# Xtrackers II

**Prospectus**

**15 July 2026**

Xtrackers®, Xtrackers is a registered trademark of DWS Investment GmbH

# 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 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 Company may for each of its Sub-Funds list one or more of its Classes of Shares 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. Such Shares are called "ETF Shares" as further defined under "Definitions".

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 ETF Shares for investment or for any other purpose.

The Company may also issue Shares within a Sub-Fund which are not listed on any stock exchange. Such Shares are called "Unlisted Shares" as further defined under "Definitions".

Any reference to Shares shall be read as reference to ETF Shares and Unlisted Shares unless the context requires otherwise.

**Selling and Transfer Restrictions**

The Shares being offered hereby have not been approved by the United States Securities and Exchange Commission (the "**SEC**") or any other United States governmental authority and neither the SEC nor any such other authority has passed upon the accuracy or adequacy of this Prospectus. The Shares will be offered and sold outside of the United States in accordance with Regulation S promulgated under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Any person that is a United States Person (as defined in Regulation S of the Securities Act) is not eligible to invest in the Shares. The Company has not and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and therefore, the Company will not be subject to the provisions of the Investment Company Act designed to protect investors in registered investment companies. The Shares may not be sold, assigned, transferred, exchanged, pledged, charged, hypothecated, encumbered, granted a participation in, or made subject to, any derivatives contract, swap, structured note or any other arrangement, directly, indirectly or synthetically (each, a "**Transfer**") to a United States Person and any such Transfer to a United States Person will be void.

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, 17, Boulevard de Kockelscheuer, L-1821 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**").

Information on Distributors may 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.

**Marketing Rules**

Subscriptions can be accepted only on the basis of the latest available version of this Prospectus, of the key investor information document (the "KIID")[1] and the Company's latest annual report (the "**Annual Report**") containing the audited accounts, semi-

[1] *From 1 January 2023, Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for retail and insurance-based packaged investment products (PRIIPs) (the "**PRIIPs Regulation**") will apply to the Company and all references to the "KIID" in this Prospectus shall be read as a reference to the key information documents for retail and insurance-based packaged investment products within the meaning of the PRIIPs Regulation ("**PRIIPS KID**") from that date. For the avoidance of doubt, the UCITS KIIDs will continue to be used for the UK.*

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
17, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

**Board of Directors**

**Philippe Ah-Sun**
Head of Operational Strategy, DWS Investments UK Limited, 21 Moorfields, London, EC2Y 9DB, United Kingdom.

**Alfred Francois Brausch**
Member of the Luxembourg Bar, independent director, 35, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

**Thilo Wendenburg**
Independent director, c/o DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

**Stefan Kreuzkamp**
External director, c/o DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

**Simon Klein**

Global Head of Xtrackers Sales at DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg

**Depositary**
State Street Bank International GmbH, Luxembourg Branch, 17, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

**Administrative Agent, Paying Agent, Domiciliary Agent and Listing Agent**
State Street Bank International GmbH, Luxembourg Branch, 17, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

**Registrar and Transfer Agent**
State Street Bank International GmbH, Luxembourg Branch, 17, Boulevard de Kockelscheuer, L-1821 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**

**Nathalie Bausch** (Chairman), DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.
**Stefan Junglen**, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.
**Leif Bjurström**, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.
**Michael Mohr**, DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.

**Supervisory Board of the Management Company**

**Manfred Bauer** (Chairman), DWS Investment S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg.
**Holger Naumann**, 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.
**Corinna Orbach**, DWS Investment GmbH, Mainzer Landstr. 11-17, 60329 Frankfurt am Main, Germany.

**Investment Managers and Sub-Portfolio Managers (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
21 Moorfields,
London, EC2Y 9DB
United Kingdom

DWS Investments Hong Kong Limited
60/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

DWS Investment Management Americas, Inc.
875 Third Avenue
New York, NY 10022
United States of America

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

**Auditor of the Company**
KPMG Audit S.à r.l.
39, 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:

| | |
|---|---|
| **"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 International GmbH, Luxembourg Branch, with registered office at 17, Boulevard de Kockelscheuer, L-1821 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"; |
| **"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; |
| **"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:<br>(i) a Luxembourg Banking Day; and<br>(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; |
| **"Central Securities Depositary"** | Means a clearing system which is a national settlement system for individual national markets; |
| **"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, hedging strategy, reference currency, dealing arrangement and dealing mechanism, or other specific features may be applicable. The details applicable to each Class will be described in the relevant Product Annex and/or on www.Xtrackers.com. Unless stated otherwise, references to "Class(es)" or "Share Class(es)" include Classes of ETF Shares and Classes of Unlisted Shares; |
| **"Common Depositary"** | Means the entity appointed as a depositary for the International Central Securities Depositaries. As of the date of this Prospectus, Citibank Europe plc is acting as Common Depositary; |
| **"Common Depositary Nominee"** | Means an entity appointed as nominee for the Common Depositary and being the registered holder of the Shares of the Company; |

| | |
|---|---|
| **"Company"** | Means Xtrackers II, an investment company incorporated under Luxembourg law in the form of a *société anonyme* qualifying as a *société d'investissement à capital variable* 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 and/or on www.Xtrackers.com; |
| **"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 as amended from time to time; |
| **"CSSF"** | The *Commission de Surveillance du Secteur Financier* of Luxembourg; |
| **"Currency Hedged Share Class(-es)"** | For Direct Replication Funds or Actively Managed Funds, 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.<br>For Indirect Replication Funds 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.<br>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; |
| **"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; |
| **"Depositary"** | Means State Street Bank International GmbH, Luxembourg Branch, with registered office at 17, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg; |
| **"Depositary Agreement"** | Means the agreement dated 12 October 2016 by which State Street Bank International GmbH, Luxembourg Branch has been appointed as depositary of the Company, as further described under "Management and Administration of the Company" and as may be amended from time to time; |
| **"Depositary Fee"** | Means any fees payable by the Company to the Depositary pursuant to the Depositary 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 Fund"** | Means a Sub-Fund with a Direct Investment Policy as described in the main part of the Prospectus under "Investment Objectives and Policies"; |
| **"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 or platform 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; |
| **"DWS Affiliates"** | Means entities within, and/or employees, agents, affiliates or subsidiaries of members of, DWS Group; |
| **"DWS Group"** | Means an affiliate or subsidiary of DWS Group GmbH & Co. KGaA which is part of the Deutsche Bank AG group; |

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| **"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); |
| **"ETF Shares"** | Means Shares of a Class that are traded throughout the day on at least one Regulated Market or on a multilateral trading facility and in which at least one Market Maker intervenes to ensure that the price of the shares does not vary significantly from their Net Asset Value; |
| **"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 and Sweden; |
| **"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; |
| **"EU Taxonomy Regulation"** | Means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088; |
| **"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(s)"** | Means the certificate(s) evidencing entitlement to the ETF Shares issued pursuant to the Articles of Incorporation and the Prospectus as described in further details under "Global Clearing and Settlement, International Central Securities Depositary and Common Depositary"; |
| **"Index Administrator"** | Means the administrator of an Index as 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 Fund"** | Means a Sub-Fund with an Indirect Investment Policy as described 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; |

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| **"Initial Subscriptions"** | Means subscriptions for Shares made at the Initial Issue Price as described in detail under "Subscriptions and Redemptions of ETF Shares (Primary Market)" or "Subscriptions and Redemptions of Unlisted Shares", as applicable; |
| **"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; |
| **"International Central Securities Depositaries" or "ICSDs"** | Means the International Central Securities Depositary (ICSD) settlement system through which ETF Shares of the Company may be settled, which is an international settlement system connected to multiple national markets. As of the date of this Prospectus, the International Central Securities Depositaries for the Company are Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme, Luxembourg; |
| **"Invested Asset(s)"** | Means certain assets in which a Sub-Fund is invested, as set forth in the main part of the Prospectus under "Investment Objectives and Policies" and/or 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 |

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| | 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/or on www.Xtrackers.com 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 its delegates, or that are registered as such with the Relevant Stock Exchanges; |
| **"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 ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares". 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 and/or on www.Xtrackers.com, 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 and/or on www.Xtrackers.com, 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 and/or on www.Xtrackers.com, 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 and/or on www.Xtrackers.com, 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 other than a Saturday and a Sunday, 1 January, 2 January (if 1 January falls on a Sunday), 3 January (if 1 January falls on a Saturday), Good Friday, Easter Monday, 25 December, 26 December, 27 December (if 25 December falls on a Saturday or a Sunday) and 28 December (if 25 December falls on a Friday or a Saturday).<br>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. Each Transaction Day will also 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"; |

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| **"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"; |
| **"Participants"** | Means account holders in an International Central Securities Depositary, which may include, amongst others, Authorised Participants, their nominees or agents and who hold their interest in ETF Shares settled and/or cleared through the applicable International Central Securities Depositary; |
| **"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 ETF Shares or the creation, issue, sale, conversion or redemption of ETF 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 ETF 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 ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares" and in the relevant Product Annex. No |

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| | Redemption Charge will be applicable unless otherwise provided for in the relevant Product Annex and/or on www.Xtrackers.com; |
| **"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 ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares"; |
| **"Redemption Proceeds"** | Means the Redemption Price less any charges, costs, expenses or taxes, as described under "Subscriptions and Redemptions of ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares"; |
| **"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 and/or on www.Xtrackers.com, 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; |
| **"Registrar and Transfer Agent"** | Means State Street Bank International GmbH, Luxembourg Branch with registered office at 17, Boulevard de Kockelscheuer, L-1821 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 ETF 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; |
| **"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 day other than a Saturday and a Sunday, 1 January, Good Friday, Easter Monday, 25 December, and 26 December.<br>A Settlement Day is the day on which the subscription proceeds or Redemption Proceeds are paid.<br>For further information, please refer to the "Subscriptions and Redemptions of ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares" sections of the Prospectus as well as the relevant Product Annex and/or on www.Xtrackers.com; |
| **"SFDR"** | Means Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended; |
| **"Shareholder(s)"** | Means the Shareholder(s) duly registered in the Company's shareholders' register; |
| **"Shares"** | Means the Shares with no par value in the Company, issued in such form as described in the relevant Product Annex and/or on www.Xtrackers.com. Unless stated otherwise, references to "Share(s)" include ETF Shares and Unlisted Shares; |
| **"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"; |

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| **"Subsequent Subscriptions"** | Means subscriptions for Shares made on or after the Launch Date, as described under "Subscriptions and Redemptions of ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares"; |
| **"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"; |
| **"Total Return Swaps" or "TRS"** | Means a bilateral derivative agreement in which each party agrees to exchange the total economic performance based of an underlying instrument represented by a basket of securities or the performance of the index or underlying asset. The total economic performance will include the income from interest and fees, gains and losses from price movements and credit losses on the underlying during the contract period according to the type of underlying. The total economic performance to be exchanged is calculated by reference to an agreed notional amount of quantity; |
| **"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", "Subscriptions and Redemptions of ETF Shares (Primary Market)" and "Subscriptions and Redemptions of Unlisted Shares" in the main part of the Prospectus.<br>In general, each Business Day will be a Transaction Day.<br>However, for ETF Shares, 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.<br>For Unlisted Shares, some Business Days will not be Transaction Days when any market and/or exchange on which constituents of the Reference Index are traded is 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.<br>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.<br>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; |
| **"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; |
| **"Unlisted Shares"** | Means Shares of a Class that are not traded on a Regulated Market nor on a multilateral trading facility; |
| **"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 for ETF Shares unless otherwise provided for in the relevant Product Annex and/or on www.Xtrackers.com; |
| **"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 Securities Act) or persons who are resident in the United States at the time the Shares are offered or sold; and |
| **"Valuation Day"** | Means (unless otherwise defined in the Product Annex) the first day (other than a Saturday and a Sunday, 1 January, 2 January (if 1 January falls on a Sunday), 3 January (if 1 January falls on a Saturday), Good Friday, Easter Monday, 25 December, 26 December, 27 December (if 25 December falls on a Saturday or a Sunday) and 28 December (if 25 December falls on |

a Friday or a Saturday)) following a NAV Date.

A Valuation Day is the day on which the Net Asset Value in respect of a Sub-Fund is calculated and published.

# 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**

**A. General**

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, hedging strategy, reference currency, dealing arrangement and dealing mechanism, 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 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 ETF Shares (Primary Market)", "Subscriptions and Redemptions of Unlisted Shares" or as the case may be in the relevant Product Annex.

The Board of Directors may decide to create additional Classes of Shares at any time prior to updating the Prospectus. The characteristics of such Classes of Shares will be available on www.Xtrackers.com and for ETF Shares, on any electronic order entry facility used for subscriptions and redemptions on the primary market. For any newly created Class of Share, the Fixed Fee and the Management Company Fee will be disclosed on www.Xtrackers.com subject to a maximum All-In Fee of up to 1 percent. p.a. Any newly created Share Class will be reflected in the relevant Product Annex at the next Prospectus update.

The different features of each Class of Shares available relating to a Sub-Fund are described in detail in the relevant Product Annex and/or on www.Xtrackers.com.

**B. Allocation of Income**

The Share Classes may be differentiated between Distribution Shares (identified by the letter "D") and Capitalisation Shares (identified by the letter "C"). Different Class "D" and Class "C" Shares may be created within a Sub-Fund.

Share Classes denoted with the denominator "C" offer a reinvestment of income (reinvesting or accumulating Shares).

Share Classes with the denominator "D" indicate a distribution of income (Distribution Shares).

**C. Share Class Currency**

The Shares in any Sub-Fund may be issued in such Denomination Currency as may be determined by the Board of Directors such as EUR, GBP, USD, CHF or in any other currency, as described in the Relevant Product Annex.

**D. 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 Direct Replication Funds or Actively Managed Funds, 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 percent. of the Net Asset Value of the relevant Currency Hedged Share Class and that under-hedged positions will not fall short of 95 percent. 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".

### E. ETF Shares

ETF Shares will be listed for trading on one or more stock exchanges. Each ETF Share Class includes a number (i.e. 1, 2, 3, etc.) in its name followed by the letter "C" or "D" (e. g. 1C). The denominators are explained in more detail below:

| ETF Share Class Denomination | Allocation of Income | Hedging |
|---|---|---|
| Any numerical value (i.e. 1, 2, 3, etc.) | Capitalisation<br>**C** | Unhedged Currency Share Class<br>– |
| | Distribution<br>**D** | Currency denominators as per section "**Share Class Currency**" and "**Hedged"** (e.g. EUR Hedged) |

### F. Unlisted Shares

The Unlisted Shares will be differentiated between: institutional (**I**), retail (**R**), seeding (**X**), and Z-Class Shares (**Z**). Each Unlisted Share Class may be offered with the features described in the table below and shall be identified as such by having the denominator "**Unlisted**" in its name.

The denominators I, R, X, and Z indicate the types of investors for which each Unlisted Share Class is suitable for.

Unlisted Share Classes with the "I" denominator are targeted at investors qualifying as professional clients under MiFID and typically will have the highest Minimum Initial Investment Amounts.

Unlisted Share Classes with the "R" denominator are generally targeted at retail investors and have no Minimum Initial Investment Amounts.

Unlisted Share Classes with the "X" denominator are intended for seed investors and the Company reserves the right to close any X Class to further investors once the Net Asset Value exceeds a certain amount. Such amount may be different for each Sub-Fund.

Unlisted Share Classes with the "Z" denominator are intended only for purchase by entities of DWS, or collective investment schemes managed by members of DWS, or other persons as the Management Company may from time to time determine at their discretion.

The Unlisted Share Classes' nomenclature is explained in more detail hereafter:

<table>
<tr><th>Unlisted Share Class Denomination</th><th>Minimum Initial Investment Amount</th><th>Allocation of Income</th><th>Currency</th><th>Hedging</th><th>Unlisted Share Class Identifier</th></tr>
<tr><td>Institutional<br>I</td><td rowspan="5">As further detailed per section "Minimum Initial Investment Amounts" below</td><td rowspan="2">Capitalisation<br>C</td><td>Euro<br>EUR</td><td rowspan="2">Unhedged Currency Share Class<br>–</td><td rowspan="5">Unlisted Share Classes will be identified by the denomination "Unlisted" in the Share Class name</td></tr>
<tr><td rowspan="2">Retail<br>R</td><td rowspan="2">US Dollar<br>USD</td></tr>
<tr><td rowspan="3">Distribution<br>D</td><td rowspan="3">Currency denominators as per section "Share Class Currency" and "Hedged" (e.g. EUR Hedged)</td></tr>
<tr><td>Seeding<br>X</td><td rowspan="2">All other currency denominators as per section "Share Class Currency"</td></tr>
<tr><td>Z-Class Shares<br>Z</td></tr>
</table>

*Minimum Initial Investment Amounts for Unlisted Share Classes*

| | |
|---|---|
| Institutional Share Class | Unless otherwise provided by way of a numeric extension or in the Product Annex or website www.xtrackers.com, 1,000,000 in the Share Class specific currency except for Japan: 150,000,000 JPY and for Sweden: 10,000,000 SEK |
| Numeric extensions for Institutional Share Class | A numeric extension at the end of the Class code states the Minimum Initial Investment Amount in million in the Share Class specific currency, e.g. "I100" for a Minimum Initial Investment Amount of 100,000,000 in the Share Class specific currency |
| Seeding Share Class | Unless otherwise provided by way of a number extension or in the Product Annex or website www.xtrackers.com, 2,000,000 for each order in the Share Class specific currency except for Japan: 250,000,000 JPY |

### G. Differences between ETF Share Classes and Unlisted Share Classes

Unlisted Share Classes have equal rights and are, upon issue, entitled to participate equally, in proportion to their value, in the profits (such as the distribution of dividends) and liquidation proceeds relating to the relevant Unlisted Share Class. Unlisted Share Classes are also entitled to attend and vote at meetings of the Company and of the Sub-Fund represented by those Unlisted Shares.

The Unlisted Share Classes carry no preferential or pre-emptive rights. At meetings of Shareholders, each holding a cumulative total of one Share from Unlisted Share Classes is entitled to one vote.

Holders of ETF Shares that settle or clear through an ICSD will not be a registered Shareholder in the Company. Instead, they will hold an indirect beneficial interest in such ETF Shares and the rights of such holders shall be governed by the terms and conditions applicable to:

(i) the arrangement between the Participant and the ICSD; or
(ii) the arrangement with the respective nominee, broker or Central Securities Depositary (as appropriate) which may be a Participant or have an arrangement with a Participant.

Holders of ETF Shares should refer to the section of this Prospectus titled "Notice of Meetings and the Exercise of Voting Rights through the International Central Securities Depositaries" for further information on the rights associated with ETF Shares.

