "1D" | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0468896575 | LU0643975161 |
| WKN Code | DBX0C7 | DBX0KA |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 2,500 Shares | 2,500 Shares |
| Minimum Subsequent Subscription Amount | 2,500 Shares | 2,500 Shares |
| Management Company Fee ⁵⁹ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | N/A | N/A |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁵⁹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁶⁰

The Reference Index represents the overall Euro and legacy currency (i.e. bonds issued in a pre-Euro currency) sovereign debt issued by the German government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month. The Reference Index covers all German Sovereign maturity buckets.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes its constituents list.

The base date of the Reference Index is 31 December 1998.

Full information on the Reference Index, including all eligibility criteria and constituents can be found on the relevant Markit website (<https://ihsmarkit.com>)

⁶⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 27: Xtrackers II Germany Government Bond 1-3 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Germany Government Bond 1-3 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € Germany 1-3[®] index (the "Reference Index"). The Reference Index reflects the performance of the tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by the German government that have a remaining time to maturity of at least 1 year and up to 3 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |

| | |
|--|---|
| Launch Date | 5 January 2010 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | |
|---|--|
| Classes | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0468897110 |
| WKN Code | DBX0C9 |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 2,500 Shares |
| Minimum Subsequent Subscription Amount | 2,500 Shares |
| Management Company Fee⁶¹ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | N/A |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁶¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁶²

The Reference Index represents the 1-3 years maturity Euro and legacy currency (i.e. bonds issued in a pre-Euro currency) sovereign debt issued by the German government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers the German Sovereign 1-3 years maturity bucket.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes its constituents list.

The base date of the Reference Index is 31 December 1998.

Full information on the Reference Index, including all eligibility criteria and constituents can be found on the relevant Markit website (<https://ihsmarkit.com>).

⁶² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 28: Xtrackers II ESG EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II ESG EUR Corporate Bond UCITS ETF (the "Sub-Fund") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays MSCI Euro Corporate Sustainable and SRI Index (the "Reference Index"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, excluding bonds which do not fulfill specific ESG (environmental, social, and governance) criteria.</p> <p>Further information on the Reference Index and is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments, Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> <p><i>Environmental, Social and Governance standards</i></p> <p>The Reference Index's environmental, social and governance standards limit the number</p> |

| | |
|-----------------------------------|--|
| | of securities eligible for inclusion in the Reference Index. As a result, the Reference Index, and as such, the Sub-Fund may be more heavily weighted in securities, industry sectors or countries that underperform the market as a whole or underperform other funds screened for environmental, social and governance standards, or which do not screen for such standards. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | For the 1C Share Class the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | In respect of 1D Share Class, means 18 October 2010. For the 1C Share Class, the Launch Date will be set at a date yet to be determined by the Board of Directors. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off | 3.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | No |

| Description of Share Classes | | |
|---|---|---|
| Classes | "1D" | "1C" |
| Index | Reference Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0484968812 | LU0484968903 |
| WKN Code | DBX0E8 | DBX0E9 |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 3,500 Shares | 3,500 Shares |
| Minimum Subsequent Subscription Amount | 3,500 Shares | 3,500 Shares |
| Management Company Fee⁶³ | Up to 0.06% p.a. | Up to 0.15% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.16% p.a. | Up to 0.25% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁶³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁶⁴

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds, excluding bonds which do not fulfill specific ESG (environmental, social, and governance) criteria.

In particular, the following bonds will be excluded from the Reference Index:

- Issuers below a minimum MSCI ESG rating
- Issuers with a "red" MSCI ESG Impact Monitor Score
- Issuers involved in certain activities that contravene a Socially Responsible Investing (SRI) screen
- Issuers that are classified by MSCI in their Business Involvement Screening Research as being involved in certain activities, including gambling, or military weapons

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference Index are priced on the offer side, and are priced at bid thereafter. The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, specific rules will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. These rules include a bond minimum time to maturity and amount outstanding. In addition, for bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergindeces.com/bloomberg-barclays-indices/>).

⁶⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 29: Xtrackers II EUR Corporate Bond ex Financials UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Corporate Bond ex Financials UCITS ETF (the "Sub-Fund") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Euro Corporate ex Financial Bond Index (the "Reference Index"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, excluding bonds issued by financial institutions.</p> <p>Further information on the Reference Index and is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | For the 1D Share Class the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | <p>In respect of 1C Share Class, means 18 October 2010.</p> <p>For the 1D Share Class, the Launch Date will be set at a date yet to be determined by the Board of Directors.</p> |

| | |
|--|---|
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.00 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|---|---|---|
| Classes | "1C" | "1D" |
| Index | Reference Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0484968655 | LU0484968739 |
| WKN Code | DBX0E6 | DBX0E7 |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 3,500 Shares | 3,500 Shares |
| Minimum Subsequent Subscription Amount | 3,500 Shares | 3,500 Shares |
| Management Company Fee⁶⁵ | Up to 0.10% p.a. | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁶⁵ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁶⁶

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds excluding bonds issued by financial institutions.

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference are priced on the offer side, and are priced at bid thereafter. The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, specific rules will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. These rules include bond minimum time to maturity and amount outstanding. In addition, for bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergindices.com/bloomberg-barclays-indices/>).

⁶⁶ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 30: Xtrackers II Eurozone AAA Government Bond Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone AAA Government Bond Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € SOVEREIGNS EUROZONE AAA® Index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by Eurozone governments with a remaining time to maturity of, 1 year at least.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |

| | |
|-----------------------------------|--|
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 22 September 2010 for the 1C Share Class and 28 October 2013 for the 1D Share Class. |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | |
|---|---|--|
| Class | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0484969463 | LU0975326215 |
| WKN Code | DBX0FE | DBX0PF |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 | EUR 75,000 |
| Management Company Fee⁶⁷ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁶⁷ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁶⁸

The Reference Index represents the overall Eurozone currency sovereign debt issued by Eurozone governments with an Average Rating of AAA. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index

All bonds in the Reference Index must have an Average Rating (as defined below) of AAA. Ratings from the following three credit rating agencies are considered for the calculation of the Markit iBoxx Rating: Fitch Ratings, Standard & Poor's Rating Services and Moody's Investors Service. Investment grade is defined as BBB- or higher from Fitch and Standard & Poor's and Baa3 or higher from Moody's. If a country is rated by more than one of the above agencies, then the Markit iBoxx rating is the average of the provided ratings.

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least one year at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 1 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

Rebalancing

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

The Reference Index covers all maturity buckets of Eurozone sovereign debt with an Average Rating (as defined above) of AAA.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit publishes the constituents list.

Additional information

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Full information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁶⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 31: Xtrackers II iBoxx Eurozone Government Bond Yield Plus UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iBoxx Eurozone Government Bond Yield Plus UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Sovereigns Eurozone Yield Plus Index® (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) issued by the 5 highest-yielding Eurozone countries and denominated in Euro.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index, by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Sub-Fund may distribute dividends in relation to the D Share Class(es) up to four times a year. Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in any Share Class of the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested up to a total loss. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |

| | |
|--|---|
| Reference Currency | EUR |
| Launch Date | Means 22 September 2010 for the 1C Share Class and 28 October 2013 for the 1D Share Class. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|--|---|--|
| Classes | "1C" | "1D" |
| Index | Reference Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0524480265 | LU0962071741 |
| WKN Code | DBX0HM | DBX0N8 |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 3,000 Shares | 3,000 Shares |
| Minimum Subsequent Subscription Amount | 3,000 Shares | 3,000 Shares |
| Management Company Fee ⁶⁹ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend will in principle be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁶⁹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁷⁰

The Reference Index is a total return index designed to track the performance of a portfolio comprised of EUR-denominated government bonds issued by the five highest yielding countries with investment grade rating chosen among the member countries of the Eurozone. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit" or "Index Sponsor").

Reference Index methodology

The 5 highest yielding issuer countries are selected every month at each monthly rebalance.

The issuer follows a two-step approach to determine the 5 highest yielding issuer countries:

- Step 1: Selection of eligible bonds

Eligible bond types include, but are not restricted to fixed coupon plain vanilla bonds and zero coupon bonds. All bonds in the Reference Index must be rated investment grade according to the methodology used by the Markit Group, which is available under <https://ihsmarkit.com>. The Index Sponsor may impose certain additional requirements on bonds to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) denomination currency: EUR (ii) minimum amount outstanding; and (iii) minimum remaining time to maturity.

- Step 2: Determine country yield and ranking

The highest yielding countries are determined by calculating the yield of a hypothetical bond with a maturity of exactly 5 years. The yield of the hypothetical bond is calculated from the annual yield of two bonds with a maturity of close to 5 years. Mid-prices are used in calculating the annual yield of the selected bonds. The 5-year point is chosen as the reference point since the yield curves of the Eurozone countries are more densely populated around the 5-year point. The exact point on the yield curve used to determine the ranking may be reviewed from time to time by the Index Sponsor in order to reflect the current market conditions of the underlying Eurozone countries.

Once the annual yields are calculated, the countries are ranked and those with the largest annual yields are selected to be included into the Reference Index. All bonds are included and weighted in the Reference Index by market capitalisation, subject to a cap of 20 percent. of the Reference Index on the weight of any bond.

Reference Index Calculation

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

The Reference Index is rebalanced monthly on the last calendar day of the month.

The Reference Index had an initial level of 100 on 31 December 2004, the base date of the Reference Index.

Further information on the Reference Index is available on <https://ihsmarkit.com>.

⁷⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 32: Xtrackers II Australia Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Australia Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE Australian Government Bond Index (the "Reference Index"). The Reference Index is denominated in AUD and aims to represent the performance of fixed-rate, local currency sovereign debt issued by the Australian government.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Because the market which the Reference Index seeks to represent may be concentrated in sovereign debt issued or guaranteed by one or more governments, there are fewer potential constituents than might be the case in an index with a broader universe of potential constituents. As a result of this, and further to the section "Use of increased diversification limits" under "Investment Objectives and Policies" in the main part of the Prospectus, the Sub-Fund may make use of the increased diversification limits under the Law.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | AUD 50,000,000 |
| Reference Currency | AUD |

| | |
|--|---|
| Launch Date | 19 May 2010 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0494592974 |
| WKN Code | DBX0GG |
| Denomination Currency | AUD |
| Minimum Initial Subscription Amount | 3,000 Shares |
| Minimum Subsequent Subscription Amount | 3,000 Shares |
| Management Company Fee⁷¹ | Up to 0.15% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.25% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

⁷¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁷²

The Reference Index is determined, calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of fixed-rate, local currency sovereign debt issued by the Australian government.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible sovereign debt universe in order to determine those debt instruments which shall be included in the Reference Index.