Investors should note the following differences between investing in ETF Share Classes and Unlisted Share Classes which include, but are not limited to, the following:

| | **ETF Shares** | **Unlisted Shares** |
|---|---|---|
| **Dealing Arrangements** | As set out in "The Secondary Market" under the chapter "ETF Shares", investors may purchase and redeem ETF Shares on the secondary market with the assistance of an intermediary (e.g. a market maker or a stock broker).<br><br>Investors may purchase and redeem ETF Shares on each Business Day that a Relevant Stock Exchange is open. | As set out in "Subscriptions And Redemptions Of Unlisted Shares" under the chapter "Unlisted Shares", investors may purchase and redeem Unlisted Shares by submitting a Dealing Form via facsimile or electronic order entry system to the Registrar and Transfer Agent. There are no operational or administrative restrictions on the number of daily transaction orders for Unlisted Shares.<br><br>Investors may purchase and redeem Unlisted Shares on each Transaction Day; for Unlisted Shares, a Transaction Day is any day when any market and/or exchange on which constituents of the Reference Index are traded is/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. |
| **Dealing Mechanism** | Investors may purchase and redeem ETF Shares on the secondary market with the assistance of an intermediary (e.g. a market maker or a stock broker). | Unlisted Shares of the Company are issued on the basis of subscription and redemption applications received by the Company, via the Registrar and Transfer Agent.<br>Please note that Cut-Off Times may vary between ETF Shares and Unlisted Shares, as further detailed in the respective Product Annex of each Sub-Fund. |

| | | |
|---|---|---|
| **Dealing Costs** | Please refer to "The Secondary Market" under the chapter "ETF Shares". | Please refer to "Subscriptions And Redemptions Of Unlisted Shares" under the chapter "Unlisted Shares". |
| **Minimum Subscription and Redemption Amount** | As ETF Shares are purchased on the Secondary Market with the assistance of an intermediary, the Company does not apply minimum subscription and redemption amounts for ETF Shares on the Secondary Market. | The Minimum Initial Subscription Amount, Minimum Subsequent Subscription Amount and Minimum Redemption Amount, as defined in this Prospectus unless otherwise specified in the relevant Product Annex or on the website www.xtrackers.com. |
| **Shareholder rights (registration)** | Legal title to the ETF Shares of the Company will be held by the Common Depositary Nominee. A purchaser of interests in the Shares concerned will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such ETF Shares.<br><br>The Board of Directors may decide to issue ETF Shares in registered form. | Unlisted Shares will be added to the register maintained by the Registrar and Transfer Agent and will be the sole evidence of ownership of these Unlisted Shares.<br><br>The Board of Directors may decide to issue Unlisted Shares in registered form. |
| **Tax classification (taxe d'Abonnement)** | Although the Company is, in principle, subject in Luxembourg to a subscription tax (*Taxe d'Abonnement*) at an annual rate of 0.05 percent., certain exemptions may apply to ETF Shares as detailed under the chapter "General Taxation". | Unlisted Shares, in principle, are subject in Luxembourg to a subscription tax (*Taxe d'Abonnement*) at an annual rate of 0.05 percent. As further detailed under the chapter "General Taxation", 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. |

# 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 Administrator or other agents. The existence of such Index Administrator 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 website of the Index Administrator.

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 Replication Funds do 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 OTC Swap 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 OTC Swap 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. The Investment Manager may exclude from the portfolios of the Sub-Funds certain securities as further outlined in the section headed "Sustainability-Related Disclosures under SFDR and EU Taxonomy Regulation" below.

For Funded Swaps, the maximum proportion of Net Asset Value that is subject to OTC Swap 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 OTC Swap 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 OTC Swap 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 OTC Swap 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. In extreme market conditions and exceptional circumstances, particularly in connection with less developed markets and emerging markets, such costs may increase significantly and as a result the OTC Swap Transaction Costs may increase. Please refer to the risk factor "Adjustment to OTC Swap Transactions to reflect index replication costs" for more information in this regard. The Shareholders will therefore bear indirectly the OTC Swap Transaction Costs which may be passed on to certain Indirect Replication Funds by the Swap Counterparty and may affect the ability of the Indirect Replication Fund to achieve its Investment Objective. The OTC Swap Transaction Costs may also differ depending on the Reference Index whose performance the Sub-Funds aim to reflect. The OTC Swap Transaction Costs may also vary from time to time depending on actual market conditions.

- 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 either:

(i) all, or a substantial number of, the constituents of the Reference Index (such Sub-Fund a "**Full Replication Fund**"), or

(ii) an optimised sample of the constituents of the Index, or unrelated transferable securities or other eligible assets (such Sub-Fund an "**Optimised Replication Fund**").

Optimised Replication Funds may not hold every constituent or the exact weighting of a constituent in the Reference Index but will seek to provide a return similar to that of its Reference Index by (i) investing either in a sub-set of the constituents of the Reference Index, (ii) seeking to gain exposure to the Reference Index by utilising optimisation techniques and/or (iii) by investing in securities that are not part of that 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.

Full Replication Funds may from time to time not contain all of the constituents of the Reference Index, and accordingly such Sub-Funds may hold other transferable securities or other eligible assets in accordance with the Investment Restrictions. The extent to which a Full Replication Fund does not contain all of the constituents of the Reference Index will vary, and will be dependent on a number of factors which may include, but are not limited to; the nature and number of the constituents of the Reference Index (for example, where a Reference Index comprises a large number of securities, contains a number of illiquid securities or where the availability of constituent securities for purchase is limited), legal or regulatory restrictions, the size of the Sub-Fund, and the utilisation of efficient portfolio management techniques.

**Actively Managed Funds**

Actively managed funds pursue an active investment strategy that will be implemented by the Management Company and/or the Investment Managers/Sub-Portfolio Managers (as applicable) in accordance with the Investment Objective and Investment Policy as set out in the relevant Product Annex (the "**Actively Managed Funds**"). The success of the relevant Sub-Fund is largely dependent upon the Management Company and/or the Investment Managers/Sub-Portfolio Managers (as applicable) and there can be no assurance that the Management Company and/or the Investment Managers/Sub-Portfolio Managers (as applicable) or the individuals employed by them will remain willing or able to provide advice to the Sub-Fund or that trading on this advice by the Management Company and/or the Investment Managers/Sub-Portfolio Managers (as applicable) will be profitable in the future.

Direct Replication Funds and Actively Managed Funds provide for the possibility to enter into securities lending agreements but do 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 Sub-Funds.

The types of securities in which Direct Replication Funds and Actively Managed Funds may invest include American depositary receipts ("**ADRs**"), global depositary receipts ("**GDRs**"), and/or non-voting depositary receipts ("**NVDRs**"). such Sub-Funds may, as part of the unrelated transferable securities and/or other eligible assets, also invest in other fixed income securities (for example other corporate or government bonds and/or other investment grade or high yield bonds) not contained within the Reference Index, money market instruments (such as secured and/or unsecured deposits), collective investment schemes, exchange traded commodities (ETCs) (provided that they qualify as transferable securities within the meaning of Article 2 of the Grand-Ducal Regulation of 8 February 2008 (it being specified that the Sub-Fund will not invest directly in commodities), financial derivative instruments (as further outlined in the section headed "Efficient Portfolio Management"), or other liquid assets (i.e. bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, and freely transferable promissory notes for purposes of investing temporary cash balances and efficient portfolio management). Such Sub-Funds may also receive income in respect of the securities held by them. Taxes may be imposed on income received from securities held by a Sub-Fund.

Direct Replication Funds and Actively Managed 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.

The Investment Manager may exclude from the portfolios of the Sub-Funds certain securities as further outlined in the section headed "Sustainability-Related Disclosures under SFDR and EU Taxonomy Regulation" below. In addition, the Investment Manager reserves the right to exclude from the portfolios of the Sub-Funds any securities which do not comply with the Investment Manager's policies.

Notwithstanding the foregoing, it should be noted that due to exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, instances may arise which cause a Direct Replication Fund's tracking accuracy to diverge substantially from the Reference Index. Investors should consult the section headed "Risk Factors" below.

**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 Administrator increases its license fees to a level which the Board of Directors considers excessive;
- the licence agreement is terminated; or
- any successor Index Administrator 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".

The Board of Directors will also consider certain sustainability risks in the selection of another Reference Index where substitution is required. Please refer to chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" and to the website https://www.dws.com/en-lu/solutions/sustainability/information-on-sustainability/ under "Information about Policies on the Integration of Sustainability Risks" for further information on the policy, and its application.

**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 and Actively Managed 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 and an Actively Managed 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 and an Actively Managed Fund may enter into temporary sale and transfer transactions in regard to securities in its portfolio (i.e. securities lending) for up to 100 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. While all assets of a Sub-Fund which engages in Securities Lending Transactions will be eligible for such transactions (with no distinction as regards asset classes in which the Sub-Fund may invest), the expected 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 bonds from the underlying market and seasonal trends in the underlying market. During periods of high demand, the proportion of the Sub-Fund's net assets subject to Securities Lending Transactions may approach the maximum percentage, while there may also be periods in which there is little or no demand from the market to borrow the underlying securities, in which case this proportion could be 0 percent. 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.

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 Sub-Funds permitted to enter into Securities Lending Transactions as described in the relevant Product Annex, the relevant Investment Manager 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 separately agreed limits, the rules set out in this Prospectus and the Regulations. Gross revenues generated by Securities Lending Transactions (reduced by any applicable direct or indirect costs arising therefrom and paid to the Management Company, the Investment Manager and other relevant service providers as further described in the relevant Product Annex) will be payable to the relevant Sub-Fund. As these direct and indirect costs do not increase the costs of running the Sub-Fund, they have been excluded from the All-In Fee.

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 8, 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, Direct Replication Funds and Actively Managed 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, including convertible bonds which may be converted into equities included in a main index and equities included in a main index. Haircuts will be applied to such securities in line with the requirements under EMIR. These will be generally at least 15 percent. for equities and between at least 0.5 percent. and 8 percent. 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 percent. 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.

**Reliance on Index Administrators**

The Management Company, the Investment Managers and/or the Sub-Portfolio Managers will rely solely on the Index Administrator 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 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. It is possible that index constituents which become ineligible between schedule rebalancing dates, may not be removed from the relevant Reference Index until the next scheduled rebalancing.

For Indirect Replication Funds, 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 Direct Replication Funds, 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 and Tracking Difference**

The Sub-Funds which track an index 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, on an annual basis (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, on an annual basis or another given period of time (the "**Tracking Difference**").

For Sub-Funds with Currency Hedged Share Classes, the anticipated Tracking Error disclosed represents the 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 on an annual basis or another given period of time. In contrast, the Tracking Error measures how consistently the Sub-Fund return matches its Reference Index on an annual basis.

The anticipated level of Tracking Error, in normal market conditions, will be disclosed for each Share Class in the Product Annexes and/or on www.Xtrackers.com (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.

A Tracking Error may be impacted as a result of the Investment Manager seeking to ensure compliance with the CW Statement and any other ESG commitments, such as those set out in the relevant Product Annex under "Transparency under SFDR and EU Taxonomy Regulation" and further in Annex IV "Pre-contractual information on Sustainable Investments" (as applicable).

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%)<br>104 | (+4%)<br>108.16 | (+4%)<br>112.49 | (+4%)<br>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%)<br>96.00 | (-4%)<br>92.16 | (-4%)<br>88.47 | (-4%)<br>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%)<br>102 | (-2%)<br>99.96 | (+1%)<br>100.96 | (-3%)<br>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%)<br>84 | (+12%)<br>94.08 | (+14%)<br>107.25 | (-14%)<br>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%)<br>104.00 | (+4%)<br>108.16 | (+4%)<br>112.49 | (+4%)<br>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%)<br>96.00 | (-4%)<br>92.16 | (-4%)<br>88.47 | (-4%)<br>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%)<br>98.00 | (2%)<br>99.96 | (-1%)<br>98.96 | (3%)<br>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%)<br>122.00 | (-24%)<br>92.72 | (28%)<br>118.68 | (-20%)<br>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 Direct Replication Funds and Actively Managed Funds, the Investment Manager 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 separately agreed limits, 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**").

Depending on the borrower and/or collateral management structure, different entities may be involved in the collateral management or administration services. See the list of delegations in section "Management Company" of chapter "Management and Administration of the Company" for further information.

All diversification limits set out below shall apply on a Sub-Fund level. Therefore, where Collateral is held by more than one party, 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, eligible collateral, collateral diversification and correlation policies are available in sections 8 and 10 of chapter "Investment Restrictions" of this Prospectus.

Collateral received by way of transfer of title will be kept in 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.

**Level of Collateral Required (Overcollateralisation)**

The Company and/or Investment Manager perform from time to time an assessment of the overcollateralisation ratio to be applied to the financial assets which are accepted as Collateral. The overcollateralisation ratio applied to the Collateral are determined by reference to factors including, but not limited to:

(a) The liquidity of the Collateral;
(b) The price volatility of the Collateral;
(c) The solvency of the issuer;
(d) The country or market where the Collateral is traded/issued; and
(e) The perceived counterparty risk of the borrower

The determination of such overcollateralisation ratio is used to determine the market value of Collateral that is required to be provided by the counterparty to Securities Lending Transactions and has the same effect as applying a "haircut" to the market value of the Collateral, so that the Securities Lending Transactions are effectively 100% collateralised.

The following table lists the applicable market value of Collateral typically required for each type of assets relative to the value of securities lent:

| Type of Assets | Overcollateralisation Ratio |
|---|---|
| Government Bonds | 103% to 115% |
| Corporate Bonds | 105% to 115% |
| Equities | 105% |
| Cash | 100% to 105% |

The Company reserves the right to review and amend the above collateralisation requirements, taking into account the above mentioned factors.

# TYPOLOGY 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 category[2] set out in a Sub-Fund's 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.

[2] 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). As from 1 January 2023, the reference to "SRRI" shall be read as reference to the "summary risk indicator" set out in the PRIIPS KID.

# 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 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 up to 20 percent. of its net assets in ancillary liquid assets. Ancillary liquid assets are bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. In exceptionally unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008), on a temporary basis and for a period of time strictly necessary, this limit may be increased to up to 100% of a Sub-Fund's net assets, if justified in the interest of the investors. Liquid assets held in margin accounts in relation to financial derivative instruments do not qualify as ancillary liquid assets.

**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 sub-paragraphs 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 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' 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, calculated in accordance with applicable regulations and guidelines. 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, 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, 17, Boulevard de Kockelscheuer, L-1821 Luxembourg.

# SUSTAINABILITY-RELATED DISCLOSURES UNDER SFDR AND EU TAXONOMY REGULATION

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (**SFDR**) governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance (ESG) and sustainability-related information.

**Sustainability Risk**

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a negative material impact on the investment's value. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

These events or conditions are split into "Environment, Social, and Governance" (ESG), and relate, among other things, to the following topics:

*Environment*

- Failure to contribute to climate mitigation including reduction of greenhouse gas emissions
- Failure to protect biodiversity
- Non-sustainable use and protection of water and maritime resources
- Failure to transition to a circular economy, to avoid waste, and use recycling
- Exports and imports of waste violating of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Failure of avoidance and reduction of environmental pollution, including violations of the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants
- Failure of protection of healthy ecosystems
- Non-sustainable land use

*Social*

- Incompliance with recognized labour standards
- Incompliance with employment safety and health protection
- No reasonable remuneration or unfair working conditions
- Low level and no promotion of diversity and lack of inclusiveness
- Insufficient training and development opportunities
- Incompliance with trade union rights and freedom of assembly
- Failure to guarantee adequate product safety, including health protection
- Application of different requirements to entities in the supply chain
- Disregard of the interests of communities and social minorities
- Environmental damages impairing the natural bases of food and drinking water, preventing sanitary access or harming human health
- Unlawful eviction; unlawful taking of land, forest or water; use of land, forest or water securing human livelihood
- Use of security forces involved in torture; cruel, inhumane or degrading treatment; damage of life or limb; or impairing the right to organize and the freedom of association
- Other violation of general norm standards impacting employees or stakeholders

*Governance*

- Insufficient consideration of E&S factors by the Board / management
- Insufficient Board diversity
- Insufficient anti-corruption measures
- Insufficient anti-fraud measures
- Insufficient risk management and compliance practices related to E&S factors
- Board remuneration does not consider ESG criteria or matters
- Insufficient or wrong information disclosure – in particular those related to E&S factors • Violation of employee rights
- Violation of data protection standards
- Tax fraud
- Failure to facilitate whistle blowing

As part of the consideration of environmental issues, the Management Company considers especially the following aspects related to climate change:

*Physical climate factors*

- Individual extreme weather events
    - Heatwaves, Drought, Floods and Storms
    - Hail, Forest fires or Avalanches

- Long-term climate change
    - Decreasing amounts of snow or changes in rainfall frequency and volume
    - Volatile weather conditions
    - Rising sea levels, ocean acidification and changes in winds
    - Changes in land and soil productivity
    - Reduced water availability
    - Global warming including regional extremes

*Climate Transition factors*

- Exit from fossil fuels
- Exit from specific technologies (e.g. combustion engines)
- Industry driven technology change related to the change to a low-carbon economy
- Bans and/or restrictions impacting specific sectors
- Changes in client preferences and client behaviour
- Other political or regulatory measures related to the transition to a low-carbon economy

Sustainability risks can lead to a significant deterioration in the financial profile, liquidity, profitability or reputation of the underlying investment.

The Management Company assesses each Sub-Fund's requirement for the integration of sustainability risk consideration and implements additional disclosures on this integration in the investment process as appropriate for each Sub-Fund as well as in its risk management procedure. Unless the sustainability risks were already expected and taken into account in the valuations of the investments, they may have a significant negative impact on the expected/estimated market price and/or the liquidity of the investment and thus on the return of the fund.

*Market risk in connection with sustainability risks*

The market price of underlying investments may also be affected by risks from environmental, social or corporate governance aspects. For example, market prices can change if companies do not act sustainably and do not invest in sustainable transformations. Similarly, the strategic orientations of companies that do not take sustainability into account can have a negative impact on their share prices. The reputational risk arising from unsustainable corporate actions can also have a negative impact on market price. Additionally, physical damage caused by climate change or measures to transition to a low-carbon economy can also have a negative impact on market price.

*Risks due to criminal acts, maladministration, natural disasters, lack of attention to sustainability*

An underlying investment may become a victim of fraud or other criminal acts. It may suffer losses due to misunderstandings or errors by employees or external third parties, or be damaged by outside events such as natural disasters. These events may be caused or exacerbated by a lack of attention to sustainability. The Management Company strives to keep operational risks and potential financial impacts thereof which may be affecting the value of the assets of a fund as low as reasonably possible by having processes and procedures in place to identify, manage and mitigate such risks.

*Tracking Error*

A Tracking Error may be impacted as a result of the Investment Manager seeking to ensure compliance with the CW Statement and any other ESG commitments, such as those set out in the relevant Product Annex under "Transparency under SFDR and EU Taxonomy Regulation" and further in Annex IV "Pre-contractual information on Sustainable Investments" (as applicable).

**Investment Process**

*Controversial Weapons*

In its investment decisions, the Investment Manager considers, in addition to financial data, the sustainability risk posed by entities classified as controversial weapon companies based on their direct or indirect involvement with controversial weapons, from its investment universe. Controversial weapons are those weapons which, due to their harmful impact or indiscriminate effects, are subject to international conventions including cluster munitions, anti-personnel mines, biological and chemical weapons, all as determined by applicable policies of the Investment Manager and the DWS Controversial Weapons ("**CW**") identification methodology (the "**CW Statement**"). Further information on the CW Statement and the Information about Policies on the Integration of Sustainability Risks is available on https://www.dws.com/en-lu/solutions/sustainability/information-on-sustainability/.