Selection criteria:

The Index Sponsor may impose certain requirements on debt securities to be included in the Reference Index. Such requirements may include minimum issue size and minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 1984.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on https://www.yieldbook.com/x/ixPubDoc/factsheet_i_ausgbi.pdf

⁷² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 33: Xtrackers II Italy Government Bond 0-1 Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Italy Government Bond 0-1 Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the MTS Italy BOT- Ex-Bank of Italy[®] index (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) issued by the Italian government belonging to the BOT (Buono Ordinario del Tesoro) security type, which means that the bonds pay no interest and have a maximum maturity of 12 months.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into a financial contract (derivative) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of Italian debt securities belonging to the BOT security type aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000. |
| Reference Currency | EUR |
| Launch Date | 12 January 2012 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |

| | |
|--------------------|-----|
| Securities Lending | N/A |
|--------------------|-----|

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0613540268 |
| WKN Code | DBX0HH |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee⁷³ | Up to 0.05% Annually |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A |
| Anticipated level of Tracking Error | Up to 1% |

⁷³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁷⁴

The Reference Index measures the total return of a portfolio of Italian sovereign debt instruments belonging to the BOT (Buono Ordinario del Tesoro) security type, i.e. zero coupon bonds with a maximum maturity of 12 months.

The Reference Index is calculated and distributed exclusively by EuroMTS Limited, part of the MTS Group, which collectively facilitates Europe's premier electronic market in fixed-income securities hosted on a centralised trading platform. The Reference Index is calculated using prices sourced from the MTS platform. The MTS Italy – Ex-Bank of Italy Indices™ are a range of indices that replace the "Ex-Bank of Italy" indices published by the Bank of Italy prior to December 1998.

Bid prices are used in the Reference Index calculation and offer prices are used for new bonds entering the Reference Index. Eligible bonds for the Reference Index must meet the following criteria:

- Quoted on the MTS platform
- Issued by the sovereign government of the Italian Republic
- Belong to the BOT (Buono Ordinario del Tesoro) security type, i.e. zero coupon bonds with a maximum maturity of 12 months

All BOTs listed on the MTS platform are included in the Reference Index.

Reference Index calculations are based on the weighted capitalisation of the underlying bond portfolios, both including and excluding any coupons paid out.

The Reference Index is a total return index. Coupons paid out on any bond are reinvested overnight in the Reference Index itself. No deduction is made to a coupon before it is reinvested in the Reference Index i.e. no withholding tax is applied.

EuroMTS Limited Indices are priced using live quotes from the inter-dealer MTS platform. Each bond quoted on the MTS platform is supported by multiple dealers supplying tight, continuous quotes. These quotes are widely distributed for information to the market via data vendors. The Reference Index is published every 30 seconds between 09:00 Luxembourg time and 17:30 Luxembourg time. Two daily fixings are published at 11:00 Luxembourg time and 17:30 Luxembourg time. Any bond included in the Reference Index must first be quoted on MTS. This is a very wide criterion that excludes only extremely illiquid bonds, a fact that improves the replicability of the Reference Index. Reference Index updates are calculated using best bids. New bonds entering the Reference Index for the first time use the best offer. This replicates the bid-offer spread that would be experienced by a fund tracking the Reference Index.

The Reference Index is rebalanced every calendar week. Selections are made by including all eligible bonds.

The base date of the Reference Index is 31 December 1990. Underlying bond portfolio compositions and weights are published on www.euromtsindex.com.

⁷⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 34: Xtrackers II Italy Government Aggregate Bond Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Italy Government Aggregate Bond Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the MTS Italy Aggregate – Ex-Bank of Italy® index (the "Reference Index"). The Reference Index reflects the performance of four types of tradable debt (bonds) issued by the Italian government (i) BOT (Buono Ordinario del Tesoro) which are bonds that pay no interest and have a maximum maturity of 12 months; (ii) BTP (Buono del Tesoro Poliennale) which are bonds that pay a fixed rate of interest; (iii) CCT (Certificati di Credito del Tesoro) which are bonds that pay a variable rate of interest; or (iv) CTZ (Certificato del Tesoro zero-coupon) which are bonds that pay no interest and have a maximum maturity of 24 months.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into a financial contract (derivative) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of Italian debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |

| | |
|-----------------------------------|---|
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000. |
| Reference Currency | EUR |
| Launch Date | 12 January 2012 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0613540698 |
| WKN Code | DBX0HL |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee⁷⁵ | Up to 0.10% Annually |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable |

⁷⁵ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

| Description of Share Classes | |
|--|--|
| Class | "1D" |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

General Description of the Reference Index⁷⁶

The Reference Index measures the total return of a portfolio of Italian sovereign debt instruments belonging to the following security types:

- BOT (Buono Ordinario del Tesoro), i.e. zero coupon bonds, with a maximum maturity of 12 months;
- BTP (Buono del Tesoro Poliennale), i.e. fixed coupon bonds;
- CCT (Certificati di Credito del Tesoro), i.e. bonds with a variable coupon; or
- CTZ (Certificato del Tesoro zero-coupon), i.e. zero coupon bonds, with a maximum maturity of 24 months.

The Reference Index is calculated and distributed exclusively by EuroMTS Limited, part of the MTS Group, which collectively facilitates Europe's premier electronic market in fixed-income securities hosted on a centralised trading platform. The Reference Index is calculated using prices sourced from the MTS platform. The MTS Italy – Ex-Bank of Italy Indices™ are a range of indices that replace the "Ex-Bank of Italy" indices published by the Bank of Italy prior to December 1998.

Bid prices are used in the Reference Index calculation and offer prices are used for new bonds entering the Reference Index. Eligible bonds for the Reference Index must meet the following criteria:

- Quoted on the MTS platform
- Issued by the sovereign government of the Italian Republic
- Belong to the security types listed above, i.e. BOT, BTP, CCT or CTZ

All bond types listed above and listed on the MTS platform are included in the Reference Index.

Reference Index calculations are based on the weighted capitalisation of the underlying bond portfolios, both including and excluding any coupons paid out.

The Reference Index is a total return index. Coupons paid out on any bond are reinvested overnight in the Reference Index itself. No deduction is made to a coupon before it is reinvested in the Reference Index i.e. no withholding tax is applied.

EuroMTS Limited Indices are priced using live quotes from the inter-dealer MTS platform. Each bond quoted on the MTS platform is supported by multiple dealers supplying tight, continuous quotes. These quotes are widely distributed for information to the market via data vendors. The Reference Index is published every 30 seconds between 09:00 Luxembourg time and 17:30 Luxembourg time. Two daily fixings are published at 11:00 Luxembourg time and 17:30 Luxembourg time. Any bond included in the Reference Index must first be quoted on MTS. This is a very wide criterion that excludes only extremely illiquid bonds, a fact that improves the replicability of the Reference Index. Reference Index updates are calculated using best bids. New bonds entering the Reference Index for the first time use the best offer. This replicates the bid-offer spread that would be experienced by a fund tracking the Reference Index.

The Reference Index is rebalanced every calendar week. Selections are made by including all eligible bonds.

The base date of the Reference Index is 31 December 1990. Underlying bond portfolio compositions and weights are published on www.euromtsindex.com.

⁷⁶ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 35: Xtrackers II Italy Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Italy Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE Italian Government Bond Index (the "Reference Index"). The Reference Index is denominated in EUR and aims to represent the performance of fixed-rate, local currency sovereign debt issued by the Italian government.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the New Reference Index by buying a portfolio of securities that may comprise the constituents of the New Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |

| | |
|--|---|
| Reference Currency | EUR |
| Launch Date | 12 January 2012 |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Class | |
|---|--|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0613540185 |
| WKN Code | DBX0HG |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | 5,000 Shares |
| Minimum Subsequent Subscription Amount | 5,000 Shares |
| Management Company Fee⁷⁷ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁷⁷ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁷⁸

The Reference Index is determined, calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of fixed-rate, local currency sovereign debt issued by the Italian government.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible sovereign debt universe in order to determine those debt instruments which shall be included in the Reference Index.

Selection criteria:

The Index Sponsor may impose certain requirements on debt securities to be included in the Reference Index. Such requirements may include minimum issue size and minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 1984.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on https://www.yieldbook.com/x/ixPubDoc/factsheet_i_italiangbi.pdf

⁷⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 36: Xtrackers II Germany Government Bond 3-5 Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Germany Government Bond 3-5 Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € GERMANY 3-5[®] index (the "Reference Index"). The Reference Index reflects certain types of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by the German government having a maturity of three to five years. The Reference Index is comprised solely of bonds. For bonds to be included in the Reference Index they must have a remaining time to maturity of at least three years and up to five years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into a financial contract (derivative) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities issued by the German government aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |

| | |
|-----------------------------------|--|
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 12 January 2012 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|--|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0613540854 |
| WKN Code | DBX0JE |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee⁷⁹ | Up to 0.05% Annually |
| Fixed Fee | 0.00833% <i>per</i> month (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁷⁹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁸⁰

The Reference Index represents the 3-5 years maturity Euro and legacy currency (i.e. bonds issued in a pre-Euro currency) sovereign debt issued by the German government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

Real time index and bond prices are published by Deutsche Börse.

The Reference Index calculation is based on bid and ask quotes provided by the price contributors. As at April 2010 the following supply bond prices:

Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC Bank, JP Morgan, Morgan Stanley, Royal Bank of Scotland, UBS.

The quotes from the price contributors are consolidated and enter the Reference Index calculation as consolidated prices. In the event that no new quotes for a particular bond are received, the Reference Index will continue to be calculated based on the last available consolidated prices. The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least three years and up to five years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 2 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Once a month the Reference Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month. The Reference Index covers the German sovereigns 3-5 years maturity bucket.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit and Deutsche Börse publish the membership list with closing prices of all bonds at the close of business.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁸⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 37: Xtrackers II Germany Government Bond 7-10 Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Germany Government Bond 7-10 Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the IBOXX € GERMANY 7-10[®] index (the "Reference Index"). The Reference Index reflects certain types of tradable debt (bonds) denominated in Euro or pre-Euro currencies issued by the German government having a maturity of at least seven years and up to ten years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index"</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of sovereign debt securities issued by the German government aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |

| | |
|-----------------------------------|--|
| Reference Currency | EUR |
| Launch Date | 19 March 2012 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|--|
| Class | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate |
| ISIN Code | LU0730820569 |
| WKN Code | DBX0MJ |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee⁸¹ | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of Tracking Error | Up to 1% |

⁸¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁸²

The Reference Index represents the 7-10 years maturity Euro and legacy currency (i.e. bonds issued in a pre-Euro currency) sovereign debt issued by the German central government. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

Real time index and bond prices are published by Deutsche Börse.

The Reference Index calculation is based on bid and ask quotes provided by the price contributors. As at April 2010 the following supply bond prices:

Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC Bank, JP Morgan, Morgan Stanley, Royal Bank of Scotland, UBS.

The quotes from the price contributors are consolidated and enter the Reference Index calculation as consolidated prices. In the event that no new quotes for a particular bond are received, the Reference Index will continue to be calculated based on the last available consolidated prices. The Reference Index is calculated based on bid prices. Bonds that are not in the Reference Index universe for the current month, but become eligible for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Selection criteria for the inclusion of bonds in the Reference Index:

Only fixed rate bonds whose cash flow can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

All bonds must have a minimum remaining time to maturity of at least seven years and up to ten years at the re-balancing date in order to be eligible for the Reference Index.

All bonds require a specific minimum amount outstanding of Euro 2 billion in order to be eligible for the Reference Index.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Once a month the Index is reviewed and re-balanced. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month. The Reference Index covers the German sovereigns 7-10 years maturity bucket.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

4. Re-balancing timeframe

On the last business day of each month, Markit and Deutsche Börse publish the membership list with closing prices of all bonds at the close of business.