For Direct Replication Funds and Actively Managed Funds, the Investment Manager will exclude securities identified by the DWS Group as per applicable policies, subject to a materiality calculation which determines the importance of those securities to the achievement of the Investment Objective of the Sub-Fund.

For Indirect Replication Funds, securities identified as per applicable policies will not be eligible transferable securities for the Invested Assets of the Sub-Fund.

In addition, the Investment Manager reserves the right to exclude from the portfolios of the Sub-Funds any such further securities that do not comply with the Investment Manager's policies.

*Coal*
For Indirect Replication Funds, securities identified by the DWS Coal policy will not be eligible transferable securities for the Invested Assets of the Sub-Fund.

For Direct Replication Funds and Actively Managed Funds such securities will not be excluded from the portfolio.

Please refer to the DWS website https://www.dws.com/en-lu/solutions/sustainability/information-on-sustainability/ for further information.

**Where a Sub-Fund promotes, amongst other characteristics, ESG characteristics or has a specific sustainable investment objective, this is specified in the relevant Product Annex under "Transparency under SFDR and EU Taxonomy Regulation" and further in Annex IV "Pre-contractual Information on Sustainable Investments" of this Prospectus where additional sustainability-related information can be found.**

Please note that it is not necessary for an ESG designated Sub-Fund disclosing under Article 8 or 9 of SFDR to contain "ESG" in its name.

**EU Taxonomy Regulation**

Unless stated otherwise in the relevant Product Annex, investments within the Sub-Funds do not take into account the EU Taxonomy Regulation criteria for environmentally sustainable economic activities.

While the Management Company is responsible with respect to disclosures in accordance with SFDR and the assessment for the integration of sustainability risk consideration, the identification of a Sub-Fund as "ESG" is mainly based on the level of ESG filters applied to the Reference Index or Underlying Asset in accordance with ESG standards or thresholds determined by the administrator of the Reference Index or Underlying Asset. The Management Company reviews and monitors the ESG criteria. Investors are advised to carry out their own assessment as to whether an ESG designated Sub-Fund, its Reference Index or its Underlying Asset meets their own ESG criteria.

**The following disclosure is made in accordance with Article 7(1) of SFDR.**

Sub-Funds that do not disclose under Article 8 or 9 of SFDR will not consider any principle adverse impacts ("**PAIs**") on sustainability factors as they do not promote any ESG characteristics and/or do not have a sustainable investment objectives. For Sub-Funds disclosing under Article 8 or 9 of SFDR, the PAIs considered for each Sub-Fund will be detailed in the relevant pre-contractual disclosures in Annex IV "Pre-contractual Information on Sustainable Investments" of this Prospectus.

# 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*: Sub-Funds following a passive investment strategy are not "actively managed". Accordingly, the Management Company will not adjust the composition of such 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.

*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*: 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 this may not always be successful and may result in greater fluctuations in the value of the Sub-Funds and may negatively affect the value of the Sub-Funds and their investments. Investors should further note that there may be costs associated with the use of foreign exchange hedging transactions which may be borne by the relevant Sub-Fund. For further information on currency hedging, please refer to "The Currency Hedged Share Classes" under the chapter "Structure".

*Interest Rate*: Interest rate risk is the risk which arises from potential movements in the level and volatility of yields. 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. As a general rule, the value of fixed-rate instruments will increase when interest rates fall and vice-versa.

*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*: High yield securities are often more volatile, less liquid and more prone to financial distress than other higher rated securities. The valuation of high yield securities may be more difficult than other higher rated securities because of lack of liquidity. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can negatively affect the Net Asset Value of the Sub-Funds. Also, 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*: 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. Investment restrictions may rely on credit rating thresholds and thus have an impact on securities selection and asset allocation. The Investment Manager may be forced to sell securities at an unfavourable time or price. Credit rating agencies may fail to correctly assess the credit worthiness of issuers.

*Liquidity*: 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. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. In the case of financial derivative transactions, if a financial derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, a Sub-Fund will only enter into OTC financial derivative instruments if it is allowed to liquidate such transactions at any time at fair value). Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

*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. There may also be certain political and economic factors that affect emerging markets as set out in "Political Factors, Emerging Market and Non-OECD Member State Assets" under the chapter "Risk Factors".

*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.

*Large Shareholder*: 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.

*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:* Since 31 January 2020, the United Kingdom no longer is a Member State of the European Union. Depending on the outcome of the EU's negotiations with the United Kingdom there may be a need to amend the structure of the Sub-Funds 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 actions, limitations or restrictions which may affect their value and/or liquidity and performance of the Sub-Fund's holdings as compared to the performance of its Reference index. This may increase the risk of tracking error and the Sub-Fund may require some form of restructuring or termination. For further information relating to regulatory reforms, please refer to "Regulatory Reforms" under the chapter "Risk Factors".

*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 Administrator 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 Administrator 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 Administrator:* The attention of Shareholders is hereby drawn to the complete discretion of the Index Administrator to decide upon and so amend the features of the relevant Reference Index for which it acts as administrator. Depending on the terms of the relevant licence agreement, an Index Administrator 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 Administrator to the features of the relevant Reference Index. 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. 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. To the extent that changes made to a Reference Index 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the website of the relevant Index Administrator on a regular basis.

*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 and/or on the website www.Xtrackers.com). 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.

*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.

- DWS Affiliates may act as Service Providers. DWS 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 Administrator, authorised participant, 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 DWS Affiliates will perform in connection with the Company, potential conflicts of interest are likely to arise. In such circumstances, each DWS 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:

- DWS Affiliates will pursue actions and take steps that it deems appropriate to protect their interests;
- DWS Affiliates may act in their own interests in such capacities and need not have regard to the interests of any Shareholder;
- DWS Affiliates may have economic interests adverse to those of the Shareholders. DWS 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;
- DWS Affiliates do not act on behalf of, or accept any duty of care or any fiduciary duty to any investors or any other person;
- DWS 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
- DWS Affiliates may be in possession of information which may not be available to investors. There is no obligation on any DWS 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 Depositary 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 Depositary 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 Depositary, 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.

*DWS Affiliates significant holdings*: Investors should be aware that DWS 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 DWS Affiliates may have on them. For example, DWS 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.

*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*: 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.

*Sustainability*: Please refer to chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation".

*Sector Concentration:* Investments or the constituents of a Reference Index may be exposed to risks relating to particular sectors. If a Sub-Fund invests in a narrow range of sectors, the performance of the Sub-Fund may not reflect changes in broad markets. Furthermore, the Sub-Fund is likely to be more susceptible to greater price volatility when compared to more diverse funds as it only has exposure to a limited number of sectors. This could lead to a greater risk of loss to the value of Shareholders' investments.

*Region Concentration*: Investments or the constituents of a Reference Index may be exposed to risks relating to particular regions or countries. If a Sub-Fund invests in a narrow range of regions or countries, the performance of the Sub-Fund may not reflect changes in broad markets. Furthermore, the Sub-Fund is likely to be more susceptible to greater price volatility when compared to more diverse funds as it only has exposure to a limited number of regions or countries. This could lead to a greater risk of loss to the value of Shareholders' investments.

*Counterparty: A* Sub-Fund may not invest directly in the components of the Reference Index and its returns will be dependent on the performance of the shares and/or cash deposits and the performance of the derivatives used. A Sub-Fund may enter into one or more derivatives with one or more counterparties. If any of the counterparties fails to make payments (for example, it becomes insolvent) this may result in Shareholders' investments suffering a loss. For further risks relating to counterparty performance, please refer to "Securities lending, buy-sell or sell-buy back transactions and repurchase and reverse repurchase agreement transactions" under the chapter "Risk Factors".

*Disruption / Adjustment Events:* A Reference Index may be subject to disruption or adjustment events which may prevent its calculation or lead to adjustments to the rules of the index which may cause Shareholders' investments to suffer losses. Further matters which may affect a Reference Index are outlined at "Political Factors, Emerging Market and Non-OECD Member State Assets" under the chapter "Risk Factors".

*Rules Based Index:* A Reference Index may be rules-based and may not be capable of being adjusted to take into account changing market circumstances. As a result, Shareholders may be negatively affected by, or may not benefit from, the lack of such adjustments in changing market circumstances. A Reference Index may also be subject to disruption or adjustment events which may prevent their calculation or lead to adjustments to the rules of the index which may cause Shareholders' investments to suffer losses.

*Leveraged Index:* A Sub-Fund may track a Reference Index which is constructed to track the performance of an increased (leveraged) exposure to an underlying index, meaning that a fall in value of the underlying index can result in a greater reduction in the level of the Reference Index. Where a Reference Index is designed to do this, it shall be on a daily basis only and should not be equated with seeking a leveraged position for periods longer than a day. The performance of a Sub-Fund tracking such a Reference Index over periods longer than one day will not be correlated or symmetrical with the returns of the underlying

index. A Sub-Fund tracking such a Reference Index is intended for investors who wish to take a very short term view on the underlying index and whose investments are not intended as buy and hold investments.

*Leveraged Short Index:* A Sub-Fund may track a Reference Index which is constructed to track the performance of an increased (leveraged) negative (known as short) exposure to an underlying index, meaning that the level of the Reference Index should rise when the underlying index falls and fall when the underlying index rises. Such an index is designed to do this on a daily basis only which should not be equated with seeking a leveraged position for periods longer than a day. The performance of a Sub-Fund tracking such a Reference Index over periods longer than one day may not be inversely proportional or symmetrical with the returns of the underlying index. A Sub-Fund tracking such a Reference Index is intended for investors who wish to take a very short term view on the underlying index and whose investments are not intended as buy and hold investments.

*Settlement:* The settlement risk is the risk of loss resulting from a party's failure to deliver the terms of a contract at the time of settlement. The acquisition and transfer of holdings in certain investments may involve considerable delays and transactions may need to be carried out at unfavourable prices as clearing, settlement and registration systems may not be well organised in some markets.

*Short Index:* A Sub-Fund may track a Reference Index which is constructed to track the performance of a negative (known as a short) position on an underlying index meaning that the level of the Reference Index should rise when the underlying index falls and fall when the underlying index rises. Such an index is designed to do this on a daily basis only which should not be equated with seeking a short position for periods longer than a day. The performance of a Sub-Fund tracking such a Reference Index over periods longer than one day may not be inversely proportional or symmetrical with the returns of the underlying index. A Sub-Fund tracking such a Reference Index is intended for investors who wish to take a very short term view on the underlying index and whose investments are not intended as buy and hold investments.

*Small and Mid-sized Companies*: Exposure to small and mid-sized companies, potentially involves greater risks compared to investing in larger companies. The shares may have less liquidity and could experience more price swings (or volatility) which could adversely affect the value of your investment.

*Country Risk China*: A Sub-Fund may be exposed to liquidity, operational, clearing, settlement and custody risks linked to investments in PRC, the RQFII system and/or China Bond Connect. In addition there may be risks relating to taxes on PRC Investments which may result in the Sub-Fund making certain provisions or payments as described in "Tax (Emerging Markets)" under the chapter "Risk Factors". For example, certain Sub-Funds make relevant provision on dividend and interest from A-shares if the tax on dividends is not withheld at source at the time when such income is received. Any such provision may be excessive or inadequate. Investors may be advantaged or disadvantaged depending on the time they subscribed and/or redeemed their Shares. For further information please consult the specific risk factors set out in the Product Annex of any Sub-Fund with PRC Investments.

*Tax (Emerging Markets):* There may be exposure to jurisdictions where the tax regime is not fully developed or is not sufficiently certain, and as such changes to the tax policies may be implemented without any prior notice and may also apply retrospectively. Any changes in tax policies may reduce the after-taxation returns of the Sub-Funds' investments. For example, certain Sub-Funds make relevant provision on dividend and interest from A-shares if the tax on dividends is not withheld at source at the time when such income is received. Any such provision may be excessive or inadequate. Investors may be advantaged or disadvantaged depending on the time they subscribed and/or redeemed their shares. For further information relating to this risk factor, please refer to "Risk Factors – Taxes on Transactions (Financial Transaction Taxes)" and "Lack of Discretion of the Company to Adapt to Market Changes" under the chapter 'Risk Factors'. Please also see the "General Taxation" section.

*Exceptional Circumstances*: Exceptional circumstances may arise, such as, but not limited to, disruptive market conditions, additional costs/taxes or extremely volatile markets, which may cause the Sub-Fund's performance to be substantially different from the performance of the Reference Index. Please refer to "Volatility" and "Disruption / Adjustment Event" under "Risk Factors" for more information.

*Active Funds Risk:* Sub-Funds managed according to an active approach rely upon the performance of the Investment Manager, Sub-Portfolio Manager, and/or the portfolio of securities selected. If the Investment Manager, Sub-Portfolio Manager and/or the portfolio of securities selected perform poorly, the value of a Shareholder's investment may be adversely affected.

*FATCA and CRS:* Rules under FATCA and CRS (as defined further below) are particularly complex and although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the thirty percent (30%) withholding tax under FATCA or a penalty or fine under FATCA and CRS, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA or a penalty or fine under FATCA or CRS, the value of units/ shares held by all investors may be materially affected. The Company and/or its investors may also be indirectly affected by the fact that a non-U.S. financial institution does not comply with FATCA regulations even if the Company satisfies its own FATCA obligations.

Prospective investors are encouraged to carefully read Sections "FATCA" and "EU Tax Considerations" which are stated in the Section "General Taxation".

Each prospective investor should consult its own tax advisor about how FATCA and CRS might affect such prospective investor.

*OECD's BEPS Action Points*: The Organization for Economic Co-operation Development ("OECD") together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as base erosion and profit shifting ("BEPS") through 15 actions detailed in reports released on 5 October 2015.

As part of the BEPS project, new rules dealing inter alia with double tax treaties abuse, the definition of permanent establishments, controlled foreign companies and hybrid mismatch arrangements, are being introduced into respective domestic law of BEPS member states including via EU directives and a multilateral instrument.

The European Council has adopted two Anti-Tax Avoidance Directives (Council Directive (EU) 2016/1164 of 12 July 2016) laying down rules against tax avoidance practices that directly affect the functioning of the internal market ("ATAD I") and Directive 2017/952/EU of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries ("ATAD II") that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented into Luxembourg law respectively on 21 December 2018 (the "ATAD I Law") and on 20 December 2019 (the "ATAD II Law") and all of them are gradually applicable as of 1 January 2019, 1 January 2020 and 1 January 2022 (depending on the measure). The ATAD I Law as well as the ATAD II Law may have a material impact on how returns to investors are taxed.

The effect of BEPS, MLI, ATAD I and ATAD II could lead to additional taxes being imposed on the Company, intermediate entities or portfolio entities which may adversely affect the value of the investments held by investors in the Company. In addition, certain information may be requested from investors to enable the Company to comply with these requirements.

At the international level, the "Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting" ("MLI") was published by the OECD on 24 November 2016. The aim of the MLI is to update international tax rules and lessen the opportunity for tax avoidance by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. A number of jurisdictions (including Luxembourg) have signed the MLI. The ratification process in Luxembourg has been achieved through the law of 7 March 2019 and the deposit of the ratification instrument with the OECD on 9 April 2019. As a consequence, the MLI entered into force on 1 August 2019. Its application per double tax treaty concluded with Luxembourg will depend on the ratification by the other contracting state and on the type of tax concerned. Subsequent changes in tax treaties negotiated by Luxembourg incurred by the MLI could adversely affect the returns from the Company to its investors.

*Suspension of Dealings*: Shareholders are reminded that in certain circumstances their right to redeem Unlisted Shares, including a redemption by way of switching, may be suspended (see the section entitled "Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions").

**Specific Risks in relation to ETF Shares**

*Inaction by the Common Depositary and/or an International Central Securities Depositary:* Investors who settle or clear through an International Central Securities Depositary will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such Shares, if such investors are Participants, their right will be governed by their agreement with the relevant International Central Securities Depositary, if such investors are not Participants, then their rights will be governed by the direct or indirect arrangement with the relevant Participant of the International Central Securities Depositary (who may be their nominee, broker or Central Securities Depositaries, as the case may be).

Under the current arrangement, the Company will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary Nominee, with such notice as is given by the Company in the ordinary course of business. It is the Directors understanding that (i) the Common Depositary will be subject to a contractual obligation to relay such notices and associated documentation issued by the Company to the Common Depositary Nominee, which will further be obliged to pass on such notices and documentation to the ICSDs; (ii) the relevant ICSD will in turn relay such notices and associated documentation received from the Common Depositary to the Participants in accordance with its rules and procedures; (iii) the Common Depositary is contractually bound to collate all votes received from the relevant International Central Securities Depositaries (which reflects votes received by the relevant International Central Securities Depositary from its Participants) and that the Common Depositary Nominee should vote in accordance with such instructions. Nonetheless, the Company is not empowered to compel the Common Depositary to relay any notices or voting instructions in accordance with the instructions from the International Central Securities Depositaries.

*Failure to Settle through International Central Securities Depositary:* If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, as the Authorised Participant is not a registered Shareholder of the Company, the Company will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant, any costs incurred as a result of the failure to settle will be borne by the relevant Sub-Fund and its investors.

*Voting Rights and Arrangements*: The Company cannot accept voting instructions from any persons, other than the registered Shareholder which is the Common Depositary Nominee. Investors are advised to consult with their relevant Participant, broker or nominee regarding their ability, or not, as the case may be, to exercise voting or other rights and how these are relayed to the Common Depositary.

*Authorised Participant Concentration*: 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.

*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.

*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.

**Specific Risks in relation to Unlisted Shares**

*Liquidity of Investments*: Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the investments owned by a Sub-Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. However, a Sub-Fund may also hold investments which become illiquid over a period of time due to volatility or low trading volumes, which means they can't be sold quickly or easily. Some investments may become illiquid because of legal restrictions, the nature of the investment itself and settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. A Sub-Fund that has trouble selling an investment can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in a Sub-Fund's value.

*Late or Non-Payment of Subscriptions*: Any loss incurred by the Company or a Sub-Fund due to late or non-payment of subscription proceeds in respect of subscription applications received shall be borne by the relevant investor or, if not practical to recover such losses from the relevant investor, by the relevant Sub-Fund.

*Effect of Upfront Subscription Sales Charge and Redemption Charge*: Where an Upfront Subscription Sales Charge or a Redemption Charge is imposed, a Shareholder who realises his Unlisted Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Unlisted Shares should be viewed as a medium to long term investment.

*Anti-Dilution Levy*: Shareholders should note that for certain Sub-Funds and in certain circumstances an Anti-Dilution Levy may be applied on the issue or sale and/or redemption or cancellation of Shares. Where an Anti-Dilution Levy is not applied, the Sub-Fund in question may incur dilution which may constrain capital growth.

*Limitations on Redemption of Unlisted Shares / Liquidity*: The Board of Directors may limit (and in certain cases refuse) requests to redeem Unlisted Shares. Please refer to the section headed "Limitations on Redemptions" and to the terms of the relevant Product Annex. In addition, in certain circumstances the Company may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Sub-Fund below the Minimum Holding Requirement for that Class of Shares of that Sub-Fund. Any redemption request having such an effect may be treated by the Company as a request to redeem the Shareholder's entire holding of that Class of Shares.

*Maximum Redemption Amount*: The Company will have the option to limit the number of Unlisted Shares of any Sub-Fund redeemed on any Transaction Day to 10 percent. of the total Net Asset Value of that Sub-Fund on that Transaction Day and, in conjunction with such limitation, to pro rata limit the number of Shares redeemed by any Shareholder on such Transaction Day so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Transaction Day realise the same proportion of such Shares. In the event the Company elects to limit the number of Shares redeemed on such date to 10 percent. of the Net Asset Value of the Sub-Fund, a Shareholder may not be able to redeem on such Transaction Day all the Shares that it desires to redeem. Investors should review this Prospectus and the relevant Product Annex to ascertain whether and how such provisions apply.

**Specific Risks in relation to Direct Replication Funds**

*Securities lending, buy-sell or sell-buy back transactions and repurchase and reverse repurchase agreement transactions:*

Securities financing transactions, namely Securities Lending Transactions and (reverse) repurchase agreements, can either represent a risk on their own or have an impact on other risks and contribute significantly to the risk, such as counterparty risks, operational risks, liquidity risks, custody risks and legal risks.

Counterparty risks: If the other party (counterparty) to a (reverse) repurchase agreement or Securities Lending Transaction should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the Securities Lending Transaction or (reverse) repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities.

In addition, in the event of bankruptcy or similar proceedings of the party to a (reverse) repurchase agreement or a Securities Lending Transaction or its failure otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the (reverse) repurchase agreement or securities lending transaction.

The use of such techniques may have a significant effect, either negative or positive, on a Sub-Fund’s Net Asset Value (NAV), although it is expected that the use of repurchase agreements, reverse repurchase agreements and Securities Lending Transactions will generally not have a material negative impact on a sub-fund’s performance.

Operational risks: Operational risk is inherent in any financial activity, including securities financing transactions. Deficiencies from inadequate internal processes and from human error or system failures at service providers, the Company, the Management Company or a counterparty can result in an unexpected loss. The costs can be related to either a loss of a fraction or the whole value of a transaction, or to penalties imposed on the institution by a counterparty.

Liquidity risks: The respective Sub-Fund is subject to liquidity risk which arises when a particular instrument is difficult to dispose of.

Custody risks: Custody risk is the risk of loss of securities held with a custodian as a result of insolvency, negligence or fraudulent action by the custodian. Custody risk is influenced by a variety of factors including the legal status of the securities, the accounting practices and safekeeping procedures employed by the custodian, the custodian's choice of sub-custodians and other intermediaries, and the law governing the custody relationship.

Legal risks: Legal risks can bear the risk of loss because of the unexpected application of a law or regulation or because a contract cannot be enforced. A (reverse) repurchase or securities lending contract may be invalid or unenforceable. Even if the collateral arrangement has been set up correctly, there is the risk that the relevant insolvency law may impose a stay that prevents the collateral taker from liquidating the collateral.

Tracking and Replication Risks: 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. In extreme market conditions and exceptional circumstances, particularly in connection with less developed markets and emerging markets, such costs may increase significantly and as a result the OTC Swap Transaction Costs may increase. 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 and may differ depending on the Reference Index whose performance the Sub-Fund aims to reflect. The OTC Swap Transaction Costs may also vary from time to time depending on actual market conditions. 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) and may result in a higher Tracking Error; (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 Risks in relation to Actively Managed Funds**

Although the Management Company and/or its delegates may have substantial prior experience in portfolio management, the past performance of any investments or investment funds managed by the Management Company and/or its delegates cannot be construed as any indication of the future results of an investment in a Sub-Fund. The performance of an Actively Managed Fund will depend on the success of the relevant Investment Objective and Policies. No assurance can be given that suitable investment opportunities in which to deploy all of the Sub-Fund's capital will be located. A reduction in the volatility and pricing

inefficiency of the markets in which the Sub-Fund will seek to invest, as well as other market factors, will reduce the effectiveness of the sub-Fund's investment strategy resulting in an adverse effect on performance results.

**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

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). Bonds may also be exposed to credit risk and interest rate risk. Please refer to "Credit" and "Interest Rate" under the chapter "Risk Factors" for further details.

• Non-investment grade bonds

Certain Sub-Funds may also be exposed to non-investment grade bonds which generally have a higher risk of default and are more susceptible to market fluctuations than investment grade bonds.

• Credit Derivatives:

A Reference Index may provide a notional exposure to the value and/or return of certain credit derivative transactions which may fall. Markets in these asset classes may at times become volatile or illiquid and the Reference Index may be affected.

• Short Term Money Market:

A Sub-Fund may have exposure to short term money markets which may be adversely affected by factors which have less effect on a fund investing more broadly.

• 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 may 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/or 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 last available rate of exchange prevailing in a recognised market on the NAV Date 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 available closing prices on the NAV Date 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 NAV Date 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 total return swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows. TRS are marked to market at each NAV Date;

(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.

The Management Company has adopted within its governance framework appropriate policies and procedures to ensure integrity of the valuation process and to determine the fair value of the assets under management.

The valuation of assets is ultimately governed by the Management Company's governing body, which established pricing committees that assume valuation responsibility. This includes the definition, approval and regular review of pricing methods, the monitoring and control of the valuation process and the handling of pricing issues. In the exceptional case that a pricing committee cannot reach a decision, the issue may be escalated to the board of the Management Company or the Board of Directors for ultimate decision. The functions involved in the valuation process are hierarchically and functionally independent from the portfolio management function.

The valuation results are further monitored and checked for consistency as part of the price determination process and the calculation of the net asset value by the responsible internal teams and the involved service providers.

**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, in respect of the primary market, 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.

Furthermore, pursuant to the Law, the issue and redemption of Shares shall be prohibited:

(i) during the period where the Company has no depositary; and

(ii) where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with the creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

**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 under normal market circumstances. The Management Company, on behalf of the Board of Directors, reserves the right from time to time to exceed the limit in exceptional market circumstances.

# ETF SHARES

## GLOBAL CLEARING AND SETTLEMENT, INTERNATIONAL CENTRAL SECURITIES DEPOSITARY AND COMMON DEPOSITARY

**International Central Securities Depositary**

The Company will apply for admission for clearing and settlement of ETF Shares through the International Central Securities Depositaries.

A Global Share Certificate representing the ETF Shares concerned will be deposited with the Common Depositary and registered in the name of the Common Depositary Nominee (being the registered legal holder of the Shares concerned) of the Company, as nominated by the Common Depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, Société Anonyme, Luxembourg ("Clearstream") and accepted for clearing through Euroclear and Clearstream.

Interests in the ETF Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the International Central Securities Depositary.

**Title to ETF Shares**

Legal title to the ETF Shares of the Company will be held by the Common Depositary Nominee. A purchaser of interests in the ETF Shares concerned will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such ETF Shares. If such investors are Participants, their rights will be governed by their agreement with the relevant International Central Securities Depositary. If such investors are not Participants, then their rights will be governed by the direct or indirect arrangement with the relevant Participant of the International Central Securities Depositary (who may be their nominee, broker or Central Securities Depositaries, as the case may be).

All references to actions by holders of the Global Share Certificate in this Prospectus shall refer to actions taken by the Common Depositary Nominee as the registered Shareholder following instructions from the relevant International Central Securities Depositary upon receipt of instructions from its Participants.

All references to distributions of notices, reports and statements to Shareholder in this Prospectus shall refer to distribution of notices, reports and statements to the Participants in accordance with the relevant International Central Securities Depositary's procedures.

Each Participant shall look solely to its International Central Securities Depositary for:

(i) documentary evidence as to the amount of its interests in any ETF Shares. Any certificate or other document issued by the relevant International Central Securities Depositary, as to the amount of interests in such ETF Shares standing to the account of any person shall be conclusive and binding as accurately representing such records; and

(ii) such Participant's share of each payment or distribution made by the Company to or on the instructions of the Common Depositary Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their International Central Securities Depositary. Participants shall have no claim directly against the Company, the Registrar and Transfer Agent or any other person (other than their International Central Securities Depositary) in respect of payments or distributions due under the Global Share Certificate which are made by the Company to or on the instructions of the Common Depositary Nominee and such obligations of the Company shall be discharged thereby. The International Central Securities Depositary shall have no claim directly against the Company, Registrar and Transfer Agent or any other person (other than the Common Depositary).

**Request for information**

The Company or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in ETF Shares; (b) the identity of any other person or persons then or previously interested in such ETF Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request each International Central Securities Depositary to provide the Company with following details: ISIN, ICSD Participant name, ICSD participant type – Sub-Fund/Bank/Individual, residence of ICSD Participant, number of ETF Shares of the Participant within Euroclear and Clearstream, as appropriate. Euroclear and Clearstream Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have authorised pursuant to the respective rules and procedures of Euroclear and Clearstream, to disclose such information to the Company of the interest in ETF Shares or to its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the Company or its duly authorised agent, and agree to the relevant International Central Securities Depositary providing the identity of such Participant or investor to the Company upon their request.

**Distribution of notices through the International Central Securities Depositaries**

The Company will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary Nominee, with such notice as is given by the Company in the ordinary course of business.

Each Participant shall look solely to its International Central Securities Depositary and the rules and procedures of the relevant International Central Securities Depositary governing delivery of such notices.

The Common Depositary Nominee has a contractual obligation to promptly notify the Common Depositary of any notices issued by the Company and to relay any associated documentation issued by the Company to the Common Depositary, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant International Central Securities Depositary. Each International Central Securities Depositary will, in turn, relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures.

Investors who are not Participants in the relevant International Central Securities Depositary would need to rely on their broker-dealer, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant International Central Securities Depositary to receive such notices.

**Notice of Meetings and the Exercise of Voting Rights through the International Central Securities Depositaries**

The Company will issue notices of general meetings and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary Nominee.

Each Participant shall look solely to its International Central Securities Depositary and the rules and procedures of the relevant International Central Securities Depositary governing delivery of such notices and exercising voting rights.

The Common Depositary Nominee has a contractual obligation to promptly notify the Common Depositary of any Shareholder meetings of the Company and to relay any associated documentation issued by the Company to the Common Depositary, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant International Central Securities Depositary. Each International Central Securities Depositary will, in turn, relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each International Central Securities Depositary is contractually bound to collate and transfer all votes received from its Participants to the Common Depositary and the Common Depositary is, in turn, contractually bound to collate and transfer all votes received from each International Central Securities Depositary to the Common Depositary Nominee, which is obligated to vote in accordance with the Common Depositary's voting instructions.

Investors who are not Participants in the relevant International Central Securities Depositary would need to rely on their broker-dealer, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to provide voting instructions.

**Payments through International Central Securities Depositary**

Upon instruction of the Common Depositary Nominee, redemption proceeds and any dividends declared are paid by the Company or its authorised agent to the relevant International Central Securities Depositary. Each Participant must look solely to the relevant International Central Securities Depositary for its redemption proceeds or its share of each dividend payment made by the Company.

Investors who are not Participants in the relevant International Central Securities Depositary would need to rely on their broker-dealer, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant in the relevant International Central Securities Depositary, to receive any redemption proceeds or any share of each dividend payment made by the Company that relates to their investment.

Investors shall have no claim directly against the Company, the Registrar, the Transfer Agent or any other person (other than their International Central Securities Depositary, broker or intermediary if such investors are not Participants) in respect of redemption proceeds or dividend payments due on ETF Shares represented by the Global Share Certificate and the obligations of the Company will be discharged by payment to the relevant International Central Securities Depositary upon the instruction of the Common Depositary Nominee.

The International Central Securities Depositary shall have no claim directly against the Company, Registrar and Transfer Agent or any other person (other than the Common Depositary).

## SUBSCRIPTIONS AND REDEMPTIONS OF ETF SHARES (PRIMARY MARKET)

ETF 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 ETF 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 ETF Shares.

An Authorised Participant may submit a dealing request to subscribe or redeem ETF 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 ETF 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 ETF Shares prior to the issue of ETF 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 ETF 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 ETF 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 ETF 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**

ETF 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. ETF 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 ETF 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 provided however that, in certain circumstances (for example, where settlement in a particular currency is not possible on a given Settlement Day(s) or in the case that a Significant Market is closed for trading or settlement on any given Settlement Day), such payment or settlement may be delayed by up to 5 further Settlement Days.

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 and on any electronic order entry facility used for subscriptions and redemptions on the primary market. 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 primary market 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 and on any electronic order entry facility, 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 requests or 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 when required by and in accordance with applicable laws and regulation. 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 ETF 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 ETF 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 ETF Shares have been returned to the Company's account at the ICSD.

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 ETF Shares into the Company's account at the ICSD 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 ETF 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 ETF 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 ETF 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 ETF 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 ETF Shares in the Sub-Fund or any other Sub-Fund of the Company in order to meet those charges.

**Form of the ETF Shares and Register**

ETF Shares are only issued in registered form and ownership of ETF Shares will be evidenced by entry in the Shareholders' register. No temporary documents of title or share certificates will be issued, other than the Global Share Certificate required for the International Central Securities Depositary.

## THE SECONDARY MARKET FOR ETF SHARES

Trades, whether on a stock exchange or over the counter, which are not between an Authorised Participant and the Company in the primary market, but are between an Authorised Participant and a non-Authorised Participant entity or between two non-Authorised Participant entities are described as trades in 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 ETF 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 ETF 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 ETF 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 ETF Shares of such Sub-Funds to be listed on one or more of the Relevant Stock Exchanges. For so long as the ETF 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 ETF Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the ETF Shares this Prospectus may have attached to it one or more documents setting out information relevant for the jurisdictions in which the ETF Shares are offered for subscription.

The Company does not charge any fee for purchases of ETF Shares on the secondary market. Orders to buy ETF Shares, such as through the Relevant Stock Exchanges, can be placed via a member firm or stockbroker. Such orders to buy ETF 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 ETF Shares for investment or for any other purpose.

Certain Authorised Participants who subscribe for ETF Shares may act as market makers; other Authorised Participants are expected to subscribe for ETF Shares in order to be able to offer to buy ETF Shares from or sell ETF Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem ETF 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 ETF Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy ETF Shares from or sell ETF 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 ETF 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 ETF Shares may widen and the difference between the market price of an ETF 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.

**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 an ETF Share or the price at which ETF 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 an ETF 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 ETF 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).

**Redemption of ETF Shares by Secondary Market Investors**

ETF Shares purchased on the secondary market cannot usually be sold directly back to the Company. Investors must purchase and redeem their ETF 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 ETF 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 ETF 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 ETF Shares via the depositary or financial intermediary through which they hold the ETF Shares, such that the Administrative Agent is able to confirm the identity of such investor, the number of ETF 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 "Subscriptions and Redemptions of ETF Shares (Primary Market)" section of the Prospectus, and the redemption fees disclosed in the Product Annex and/or www.Xtrackers.com in respect of the relevant Sub-Fund shall apply.

## UNLISTED SHARES

## SUBSCRIPTIONS AND REDEMPTIONS OF UNLISTED SHARES

**Purchase of Unlisted Shares**

Issues of Unlisted Shares will normally be made with effect from a Transaction Day in respect of applications received on or prior to the Cut-Off Time. The Cut-Off Time relating to each Sub-Fund is set out in the Product Annex for the relevant Sub-Fund and/or on the website www.xtrackers.com. For Unlisted Shares, some Business Days will not be Transaction Days when any market and/or exchange on which constituents of the Reference Index are traded is 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. The Directors may nominate additional Transaction Days upon advance notice to Shareholders.

Applications for the Initial Subscription for Unlisted Shares should be submitted in writing or sent by facsimile or other electronic order entry facility in accordance with the requirements of the Registrar and Transfer Agent and the CSSF (with the Dealing Form and supporting documentation in relation to money laundering prevention checks as detailed in "IV. Anti-money laundering and prevention of terrorist financing" under the section "General Information on the Company and the Shares") to the Registrar and Transfer Agent on or prior to the Cut-Off Time. A Dealing Form may be obtained from the Registrar and Transfer Agent. Applications received after the Cut-Off Time for the relevant Transaction Day shall be deemed to have been received by the next Cut-Off Time, save that the Management Company may at its discretion and on an exceptional basis, accept applications received after the Cut-Off Time provided they are received prior to the point in time by reference to which the Net Asset Value is calculated for the relevant Transaction Day (the "**Valuation Point**"). Applications will be irrevocable unless the Management Company otherwise agrees. The Registrar and Transfer Agent takes no responsibility for requests which are not appropriately transmitted or sent and in the case of trades instructed via SWIFT, appropriately acknowledged.

Subsequent subscription requests may be submitted in writing or sent by facsimile or other electronic order entry facility, including SWIFT as may be deemed acceptable by the Registrar and Transfer Agent. Any changes to a Shareholder's registration or payment details or payment instructions will only be made on receipt of an original written instruction. No redemption payment may be made to a Shareholder until the original Dealing Form has been received (including any supporting documentation required in connection with anti-money laundering requirements).

Investors purchasing any Unlisted Shares through a Distributor, for onward transmission to the Registrar and Transfer Agent, should note that they will be subject to the Distributor's account opening requirements.

Under the Articles of Incorporation, the Board of Directors have absolute discretion to accept or reject in whole or in part any applications for Unlisted Shares without assigning any reason therefore. If an application is rejected, the Registrar and Transfer Agent at the cost and risk of the applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, expenses or compensation by electronic transfer to the account from which it was paid.

**Form of the Unlisted Shares and Register**

Unlisted Shares issued will be in registered form and the register will be the sole evidence of ownership of these Unlisted Shares.

The Registrar and Transfer Agent shall maintain the register of Shareholders in which all issues, redemptions, exchange and transfers of Unlisted Shares will be recorded.

A contract note, which will give details of the subscription, exchange, transfer or redemption made will be sent to Shareholders within 5 Business Days after the relevant Transaction Day. The contract note is a confirmation of ownership. A holding of Unlisted Shares may only be registered in a single name.

**Issue Price**

The Initial Issue Price for Unlisted Shares in the relevant Sub-Fund during the Initial Offer Period is indicated in respective Product Annex and/or on the website www.xtrackers.com.

Following the Initial Offer Period, Unlisted Shares shall be issued at the Net Asset Value per Share as determined on the day on which they are deemed to be issued.

An Upfront Subscription Sales Charge of up to 5 percent. on the Net Asset Value per Share will be charged by the Company or the Registrar and Transfer Agent for payment to the Sub-Fund on the issue of Unlisted Shares, if applicable, as disclosed in the Product Annex for the relevant Fund and/or on the website www.xtrackers.com.

An Anti-Dilution Levy may be applied on the Subscription Price on the issue of Unlisted Shares. For further information, please refer to the "Anti-Dilution Levy/Duties" section of the Prospectus.

**Payment for Unlisted Shares**

Payment in respect of the issue of Unlisted Shares must be made to the Company (the relevant account will be specified in the Dealing Form or otherwise notified to investors in advance) by the relevant Settlement Date, by wire transfer in cleared funds in the currency of denomination of the relevant Unlisted Class.

It is the responsibility of applicants to transmit payment for subscriptions promptly, with clear customer identification. Applicants shall be responsible for their own bank charges, including any lifting fees or commissions. The value received in the Company's bank account must equal the subscription amount.