The base date of the Reference Index is 31 December 1998.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

⁸² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 38: Xtrackers II EUR Covered Bond Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Covered Bond Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the MARKIT IBOXX EUR LIQUID COVERED INDEX® (the "Reference Index"). The Reference Index reflects certain types of tradable debt (bonds) denominated in Euros considered less likely to default (investment grade) and which are issued by a credit institution with its registered office in the European Union governed by rules designed to protect bond-holders (covered bonds) or are considered by the market to be covered bonds.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of debt securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | 27 November 2012 |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | |
|---|---|
| Class | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0820950128 |
| WKN Code | DBX0ND |
| Denomination Currency | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 |
| Management Company Fee⁸³ | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. |
| Dividends | N/A |
| Primary Market Transaction Costs | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Anticipated level of Tracking Error | Up to 1% |

⁸³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁸⁴

The Reference Index represents the investment grade market for Euro denominated covered bonds respecting the selection criteria defined below. The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

The Reference Index is calculated and disseminated by Markit.

Reference Index Calculation:

The Reference Index is a multiple contributor index. Prices are collected from multiple sources and averaged. The resulting consolidated price is used in the index calculation. The Reference Index calculation is based on bid and ask quotes provided by the multiple price contributors ("**Contributing Price Providers**"). As at July 2012, the following parties submit bond prices: Barclays Capital, BNP Paribas, Commerzbank, Deutsche Bank, Goldman Sachs, HSBC Bank, JP Morgan, Morgan Stanley, Royal Bank of Scotland and UBS.

Bonds which are already included in the Reference Index will be valued at their respective iBoxx bid prices. Conversely, bonds that are not in the Reference Index for the current rebalancing period, but will be eligible for inclusion at the next rebalancing, will enter the Reference Index at their iBoxx ask price. Additionally, a blended price will be calculated for bonds which are already in the Reference Index and have an increase in the notional amount outstanding in the current rebalancing period. The blended price will be an average of the bid price and the ask price, weighted by the unchanged and the increased notional amount, respectively. This blended price will be used to calculate the Reference Index levels on the next rebalancing date.

Bid and ask price quotes for bonds in the eligible universe are provided by the Contributing Price Providers on an end-of-day basis. Quotes are sent for all trading days in the respective local currency bond market.

The quotes from the Contributing Price Providers are consolidated and enter the Reference Index calculation as consolidated prices. In the event that no new quotes for a particular bond are received, the Reference Index will continue to be calculated based on the last available consolidated prices.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions accumulate without accruing interest and are held as cash until the next rebalancing day, when the cash is reinvested in the Reference Index.

The settlement convention for the index is T+0.

Selection criteria for the inclusion of bonds in the Reference Index:

The eligibility criteria for the Reference Index encompass the following categories:

- (i) Bond type
- (ii) Bond currency
- (iii) Rating
- (iv) Time to maturity
- (v) Outstanding amount
- (vi) Bond age

(i) Bond type:

Only fixed rate covered bonds whose cash flows can be determined in advance are eligible for the Reference Index. The Reference Index is comprised solely of bonds. T-Bills and other money market instruments are not eligible.

The Reference Index includes only Euro and legacy currency denominated bonds.

A covered bond is a bond that fulfils the criteria specified in article 52(4) of the UCITS Directive⁸⁵ (issued by a credit institution which has its registered office in a EU Member State and is subject by law to special public supervision designed to protect bond-holders) or similar directives, e.g. CAD III⁸⁶. In addition, other bonds with a structure affording an equivalent risk and credit profile, and considered by the market as covered bonds, will be included in the iBoxx covered bond indices. The criteria taken into account by the iBoxx technical committee in evaluating the status of a bond will be structure, trading patterns, issuance process, liquidity and spread-levels.

(ii) Bond currency:

Only EUR denominated bonds are eligible for inclusion in the Reference Index.

⁸⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

⁸⁵ Directive 2009/65/EC of the European Parliament and of the Council, article 52(4).

⁸⁶ Directives 2006/48/EC and 2006/49/EC of the European Parliament and of the Council.

(iii) Rating:

All bonds in the Reference Index must be rated investment grade by at least one of the following rating agencies: Fitch Ratings, Moody's Investors Service or Standard & Poor's Rating Services. If a bond is rated by several agencies, the average rating is attached to the bond. The rating is consolidated to the nearest rating grade.

(iv) Time to maturity:

Eligible bonds must have a minimum remaining time to maturity of at least three years at the rebalancing date in order to be eligible for the Reference Index.

(v) Outstanding amount:

Additionally, all eligible bonds require a specific minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

(vi) Bond age:

Eligible bonds must have an age of no greater than two years. The age is defined as the minimum of the following:

- Time since initial issuance, as measured as the difference between the first settlement day and the next rebalancing date
- Time since last tap issuance via the primary market, defined as the difference between the month end date of the last single notional increase of at least EUR 250 million and the next rebalancing date

The minimum size of the Reference Index is 50 bonds, but there is no maximum size. If on any rebalancing date, the Reference Index size is due to fall below the minimum level, the following eligibility criteria are changed in ascending order, until the minimum size is reached:

- The maximum age rule will be relaxed in one year increments
- The minimum time to maturity rule will be relaxed in one year increments, up to a minimum maturity of 1 year.

Reference Index weighting:

All bonds in the Reference Index will be weighted by market value. The weight of any single issuer in the Reference Index is capped at 20 percent..

Reference Index Rebalancing:

The Reference Index is reviewed and re-balanced on a monthly basis. This includes:

1. Bond selection

Those bond issues meeting the criteria described above at the end of the month are included in the Reference Index.

2. Reference Index composition

General iBoxx EUR Index Rules establish that all bonds are assigned to each iBoxx EUR index according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life expressed in years and calculated from the last calendar day of the month in which the index is reviewed and re-balanced. All bonds remain in their maturity bucket for the entire month.

3. Weighting adjustments

Within the Reference Index, each bond is weighted according to its amount outstanding. Intra-month changes of the amount outstanding for each bond are reflected in the Reference Index through the rebalancing procedure at the beginning of each new month.

The base date of the Reference Index is 31 December 2005.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

The iBoxx rules for bond classification can be found at <https://ihsmarkit.com>.

Additional information on the Reference Index and the general methodology behind the iBoxx indices can be found on <https://ihsmarkit.com>.

PRODUCT ANNEX 39: Xtrackers II iBoxx Eurozone Government Bond Yield Plus 1-3 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II iBoxx Eurozone Government Bond Yield Plus 1-3 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Sovereigns Eurozone Yield Plus 1-3 Index® (the "Reference Index"). The Reference Index reflects the performance of tradable debt (bonds) issued by the 5 highest-yielding Eurozone countries with a remaining time to maturity of at least 1 year and up to 3 years and denominated in Euro.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that the distributing Share Class will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and transferable securities and eligible assets held by</p> |

| | |
|--|---|
| | the Sub-Fund. |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Launch Date | Means 14 August 2013 for the 1C Share Class and 28 October 2013 for the 1D Share Class. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.30 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|---|---|--|
| Class | "1C" | "1D" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0925589839 | LU0975334821 |
| WKN Code | DBX0K7 | DBX0PE |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 4,000 Shares | 4,000 Shares |
| Minimum Subsequent Subscription Amount | 4,000 Shares | 4,000 Shares |
| Management Company Fee⁸⁷ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated Level of Tracking Error | up to 1% | up to 1% |

⁸⁷ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁸⁸

The Reference Index is a total return index designed to track the performance of a portfolio comprised of EUR-denominated government bonds issued by the five highest yielding countries with investment grade rating chosen among the member countries of the Eurozone. Eligible bonds must have a remaining time to maturity of at least 1 year and up to 3 years. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit" or "Index Sponsor").

Reference Index methodology

The 5 highest yielding issuer countries are selected every month at each monthly rebalance.

The Index Sponsor follows a two-step approach to determine the 5 highest yielding issuer countries:

- Step 1: Selection of eligible bonds

Eligible bond types include, but are not restricted to fixed coupon plain vanilla bonds and zero coupon bonds. All bonds in the Reference Index must be rated investment grade according to the methodology used by Markit, which is available under <https://ihsmarkit.com>. The Index Sponsor may impose certain additional requirements on bonds to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) denomination currency: EUR (ii) minimum amount outstanding; and (iii) minimum remaining time to maturity.

- Step 2: Determine country yield and ranking

The highest yielding countries are determined by calculating the yield of a hypothetical bond with a maturity of exactly 5 years. The yield of the hypothetical bond is calculated from the annual yield of two bonds with a maturity of close to 5 years. Mid-prices are used in calculating the annual yield of the selected bonds. The 5-year point is chosen as the reference point since the yield curves of the Eurozone countries are more densely populated around the 5-year point. The exact point on the yield curve used to determine the ranking may be reviewed from time to time by the Index Sponsor in order to reflect the current market conditions of the underlying Eurozone countries.

For the avoidance of doubt, notwithstanding the fact that the process to select the 5 highest yielding countries is based on the yield of a hypothetical bond with a maturity of 5 years, only bonds with a maturity of at least 1 year and up to 3 years are eligible for selection in the Reference Index.

Once the annual yields are calculated, the countries are sorted and the five countries with the largest annual yields are selected to be included into the Reference Index.

All bonds are included and weighted in the Reference Index with their market capitalisation, except that the weight of any bond is capped at 20 percent. of the Reference Index.

Reference Index rebalancing

The Reference Index is rebalanced monthly on the last calendar day of the month.

Reference Index calculation

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index.

The Reference Index had an initial level of 100 on 31 December 2004, the base date of the Reference Index.

Further information on the Reference Index is available on <https://ihsmarkit.com>.

⁸⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 40: Xtrackers II Japan Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Japan Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the FTSE Japanese Government Bond Index (the "Reference Index"). The Reference Index is denominated in JPY and aims to represent the performance of fixed-rate, local currency sovereign debt issued by the Japanese government.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |

| | |
|--|---|
| Minimum Net Asset Value | JPY 5,000,000,000 |
| Reference Currency | JPY |
| Offering Period | For the 1D Share Class, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | For the 1C Share Class, means 15 November 2013 For the 1D Share Class, the Launch Date will be set at a date yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|--|---|--|
| Classes | "1C" | "1D" |
| Index | Reference Index | Reference Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0952581584 | LU0952585817 |
| WKN Code | DBX0N3 | DBX0N4 |
| Denomination Currency | JPY | JPY |
| Minimum Initial Subscription Amount | 40,000 Shares | 40,000 Shares |
| Minimum Subsequent Subscription Amount | 40,000 Shares | 40,000 Shares |
| Management Company Fee ⁸⁹ | Up to 0.05% p.a. | Up to 0.05% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated Level of Tracking Error | Up to 1%. | Up to 1%. |

⁸⁹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁹⁰

The Reference Index is determined, calculated and published by FTSE Fixed Income LLC ("**Index Sponsor**").

The objective of the Reference Index is to reflect the performance of fixed-rate, local currency sovereign debt issued by the Japanese government.

Reference Index methodology

The Index Sponsor will apply specific rules on the eligible sovereign debt universe in order to determine those debt instruments which shall be included in the Reference Index.