Unlisted Shares are not issued until subscription monies have been received. An allotment of Unlisted Shares may be made provisionally pending receipt of cleared funds by the relevant Settlement Day. If payment in full has not been received by the relevant Settlement Day, or in the event of non-clearance of funds, all or part of any allotment of Unlisted Shares made in respect of such application may, at the discretion of the Board of Directors, be cancelled and the relevant monies returned to the applicant at their risk, or, alternatively, the Registrar and Transfer Agent may treat the application as an application for such

number of Unlisted Shares as may be purchased with such payment on the next Transaction Day following receipt of payment in full or of cleared funds. In such cases the Board of Directors may charge the applicant for any resulting losses and costs incurred by the relevant Sub-Fund.

In the event of a delay in the settlement of subscription proceeds, the Company may temporarily borrow an amount up to the value of the delayed subscription on or after the relevant Settlement Day. Any such borrowing will be subject to the restrictions on borrowing as set out in section 6 of chapter "Investment Restrictions" of this Prospectus. Once the required subscription monies have been received, the Company will use this to repay the borrowings. The Company reserves the right to charge the relevant Shareholder interest on the late receipt of subscription monies.

**Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount and Minimum Holding Requirement**

The Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount, and the Minimum Holding Requirement of Unlisted Shares of each Class of a Sub-Fund may vary. The Minimum Initial Subscription Amount is set out in the section headed "Classes of Shares" in the Prospectus. Any Initial Subscription Amount, Minimum Subsequent Subscription Amount or Minimum Holding Requirement shall be provided for in the relevant Product Annex and/or on the website www.xtrackers.com. The Management Company, on behalf of the Board of Directors, reserves the right from time to time to waive any requirements relating to the Minimum Initial Subscription Amount, Minimum Subsequent Subscription Amount, and Minimum Holding Requirement, as and when it so determines at its discretion.

The Company may, at any time, repurchase all Unlisted Shares from Shareholders whose holding is less than the Minimum Holding Requirement. In such case the Shareholder concerned will receive prior notice so as to be able to increase his holding above such amounts during such period to be determined by the Board of Directors (and set out in the notice) following the receipt of such notice.

**In-Kind Dealings**

The Board of Directors may in their absolute discretion accept payment for Unlisted Shares of a Sub-Fund in kind, and may allot Unlisted Shares in the Sub-Fund provided that arrangements are made to vest in the Depositary on behalf of the Company investments which would form part of the assets of the relevant Sub-Fund and provided that (i) the Depositary is satisfied that there is unlikely to be any material prejudice to existing Shareholders in the relevant Sub-Fund; and (ii) such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, strategies and restrictions. The number of Unlisted Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments, and an amount may be deducted from the value of the investments to allow for attributable transaction costs incurred by the Sub-Fund as a result of accepting the assets. The value of the investments to be vested shall be calculated by applying the valuation methods.

**Deferral of Subscriptions**

The Board of Directors may, in their sole and absolute discretion, determine that in certain circumstances, it is detrimental for existing Shareholders to accept an application for Unlisted Shares in cash or in kind, representing more than 10 percent. of the Net Asset Value of a Sub-Fund. Upon such a decision by the Board of Directors, the Registrar and Transfer Agent will be notified by the Company. In such case, the Board of Directors may postpone the application and, in consultation with the relevant applicant, either require such investor to stagger the proposed application over an agreed period of time, or establish an investment account outside the structure of the Company in which to invest the investor's subscription monies. Such investment account will be used to acquire the Unlisted Shares over a pre-agreed time schedule. The investor shall be liable for any transaction costs or reasonable expenses incurred in connection with the acquisition of such Unlisted Shares. Any applicable Upfront Subscription Sales Charge will be deducted from the subscription monies before the investment of the subscription monies commences.

**Limitations on Subscriptions**

Unlisted Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section "Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions". Applicants for Unlisted Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Transaction Day following the ending of such suspension.

Unlisted Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for the benefit of U.S. Persons.

The Company further reserves the right to reject at its absolute discretion any application for Unlisted Shares in a Sub-Fund, including without limitation in circumstances where, in the opinion of the Board of Directors, there are insufficient appropriate assets available in which such Sub-Fund can readily invest.

Other limits on subscriptions may be set out in the Product Annex for a Sub-Fund.

**Redemption of Unlisted Shares**

Requests received on or prior to the relevant Cut-Off Time will, subject as mentioned in this section and in the relevant Product Annex or on the website www.xtrackers.com, normally be dealt with on the relevant Transaction Day. Redemption requests received after the Cut-Off Time shall be treated as having been received by the following Transaction Day, save that the Management Company may, at its discretion and on an exceptional basis, accept redemption requests received after the Cut-Off Time provided they are received prior to the Valuation Point for the relevant Transaction Day.

Redemption requests should be submitted in writing or sent by facsimile or other electronic order entry facility, in accordance with the requirements of the Registrar and Transfer Agent, to the Registrar and Transfer Agent on or prior to the Cut-Off Time. The Registrar and Transfer Agent takes no responsibility for requests which are not appropriately transmitted or sent and in the case of trades instructed via SWIFT, appropriately acknowledged.

Investors holding any Unlisted Shares through a Distributor should note that they will be subject to the Distributor's requirements.

If requested, the Board of Directors may, in their absolute discretion agree to designate additional Transaction Days and Valuation Points for the redemption of Unlisted Shares relating to any Sub-Fund provided that all Shareholders in the relevant Fund shall be notified in advance.

The Minimum Redemption Amount (if any) of Unlisted Shares of each Sub-Fund that may be redeemed by a Shareholder is set out in the respective Product Annex or on the website www.xtrackers.com. Where applicable, the Board Directors or the Registrar and Transfer Agent may decline to effect a redemption request which is below the Minimum Redemption Amount or which would have the effect of reducing the value of any holding of Unlisted Shares relating to any Sub-Fund below the Minimum Holding Requirement for that Class of Shares of that Sub-Fund. Any redemption request which would have the effect of reducing the value of any holding of Unlisted Shares relating to any Fund below the Minimum Holding Requirements for that Class of Shares of that Sub-Fund may be treated by the Company as a request to redeem the Shareholder's entire holding of that Class of Shares.

The Company may decline to effect a redemption request which would have the effect of reducing the value of any holding of Unlisted Shares relating to any Sub-Fund below the Minimum Holding Requirement for that Class of Shares of that Sub-Fund.

No redemption payment may be made to a Shareholder until the Dealing Form and all supporting documentation required by the Registrar and Transfer Agent, including any document in connection with any anti-money laundering procedures and/or other requirements have been completed, sent to and received by the Registrar and Transfer Agent.

Fractions of Unlisted Shares will be redeemed (as necessary) to three decimal points or such other number of decimal places as the Board of Directors or the Management Company may determine from time to time.

**Redemption Price**

The Redemption Price at which Unlisted Shares will be redeemed on a Transaction Day is the Net Asset Value per Share of the relevant Class on the relevant Transaction Day less any duties and charges as set out in this Prospectus or the relevant Product Annex and or on the website www.xtrackers.com.

An Anti-Dilution Levy may be applied on the Redemption Price on the redemption of Unlisted Shares. For further information, please refer to the "Anti-Dilution Levy/Duties" section of the Prospectus.

**Payment of Redemption Proceeds**

The Redemption Proceeds will be paid at the Shareholder's risk and expense by electronic transfer to an account in the name of the Shareholder in the currency of denomination of the relevant Class by the Settlement Day, unless a shorter period is agreed with the Company. In respect of redemption requests received in writing or by facsimile or other electronic platform, payment of such Redemption Proceeds will be made to the registered Shareholder's account of record.

Where the Registrar and Transfer Agent receives a request for the redemption of Unlisted Shares from any Shareholder in respect of which the Registrar and Transfer Agent is required to account for, deduct or withhold taxation, the Registrar and Transfer Agent shall be entitled to deduct from the Redemption Proceeds such amount of taxation as the Registrar and Transfer Agent is required to account for, deduct or withhold and shall arrange to discharge the amount of tax due. Alternatively, the Registrar and Transfer Agent may, with prior notice to the relevant Shareholder, arrange for the redemption and cancellation of such number of the Unlisted Shares of such Shareholder as are sufficient after the deduction of any redemption charges to discharge any such tax liability.

On the redemption of Unlisted Shares by reference to the relevant Valuation Point on the Transaction Day, such Unlisted Shares shall be cancelled and withdrawn and the Shareholder shall cease to be a Shareholder with respect to such redeemed Unlisted Shares. Any failure to supply the Company or the Registrar and Transfer Agent with any documentation requested by them for anti-money laundering or anti-fraud purposes, may result in a delay in the settlement of Redemption Proceeds. In such circumstances, the Registrar and Transfer Agent will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Sub-Fund and the Shareholder will rank as a general creditor of the Company until such time as the Registrar and Transfer Agent is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which Redemption Proceeds will be released.

**Limitations on Redemptions**

The Company may not redeem Unlisted Shares of any Sub-Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled "Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions". Applicants for redemptions of Unlisted Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Transaction Day following the ending of such suspension.

The Board of Directors may at their discretion limit the number of Unlisted Shares of a Sub-Fund redeemed on any Transaction Day to Unlisted Shares representing 10 percent. or more of the total number of Shares in the Fund or Unlisted Shares representing 10 percent. or more of the Net Asset Value of that Sub-Fund on that Transaction Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Unlisted Shares of that Sub-Fund redeemed on that Transaction Day realise the same proportion of such Unlisted Shares. Unlisted Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Transaction Day subject always to the foregoing limit. If requests for redemptions are so carried forward, the Registrar and Transfer Agent will inform the Shareholders affected.

The Articles of Incorporation contains special provisions where a redemption request received from a Shareholder would result in Shares representing more than 10 percent. of the Net Asset Value of any Sub-Fund being redeemed by the Company on any Transaction Day. In such a case, the Company may satisfy the redemption request by a distribution of investments of the relevant Sub-Fund in kind provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund, and the asset allocation is approved by the Depositary. Where the Shareholder requesting

such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the Company instead of transferring those assets to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. The Sub-Fund shall not be liable for the shortfall (if any) between the Net Asset Value of the redemption in question and the proceeds realised from the sale of the relevant assets. The Company and a Shareholder may agree on an in-kind transfer of assets for any redemption subject to the allocation of assets being approved by the Depositary.

**Compulsory Redemptions**

The Company may compulsorily redeem all of the Unlisted Shares of any Sub-Fund if the Net Asset Value of the relevant Sub-Fund is less than the Minimum Net Asset Value (if any) specified in the Product Annex for the relevant Sub-Fund or otherwise notified to Shareholders, or if a change in the economic, regulatory or political situation relating to the Sub-Fund or Class concerned would justify such compulsory redemption, or if the Management Company deems it appropriate to rationalise the Sub-Fund(s) or Class(es) offered to investors, or if for other reasons the Management Company believes it is in the best interests of the Shareholders to compulsorily redeem.

The Company reserves the right to impose restrictions on the holding or transfer of Unlisted Shares directly or indirectly by or to (and consequently to redeem Unlisted Shares held by):

(a) a person or entity who, in the opinion of the Directors is a U.S. Person or has acquired such shares on behalf of a U.S. Person as defined herein or falling within the definition of U.S. Person under FATCA unless the Board of Directors determine (i) the transaction is permitted under an exemption available under the Securities Act and (ii) the relevant Sub-Fund and the Company continue to be entitled to an exemption from registration as an investment company under the securities laws of the U.S., including the Investment Company Act, 1940 as amended and (iii) does not cause the Company, Management Company, the Investment Manager or their delegate to incur any adverse U.S. taxation or regulatory or legal consequences;

(b) a person or entity who breached or falsified representations in the Dealing Form;

(c) a person or entity who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or entity is not qualified to hold Unlisted Shares or if the holding of the Unlisted Shares is unlawful;

(d) a person or entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks;

(e) a person or entity if the holding of the Unlisted Shares by that person is less than the Minimum Holding Requirement for that Class of Shares;

(f) a person or entity in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Board of Directors to be relevant), in the opinion of the Board of Directors, might result in the relevant Sub-Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the relevant Sub-Fund might not otherwise have incurred or suffered (including where the relevant Sub-Fund suspects market timing) or might result in the relevant Sub-Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Instrument of Incorporation;

(g) any holding or transfer in respect of which the any payment of taxation remains outstanding or the Company, Management Company (or the Registrar and Transfer Agent on its behalf) is required to deduct, withhold or account for tax;

(h) in any other circumstances set out in the Articles of Incorporation.

If, in the opinion of the Board of Directors, any Unlisted Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Board of Directors, the Board of Directors shall be entitled to (i) give notice (in such form as the Board of Directors deem appropriate) to such person requiring such person to transfer such Unlisted Shares to a person who is qualified or entitled to own the same, or to request in writing the redemption of such Unlisted Shares in accordance with the Articles of Incorporation and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Unlisted Shares held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Unlisted Shares by such person including any interest or penalties payable thereon.

Any outstanding proceeds of such compulsory redemption will not be paid unless the original Dealing Form signed by or on behalf of the Shareholder has been received by the Registrar and Transfer Agent and all documentation required by the Registrar and Transfer Agent, including any document in connection with any anti-money laundering procedures have been completed.

**Transfer of Unlisted Shares**

Unlisted Shares in each Sub-Fund will be transferable by instrument in writing via the completion of a stock transfer form, in common form or in any other written form approved by the Board Directors, or the Registrar and Transfer Agent on their behalf, and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor.

The transferee will be required to complete a Dealing Form and any other documentation required by the Company or the Registrar and Transfer Agent in addition to providing any documentation or information under the anti-money laundering procedures.

No Unlisted Share transfer will be permitted until the Dealing Form and transfer instruction of the transferor and all documentation required by the Registrar and Transfer Agent, including any document in connection with the anti-money laundering procedures or other requirements and/or procedures have been received by the Registrar and Transfer Agent from the transferor.

The transferor shall be deemed to remain the holder of the Unlisted Shares until the name of the transferee is entered in the register of Shareholders in respect thereof.

Unlisted Shares may not be transferred to any person as described in the Compulsory Redemptions section above.

In the event that the Registrar and Transfer Agent is required to deduct, withhold or account for tax on a transfer of Unlisted Shares by a Shareholder, the Registrar and Transfer Agent shall be entitled to arrange for the redemption and cancellation of such number of the Unlisted Shares of such Shareholder as are sufficient to discharge any such tax liability and the Registrar and Transfer Agent may decline to register a transferee as a Shareholder until such time as they receive from the transferee such declarations as to residency or status as they may require. The Registrar and Transfer Agent shall arrange to discharge the amount of tax due.

# GENERAL INFORMATION RELATING TO ALL SHARE CLASSES

**Luxembourg Register of beneficial owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "**Law of 13 January 2019**") entered into force on the 1st of March 2019 (with a 6 month grandfathering period). The Law of 13 January 2019 requires all companies registered on the Luxembourg Company Register, including the Company, to obtain and hold information on their beneficial owners ("**Beneficial Owners**") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of beneficial owners, which is established under the authority of the Luxembourg Ministry of Justice.

The Law of 13 January 2019 broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in the Company, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 percent. plus one share or an ownership interest of more than 25 percent. in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25 percent. plus one share or an ownership interest of more than 25 percent. in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Company, this investor is obliged by law to inform the Company in due course and to provide the required supporting documentation and information which is necessary for the Company to fulfill its obligation under the Law of 13 January 2019. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the Law of 13 January 2019 will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Company for clarification.

For both purposes the following e-mail address may be used:

dws-lux-compliance@list.db.com

**Beneficial Ownership Requirements of the Securities and Exchange Board of India**

Where a Sub-Fund of the Company invests in Indian securities, it is required to open a securities account and to comply with the disclosure requirements for foreign portfolio investors ("**FPIs**") in relation to their beneficial owner(s) and senior managing official(s) pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "**Regulation**").

Accordingly, where an end investor (the ultimate beneficial owner) in a Sub-Fund of the Company holds 10% or more of the outstanding Shares of (i) the Company as a whole or (ii) any of the Sub-Funds of the Company, it is imperative that the Company is informed, thereby enabling the Company to comply with its disclosure requirements as an FPI under the Regulation.

Ultimate beneficial owners holding 10% or more of Shares in the Company as a whole, or any of the Sub-Funds of the Company, should inform the Company, as soon as possible and on an ongoing basis, by providing the following information via email to Xtrackers@dws.com:

1. Name of beneficial owner;
2. Number of Shares held as of the relevant date you are providing the information;
3. Percentage of Shares held as of such date;
4. Details of any entity or natural person which has control over the beneficial owner by virtue of for example holding a 10% or more shareholding in the beneficial owner or having control over management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements; and
5. Any entity or person that has control over such entity referred to at 4 above by virtue of any such similar arrangements until the end entity or person in the chain has been determined.

If at any time the information provided to the Company materially changes, or if any entity or person becomes in scope of the requirements of the Regulation, the Company should be informed as soon as possible on an ongoing basis, in line with the above.

**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: dws.lu@dws.com.

Complaints concerning the Management Company or its agents may be lodged directly with the Management Company or sent to: dws.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.

**Conversion of Shares**

Unless otherwise stated in the relevant Product Annex, Shareholders will not be entitled to:

- Convert an Unlisted Share to an ETF Share or an ETF Share to an Unlisted Share; nor
- Convert between ETF Shares of different Sub-Funds.

Shareholders are entitled to convert Shares between Unlisted Share Classes by making application to the Registrar and Transfer Agent in writing or sent by facsimile or other electronic order entry facility in accordance with the requirements of the Registrar and Transfer Agent by no later than the Cut-Off Time (as further specified in the relevant Product Annex). Conversions will be subject to the same conditions as set out in the sections entitled "Purchase of Unlisted Shares" and "Redemption of Unlisted Shares" and may be subject to a Conversion Charge.

The Company will provide a confirmation including the details of the conversion to the Shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the Class or of the Sub-Fund concerned. The Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between Shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the Cut-Off Time (as detailed, for each Sub-Fund, in the relevant Product Annex) will be deferred to the next applicable Valuation Day.

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.

# 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, save in exceptional circumstances for the Unlisted Share Classes, as detailed above and in any case before the Valuation Point.

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 and/or www.Xtrackers.com.

*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 and/or www.Xtrackers.com. 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 and/or www.Xtrackers.com.

*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 2 percent. based on the Net Asset Value per Share (as will be determined in the Product Annex). The Management Company, on behalf of the Board of Directors, reserves the right from time to time to exceed the limit in exceptional circumstances. No Conversion Charge will be applicable unless otherwise specified in the Product Annex and/or www.Xtrackers.com.

*Primary Market Transaction Costs*

In relation to subscriptions or redemptions for ETF Shares 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 and/or www.Xtrackers.com). 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/or www.Xtrackers.com 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, 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 (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, 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;
- the annual tax in Luxembourg (if any) (the "***Taxe d'Abonnement***"); nor,
- expenses arising out of any advertising or promotional activities in connection with the Company;
- 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 following exemptions apply:

- Sub-Funds which are index-tracking ETFs (i) whose ETF 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) whose exclusive objective is to reflect the performance of one or more indices are exempt from such tax, 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. The exemption only applies to individual ETF Share Classes that meet the aforementioned conditions; and/or
- Sub-Funds which are Actively Managed Funds whose ETF Shares are traded throughout the day on at least one regulated market or multilateral trading facility and where at least one market maker is involved in ensuring that the price of their securities does not deviate significantly from their Net Asset Value and, where applicable, their indicative net asset value are exempt from such tax. If there are different Classes within a Sub-Fund, the exemption applies only to the ETF Share Classes referred to.