Selection criteria:

The Index Sponsor may impose certain requirements on debt securities to be included in the Reference Index. Such requirements may include minimum issue size and minimum remaining time to maturity.

Reference Index weighting, calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The Reference Index has a base date of 31 December 1984.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on https://www.yieldbook.com/x/ixPubDoc/factsheet_i_jpngbi.pdf

⁹⁰ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 41: Xtrackers II Global Aggregate Bond Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Aggregate Bond Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Global Aggregate Bond Index (the "Reference Index"). The Reference Index reflects the performance of a broad-based measure of the global investment grade fixed-rate debt markets.</p> <p>The Investment Objective of each of the Share Classes of the Sub-Fund is to track the performance of the Reference Index, or of a currency hedged index (each a "Currency Index" and together the "Currency Indices") linked to the Reference Index and hedged, where applicable, into the relevant currency as referred to under "Description of Share Classes" for each Share Class and which is published by the Index Sponsor. In addition to the Reference Index, the Currency Index of each Share Class will be selected from a pre-determined index universe composed of the following currency indices:</p> <ul style="list-style-type: none"> - Bloomberg Barclays Global Aggregate Bond USD Hedged Index (the "USD Index"); - Bloomberg Barclays Global Aggregate Bond EUR Hedged Index (the "EUR Index"); - Bloomberg Barclays Global Aggregate Bond GBP Hedged Index (the "GBP Index"); and - Bloomberg Barclays Global Aggregate Bond CHF Hedged Index (the "CHF Index"). <p>Further information on the Reference Index and the Currency Indices is contained under "General Description of the Reference Index and Currency Indices".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, each Share Class of the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into financial contracts (derivatives) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of securities aimed at replicating the performance of the Reference Index or the relevant Currency Index, as applicable.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in any Share Class of the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |

| | |
|-----------------------------------|--|
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of Reference Index</i></p> <p>The Reference Index includes investment grade, government bonds. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Launch Date | For the 1D, 2C-USD Hedged and 5C-EUR Hedged Share Classes, means 6 March 2014, for the 4C-CHF Hedged Share Class means 24 March 2014 and for the 3D-GBP Hedged Share Class means 19 April 2016. |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | | | | |
|---|---|---|--|---|---|
| Classes | "1D" | "2C-USD Hedged" | "3D-GBP Hedged" | "4C-CHF Hedged" | "5C-EUR Hedged" |
| Index | Reference Index | USD Index | GBP Index | CHF Index | EUR Index |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU0942970103 | LU0942970285 | LU0942970368 | LU0942970442 | LU0942970798 |
| WKN Code | DBX0NV | DBX0NW | DBX0NX | DBX0NY | DBX0NZ |
| Denomination Currency | USD | USD | GBP | CHF | EUR |
| Minimum Initial Subscription Amount | USD 75,000 | USD 75,000 | GBP 75,000 | CHF 75,000 | EUR 75,000 |
| Minimum Subsequent Subscription Amount | USD 75,000 | USD 75,000 | GBP 75,000 | CHF 75,000 | EUR 75,000 |
| Management Company Fee⁹¹ | Up to 0.05% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.15% p.a | Up to 0.20% p.a | Up to 0.20% p.a | Up to 0.20% p.a | Up to 0.20% p.a |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | N/A | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

⁹¹ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index and Currency Indices⁹²

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity).

The Reference Index is intended to reflect the global investment grade fixed-rate debt market. The universe of eligible bonds which may be included in the Reference Index contains all the securities from the following three indices: the U.S. Aggregate Index, the Pan-European Aggregate Index and the Asian-Pacific Aggregate Index (the "**Regional Aggregate Indices**"). In addition to securities from the aforementioned indices (94.0 percent. of the overall global aggregate market value as of 31 December 2010), securities eligible for inclusion in the Global Treasury Index, Eurodollar Index, Euro-Yen Index, Canadian Index, and Investment Grade 144A Index which are not already included in the Regional Aggregate Indices shall also be eligible for inclusion in the Reference Index. All of the indices from which the universe of eligible bonds is drawn are calculated by the Index Sponsor.

The Reference Index is calculated by the Index Sponsor on a daily basis. Bonds in the Reference Index are priced on the bid side. The initial price for new corporate issues entering the Reference Index is the offer side; after that, the bid side price is used. Euro and Sterling treasury bonds use mid-dollar prices.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the following specific rules will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index (the "**Reference Index Selection Rules**"):

- Amount Outstanding / Minimum Issue Size
- Quality
- Maturity
- Seniority of Debt
- Taxability
- Coupon
- Eligible Local Currencies
- Market of Issue
- Security Types

In addition to the Reference Index Selection Rules, for bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB- or higher) using the applicable rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower rating shall be used. When a rating from only one agency is available, that rating shall be used to determine index eligibility.

Domestic local currency sovereign bonds will be rated by calculating the most observed bond level rating for all outstanding bonds.

Expected ratings at issuance may be used when there are other index-eligible bonds from the same issuer that hold the same actual rating as the expected rating. Unrated securities are included provided that an issuer rating is applicable. Unrated subordinated securities are included if a subordinated issuer rating is applicable.

The bonds included in the Reference Index are weighted on each rebalancing date according to the relative outstanding notional amount of each bond issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

The Currency Indices intend to provide a hedge against exchange rate fluctuations of the relevant index currency versus the currencies of the included bonds by locking in the foreign exchange rate on a one month-forward looking basis.

The Reference Index was created in 1999 and the historical levels have been calculated from 1 January 1990 (the Base Date).

Additional information on the Reference Index and the Currency Indices can be found on the relevant Barclays website (<https://www.bloombergindices.com/bloomberg-barclays-indices/>).

⁹² This section is a brief overview of the Reference Index and Currency Indices. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 42: Xtrackers II EUR High Yield Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR High Yield Corporate Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Liquid High Yield Index (the "Reference Index"). The Reference Index reflects the performance of the largest and most liquid EUR denominated fixed and floating rate sub-investment grade (with a rating of less than Baa3/ BBB-, high yield) corporate bonds issued by both Eurozone and non-Eurozone issuers.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>Risk of Sub-Investment Grade (High Yield) Bonds</i></p> <p>The Sub-Fund is exposed to the performance of bonds that are rated sub-investment grade, which may be more volatile than higher-rated bonds of similar maturity.</p> <p>High yield bonds may also be subject to greater levels of credit or default risk than higher rated bonds. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to value or sell at an advantageous time or price than higher rated bonds. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.</p> <p>Potential investors in the Sub-Fund should consider the relative risks of investing in the Sub-Fund carefully and understand that high yield bonds are generally not meant for short-term investing.</p> <p>Prices for high yield bonds may be affected by a sudden lack of market liquidity, legislative and/or regulatory developments which could adversely affect the performance of the Sub-Fund.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that</p> |

| | |
|--|--|
| | <p>the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Sector Allocation Risk</i></p> <p>The weight of an issuer in the Reference Index is capped at 3 percent. and the weight of a country in the Reference Index is capped at 20 percent. of the market value of the Reference Index at the rebalancing date. The size of individual bonds from an issuer is capped in relation to their market value.</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | For the 1C Share Class, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | <p>For the 1D Share Class, means 8 January 2015.</p> <p>For the 1C Share Class, the Launch Dates will be set at a date yet to be determined by the Board of Directors.</p> |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.00 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | |
|--|---|---|
| Classes | "1D" | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1109942653 | LU1109943388 |
| WKN Code | DBX0PR | DBX0PS |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | 30,000 Shares | 30,000 Shares |
| Minimum Subsequent Subscription Amount | 30,000 Shares | 30,000 Shares |
| Management Company Fee ⁹³ | Up to 0.25% p.a. | Up to 0.25% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.35% p.a. | Up to 0.35% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁹³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁹⁴

The Reference Index represents the performance of the largest and most liquid fixed and floating rate sub-investment grade corporate bonds issued by both Eurozone and non-Eurozone issuers.

The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**" or "**Index Sponsor**").

The Index Sponsor may impose certain additional requirements on bonds to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) denomination currency: EUR (ii) minimum amount outstanding; and (iii) minimum and maximum remaining time to maturity.

New bonds enter the Reference Index at their ask price. For all other bonds the bid price is used. For the calculation of the Reference Index level the bid price is used.

All bonds in the Reference Index must be rated sub-investment grade according to the methodology used by Markit, which is available under <https://ihsmarkit.com>. If any bond becomes investment grade according to the aforementioned methodology, or if any of the agencies rates a bond as CC or lower, the bond will be removed from the Reference Index at the next rebalancing.

The weight of an issuer in the Reference Index is capped at 3 percent. and the weight of a country in the Reference Index is capped at 20 percent. of the market value of the Reference Index at the rebalancing date.

The Reference Index is rebalanced on a monthly basis.

Further details regarding the Reference Index (including its constituents) are available on the index provider's website at <https://ihsmarkit.com>.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

⁹⁴ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 43: Xtrackers II EUR High Yield Corporate Bond 1-3 Swap UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR High Yield Corporate Bond 1-3 Swap UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx EUR Liquid High Yield 1-3 Index (the "Reference Index"). The Reference Index reflects the performance of the largest and most liquid EUR denominated fixed and floating rate sub-investment grade (with a rating of less than Baa3/ BBB-, high yield) corporate bonds issued by both Eurozone and non-Eurozone issuers that have a minimum remaining time to maturity of at least 1 year and up to 3 years.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).</p> <p>To achieve the aim, the Sub-Fund will invest in transferable securities and/or secured and/or unsecured cash deposits and enter into a financial contract (derivative) with one or more Swap Counterparties relating to: the transferable securities and/or secured and/or unsecured cash deposits; and a portfolio of securities aimed at replicating the performance of the Reference Index.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>Risk of Sub-Investment Grade (High Yield) Bonds</i></p> <p>The Sub-Fund is exposed to the performance of bonds that are rated sub-investment grade, which may be more volatile than higher-rated bonds of similar maturity.</p> <p>High yield bonds may also be subject to greater levels of credit or default risk than higher rated bonds. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to value or sell at an advantageous time or price than higher rated bonds. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.</p> <p>Potential investors in the Sub-Fund should consider the relative risks of investing in the Sub-Fund carefully and understand that high yield bonds are generally not meant for short-term investing.</p> <p>Prices for high yield bonds may be affected by a sudden lack of market liquidity, legislative and/or regulatory developments which could adversely affect the performance of the Sub-Fund.</p> |

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|-----------------------------------|--|
| | <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.</p> |
| Minimum Net Asset Value | EUR 50,000,000 |
| Reference Currency | EUR |
| Offering Period | For the 1C Share Class, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | <p>For the 1D Share Class, means 8 January 2015.</p> <p>For the 1C Share Class, the Launch Dates will be set at a date yet to be determined by the Board of Directors.</p> |
| Significant Market | Indirect Replication Significant Market |
| Cut-off Time | 2.00 p.m. Luxembourg time on the Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Securities Lending | N/A |

| Description of Share Classes | | |
|--|---|---|
| Classes | "1D" | "1C" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1109939865 | LU1109941689 |
| WKN Code | DBX0PP | DBX0PQ |
| Denomination Currency | EUR | EUR |
| Minimum Initial Subscription Amount | EUR 75,000 | EUR 75,000 |
| Minimum Subsequent Subscription Amount | EUR 75,000 | EUR 75,000 |
| Management Company Fee ⁹⁵ | Up to 0.25% p.a. | Up to 0.25% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | 0.00833% <i>per month</i> (0.10% p.a.) |
| All-In Fee | Up to 0.35% p.a. | Up to 0.35% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A |
| Anticipated level of Tracking Error | Up to 1% | Up to 1% |

⁹⁵ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

General Description of the Reference Index⁹⁶

The Reference Index represents the performance of the largest and most liquid fixed and floating rate sub-investment grade corporate bonds issued by both Eurozone and non-Eurozone issuers with 1-3 years maturity.

The Reference Index is owned by Markit Indices Limited, part of Markit (together "**Markit**").

Only euro-denominated bonds with a minimum amount outstanding of €250 million are included in the Reference Index. New bonds that are considered for inclusion in the Reference Index must have a minimum time to maturity of 1 year at the rebalancing date of the Reference Index and a maximum of 3 years from its issue date to the maturity date.

Bonds already included in the Reference Index are not subject to a minimum time to maturity rule and remain in the Reference Index until they mature provided that they fulfill the other selection criteria.

New bonds enter the Reference Index at their ask price. For all other bonds the bid price is used. For the calculation of the Reference Index level the bid price is used.

All bonds in the Reference Index must be rated sub-investment grade according to the methodology used by Markit, which is available under <https://ihsmarkit.com>. If any bond becomes investment grade according to the aforementioned methodology, or if Fitch, Moody's or S&P rate a bond as CC or lower, the bond will be removed from the Reference Index at the next rebalancing.

The Reference Index is rebalanced on a monthly basis.

Further details regarding the Reference Index (including its constituents) are available on the index provider's website at <https://ihsmarkit.com>.

Further information on Markit iBoxx can be found with the Reuters code IBOXX <Enter> and the Bloomberg code IBOX <GO>.

⁹⁶ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 44: Xtrackers II Harvest China Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Harvest China Government Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
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| Investment Objective | <p>The aim is for your investment to reflect the performance of the CSI Gilt-Edged Medium Term Treasury Note Index (the "Reference Index"). The Reference Index reflects the performance of tradeable debt (bonds) issued by the government of the People's Republic of China ("PRC Government Bonds") and traded on the Shanghai Stock Exchange ("SSE"), Shenzhen Stock Exchange ("SZSE") and People's Republic of China ("PRC") inter-bank bond market with a minimum remaining time to maturity of over 4 years and less than 7 years. The Reference Index is calculated in onshore Renminbi ("CNY").</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying an optimised sample of the portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager, through the RQFII investment quota granted to the Investment Manager by the State Administration of Foreign Exchange ("SAFE"). More details are set out under "The RQFII Regulations" below.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between CNH and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Investment Manager | Harvest Global Investments Limited |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under chapter "Investment Objectives and Policies" and "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund may distribute dividends in relation to the D Share Class(es) up to four times a year. Yet, the Board of Directors may, for any economical or other compelling reason, decide not to make interim dividend payments or to propose to the annual general meeting of the Company to approve a dividend payment. |
| Profile of Typical Investor | An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| The RQFII Regulations | The RQFII regime is currently governed by (a) the "Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC, the People's Bank of China (" PBOC ") and SAFE and effective from 1 March 2013; (b) the "Implementation Rules for the Pilot Scheme for Domestic Securities Investment through Renminbi Qualified Foreign Institutional Investors" issued by the CSRC and effective from 1 March 2013; (c) the "Notice on Issues Relevant to Administration of Domestic Securities Investment by Renminbi Qualified Foreign Institutional Investors" issued by the PBOC and SAFE and effective from 30 August 2016; and (d) any other applicable regulations promulgated by the relevant authorities (collectively, the " RQFII Regulations "). |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section Risk Factors as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> |

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| | <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount is not protected or guaranteed. Investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> <p><i>Concentration of Reference Index</i></p> <p>The Reference Index covers local currency sovereign debt issued by the Chinese government. As a result, the Reference Index is concentrated in bonds of a single sovereign issuer. Changes in the financial condition of such an issuer, changes in specific economic or political conditions that affect such an issuer, and changes in general economic or political conditions can affect the value of such an issuer's bonds. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> <p><i>Currency Risk</i></p> <p>In particular, investors' attention is drawn to the risk factor relating to exchange rates, as the Reference Index is calculated in CNY whereas the Reference Currency of the Sub-Fund is U.S. Dollars ("USD") and each of the Share Class have a different Denomination Currency. For more details on currency risk, please also refer to sections h) "<i>Government Control of Currency Conversion and Future Movements in Exchange Rates</i>", i) "<i>CNH as trading and settlement currency</i>" and j) "<i>Onshore versus offshore Renminbi differences risk</i>", under this Specific Risk Warning section.</p> <p><i>Tracking Error Risk</i></p> <p>The Sub-Fund adopts Optimised Index Replication and will aim to invest in an optimised sample of securities. The Sub-Fund may also invest in bonds not included in the Reference Index. The bonds held by the Sub-Fund may also be over- or under-weight relative to those PRC Government Bonds in the Reference Index. It is therefore possible that the Sub-Fund may be subject to a larger tracking error than other ETFs that adopt Full Index Replication.</p> <p><i>People's Republic of China</i></p> <p>Investors in the Sub-Fund should be aware of the following risks associated with an investment in the PRC:</p> <p>a) <i>Political, Economic and Social Risks</i></p> <p>Any political changes, social instability and unfavourable diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some of the constituents of the Reference Index. Investors should also note that any change in the policies of the PRC may adversely impact on the securities markets in the PRC as well as the performance of the Sub-Fund.</p> <p>b) <i>PRC Economic Risks</i></p> <p>The economy in the PRC has experienced rapid growth in recent years. However, such growth may or may not continue, and may not apply evenly across different sectors of the PRC economy. The PRC government has also implemented various measures from time to time to prevent overheating of the economy. Furthermore, the transformation of the PRC from a socialist economy to a more market-oriented economy has led to various economic and social disruptions in the PRC and there can be no assurance that such transformation will continue or be successful. All these may have an adverse impact on the performance of the Sub-Fund.</p> <p>c) <i>Legal System of the PRC</i></p> <p>The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in the PRC are relatively new and their application is uncertain. Such regulations also empower the CSRC and SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application.</p> <p>d) <i>RQFII systems risk</i></p> <p>The current RQFII Regulations include rules on investment restrictions applicable to</p> |
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| | <p>the Sub-Fund. Transaction sizes for RQFIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).</p> <p>The regulations which regulate investments by RQFIs in the PRC and the repatriation of capital from RQFI investments are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future.</p> <p>e) <i>Risks relating to the PRC Custodian and other Agents</i></p> <p>The Investment Manager appoints agents (such as brokers and settlement agents) to act on its behalf in the PRC markets. The Investment Manager has also appointed an onshore custodian (the "PRC Custodian") to maintain the Sub-Fund's assets in custody in accordance with the terms of the relevant custody agreement.</p> <p>Should, for any reason, the Sub-Fund's ability to use the relevant agent be affected, this could disrupt the operations of the Sub-Fund and affect the ability of the Sub-Fund to track the Reference Index, causing a premium or a discount to the trading price of Shares on the relevant stock exchange. The Sub-Fund may also incur losses due to the acts or omissions of either the relevant agent or the PRC Custodian in the execution or settlement of any transaction or in the trade of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Custodian will make arrangements to ensure that the PRC Custodian has appropriate procedures to properly safe-keep the Sub-Fund's assets.</p> <p>In the event of any default of the PRC Custodian (directly or through its delegate) or other agents (for example, brokers and settlement agents) in the execution or settlement of any transaction or in the trade of any funds or securities in the PRC, the Sub-Fund may encounter delays in recovering its assets which may in turn adversely impact the net asset value of the Sub-Fund.</p> <p>Onshore PRC assets will be maintained by the PRC Custodian in electronic form via securities accounts with the CSDCC, CCDC or SCH and cash accounts with the PRC Custodian. According to the RQFI Regulations and market practice, the securities and cash accounts for the Sub-Fund in the PRC are to be maintained in the name of "the full name of the RQFI investment manager – the name of the Sub-Fund". Although the Sub-Fund has obtained a satisfactory legal opinion that the assets in such securities account would belong to the Sub-Fund, such opinion cannot be relied on as being conclusive, as the RQFI Regulations are subject to the interpretation of the relevant authorities in the PRC.</p> <p>Investors should note that cash deposited in the cash accounts of the Sub-Fund with the PRC Custodian will not be segregated but will be a debt owing from the PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian. In the event of bankruptcy or liquidation of the PRC Custodian, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash accounts, and the Sub-Fund will become an unsecured creditor, ranking <i>pari passu</i> with all other unsecured creditors, of the PRC Custodian. The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.</p> <p>f) <i>Repatriation risk</i></p> <p>Repatriations by RQFIs in respect of funds such as the Sub-Fund conducted in CNY are permitted daily and are not subject to any lock-up periods or prior approval. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests.</p> <p>g) <i>RQFI quota risk</i></p> <p>The Sub-Fund will utilize the Investment Manager's RQFI quota granted under the RQFI Regulations. This RQFI quota is limited. There can be no assurance that additional RQFI quota can be obtained by the Investment Manager to fully satisfy subscription requests. This may result in a need to close the Sub-Fund to further subscriptions. In such event it is possible that the trading price of a Share on the relevant stock exchange will be at a significant premium to the intra-day Net Asset Value of each Share (which may also lead to an unexpected deviation in the trading</p> |
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| | <p>price of the Shares on the secondary market in comparison to the Net Asset Value of the relevant Shares). In extreme circumstances, the Sub-Fund may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities markets, and delay or disruption in execution of trades or in settlement of trades.</p> <p>h) <i>Government Control of Currency Conversion and Future Movements in Exchange Rates:</i></p> <p>Since 1994, the conversion of CNY into USD has been based on rates set by the People's Bank of China, which are set daily based on the previous day's PRC interbank foreign exchange market rate. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of CNY to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. There can be no assurance that the CNY exchange rate will not fluctuate widely against the USD, Euro or any other foreign currency in the future. With respect to the Share Classes tracking the performance of the Reference Index, any appreciation of CNY against the relevant Denomination Currency is expected to lead to an increase in the Net Asset Value of such Share Class.</p> <p>i) <i>CNH as trading and settlement currency</i></p> <p>In addition to the risks regarding Renminbi set out below, investors should note it is possible that not all brokers are ready and able to carry out trading and settlement of Shares of CNH denominated Share Classes, and so they may not be able to deal in such Shares through some brokers. Investors should check with their brokers in advance in order that they fully understand the services which the relevant broker is able to provide (as well as any associated fees).</p> <p>j) <i>Onshore versus offshore Renminbi differences risk</i></p> <p>i) While both CNY and CNH are the same currency, they are traded in different and separated markets. CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of Renminbi held offshore (i.e. outside the PRC), CNH cannot be freely remitted into the PRC and is subject to certain restrictions, and vice versa. Investors should note that subscriptions and redemptions may be converted to/from CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates.</p> <p>ii) with respect to the Currency Hedged Share Classes, the Sub-Fund will use financial contracts referring to CNH instead of CNY.</p> <p>iii) the liquidity and trading price of the Sub-Fund may also be adversely affected by the rate and liquidity of Renminbi outside the PRC.</p> <p>k) <i>Interest Rate Risk</i></p> <p>Because the Sub-Fund invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates.</p> <p>As the Sub-Fund invests in bonds issued by the government of the PRC (PRC Government Bonds), the Sub-Fund is additionally subject to policy risk as changes in macro-economic policies in the PRC (including monetary policy and fiscal policy) may have an influence over the PRC's capital markets and affect the pricing of the bonds in the Sub-Fund's portfolio, which may in turn adversely affect the return of the Sub-Fund.</p> <p>l) <i>Dependence upon Trading Market for PRC Government Bonds</i></p> <p>The existence of a liquid trading market for PRC Government Bonds may depend on whether there is supply of, and demand for, PRC Government Bonds. Investors should note that the SEE, SZSE and PRC inter-bank bond market on which PRC Government Bonds are traded are undergoing development and the market capitalisation of, and trading volumes on, those markets may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the PRC Government Bond markets may result in significant fluctuation in the prices of the securities traded on such markets and thereby changes in the Net Asset Value of the Sub-Fund.</p> <p>m) <i>Liquidity Risk</i></p> <p>The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for PRC securities (including PRC Government Bonds) is not</p> |
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| | <p>guaranteed. The Sub-Fund may suffer losses in trading in such instruments. The bid and offer spread of the price of PRC securities may be large, so that the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.</p> <p>n) <i>Issuer Counterparty Risk</i></p> <p>Investment in bonds by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. PRC Government Bonds held by the Sub-Fund are issued on an unsecured basis without collateral. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund's value may be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuer of bonds as the issuer is located in the PRC and is subject to PRC laws and regulations.</p> <p>o) <i>Valuation Risk</i></p> <p>Where the trading volumes of an underlying security is low, it may be more difficult to achieve fair value when purchasing or selling such underlying security because of the wider bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.</p> <p>p) <i>Restricted markets risk</i></p> <p>The Sub-Fund may invest in securities in respect of which the PRC imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of the Sub-Fund holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and, at the worst, the Sub-Fund may not be able to achieve its investment objective and/or the Sub-Fund may have to be closed for further subscriptions.</p> <p>q) <i>Operational and Settlement Risk</i></p> <p>Settlement procedures in the PRC are less developed and may differ from those in countries that have more developed financial markets. The Sub-Fund may be subject to a risk of substantial loss if an appointed agent (such as a broker or a settlement agent) defaults in the performance of its responsibilities. The Sub-Fund may incur substantial losses if its counterparty fails to pay for securities the Sub-Fund has delivered, or for any reason fails to complete its contractual obligations owed to the Sub-Fund. On the other hand, significant delays in settlement may occur in certain markets in registering the trade of securities. Such delays could result in substantial losses for the Sub-Fund if investment opportunities are missed or if the Sub-Fund is unable to acquire or dispose of a security as a result.</p> <p>Trading in the PRC inter-bank bond market may expose investors to certain risks associated with settlement procedures and the default of counterparties. Much of the protection afforded to investors in securities listed on more developed exchanges may not be available in connection with transactions on the PRC inter-bank bond market which is an over-the-counter market. All trades settled through CCDC, the central clearing for the PRC inter-bank bond market, are settled on a delivery versus payment basis i.e. if the Sub-Fund is buying certain securities, the Sub-Fund will only pay the counterparty upon receipt of such securities. If a counterparty defaults in delivering the securities, the trade may be cancelled and this may adversely affect the value of the Sub-Fund.</p> <p>r) <i>Government Intervention and Restriction Risk</i></p> <p>Governments and <i>regulators</i> may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of</p> |
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| | <p>short selling for certain stocks. This may affect the operation and market making activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Fund. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Reference Index and/or the Sub-Fund.</p> <p>s) <i>PRC taxation risk</i></p> <p>Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the investments in PRC Government Bonds to which the performance of the Sub-Fund is linked. Whilst it is clear that interests on Government Bonds are specifically exempted from PRC corporate income tax pursuant to the prevailing corporate income tax law in the PRC, uncertainties remain on PRC indirect tax treatment of interest from Government Bonds, as well as PRC corporate income tax and indirect tax treatments of capital gains derived by the Sub-Fund from investments in PRC Government Bonds.</p> <p>In light of the uncertainties on the PRC tax treatments of PRC Government Bonds and in order to meet any such potential PRC tax liabilities that may arise from investments in PRC Government Bonds, the Board of Directors reserves the right to put in place a tax provision ("Capital Gains Tax Provision" or "CGTP") on the relevant gains or income and withhold the tax for the account of the Sub-Fund. The Board of Directors determines at present not to make any provision for the account of the Sub-Fund in respect of any potential tax on capital gains from investments of the Sub-Fund in PRC Government Bonds. In the event that actual tax is collected by the PRC State Administration of Taxation and the Sub-Fund is required to meet actual PRC tax liabilities, the Net Asset Value of the Sub-Fund may be adversely affected. Further, there is a possibility of the tax rules being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Board of Directors may be excessive or inadequate to meet final PRC tax liabilities.</p> <p>Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares.</p> <p>t) <i>Accounting and Reporting Standards:</i></p> <p>Accounting, auditing and financial reporting standards and practices applicable to companies in the PRC may differ from those in countries that have more developed financial markets. These differences may lie in areas such as different valuation methods of the properties and assets, and the requirements for disclosure of information to investors.</p> <p>u) <i>Trading hours difference risk</i></p> <p>Differences in trading hours between foreign exchanges (e.g. SSE, SZSE and the PRC inter-bank bond market) and the relevant stock exchange may increase the level of premium/discount of the Share price to its Net Asset Value because if a PRC exchange is closed while the relevant stock exchange is open, the Reference Index level may not be available.</p> <p>The prices quoted by the relevant stock exchange market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Reference Index level and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Offering Period | For the 2D, 3D-USD Hedged and 4D-EUR Hedged Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | Means for Share Class 1D the 8 July 2015. For the 2D, 3D-USD Hedged, and 4D-EUR Hedged Share Classes, the Launch Date will be set at a date yet to be determined by the Board of Directors. |
| Business Day | Means a day: <ul style="list-style-type: none"> (i) which is a Luxembourg Banking Day; (ii) which is a London Banking Day; (iii) which is a business day in New York City and Hong Kong; and (iv) for which the Reference Index is calculated. |