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 Company or its Sub-Funds, may benefit from reduced subscription tax rates depending on the value of the relevant Sub-Fund's net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of the EU Taxonomy Regulation (the "Qualifying Activities"), except for the proportion of net assets of the Company or its Sub-Funds, invested in fossil gas and/or nuclear energy related activities.

The reduced subscription tax rates would be of:

- 0.04% if at least 5% of the total net assets of the Company, or of its Sub-Funds, are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net assets of the Company, or of its Sub-Funds, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net assets of the Company, or of its Sub-Funds, are invested in Qualifying Activities; and
- 0.01% if at least 50% of the total net assets of the Company, or of its Sub-Funds, are invested in Qualifying Activities.

The subscription tax rates mentioned above would only apply to the net assets invested in Qualifying Activities.

**The Shareholders**

***Non-resident Shareholders***

Non-resident Shareholders without a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Shares are attributable are not, in principle, subject to any capital gains tax, income tax, withholding tax or net wealth tax in Luxembourg.

The tax consequences for Shareholders wishing to purchase, subscribe, acquire, hold, convert, sell, redeem or dispose Shares will depend on the relevant laws of any jurisdiction to which the Shareholder is subject.

***Luxembourg resident individual Shareholders***

Capital gains realised on the sale of the Shares by Luxembourg resident individual Shareholders who act in the course of the management of his/her private wealth 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) 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 % of the capital or assets of the Company. An investor is also deemed to alienate a substantial participation if he/she acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period).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 corporate Shareholders***

Luxembourg resident corporate Shareholders will be subject to corporate taxation (including the Luxembourg corporate income tax, the solidarity surcharge and the municipal business tax) on the distribution received from the Company and the gains received upon disposal of the Shares.

Luxembourg resident corporate Shareholders 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 (not opting for the treatment as a venture capital vehicle for Luxembourg tax purposes), 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 corporate taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate Shareholders 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 (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies or (vii) a professional pension institution governed by the law of 13 July 2005, on institutions for occupational retirement provision in the form of pension savings companies with variable capital and pension savings associations. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5 %. A reduced rate of 0.05% is available for the part of the net wealth exceeding EUR 500,000,000.

**Withholding Tax**

***Investor withholding tax***

Distributions by the Company as well as liquidation proceeds and capital gains derived therefrom are made free and clear from withholding tax in Luxembourg.

***Withholding tax in source countries***

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of the investments. However, the Company may benefit from double tax treaties entered into by Luxembourg which may provide for exemption from withholding tax or reduction of withholding tax rate.

**EU Tax Considerations**

The OECD has developed (the "**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 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.***

**OECD Model Global Anti-Base Erosion Model Rules (""GloBE Rules"") and the implementation of the European Commission's Directive on GloBE Rules in Luxembourg**

In December 2021, as part of the base erosion and profit shifting (""**BEPS**"") project, the OECD published model rules for a global minimum effective tax rate of 15 per cent ("**Pillar 2**"). In December 2022 the EU Commission adopted a directive setting out how Pillar 2 should be applied within the EU (the "**Minimum Tax Directive**"). The Minimum Tax Directive has been implemented in Luxembourg national law through the law dated 22 December 2023 ("**Luxembourg Pillar 2 Law**") which applies as from fiscal years starting on or after 31 December 2023. To the extent that the Company (i) is not consolidated by another entity on a line-by-line basis and does not itself consolidate with another entity on a line-by-line basis or (ii) has no permanent establishment with which the Company would have an aggregated revenue of at least €750 million a year, the Company should be outside the scope of the Luxembourg Pillar 2 Law.

**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 accounts held by recalcitrant account holders;

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.

No fractions of Shares will be issued for ETF Shares. Fractions of Unlisted Shares will be issued and redeemed (as necessary) to three decimal points or such other number of decimal places as the Board of Directors or the Management Company may determine from time to time. In relation to fractions of Shares for Unlisted Share Classes, a Shareholder must hold a cumulative total of one Share of Unlisted Share Classes to be entitled to one vote at all general meetings of Shareholders.

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. Under the ICSD model, legal title to the ETF Shares of the Company will be held by the Common Depositary Nominee. A purchaser of interests in the Shares concerned will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such Shares and the rights of such investors shall be governed by their agreement with the relevant International Central Securities Depositary. If such investors are not Participants, then their rights will be governed by the direct or indirect arrangement with the relevant Participant of the International Central Securities Depositary (who may be their nominee, broker or Central Securities Depositaries, as the case may be). As a result, (i) it may not always be possible for an investor to exercise certain Shareholder rights directly against the Company; and (ii) investors' rights to indemnification in the event of Net Asset Value errors/non-compliance with the investment rules applicable to a Sub-Fund may be impacted and only exercisable indirectly. Investors are advised to seek advice on their rights.

*I.b: Listing of the Shares*

Application can be made to list the ETF 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 ETF Shares of such Sub-Funds to be listed on the stock exchanges mentioned above. For so long as the ETF 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 ETF Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the ETF Shares outside Luxembourg this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the ETF 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 and/or www.Xtrackers.com. 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 be paid within the period disclosed in the dividend announcements.

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 with respect to ETF Shares will be calculated and paid in accordance with the requirements of the Relevant Stock Exchange.

Distributions of dividends and other payments with respect to ETF 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 6

May 2020 and the minutes of such meeting were published in the RESA on 11 May 2020. The Company is registered with the Luxembourg Trade and Companies' Register under number B-124 284.

*II.b: Merger and division of Sub-Funds or Classes of Shares / Consolidation and split 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.

In the event that the Board of Directors determines that it is required for the interests of the Shareholders of the relevant Sub-Fund or Class of Shares or that a change in the economic, regulatory or political situation relating to the Sub-Fund or Class of Shares concerned has occurred which would justify it, the reorganisation of a Sub-Fund or Class of Shares, by means of a division into two or more Sub-Funds or Classes of Shares, may be decided by the Board of Directors. In case such a division of a Sub-Fund falls within the definition of a "merger" as provided for in the Law, the provisions relating to Sub-Fund mergers described above shall apply. In the event that a division of a Sub-Fund or Class of Shares is decided by the Board of Directors, notice shall be given to the Shareholders of the Sub-Fund or Class of Shares concerned at least 30 days before the division becomes effective in order to enable the Shareholders to request redemption or conversion of their Shares free of charge before the division into two or more Sub-Funds or Classes of Shares becomes effective.

For the same reasons as set forth in the previous paragraph, the Board of Directors may decide to split or consolidate the Shares of any Sub-Fund or Class of Shares. In this event, notice shall be given to the Shareholders of the Sub-Fund or Class of Shares concerned at least 30 days before the split or consolidation becomes effective in order to enable these Shareholders to request redemption or conversion of their Shares free of charge before the split or consolidation becomes effective.

The Board of Directors may decide to submit the division, consolidation or split decision to a meeting of Shareholders of the Sub-Fund or Class of Shares concerned, in which case no quorum is required for such meeting and the decision for such division, consolidation or split shall be taken by a simple majority of the votes cast.

*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 on the Company's website www.Xtrackers.com 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. To the extent required by law, notices will also 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 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.

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. For the avoidance of doubt, Shareholders of Unlisted Share Classes must hold a cumulative total of one Share of Unlisted Share Classes to hold the equivalent of one vote.

*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, 17, Boulevard de Kockelscheuer, L-1821 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 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.

**Philippe Ah-Sun** (British): Mr Ah-Sun is the Head of Operational Strategy at DWS. 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. Between 2013 and 2019, Mr. Ah-Sun was Chief Operating Officer - Xtrackers.

**Alfred Francois Brausch** (Luxembourgish): Mr Brausch is a member of the Luxembourg Bar. Mr Brausch has been a banking and securities law practitioner for many years. Mr Brausch served on several consultative committees of the European Commission, of the Luxembourg government and of the Luxembourg financial regulator. He has been a member of the board of directors and of the executive committee of the Luxembourg Investment Funds Association. Mr Brausch is an independent director. He serves on the boards of directors of several investment funds set-up and managed by prime investment fund houses and banks.

**Thilo Wendenburg** (German): Mr Wendenburg is the head of a Family Office in Frankfurt where he advises entrepreneurial families in all strategic financial questions. In addition, he is a member of the advisory board of a German family-run business, and since 2017 acts as independent director on the board of various SICAVs of DWS Investment S.A. in Luxembourg. Mr. Wendenburg started his career as a banker at "Deutsche Bank AG" in 1990, where he spent 19 years in various functions within Wealth Management in Germany, Hong Kong and Luxembourg. From 2009 until 2016, Mr. Wendenburg was the CEO of "Fürstlich Castell`sche Bank AG" in Wuerzburg and later of "Merck Finck Privatbankiers AG" in Munich.

**Stefan Kreuzkamp** (German): Mr Kreuzkamp joined the Deutsche Bank Group in 1998. Mr Kreuzkamp's last roles with DWS were Member of the Executive Board of DWS KGaA and Global Chief Investment Officer & Head of the Investment Division. At the same time he was also member of the Supervisory Board of DWS Investment S.A. Mr Kreuzkamp's earlier roles at DWS included Head of Portfolio Management Money Market Funds, Head of Fixed Income & Cash Portfolio Management and Chief Investment Officer EMEA for Active funds. Mr Kreuzkamp has also served as a member of various Boards of several entities in the DWS Group. Mr Kreuzkamp has a Master's degree in Business Administration from the University of Trier.

**Simon Klein** (German): Mr. Klein is the Global Head of Xtrackers Sales at DWS Group overseeing the distribution, marketing, and business development of the DWS Passive Asset Management franchise. Additionally, he is a member of the DWS Global Leadership Team and the Global Sustainability Committee. He took on this role in June 2020 having been an integral part of DWS since April 2013 functioning as Managing Director and Head of Passive Investments EMEA & Asia. Prior to joining DWS he worked in various positions within the banking sector including Deutsche Bank. Mr. Klein has a Business Administration Diploma from Friedrich-Alexander Universität Erlangen-Nürnberg and is a certified CIIA holder.

**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 also exercises and coordinates the client communication function.

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, certain risk management services of the Sub-Funds and in some cases securities lending agency services 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 International GmbH, Luxembourg Branch;
- 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 International GmbH, Luxembourg Branch;
- Collateral services for Securities Lending Transactions for certain Sub-Funds to:
    - State Street Bank International GmbH, Zweigniederlassung Frankfurt with a sub-delegation for certain Sub-Funds to EuroclearBank SA/NV and State Street Corporate Service Mumbai Private Limited.
- Management of collateral for Securities Lending Transactions for certain Sub-Funds to The Bank of New York Mellon, Bruxelles branch (Belgium) with sub-delegation to its London, New York, Orlando and Singapore branches and BNY Mellon International Operations India Private Limited, from time to time; and
- 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 with a sub-delegation of the performance of valuations, reporting, dispute reporting, interest calculations, failed trade reporting, data set ups, margin calls and transaction processing to State Street Corporate Service Mumbai Private Limited.

* These delegates (excluding Harvest Global Investments Limited) are DWS Affiliates. Please refer to "*Potential Conflicts of Interest*" under chapter "Risk Factors".

The Management Company is included in the compensation strategy of the DWS Group. All matters related to compensation as well as compliance with the regulatory requirements are monitored by the relevant committees of the DWS Group. The DWS 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 DWS Group. To determine the amount of the deferred compensation and the instruments linked to long-term performance (such as equities or fund units), the DWS 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 DWS 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 under "Information and Policies" on www.dws.com/footer/legal-resources/ including a description of how remuneration and benefits are calculated. 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 and Actively Managed 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 and Actively Managed 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 and/or DWS Investments Hong Kong Limited (each a "**Sub-Portfolio Manager**").

(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 21 Moorfields, London, EC2Y 9DB, United Kingdom. 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 it 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 Manger 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 DWS Affiliates) with respect to the Sub-Funds for which it has been appointed as Investment Manager or Sub-Portfolio Manager.

**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, 17, Boulevard de Kockelscheuer, L-1821 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 International GmbH, Luxembourg Branch, State Street Bank International GmbH is a limited liability company organised under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank, the Federal Financial Supervisory Authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht* – BaFin) and the *Deutsche Bundesbank* in Germany. State Street Bank International GmbH, Luxembourg Branch is authorised by the CSSF in Luxembourg to act as depositary and is specialised in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register under number B 148 186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company. The registered office of the Depositary is located at 17, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

**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 UCITS Directive 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 UCITS Directive.

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 for all other losses suffered by it 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 22 (5) (a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02111, 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.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(i) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

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 depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of its custodial tasks from its proprietary activity and follows a standard of conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, 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.

**Miscellaneous**

Under the Depositary Agreement, the Depositary or the Company may at any time, subject to advance notice of at least ninety (90) 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.

The relationship between the Company, the Management Company and the Administrative Agent is subject to the terms of the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement. Under the terms of the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement, the Administrative Agent will carry out all general administrative duties related to the administration of the Company required by Luxembourg law, calculate the Net Asset Values, maintain the accounting records of the Company, as well as process all subscriptions, redemptions, and transfers of Shares, and register these

transactions in the register of shareholders. In addition, as registrar and transfer agent of the Company, the Administrative Agent is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

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 not responsible for any investment decisions of the Company or the effect of such investment decisions on the performance of the Company.

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 Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than 90 days' prior written notice. The Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement. The Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement contains provisions exempting the Administrative Agent from liability and indemnifying the Administrative Agent in certain circumstances. However, the liability of the Administrative Agent towards the Management Company and the Company will not be affected by any delegation of functions by the Administrative Agent.

The Administrative Agent is State Street Bank International GmbH, Luxembourg Branch. State Street Bank International GmbH is a limited liability company organised under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. The registered office of the Administrative Agent is located at 17, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

**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 International GmbH, Luxembourg Branch 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 ETF 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.

# 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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 22 May 2007 for the 1C Share Class, 11 March 2020 for the 2C-USD Hedged Share Class, 24 August 2011 for the 1D Share Class, 13 October 2022 for the 2D-GBP Hedged Share Class and 18 June for the IC EUR Unlisted Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[3] | | | | | |
|---|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2C-USD Hedged""** | **"2D-GBP Hedged"** | **"IC EUR Unlisted"** |
| **ISIN Code** | LU0290355717 | LU0643975591 | LU2009147591 | LU2523866023 | LU3313127113 |
| **WKN Code** | DBX0AC | DBX0KC | DBX00R | DBX0S6 | DBX0ZE |
| **Denomination Currency** | EUR | EUR | USD | GBP | EUR |
| **Upfront Subscription Sales Charge** | N/A | N/A | N/A | N/A | N/A |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | EUR 1,000,000 |
| **Minimum Subsequent Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | 1 Share |
| **Management Company Fee[4]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.01% p.a. |
| **Fixed Fee** | 0.005% *per* month (0.06% p.a.) | 0.00667% *per* month (0.08% p.a.) | 0.00833% *per* month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00416% per month (0.05% p.a.) |
| **All-In Fee** | Up to 0.07% p.a. | Up to 0.09% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. | Up to 0.06% p.a. |
| **Taxe d'Abonnement** | N/A | N/A | N/A | N/A | 0.01% p.a. |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day | 4.00 p.m. Luxembourg time on the Transaction Day | 3.30 p.m. Luxembourg time on the Transaction Day | 3.30 p.m. Luxembourg time on the Transaction Day | 3.15 p.m. Luxembourg time on the Transaction Day |
| **Primary Market Transaction Costs** | Applicable | Applicable | Applicable | Applicable | 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. | 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. | N/A |
| **Anticipated level of Tracking Error[5]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[3] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index[6]**

The Reference Index represents the overall Eurozone currency sovereign debt issued by Eurozone governments. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 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://www.spglobal.com/spdji/en/.

[5] The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Classes against the Reference Index (which is also unhedged).

[6] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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 Shaer Class(es) will be reduced by the gross amount of such dividends on the ex-dividend date. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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.<br>*Distribution Shares*<br>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. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 25 May 2007 for the 1C Share Class, 18 March 2025 for the 2C – USD Hedged and 2D – GBP Hedged Share Classes, and 24 August 2011 for the 1D Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[7] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2C – USD Hedged"** | **"2D – GBP Hedged"** |
| **ISIN Code** | LU0290356871 | LU0614173549 | LU3003217554 | LU3003217638 |
| **WKN Code** | DBX0AD | DBX0JH | DBX0WQ | DBX0WR |
| **Denomination Currency** | EUR | EUR | USD | GBP |
| **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 Fee[8]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| **Fixed Fee** | 0.0075% *per* month (0.09% p.a.) | 0.0075% *per* month (0.09% p.a.) | 0.00833% *per* month (0.10% p.a.) | 0.00833% *per* month (0.10% p.a.) |
| **All-In Fee** | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.20% p.a. | Up to 0.20% 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-Fun 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 Error[9]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[7] Additional Classes of Shares may be available under www.Xtrackers.com.

[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.

[9] 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[10]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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://www.spglobal.com/spdji/en/.

[10] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>With respect to the Currency Hedged Share Class, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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.<br>*Distribution Shares*<br>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. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 25 May 2007 for the 1C Share Class, 24 August 2011 for the 1D Share Class and 12 May 2023 for the 2C - USD Hedged and 2D - GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day for the 1C and 1D Share Classes.<br>3.30 p.m. Luxembourg time on the Transaction Day for the 2C - USD Hedged and 2D - GBP Hedged Share Classes. |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[11] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2C - USD Hedged"** | **"2D - GBP Hedged"** |
| **ISIN Code** | LU0290356954 | LU0614173895 | LU2606231335 | LU2606231418 |
| **WKN Code** | DBX0AE | DBX0JJ | DBX0TX | DBX0TY |
| **Denomination Currency** | EUR | EUR | USD | GBP |
| **Minimum Initial Subscription Amount** | 2,500 Shares | 2,500 Shares | 2,500 Shares | 2,500 Shares |
| **Minimum Subsequent Subscription Amount** | 2,500 Shares | 2,500 Shares | 2,500 Shares | 2,500 Shares |
| **Management Company Fee[12]** | Up to 0.05% p.a. | Up to 0.05% p.a. | 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.) | 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. | Up to 0.20% p.a. | Up to 0.20% 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 Error[13]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[11] Additional Classes of Shares may be available under www.Xtrackers.com.

[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.

[13] 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[14]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 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://www.spglobal.com/spdji/en/.

[14] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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 30 May 2007 for the 1C Share Class and 18 March 2025 for the 2C – USD Hedged and 1D – GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[15] | | | |
|---|---|---|---|
| **Class** | **"1C"** | **"2C – USD Hedged"** | **"1D – GBP Hedged"** |
| **ISIN Code** | LU0290357176 | LU3003217711 | LU3003217984 |
| **WKN Code** | DBX0AF | DBX0WS | DBX0WT |
| **Denomination Currency** | EUR | USD | GBP |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Minimum Subsequent Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Management Company Fee[16]** | Up to 0.05% p.a. | 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.) | 0.00833% *per* month (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. |
| **Primary Market Transaction Costs** | 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. |
| **Dividends** | N/A | 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[17]** | Up to 1% | Up to 1% | Up to 1% |

15 Additional Classes of Shares may be available under www.Xtrackers.com.

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.