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| Settlement Period | Subscription payments will be settled on the Business Day on which the relevant Shares are subscribed for. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 4.00 p.m. Luxembourg time for the 1D, 3D-USD Hedged and 4D-EUR Hedged Share Classes and 5.00 p.m. Hong Kong time (corresponding to 10.00 a.m. Luxembourg time / 11.00 a.m. Luxembourg Daylight Saving time) for the 2D Share Class on the Business Day prior to the relevant Transaction Day |
| OTC Swap Transaction Costs | Situation 1 |
| Transaction Costs | Applicable |
| Securities Lending | N/A |
| PRC Custodian | HSBC Bank (China) Company Limited |

| Description of Share Classes | | | | |
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| Classes | "1D" | "2D" | "3D-USD Hedged" | "4D-EUR Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate | Registered Shares or Bearer Shares represented by a Global Share Certificate | Registered Shares or Bearer Shares represented by a Global Share Certificate | Registered Shares or Bearer Shares represented by a Global Share Certificate |
| ISIN Codes | LU1094612022 | LU1303497140 | LU1303497223 | LU1303497496 |
| WKN Code | DBX0PN | DBX0P3 | DBX0P4 | DBX0P5 |
| Denomination Currency | USD | CNH | USD | EUR |
| Management Company Fee⁹⁷ | Up to 0.25% p.a. | Up to 0.40% p.a. | Up to 0.50% p.a. | Up to 0.50% p.a. |
| Fixed Fee | 0.0125% <i>per month</i> (0.15% p.a.) | 0.0125% <i>per month</i> (0.15% p.a.) | 0.0125% <i>per month</i> (0.15% p.a.) | 0.0125% <i>per month</i> (0.15% p.a.) |
| All-In Fee | Up to 0.40% p.a. | Up to 0.55% p.a. | Up to 0.65% p.a. | Up to 0.65% p.a. |
| Minimum Initial Subscription Amount | 250,000 Shares | 250,000 Shares | 250,000 Shares | 250,000 Shares |
| Minimum Subsequent Subscription Amount | 250,000 Shares | 250,000 Shares | 250,000 Shares | 250,000 Shares |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable |
| Minimum Redemption Amount | 250,000 Shares | 250,000 Shares | 250,000 Shares | 250,000 Shares |
| Potential Tax Liabilities | The Sub-Fund may have to bear certain tax liabilities as more detailed in the Specific Risk Warning sections above relating to PRC taxation. | The Sub-Fund may have to bear certain tax liabilities as more detailed in the Specific Risk Warning sections above relating to PRC taxation | The Sub-Fund may have to bear certain tax liabilities as more detailed in the Specific Risk Warning sections above relating to PRC taxation. | The Sub-Fund may have to bear certain tax liabilities as more detailed in the Specific Risk Warning sections above relating to PRC taxation. |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated level of tracking error⁹⁸ | Up to 2% | | | |

⁹⁷ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

⁹⁸ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index⁹⁹

The Reference Index measures the performance of fixed-rate interest bearing PRC Government Bonds with a term to maturity of over 4 years and less than 7 years traded on the SSE, SZSE and PRC inter-bank bond market. The Reference Index is quoted in CNY.

The Reference Index is a total return index. A total return index calculates the performance of the index constituents on the basis that any payments from coupons are included in the index returns.

Reference Index calculation

The Reference Index is calculated and disseminated in CNY on a daily basis and is maintained by China Securities Index Co., Ltd ("**CSI**" or the "**Index Sponsor**"), a joint-venture established on 25 August 2005 between the SSE and the SZSE, which specialises in the management of securities indices and the provision of related services. The Reference Index was launched on 21 March 2011 and had a base level of CNY 100 on 31 December 2007.

Reference Index Advisory Committee

CSI has established a Reference Index advisory committee (the "**Index Advisory Committee**"), which is responsible for the evaluation, consulting and examination of CSI index methodologies.

Reference Index selection universe

The selection universe of the Reference Index (the "**Selection Universe**") includes the PRC Government Bonds traded on the SSE, SZSE and PRC inter-bank bond market, in accordance with the following conditions:

- All bonds must have a minimum remaining time to maturity of over 4 years and less than 7;
- Only fixed rate interest bearing bonds are eligible for the Reference Index;
- Only CNY denominated bonds are eligible for the Reference Index.

Reference Index periodical review

The index constituents are reviewed and adjusted on a quarterly basis. Index constituent adjustment is implemented on the first trading day after the second Friday of each delivery month of PRC Government Bond futures. In the event that a certain constituent is not able to satisfy the constituent selection criteria during the period between two consecutive periodic adjustments, the Index Sponsor may take further action (e.g. removal from the Reference Index) depending on the actual circumstances.

A new issue which meets the selection criteria will be included in the Reference Index on the next day of their issuance.

Reference Index adjustments

In general, CSI will publicise index constituent adjustments lists as soon as practicable after the adjustments are implementation.