17 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[18]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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://www.spglobal.com/spdji/en/.

[18] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>With respect to the Currency Hedged Share Class, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class. |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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 30 May 2007 for the 1C Share Class and 13 October 2022 for the 1D-GBP Hedged and 2C-USD Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day for the 1C Share Class.<br>3.30 p.m. Luxembourg time on the Transaction Day for the 1D-GBP Hedged and 2C-USD Hedged Share Classes. |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[19] | | | |
|---|---|---|---|
| **Class** | **"1C"** | **"1D-GBP Hedged"** | **"2C-USD Hedged"** |
| **ISIN Code** | LU0290357259 | LU2523865728 | LU2523865991 |
| **WKN Code** | DBX0AG | DBX0S4 | DBX0S5 |
| **Denomination Currency** | EUR | GBP | USD |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Minimum Subsequent Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Management Company Fee[20]** | Up to 0.05% p.a. | 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.) | 0.00833% per month (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. |
| **Primary Market Transaction Costs** | 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. |
| **Dividends** | N/A | 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[21]** | Up to 1% | Up to 1% | Up to 1% |

[19] Additional Classes of Shares may be available under www.Xtrackers.com.

[20] 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.

[21] 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[22]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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://www.spglobal.com/spdji/en/.

[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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 6: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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** | 1 June 2007 |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |

| | |
|---|---|
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes[23]** | |
|---|---|
| **Class** | **"1C"** |
| **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 Fee[24]** | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00833% *per* 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% |

[23] Additional Classes of Shares may be available under www.Xtrackers.com.

[24] 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[25]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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://www.spglobal.com/spdji/en/.

[25] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 7: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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** | 5 June 2007 |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |

| | |
|---|---|
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes[26]** | |
|---|---|
| **Class** | **"1C"** |
| **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 Fee[27]** | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00833% *per* 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% |

[26] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index[28]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 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://www.spglobal.com/spdji/en/.

[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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 8: 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** | The aim is for your investment to reflect the performance of the Bloomberg 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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 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. |
| **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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[29] | | | | | | |
|---|---|---|---|---|---|---|
| **Classes** | **"1C-EUR Hedged"** | **"1D-EUR Hedged"** | **"2C-USD Hedged"** | **"3D-GBP Hedged"** | **"4D-CHF Hedged"** | **"5C"** |
| **ISIN Code** | LU0290357929 | LU0962078753 | LU0641007009 | LU0641007264 | LU0641007421 | LU0908508814 |
| **WKN Code** | DBX0AL | DBX0N9 | DBX0L2 | DBX0L3 | DBX0L4 | DBX0NN |
| **Denomination Currency** | EUR | EUR | USD | GBP | CHF | EUR |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 20,000 Shares | 20,000 Shares | 5,000 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 |
| **Management Company Fee[30]** | Up to 0.15% p.a. | Up to 0.10% 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% *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.) | 0.00833% *per* month (0.10% p.a.) | 0.00833% *per* month (0.10% p.a.) |
| **All-In Fee** | Up to 0.25% p.a. | Up to 0.20% 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. | 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 |
| **Anticipated level of Tracking Error[31]** | Up to 1 % | | | | | |

[29] Additional Classes of Shares may be available under www.Xtrackers.com.

[30] 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.

[31] 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[32]**

The Reference Index represents the performance of the investment grade, government inflation-linked bonds from developed market countries.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Administrator on a daily basis.

**Reference Index methodology**

The Index Administrator 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 FI Indices EM definitions.

*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 Administrator 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 Bloomberg website (https://www.bloombergindices.com).

[32] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 9: 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** | The aim is for your investment to reflect the performance of the Bloomberg 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**").<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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** | 8 June 2007 |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |

| | |
|---|---|
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes**[33] | |
|---|---|
| **Class** | **"1C"** |
| **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 Fee**[34] | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00833% *per* 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% |

[33] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index[35]

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 administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Administrator on a daily basis.

**Reference Index methodology**

The Index Administrator 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 Administrator 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 Bloomberg website (https://www.bloombergindices.com).

[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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 10: 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** | The aim is for your investment to reflect the performance of the Solactive €STR +8.5 Daily Total Return Index (the "**Reference Index**"). The Reference Index reflects the performance of a deposit earning interest at the Euro short term rate (€STR), with the interest being re-invested in the deposit, daily, plus 8.5 basis points adjustment.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>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 €STR plus 8.5 basis points adjustment. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means:<br>(i) in respect of Share Class 1C, 25 May 2007; and<br>(ii) in respect of Share Class 1D, 11 March 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 1 |
| **Securities Lending** | N/A |

| **Description of Share Classes**[36] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **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 Fee**[37] | 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% |

[36] Additional Classes of Shares may be available under www.Xtrackers.com.

[37] 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 [38]**

The Reference Index reflects the performance of a daily rolled deposit earning the Euro short term rate (€STR) plus 8.5 basis points.

€STR is an overnight reference rate calculated by the European Central Bank and reflects the wholesale euro unsecured overnight borrowing costs of euro area banks. The rate is based on transactions conducted and settled on the previous day which are deemed to be executed at arm's length and thereby reflect market rates in an unbiased way. Further details on the calculation methodology of €STR can be found on:

https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html

The deposit is compounded (reinvested) daily, and the compounding is done with a 360 day year convention.

The Reference Index has an inception date of 1 February 2003 with a level of 1000. However, prior to 10 February 2019, the overnight reference rate used was EONIA (Euro overnight index average) with a spread of -0.085%.

The Reference Index is administered by Solactive AG and is calculated on any day that is (or, but for the occurrence of a market disruption event, would have been) a day (other than a Saturday or Sunday) that is not a holiday based on the Target 2 calendar.

The Reference Index is administered by Solactive AG on a daily basis.

There is no rebalancing of the Reference Index.

Additional information on the Reference Index and the general methodology behind €STR can be respectively found on www.solactive.com and https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_short-term_rate/html/index.en.html or any successor thereto.

[38] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 11: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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 high risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles".<br>**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.** |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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.<br>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. |
| **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**[39] | |
|---|---|
| **Class** | **"1C"** |
| **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 Fee**[40] | Up to 0.09% p.a. |
| **Fixed Fee** | 0.0125% *per* month (0.15% 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% |

[39] Additional Classes of Shares may be available under www.Xtrackers.com.

[40] 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[41]**

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 €STR (the Euro short term rate) each day. €STR is an overnight rate, published by the European Central Bank, reflecting the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area. The rate is based on transactions conducted and settled on the previous business day.

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.

[41] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator 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 €STR 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 12: Xtrackers II J.P. Morgan USD Emerging Markets Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II J.P. Morgan 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** | The aim is for your investment to reflect the performance of the J.P. Morgan Emerging Markets Bond Index Global Diversified 1Bn Country (the "**Reference Index**"). The Reference Index aims to represent the performance of US Dollar denominated, emerging market, fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>With respect to the Currency Hedged Share Classes, the Sub-Fund may use financial contracts (derivatives), such as 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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.<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Emerging Markets*<br>Investments in the markets to which the Reference Index relates are currently exposed to risks pertaining to emerging markets generally. These include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of securities. These may contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.<br>(a) *Legal Risk:* The economies of most emerging markets are often substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting these economies are also in a relatively early stage of development and are not as well established as the laws and regulations of developed countries. Such countries' securities laws and regulations may still be in their development stages and not drafted in a very concise manner which may be subject to interpretation. In the event of a securities related dispute involving a foreign party, the laws of these countries would typically apply (unless an applicable international treaty provides otherwise). The court systems of these nations may not be as transparent and effective as court systems in more developed countries or territories and there can be no assurance of obtaining effective enforcement of rights through legal proceedings and generally the judgements of foreign courts are often not recognised.<br>(b) *Regulatory Risk:* Foreign investment in emerging economies' primary and secondary markets is often still relatively new and much of the relevant securities laws may be ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that because of a lack of precedent, securities market laws and the regulatory environment for primary and secondary market investments by foreign investors can be in the early stages of development, and may, in some jurisdictions, remain untested.<br>(c) *Foreign Exchange Risk*: Some currencies of emerging markets are controlled. Investors should note the risks of limited liquidity in certain foreign exchange markets. Because the Sub-Fund and Reference Index are calculated in USD while the constituents of the Reference Index are denominated in various other currencies, the performance of the Reference Index and Sub-Fund will also depend on the strength of such currencies against the Reference Currency and the interest rate of the countries issuing these currencies.<br>(d) *Taxation risk:* The Sub-Fund may invest in jurisdictions where the tax regime is not fully developed or is not sufficiently certain, and as such changes to the tax policies may be implemented without any prior notice and may also apply retrospectively. Any changes in tax policies may reduce the after-taxation returns of the underlying assets to which the performance of the Sub-Fund is linked to.<br>*Liquidity Risk*<br>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.<br>*Sovereign Bond Risk*<br>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. |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | The Offering Period for the 3C-CHF Hedged, the 4D-GBP Hedged, and the 5C-MXN 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, 11 March 2020 for the 2C, 9 May 2018 for the 2D and 14 October 2021 for the 1D-EUR Hedged Share Classes. The Launch Date for the 3C-CHF Hedged, the 4D-GBP Hedged, and the 5C-MXN Hedged Share Classes will be set at a date yet to be determined by the Board of Directors. |

| | |
|---|---|
| **Cut-off Time** | 3.30 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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[42] | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Classes** | **"1C-EUR Hedged"** | **"2C"** | **"2D"** | **"3C-CHF Hedged"** | **"4D-GBP Hedged"** | **"5C-MXN Hedged"** | **"1D - EUR Hedged"** |
| **ISIN Code** | LU0321462953 | LU1920015440 | LU0677077884 | LU1633124331 | LU1633126468 | LU2258431043 | LU2361257269 |
| **WKN Code** | DBX0AV | DBX0RD | DBX0MB | DBX1MC | DBX1MD | A2QG69 | DBX0QY |
| **Denomination Currency** | EUR | USD | USD | CHF | GBP | MXN | EUR |
| **Minimum Initial Subscription Amount** | 3,700 Shares | 3,700 Shares | 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 | 3,700 Shares | 3,700 shares |
| **Management Company Fee[43]** | Up to 0.25% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. | Up to 0.30% p.a. | Up to 0.30% p.a. | Up to 0.30% p.a. | Up to 0.30% p.a. |
| **Fixed Fee** | 0.0125% *per* month (0.15% p.a.) | 0.0125% *per* month (0.15% p.a.) | 0.0125% *per* month (0.15% 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.) | 0.00833% *per* month (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. | 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 | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year |

[42] Additional Classes of Shares may be available under www.Xtrackers.com.

[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.

| Description of Share Classes[42] | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Classes** | **"1C-EUR Hedged"** | **"2C"** | **"2D"** | **"3C-CHF Hedged"** | **"4D-GBP Hedged"** | **"5C-MXN Hedged"** | **"1D - EUR Hedged"** |
| **Anticipated level of Tracking Error[44]** | Up to 2% | | | | | | |

[44] 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[45]**

The Reference Index reflects the performance of US Dollar denominated, emerging market, fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities. The Reference Index is administered and published by J.P. Morgan Securities LLC (the "**Index Administrator**").

**Selection Criteria for the inclusion of securities into the Reference Index:**

The Reference Index is based on the J.P. Morgan EMBI Global Diversified (the "**Parent Index**") with specific eligibility criteria including, but not limited to, country eligibility, bond type, maturity, issuer type, minimum amount outstanding, and currency.

Only eligible bonds held in the Parent Index that are issued by sovereign or quasi-sovereign entities and denominated in USD may be included in the Reference Index. Eligible debt securities must also be issued by governments domiciled in certain emerging market countries as determined by the Index Administrator.

A country is eligible for inclusion if it meets either of the following criteria for three successive years: (a) its GNI per capita is below a certain index income threshold; or (b) its national cost of living, as measured by the Index Purchasing-Power-Parity Ratio is below a certain threshold. A country shall be excluded from the index if both the aforementioned criteria are not met, and its sovereign credit rating is at or above a certain threshold for three successive years.

**Reference Index weighting, calculation and rebalancing**

Constituents in the Reference Index are market value weighted using the Index Administrator's diversified weighting methodology. A maximum country weight cap of 10% is applied to the index constituents, occurring at the date of each rebalance. The composition of the Reference Index is rebalanced on a monthly basis, at the end of each month.

The Reference Index is calculated daily on a total return basis by the Index Administrator. This means that coupon payments are reinvested in the Reference Index after deduction of any taxes that may apply. 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 Reference Index has a base date of 31 December 2017.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available at: https://www.jpmorgan.com/insights/global-research/index-research/composition-docs

[45] 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 Administrator's website.
Shareholders' attention is drawn to the fact that the Index Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

## PRODUCT ANNEX 13: 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** | The aim is for your investment to reflect the performance of the Solactive FEDL Daily 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.<br>Further information on the Reference Index is contained under "General Description of Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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". |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Launch Date** | Means 10 October 2007 for the 1C 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[46] | |
|---|---|
| **Classes** | **"1C"** |
| **ISIN Code** | LU0321465469 |
| **WKN Code** | DBX0A0 |
| **Denomination Currency** | USD |
| **Minimum Initial Subscription Amount** | USD 100,000 |
| **Minimum Subsequent Subscription Amount** | USD 100,000 |
| **Management Company Fee[47]** | Up to 0.02% p.a. |
| **Fixed Fee** | 0.00667% *per* month (0.08% p.a.) |
| **All-In Fee** | Up to 0.10% 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% |

[46] Additional Classes of Shares may be available under www.Xtrackers.com.

[47] 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**[48]

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 administered by Solactive AG and is calculated 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.

The Reference Index has an inception date of 1 February 2003 with a level of 1000.

There is no rebalancing of the Reference Index.

Additional information on the Reference Index and the general methodology behind the Interest Rate can be respectively found on www.solactive.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 www.solactive.com.

[48] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 14: 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** | The aim is for your investment to reflect the performance of the Solactive SONIA Daily 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.<br>Further information on the Reference Index is contained under "General Description of Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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. |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |
| **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** | 3.30 p.m. Luxembourg time on the Transaction Day |

| | |
|---|---|
| **OTC Swap Transaction Costs** | Situation 1 |
| **Securities Lending** | N/A |

| **Description of Share Classes[49]** | |
|---|---|
| **Class** | **"1D"** |
| **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[50]** | Up to 0.02% p.a. |
| **Fixed Fee** | 0.00667% *per* month (0.08% p.a.) |
| **All-In Fee** | Up to 0.10% 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% |

[49] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index[51]**

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 has an inception date of 1 April 2000 with a level of 1000.

The Reference Index is administered by Solactive AG and is calculated 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 London.

There is no rebalancing of the Reference Index.

Additional information on the Reference Index and the general methodology behind the Interest Rate can be respectively found on www.solactive.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.

[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 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 15: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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 |
| **Offering Period** | For the 4D Share Class, the Offering Period will be set at dates yet to be determined by the Board of Directors |
| **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, 18 April 2017 for the 3C-USD Hedged Share Class, 20 August 2025 for the 3D-CHF Hedged Share Class, 27 January 2012 for the 4C-CHF Hedged Share Class and 14 August 2013 for the 5C Share Class.<br>For the 4D 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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[52] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Classes** | **"1C-EUR Hedged"** | **"1D-EUR Hedged"** | **"2D-GBP Hedged"** | **"3C-USD Hedged"** | **"3D-CHF Hedged"** | **"4C-CHF Hedged"** | **"4D"** | **"5C"** |
| **ISIN Code** | LU0378818131 | LU0690964092 | LU0641006290 | LU0641006456 | LU3121019551 | LU0641006613 | LU3284391318 | LU0908508731 |
| **WKN Code** | DBX0A8 | DBX0MF | DBX0LY | DBX0LZ | DBX0XQ | DBX0L0 | DBX0YQ | DBX0NM |
| **Denomination Currency** | EUR | EUR | GBP | USD | CHF | CHF | EUR | EUR |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 15,000 Shares | 2,000 Shares | 2,000 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 | 2,000 Shares | 2,000 Shares |
| **Management Company Fee[53]** | Up to 0.15% p.a. | Up to 0.15% p.a. | Up to 0.15% p.a.[54] | Up to 0.15% p.a.[55] | Up to 0.15% p.a. | Up to 0.15% p.a. | 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.) | 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.) | 0.00833% *per* month (0.10% p.a.) | 0.00833% *per* month (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. [56] | Up to 0.25% p.a.[57] | Up to 0.25% p.a. | Up to 0.25% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. |
| **Primary Market Transaction Costs** | Applicable | 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. | The Sub-Fund will bear any financial transaction taxes that may be payable by it. |

52 Additional Classes of Shares may be available under www.Xtrackers.com.

53 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.

54 Between 1 April 2025 and 30 September 2026, the Management Company Fee is reduced from "up to 0.15% per annum" to "up to 0.05% per annum" (the "**Waiver Period**"). As from 1 October 2026, the Management Company Fee will return to the usual charge of "up to 0.15% per annum".

55 Between 1 June 2025 and 30 November 2026, the Management Company Fee is reduced from "up to 0.15% per annum" to "up to 0.05% per annum" (the "**Second Waiver Period**"). As from 1 December 2026, the Management Company Fee will return to the usual charge of "up to 0.15% per annum".

56 During the Waiver Period, the All-in Fee will be reduced to "up to 0.15% per annum". As from 1 October 2026, the All-in Fee will return to the usual charge of "up to 0.25% per annum"

57 During the Second Waiver Period, the All-in Fee will be reduced to "up to 0.15% per annum". As from 1 December 2026, the All-in Fee will return to the usual charge of "up to 0.25% per annum"

| Description of Share Classes[52] | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Classes** | **"1C-EUR Hedged"** | **"1D-EUR Hedged"** | **"2D-GBP Hedged"** | **"3C-USD Hedged"** | **"3D-CHF Hedged"** | **"4C-CHF Hedged"** | **"4D"** | **"5C"** |
| **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 | 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 |
| **Anticipated level of Tracking Error[58]** | Up to 1% | | | | | | | |

58 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[59]**

The Reference Index is administered and published by FTSE Fixed Income LLC ("**Index Administrator**").

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 Administrator 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 Administrator.

*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 Administrator 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

[59] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 16: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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** | 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** | N/A |

| **Description of Share Classes[60]** | |
|---|---|
| **Class** | **"1C"** |
| **Index** | Reference Index |
| **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 Fee[61]** | Up to 0.10% p.a. |
| **Fixed Fee** | 0.00833% *per* month (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% |

[60] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index**[62]

The Reference Index is administered and published by FTSE Fixed Income LLC ("**Index Administrator**").

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 Administrator 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 Administrator 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.