Additional Risk Factor

Concentration of Reference Index in PRC Government Bonds

The Reference Index only covers tradeable debt issued in CNY by the PRC government. As a result, the Reference Index is by nature concentrated in PRC Government Bonds, which comprise 100 percent. of the Reference Index. Changes in the financial condition of the PRC government, in specific economic or political conditions that affect the PRC government, and/or changes in general economic or political conditions may affect the value of the PRC Government Bonds. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

Further Information

Further information on the Reference Index can be found on the CSI website (<http://www.csindex.com.cn>).

⁹⁹ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. Information on the Reference Index appears in the website identified below. Such information may change from time to time and details of the changes will appear on that website.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

PRODUCT ANNEX 45: Xtrackers II USD Asia ex Japan Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II USD Asia ex Japan Corporate Bond UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Markit iBoxx USD Liquid Asia ex-Japan Corporates Large Cap Investment Grade Index® (the "Reference Index"). The Reference Index reflects the performance of investment grade and US Dollar denominated tradable debt (bonds) issued by Asian issuers outside Japan (the list of the countries, currently included in the Reference Index (which contains a significant proportion of emerging market countries) is available on https://ihsmarkit.com) that meet specific maturity, credit quality, amount outstanding and liquidity requirements.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying an optimised sample of the portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager, and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>The Sub-Fund will not invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high-risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>(a) Emerging Market Risk</i></p> <p>Investments in the market to which the Reference Index relates are currently exposed to risks pertaining to emerging markets generally. These may contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.</p> <p><i>(b) No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the</p> |

Prospectus under the section "Risk Factors".

(c) Distribution Shares

There is no guarantee that the distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.

(d) Tracking Error Risk

The Sub-Fund adopts Optimised Index Replication and will aim to invest in an optimised sample of securities. The Sub-Fund may also invest in bonds not included in the Reference Index. The bonds held by the Sub-Fund may also be over- or under-weight relative to those Bonds in the Reference Index. It is therefore possible that the Sub-Fund may be subject to a larger tracking error than other ETFs that adopt Full Index Replication.

(e) Interest Rate Risk

Because the Sub-Fund invests in fixed-income securities, the Sub-Fund is subject to interest rate risk. Interest rate risk is the risk that the value of the Sub-Fund's portfolio will decline because of rising interest rates. Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the Reference Index is denominated may affect the value of the Shares.

(f) Liquidity Risk

The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market is not guaranteed. The Sub-Fund may suffer losses in trading in such instruments. The bid and offer spread of the price of bonds may be large, so that the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

(g) Issuer Counterparty Risk

Investment in bonds by the Sub-Fund is exposed to the credit/insolvency risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. Bonds held by the Sub-Fund are issued on an unsecured basis without collateral. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell. In the event of a default or credit rating downgrading of the issuers of the bonds, the bonds and the Sub-Fund's value may be adversely affected and investors may suffer a substantial loss as a result.

(h) Valuation Risk

Where the trading volumes of an underlying security is low, it may be more difficult to achieve fair value when purchasing or selling such underlying security because of the wider bid-ask spread. The inability to transact at advantageous times or prices may result in a reduction in the Sub-Fund's returns. Further, changing market conditions or other significant events, such as credit rating downgrades affecting issuers, may also pose valuation risk to the Sub-Fund as the value of the Sub-Fund's portfolio of fixed income instruments may become more difficult or impossible to ascertain. In such circumstances, valuation of the Sub-Fund's investments may involve uncertainties as there is a possibility that independent pricing information may at times be unavailable. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may need to be adjusted and may be adversely affected. Such events or credit rating downgrades may also subject the Sub-Fund to increased liquidity risk as it may become more difficult for the Sub-Fund to dispose of its holdings of bonds at a reasonable price or at all.

(i) Trading hours difference risk

Differences in trading hours between the underlying bond trading venue and the relevant stock exchange may increase the level of premium/discount of the Share price to its Net Asset Value because if the underlying bond trading venue is closed while the relevant stock exchange is open, the Reference Index level may not be available.

The prices quoted by the relevant stock exchange market maker would therefore be adjusted to take into account any accrued market risk that arises from such unavailability of the Reference Index level and as a result, the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher.

| | |
|-----------------------------------|---|
| | <p><i>(j) Concentration of the Reference Index</i></p> <p>The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that changes in the conditions affecting the concentrated sector or sectors may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |
| Offering Period | For the 1C and 2D-EUR Hedged Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | <p>For the 1D Share Class, means 2 September 2016.</p> <p>For the 1C and 2D-EUR Hedged Share Classes, the Launch Date will be set at a date yet to be determined by the Board of Directors.</p> |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Transaction Costs | Applicable |
| Securities Lending | N/A |

| Description of Share Classes | | | |
|--|---|--|--|
| Classes | "1C" | "1D" | "2D-EUR Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1409134993 | LU1409136006 | LU1482102768 |
| WKN Code | DBX0QH | DBX0QJ | DBX0QK |
| Denomination Currency | USD | USD | EUR |
| Minimum Initial Subscription Amount | 5,000 Shares | 5,000 Shares | 5,000 Shares |
| Minimum Subsequent Subscription Amount | 5,000 Shares | 5,000 Shares | 5,000 Shares |
| Management Company Fee ¹⁰⁰ | Up to 0.20% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10 % p.a.) | 0.00833% <i>per month</i> (0.10 % p.a.) | 0.01250% <i>per month</i> (0.15 % p.a.) |
| All-In Fee | Up to 0.30% p.a. | Up to 0.30% p.a. | Up to 0.35% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable |
| Minimum Redemption Amount | 5,000 Shares | 5,000 Shares | 5,000 Shares |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| Anticipated Level of Tracking Error ¹⁰¹ | Up to 2% | | |

¹⁰⁰ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

¹⁰¹ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index¹⁰²

The Reference Index represents the performance of USD denominated investment grade rated corporate bonds from Asian issuers outside Japan that meet specific maturity, credit quality, amount outstanding and liquidity requirements as further described in the section "Reference Index selection criteria". The list of the countries currently included in the Reference Index, which contains a significant proportion of emerging market countries, is available on <https://ihsmarkit.com>. The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. The Reference Index is owned by Markit Indices Limited, part of Markit (together "Markit").

Bond and Reference Index analytical values are calculated each trading day using the daily closing prices. Closing Reference Index values and key statistics are published at the end of each business day by Markit on <https://ihsmarkit.com>.

Markit publishes an index calculation calendar on <https://ihsmarkit.com>.

Reference Index Advisory Committee

In order to ensure the independence and the objectivity of the Markit iBoxx USD Asia ex-Japan Index family, the index rules and their enforcement will be governed by the Asian iBoxx Oversight Committee, in line with the governance structure for the main Markit iBoxx index families. The purpose of this committee is to review the recommendations made by Markit and also to provide consultation on any market developments which may warrant rule changes.

Reference Index selection criteria

1. Bond type

The Reference Index includes fixed coupon plain vanilla bonds, callable bonds, step-up and event-driven bonds, and dated and undated fixed-to-floater hybrid bank/insurance capital bonds. All other bond types are not included in the Reference Index.

2. Issuer type

Only bonds issued by corporate issuers belonging to the Asia ex-Japan region and classified as corporates according to the iBoxx issuer classification are eligible for the Reference Index. The list of the countries currently included in the Reference Index is available on <https://ihsmarkit.com>.

3. Rating

At least one rating from Fitch Ratings ("Fitch"), Moody's Investor Service ("Moody's") and Standard & Poor's Rating Services ("S&P") is required for bonds to qualify for inclusion in the Reference Index. All available ratings are used to calculate the iBoxx composite rating and can be found on <https://ihsmarkit.com>.

In order to be included in the Reference Index, the iBoxx composite rating for each bond must be BBB or higher. Unrated and defaulted issuers are not eligible for inclusion in the Reference Index.

4. Time to maturity

The minimum remaining time to maturity for bonds already included in the Reference Index is 1 year as of the re-balancing date. New bonds need to have a minimum time to maturity of 1.5 years when they first enter the Reference Index.

5. Amount outstanding and denomination

Eligible bonds must be denominated in USD and have a minimum outstanding amount of USD 750 m.

6. International tradability

Bonds should be internationally tradable. ISINs are used as a proxy to determine tradability. Only ISINs originating from Australia, Hong Kong, Japan, New Zealand, Singapore, the US, Western Europe or offshore financial centers are eligible for the Reference Index.

7. Tender Offers and Calls

Any bond subject to a firm call or tender offer in the quarter immediately following the rebalancing date will be excluded from the Reference Index, provided that Markit is aware of such tender offer or call as of the bond selection cut-off date.

Index and analytics weightings

The Reference Index is a volume-weighted index, with a bond's market value as the weighting factor. The amount outstanding of a bond is only adjusted within the monthly re-balancing process at the end of each month. However, bonds that are fully redeemed intra-month are taken into account immediately. Fully redeemed bonds are bonds that are fully called or have been completely repurchased.

Index Re-balancing

The Reference Index is rebalanced monthly on the last calendar day of the month after the close of business.

¹⁰² This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

Any changes after the index cut-off day (t-3) will not be considered in the rebalancing process. The cut-off for the first settlement date for new bonds is the last calendar day of the month. Bonds with a first settlement date later than three days before month-end can only be included in the Reference Index if their amount outstanding, rating and other relevant information is known on t-3.

Two business days before the end of the month the final Reference Index membership list for the following month is published at the close of business.

On the last trading day of the month after the close of business, the final membership list of the Reference Index is republished together with the closing bid and offer prices for each bond.

Index History

The Reference Index inception date and base date fall on 31 December 2012, with base value of 100.

Further information on Markit iBoxx can be found with the Reuters code IBOX <Enter> and the Bloomberg code IBOX <GO>.

Additional information on the Reference Index, the general methodology, and index constituents behind the index can be found on <https://ihsmarkit.com> and/or www.Xtrackers.com.

PRODUCT ANNEX 46: Xtrackers II GLOBAL INFLATION-LINKED BOND 1-10 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Inflation-Linked Bond 1-10 UCITS ETF (the "**Sub-Fund**") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|--|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Global Inflation-Linked 1-10 Year Capped Bond Index (the "Reference Index"). The Reference Index aims to reflect the total return performance of the investment grade, government inflation-linked bonds from seven developed market countries that have a remaining time to maturity of at least 1 year and up to, but not including, 10 years. The Reference Index limits each country's exposure to a maximum of 45% and is denominated in USD.</p> <p>Further information on the Reference Index is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, as applicable, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | The Sub-Fund does not intend to make dividend payments. |
| Profile of Typical Investor | An investment in any Share Class of the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a low risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described under the section "Risk Factors".</p> <p><i>Concentration of the Reference Index</i></p> <p>The Reference Index covers sovereign debt issued in developed markets. As a result, the Reference Index may be concentrated in sovereign debt issued or guaranteed by one or more governments. Changes in the financial condition of the relevant governments, changes in specific economic or political conditions that affect the governments, and changes in general economic or political conditions can affect the value of the debt issued by the governments. Such issuer-specific changes may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities and eligible assets held by the Sub-Fund.</p> |
| Minimum Net Asset Value | USD 50,000,000 |
| Reference Currency | USD |

| | |
|--|---|
| Offering Period | For the 1C, 2C-EUR Hedged, 3C-USD Hedged and 4C-CHF Hedged Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | For the 1C, 2C-EUR Hedged, 3C-USD Hedged and 4C-CHF Hedged Share Classes, the Launch Date will be set at dates yet to be determined by the Board of Directors. |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| OTC Swap Transaction Costs | N/A |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | | | |
|--|---|------------------|------------------|------------------|
| Classes | "1C" | "2C-EUR Hedged" | "3C-USD Hedged" | "4C-CHF Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | | | |
| ISIN Code | LU1816299249 | LU1816299751 | LU1816299678 | LU1816299322 |
| WKN Code | DBX0QQ | DBX0QT | DBX0QS | DBX0QR |
| Denomination Currency | USD | EUR | USD | CHF |
| Minimum Initial Subscription Amount | 20,000 Shares | | | |
| Minimum Subsequent Subscription Amount | 20,000 Shares | | | |
| Management Company Fee ¹⁰³ | Up to 0.05% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| Fixed Fee | 0.00833% <i>per month</i> (0.10% p.a.) | | | |
| All-In Fee | Up to 0.15% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. |
| Primary Market Transaction Costs | Applicable | | | |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | | | |
| Dividends | N/A | | | |
| Anticipated level of Tracking Error ¹⁰⁴ | Up to 1% | | | |

¹⁰³ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

¹⁰⁴ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

General Description of the Reference Index ¹⁰⁵

The Reference Index represents the performance of the investment grade, government inflation-linked bonds from seven developed market countries that have a remaining time to final maturity of at least 1 year and up to, but not including, 10 years. Markets tracked by the Reference Index include the United Kingdom, United States, France, Italy, Japan, Germany, and Spain.

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis. The index was created on December 14, 2017, with history backfilled to January 1, 2010.

Rules for Inclusion

The Index Sponsor will apply specific rules in order to determine those bonds which shall be included in the Reference Index upon each rebalancing.

Eligible Countries:

Eligible bonds must be issued by certain developed market countries: France, Germany, Italy, Japan, Spain, United Kingdom, and United States.

Credit rating:

Eligible bonds must be rated investment grade (Baa3/BBB/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality, e.g. local currency Treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

Maturity:

Securities must have at least 1 and up to, but not including 10 years remaining until final maturity.

Security types:

Eligible bonds must be capital-indexed and linked to a commonly used domestic inflation index.

Excluded from the universe are: US TIPS held in the Federal Reserve SOMA account, nominal bonds and floating-rate bonds, non-government inflation-linked bonds, STRIPS, treasury bills, barometer stocks, private placements, retail bonds.

Additional selection criteria:

The Index Sponsor may impose certain additional requirements on debt securities to be included in the Reference Index. Such requirements may comprise of, but are not limited to: (i) minimum issue size, *and* (ii) market size, i.e. aggregate issuance of relevant country.

Weighting, calculation and rebalancing

Country Capping

All countries that exceed 45% of the market value of the uncapped Bloomberg Barclays Global Inflation-Linked 1-10 Year Index are limited at 45%. The excess market value over the 45% cap will be redistributed on a pro rata basis to all other countries' bonds in the index that are under the 45% cap. The process is repeated until no country exceeds the 45% limit.

Rebalancing Frequency

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The bonds included in the Reference Index are weighted on each rebalancing date, i.e. last business day of the month, according to the relative market value of each issuance.

The reference Index is a global, multi-currency index that is calculated daily and has a value for each calendar day. During holidays observed by local markets, the index will still be generated using prices from previous business day.

Reinvestment of Cash Flows

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. At each rebalancing, cash is effectively reinvested into the returns universe for the following month so that index results over two or more months reflect monthly compounding.

¹⁰⁵ This section is a brief overview of the Reference Index. It contains a summary of its principal features and is not a complete description. In the case of inconsistency between the summary in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on its performance, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

The Bloomberg ticker is I33570US.

Full information on the Reference Index including eligibility criteria and constituents can be found on
<https://www.bloombergindices.com/bloomberg-barclays-indices/>.

PRODUCT ANNEX 47: Xtrackers II EUR Corporate Bond 0-3 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Corporate Bond 0-3 UCITS ETF (the "Sub-Fund") and forms an integral part of the Prospectus. The Prospectus (which includes this Product Annex) constitutes the terms and conditions of the Sub-Fund.

| GENERAL INFORMATION | |
|---|---|
| Investment Objective | <p>The aim is for your investment to reflect the performance of the Bloomberg Barclays Euro Corporate 0-3 Year 500MM Liquid Bond Index (the "Reference Index"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with remaining time to maturity of up to 3 years.</p> <p>Further information on the Reference Index and is contained under "General Description of the Reference Index".</p> |
| Investment Policy | <p>Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus) with Optimised Index Replication.</p> <p>To achieve the aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that may comprise the constituents of the Reference Index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.</p> <p>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as for example currency forwards and/or futures and/or derivatives traded over-the-counter, with the aim to reduce the impact of exchange rate fluctuations between the currency of the constituents in the Sub-Fund's portfolio and the Denomination Currency of the relevant Share Class, all in line with the Investment Restrictions. Please refer to section "The Currency Hedged Share Classes" in the main part of the Prospectus for further information.</p> |
| Specific Investment Restrictions | <p>No Share Class of the Sub-Fund will invest more than 10 percent. of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive.</p> <p>Further information relevant to the Sub-Fund's Investment Policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".</p> |
| Distribution Policy | <p>The Company may declare dividends in relation to the D Share Class(es). Yet, the Board of Directors may, for any economic or other compelling reason, decide neither to make interim dividend payments nor to propose to the annual general meeting of the Company to approve a dividend payment. In such case, Shareholders will be informed in accordance with the procedure set out in section I.c of the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.</p> <p>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es).</p> |
| Profile of Typical Investor | <p>An investment in the Sub-Fund is suitable for investors who are able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".</p> |
| Specific Risk Warning | <p>The specific risk factor(s) should be read in addition to and in conjunction with the section "Risk Factors" as set out in the main part of the Prospectus.</p> <p><i>No Guarantee</i></p> <p>Investors should note that the Sub-Fund is not capital protected or guaranteed and that the capital invested or its respective amount are not protected or guaranteed and investors in this Sub-Fund should be prepared and able to sustain losses up to the total capital invested. Investors will also bear some other risks as described in the main part of the Prospectus under the section "Risk Factors".</p> <p><i>Distribution Shares</i></p> <p>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class(es), the Net Asset Value of such Share Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date.</p> |
| Minimum Net Asset Value | <p>EUR 50,000,000</p> |

| | |
|--|---|
| Reference Currency | EUR |
| Offering Period | For the 1D, 1C, 2C-CHF Hedged and 3D-GBP Hedged Share Classes the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| Launch Date | For the 1D, 1C, 2C-CHF Hedged and 3D-GBP Hedged Share Classes, the Launch Date will be set at a date yet to be determined by the Board of Directors. |
| OTC Swap Transaction Costs | N/A |
| Significant Market | Direct Replication Significant Market |
| Cut-off Time | 3.00 p.m. Luxembourg time on the Transaction Day |
| Securities Lending | Yes |
| Securities Lending revenue/costs policy | To the extent the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will be allocated 85 percent of the associated revenue generated of which it will receive 70 percent with the remaining 15 percent being received by the Sub-Portfolio Manager on instruction of the Sub-Fund. The outstanding 15 percent will be allocated to the Securities Lending Agent. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges. |

| Description of Share Classes | | | | |
|--|---|---|---|---|
| Classes | "1C" | "1D" | "2C-CHF Hedged" | "3D-GBP Hedged" |
| Form of Shares | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. | Registered Shares or Bearer Shares represented by a Global Share Certificate. |
| ISIN Code | LU1821971220 | LU1821971493 | LU1821971576 | LU1821971659 |
| WKN Code | DBX0Q5 | DBX0Q6 | DBX0Q7 | DBX0Q8 |
| Denomination Currency | EUR | EUR | CHF | GBP |
| Minimum Initial Subscription Amount | 3,500 Shares | 3,500 Shares | 3,500 Shares | 3,500 Shares |
| Minimum Subsequent Subscription Amount | 3,500 Shares | 3,500 Shares | 3,500 Shares | 3,500 Shares |
| Management Company Fee¹⁰⁶ | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a. |
| Fixed Fee | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| All-In Fee | Up to 0.20% p.a. | Up to 0.20% p.a. | Up to 0.25% p.a. | Up to 0.25% p.a. |
| Primary Market Transaction Costs | Applicable | Applicable | Applicable | Applicable |
| Financial Transaction Taxes | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |
| Dividends | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |
| Anticipated level of Tracking Error¹⁰⁷ | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

¹⁰⁶ The Management Company Fee, the amount of which will revert to the Management Company, is a maximum percentage that will be calculated upon each Valuation Day on the basis of the Net Assets of the relevant Class.

¹⁰⁷ The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged)

General Description of the Reference Index¹⁰⁸

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with remaining time to maturity of up to 3 years. Bonds must also have a minimum amount outstanding of EUR 500mn, and issuers must have a minimum amount outstanding of EUR1.5bn. Bonds from issuers with an emerging markets country of risk, based on the Bloomberg Barclays Indices' EM country definition, are excluded.

The Reference Index is sponsored by Bloomberg Barclays Indices (the "**Index Sponsor**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Sponsor on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference are priced on the offer side, and are priced at bid thereafter. The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, specific rules will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. These rules include bond minimum time to maturity and amount outstanding. In addition, for bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of the applicable ratings of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Full information on the Reference Index including all eligibility criteria and constituents can be found on the relevant Barclays website (<https://www.bloombergindeces.com/bloomberg-barclays-indices/>).

¹⁰⁸ This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In the case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. The Reference Index rules appear on the website identified below. They may change from time to time and details of the changes will appear on the website identified below.

Shareholders' attention is drawn to the fact that the Index Sponsor may make changes to the Reference Index description with a view to dealing with technical adjustments necessary for the good maintenance of the Reference Index. To the extent that those changes do not affect the nature of the Reference Index and are not expected to have any adverse impact on the performance of the Reference Index, the Shareholders will not be notified otherwise than through the website www.Xtrackers.com or any successor thereto. The Shareholders are consequently invited to consult this website on a regular basis.

ANNEX I: DISCLAIMERS

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FTSE FIXED INCOME DISCLAIMER

The sub-funds Xtrackers II Global Government Bond UCITS ETF, Xtrackers II Singapore Government Bond UCITS ETF, Xtrackers II Australia Government Bond UCITS ETF, Xtrackers II Japan Government Bond UCITS ETF, Xtrackers II USD Emerging Markets Bond UCITS ETF and Xtrackers II Italy Government Bond UCITS ETF (the "Sub-Funds") have been developed solely by the Company. The Sub-Funds are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group Plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies.

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ANNEX II:

List of benchmark administrators whose indices are used by the Company and which, as at the date of this Prospectus, are inscribed in the register of administrators and benchmarks maintained by ESMA:

| Benchmark Administrator |
|---|
| IHS Markit Benchmark Administration Limited |