[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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 17: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus)*.*<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Launch Date** | Means 7 July 2009 for the 1D Share Class, 30 November 2016 for the 2D-EUR Hedged Share Class, 13 December 2021 for the 1C Share Class and 12 May 2023 for the 2C-GBP Hedged Share Class. |
| **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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| | Description of Share Classes[63] | | | |
|---|---|---|---|---|
| **Class** | **"1C"** | **"1D"** | **"2D-EUR Hedged"** | **"2C-GBP Hedged"** |
| **ISIN Code** | LU1920015796 | LU0429459356 | LU1399300455 | LU2610432036 |
| **WKN Code** | DBX0RF | DBX0CQ | DBX0QG | DBX0T0 |
| **Denomination Currency** | USD | USD | EUR | GBP |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **Management Company Fee[64]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.01% p.a. |
| **Fixed Fee** | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.0075% per month (0.09% p.a.) | 0.0075% per month (0.09% p.a.) |
| **All-In Fee** | Up to 0.06% p.a. | Up to 0.06% p.a. | Up to 0.10% p.a. | Up to 0.10% 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 | | N/A |
| **Anticipated level of Tracking Error[65]** | Up to 1% | | | |

63 Additional Classes of Shares may be available under www.Xtrackers.com.

64 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.

65 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**[66]

The Reference Index represents the overall USD sovereign debt issued by the U.S. government. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or the "**Index Administrator**").

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 IBOXX <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 Administrator's website https://www.spglobal.com/spdji/en/.

[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 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. They 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 18: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus)*.*<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Launch Date** | Means 7 July 2009 for the 1D Share Class and 13 December 2021 for the 1C Share Class. |
| **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**[67] | |
|---|---|---|
| **Class** | **"1C"** | **"1D"** |
| **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 Fee**[68] | Up to 0.01% p.a. | Up to 0.01% p.a. |
| **Fixed Fee** | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) |
| **All-In Fee** | Up to 0.06% p.a. | Up to 0.06% 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% | |

67 Additional Classes of Shares may be available under www.Xtrackers.com.

68 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[69]**

The Reference Index represents the 1-3 years maturity USD sovereign debt issued by the U.S. government. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or the "**Index Administrator**").

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 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 the Index Administrator's website https://www.spglobal.com/spdji/en/.

[69] 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. They 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 19: 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** | The aim is for your investment to reflect the performance of the Bloomberg 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 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.<br>In respect of 1D Share Class, means 14 October 2021.<br>For the 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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[70] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2D-GBP Hedged"** | **"3D-CHF Hedged"** |
| **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 Fee[71]** | Up to 0.02% p.a. | Up to 0.02% p.a. | Up to 0.11% p.a. | Up to 0.11% p.a. |
| **Fixed Fee** | 0.005833% per month (0.07% p.a.) | 0.005833% per month (0.07% p.a.) | 0.00833% per month (0.10% p.a.) | 0.00833% per month (0.10% p.a.) |
| **All-In Fee** | Up to 0.09% p.a. | Up to 0.09% 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 Error[72]** | Up to 1% | | | |

[70] Additional Classes of Shares may be available under www.Xtrackers.com.

[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.

[72] 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[73]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Administrator 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 Bloomberg website (https://www.bloombergindices.com).

[73] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 20: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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 Classes, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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 5 January 2010 for the 1D Share Class, 24 August 2011 for the 1C Share Class and 13 October 2022 for the 2D-GBP Hedged and 2C-USD Hedged Share Classes. |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day for the 1C and 1D Share Classes.<br>3.30 p.m. Luxembourg time on the Transaction Day for the 2C-USD Hedged and 2D-GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[74] | | | | |
|---|---|---|---|---|
| **Classes** | **"1D"** | **"1C"** | **"2D-GBP Hedged"** | **"2C-USD Hedged"** |
| **ISIN Code** | LU0468896575 | LU0643975161 | LU2523866296 | LU2523866379 |
| **WKN Code** | DBX0C7 | DBX0KA | DBX0S7 | DBX0S8 |
| **Denomination Currency** | EUR | EUR | GBP | USD |
| **Minimum Initial Subscription Amount** | 2,500 Shares | 2,500 Shares | 2,500 Shares | 2,500 Shares |
| **Minimum Subsequent Subscription Amount** | 2,500 Shares | 2,500 Shares | 2,500 Shares | 2,500 Shares |
| **Management Company Fee[75]** | Up to 0.05% p.a. | Up to 0.05% p.a. | 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.) | 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. | Up to 0.20% p.a. | Up to 0.20% p.a. |
| **Primary Market Transaction Costs** | N/A | N/A | 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. | 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 |
| **Anticipated level of Tracking Error [76]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[74] Additional Classes of Shares may be available under www.Xtrackers.com.

[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.

[76] 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[77]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 https://www.spglobal.com/spdji/en/

[77] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 21: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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. |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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** | 5 January 2010 |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes[78]** | |
|---|---|
| **Classes** | **"1D"** |
| **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 Fee[79]** | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00833% *per* month (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% |

[78] Additional Classes of Shares may be available under www.Xtrackers.com.

[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 Index[80]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**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 https://www.spglobal.com/spdji/en/.

[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 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 22: Xtrackers II EUR Corporate Bond SRI PAB UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Corporate Bond SRI PAB 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate SRI PAB 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.<br>Further information on the Reference Index and is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class. |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class |

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|---|---|
| | will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*EU PAB Compliance*<br>The Reference Index has been designed by the Index Administrator to meet the requirements set out for EU PAB in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and European Council with regards to the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (the "**PAB Regulation**") in order to be designated as an EU PAB. Amongst other things, the PAB Regulation requires an EU PAB to reduce its greenhouse gas emissions by at least 7 percent. year-on-year, and reduce greenhouse gas emissions by at least 50 percent. against the Bloomberg Euro Corporate Index. However, investors should note that whilst the Reference Index seeks to ensure alignment with all relevant PAB Regulation requirements at each rebalance date, between these rebalances, limits may be breached and relevant targets may not be reached. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the way that any EU PAB standards are interpreted or implemented by the Index Administrator or other data providers (as applicable). |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |

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|---|---|
| **Launch Date** | In respect of 1D Share Class, means 18 October 2010.<br>In respect of 1C Share Class, means 14 October 2021. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| **Description of Share Classes**[81] | | |
|---|---|---|
| **Classes** | **"1D"** | **"1C"** |
| **Index** | Reference Index | Reference Index |
| **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 Fee**[82] | Up to 0.06% p.a. | Up to 0.06% 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 0.16% 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% |

81 Additional Classes of Shares may be available under www.Xtrackers.com.

82 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**[83]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("**GHG**") emissions relative to the Bloomberg Euro Corporate Index, followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

In particular, the following bonds will be excluded from the Reference Index:

- Issuers where MSCI does not have reported or estimated absolute GHG emissions data.
- Securities that are unrated by MSCI ESG Research LLC.
- Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues.
- Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal.
- Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria less than 20% of the total number of issuers in the universe of eligible bonds (the "**Relevant Threshold**") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity). The Reference Index is calculated by the Index Administrator 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 after the first month. 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 also incorporates a semi-annual emissions exclusions process. The semi-annual process will establish which issuers should be excluded from the Reference Index to maintain compliance with the PAB Regulation, in addition to the standard monthly rebalancings.

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 ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

[83] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 23: Xtrackers II Target Maturity Sept 2029 Italy and Spain Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2029 Italy and Spain 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns Italy & Spain Fixed Maturity 2029 Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of tradable debt (bonds) issued by the Italian or Spanish governments with maturity dates on or between 1 October 2028 and 30 September 2029.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve its 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2029 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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.<br>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". |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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". |

| | |
|---|---|
| | *Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption amount may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the government bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **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 a date yet to be determined by the Board of Directors. |
| **Launch Date** | Means 22 September 2010 for the 1C Share Class.<br>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** | 4:00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[84] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU0484969463 | LU3003301853 |
| **WKN Code** | DBX0FE | DBX0W0 |
| **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[85]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

[84] Additional Classes of Shares may be available under www.Xtrackers.com.

[85] 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[86]**

The Reference Index represents the performance of Euro-denominated, investment grade, fixed rate sovereign bonds issued by the Italian and Spanish governments with maturity dates on or between 1 October 2028 and 30 September 2029. The Reference Index includes government bonds that meet specific currency, minimum amount outstanding, maturity and market of issue.

**Eligibility Criteria**

For bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. For more information on how the average rating is determined, please refer to the iBoxx Rating Methodology document available at https://www.markit.com/Documentation/Product/IBoxx under Methodology. If any bond becomes sub-investment grade or lower according to the aforementioned methodology the bond will be removed from the Reference Index at the next rebalancing. All bonds require a specific minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

**Target Maturity**

From the 1 October 2028 all cash amounts received from maturing bonds will be re-invested into eligible bonds at the month end rebalance and will not be reinvested into subsequent sovereign bond issuances. Only bonds that are eligible to be included in the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index are eligible for selection after this date. This includes investment grade, fixed rate, Euro denominated Treasury bills issued by France, Germany or the Netherlands with an amount outstanding greater than or equal to EUR 1 billion and with remaining maturity between 1 to 3 months. Further information on the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index can be found at: https://indicesweb.ihsmarkit.com.

**Reference Index Calculation and Rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each bond is capped at 20% at each monthly rebalancing, however in the case where insufficient bonds are available, each bond will be capped at 30%. From 1 October 2028, the bond capping will not be applicable.

The calculation of the index follows the rules and publication calendar of the iBoxx EUR benchmark index. The Reference Index is calculated on a total return basis which means that any coupons received are reinvested in the Reference Index after deduction of any taxes that may apply.

The Reference Index is administered by S&P Dow Jones Indices GmbH (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference Index are priced at their ask price and are priced at bid after the first month. Bonds in the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index are priced using bid prices.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: https://indicesweb.ihsmarkit.com.

[86] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 24: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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 medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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. |
| **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** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes**[87] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **Index** | Reference Index | Reference Index |
| **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**[88] | 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% |

87 Additional Classes of Shares may be available under www.Xtrackers.com.

88 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**[89]

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or "**Index Administrator**").

**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://www.spglobal.com/spdji/en/. The Index Administrator 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 Administrator 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://www.spglobal.com/spdji/en/.

[89] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 25: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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** | AUD 50,000,000 |
| **Reference Currency** | AUD |
| **Launch Date** | Means 19 May 2010 for the 1C Share Class and 18 March 2025 for the 2C – EUR Hedged, 3C - USD Hedged and 1D – GBP Hedged Share Classes. |
| **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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[90] | | | | |
|---|---|---|---|---|
| **Class** | **"1C"** | **"2C – EUR Hedged"** | **"3C – USD Hedged"** | **"1D – GBP Hedged"** |
| **Index** | Reference Index | Reference Index | Reference Index | Reference Index |
| **ISIN Code** | LU0494592974 | LU3003218016 | LU3003218107 | LU3003218362 |
| **WKN Code** | DBX0GG | DBX0WU | DBX0WV | DBX0WW |
| **Denomination Currency** | AUD | EUR | USD | GBP |
| **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 Fee[91]** | Up to 0.15% p.a. | Up to 0.20% p.a. | Up to 0.20% p.a. | Up to 0.20% 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 0.25% p.a. | Up to 0.30% p.a. | Up to 0.30% p.a. | Up to 0.30% 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 | N/A | 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[92]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

90 Additional Classes of Shares may be available under www.Xtrackers.com.

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.

92 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[93]**

The Reference Index is administered and published by FTSE Fixed Income LLC ("**Index Administrator**").

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 Administrator 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 Administrator 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.

[93] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 26: 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** | The aim is for your investment to reflect the performance of the FTSE Eurozone BOT (Weekly) 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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. |
| **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[94] | |
|---|---|
| **Class** | **"1C"** |
| **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 Fee[95]** | Up to 0.05% Annually |
| **Fixed Fee** | 0.00833% *per* 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** | N/A |
| **Anticipated level of Tracking Error** | Up to 1% |

94 Additional Classes of Shares may be available under www.Xtrackers.com.

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 Index[96]**

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 administered exclusively by FTSE International Limited 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.

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.

FTSE Eurozone Bond Indices are priced using live quotes from the MTS inter-dealer 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.ftserussell.com.

[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 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 27: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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. |

| | |
|---|---|
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 14 August 2013 for the 1C Share Class and 24 January 2023 for the 2D Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes**[97] | | |
|---|---|---|
| **Class** | **"1C"** | **"2D"** |
| **ISIN Code** | LU0925589839 | LU2552296563 |
| **WKN Code** | DBX0K7 | DBX0TM |
| **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 Fee**[98] | 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% | |

97 Additional Classes of Shares may be available under www.Xtrackers.com.

98 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[99]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or "**Index Administrator**").

**Reference Index methodology**

The 5 highest yielding issuer countries are selected every month at each monthly rebalance.

The Index Administrator 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://www.spglobal.com/spdji/en/. The Index Administrator 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 Administrator 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://www.spglobal.com/spdji/en/.

[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 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 28: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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** | 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** | Means 15 November 2013 for the 1C Share Class and 18 March 2025 for the 2C – EUR Hedged, 3C – USD Hedged and 2D – GBP Hedged Share Classes.<br>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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[100] | | | | | |
|---|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2C – EUR Hedged"** | **"3C – USD Hedged"** | **"2D – GBP Hedged"** |
| **Index** | Reference Index | Reference Index | Reference Index | Reference Index | Reference Index |
| **ISIN Code** | LU0952581584 | LU0952585817 | LU3003218446 | LU3003218792 | LU3003218958 |
| **WKN Code** | DBX0N3 | DBX0N4 | DBX0WX | DBX0WY | DBX0WZ |
| **Denomination Currency** | JPY | JPY | EUR | USD | GBP |
| **Minimum Initial Subscription Amount** | 40,000 Shares | 40,000 Shares | 40,000 Shares | 40,000 Shares | 40,000 Shares |
| **Minimum Subsequent Subscription Amount** | 40,000 Shares | 40,000 Shares | 40,000 Shares | 40,000 Shares | 40,000 Shares |
| **Management Company Fee[101]** | Up to 0.05% p.a. | 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% *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.) | 0.00833% *per* month (0.10% p.a.) |
| **All-In Fee** | Up to 0.15% p.a. | 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 | 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** | 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 | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |
| **Anticipated Level of Tracking Error[102]** | Up to 1%. | Up to 1%. | Up to 1%. | Up to 1%. | Up to 1%. |

100 Additional Classes of Shares may be available under www.Xtrackers.com.

101 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.

102 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**[103]

The Reference Index is administered and published by FTSE Fixed Income LLC ("**Index Administrator**").

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 Administrator 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 Administrator 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.

[103] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 29: Xtrackers II ESG Global Aggregate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II ESG Global Aggregate 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Global Aggregate Sustainable and SRI Currency Neutral Index (the "**Reference Index**"). The Reference Index reflects the performance of a broad-based measure of the global investment grade fixed-rate debt markets.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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 (including to-be-announced (TBA) securities and mortgage-backed securities (MBS)), as determined by the Investment Manager and Sub-Portfolio Manager.<br>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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Sub-Portfolio Managers** | In addition to the delegation to DWS Investments UK Limited as Sub-Portfolio Manager, DWS Investment GmbH may delegate all or part of its investment management responsibilities in relation to those parts of the Sub-Fund's portfolio that are denominated in certain currencies to DWS Investment Management Americas, Inc. (along with DWS Investments UK Limited a "Sub-Portfolio Manager" for the purpose of this Product Annex). DWS Investments UK Limited will act as Sub-Portfolio Manager in relation to all other parts of the Sub-Fund's portfolio.<br>DWS Investment Management Americas, Inc. is a registered investment advisor authorised and regulated by the SEC, having its registered office at 875 Third Avenue, New York, NY 10022, United States of America. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |

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|---|---|
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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 medium risk grading as further described in the main part of the Prospectus under "Typology of Risk Profiles". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator and MSCI ESG Research LLC to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability or correctness of the sustainability data or the way that these are implemented. |

| | |
|---|---|
| | It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **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** | 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** | N/A |

| Description of Share Classes[104] | | | | | |
|---|---|---|---|---|---|
| **Classes** | **"1D"** | **"2C-USD Hedged"** | **"3D-GBP Hedged"** | **"4C-CHF Hedged"** | **"5C-EUR Hedged"** |
| **Index** | Reference Index | Reference Index | Reference Index | Reference Index | Reference Index |
| **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 Fee[105]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.01% p.a. |
| **Fixed Fee** | 0.0075% *per* month (0.09% p.a.) | 0.0075% *per* month (0.09% p.a.) | 0.0075% *per* month (0.09% p.a.) | 0.0075% *per* month (0.09% p.a.) | 0.0075% *per* month (0.09% p.a.) |
| **All-In Fee** | Up to 0.10% 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. |
| **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[106]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[104] Additional Classes of Shares may be available under www.Xtrackers.com.
[105] 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.
[106] The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Class against the Reference Index (which is also unhedged).

**General Description of the Reference Index**[107]

The Reference Index is based on the Bloomberg Global Aggregate Index (the "**Parent Index**") and is administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity).

The Parent index is intended to reflect the global investment grade fixed-rate debt market. The universe of eligible bonds which may be included in the Parent Index are all investible fixed-rate, investment-grade debt securities which are rated investment grade (Baa3/BBB-/BBB- or higher) using the applicable rating of Moody's, Standard & Poor's and Fitch, after dropping the highest and lowest available ratings.

The composition of the Parent Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the Parent Index rules take into account the following criteria to determine which debt securities in the universe are included in the Parent Index: amount outstanding / issue size, quality, maturity, seniority of debt, taxability, coupon, eligible local currencies, market of issue, security types, and sectors. The selected debt securities are weighted in the Parent Index according to the relative outstanding notional amount of each debt security issuance as at such rebalancing date. The Reference Index includes the constituents from the Parent index which have a certain minimum par amount outstanding.

In addition, the Reference Index excludes issuers from the Parent Index which do not fulfil specific ESG (environmental, social, and governance) criteria, including but not limited to:

- Issuers with insufficient MSCI ESG Ratings; MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key Issues;
- Companies that fail to comply with the United Nations Global Compact Principles, have an MSCI ESG Controversies Score below a certain threshold, have an insufficient MSCI ESG Controversies Score related to certain environmental controversies, or are not researched by MSCI ESG Controversies;
- Companies that have not been researched as per the MSCI Climate Change Metrics methodology;
- Companies that are not covered by MSCI ESG Business Involvement Screening Research or breach certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, thermal coal, fossil fuel, nuclear weapons, and power generation; and
- Companies with any involvement in controversial weapons are excluded.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses ratings and research provided by MSCI ESG Research LLC. In particular, the following components are utilised:

*MSCI ESG Ratings*

MSCI ESG Ratings provide research, data, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating. For more details on MSCI ESG Ratings, please refer to the MSCI website.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. For more details on MSCI ESG Controversies Score, please refer to the MSCI website.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions. For more details on MSCI ESG Business Involvement Screening Research, please refer to the MSCI website.

[107] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

*MSCI Climate Change Metrics*

MSCI Climate Change Metrics provides climate data and tools to support investors integrating climate risk and opportunities into their investment strategy and processes.

The Reference Index is calculated by the Index Administrator on a daily basis. Securities in the Reference Index are priced on the bid side. The initial price for new corporate and emerging markets local currency issues entering the Reference Index is the offer side; after that, the bid side price is used.

Additionally, the Reference index is partitioned into segments based on the Parent Index and each segment reflects a certain combination of currency, security type and maturity. The weight of each segment in the Reference Index is rebalanced monthly to match the segment weight in the Parent Index. Within each segment of the Reference Index the securities are weighted on each rebalancing date according to the relative outstanding notional amount of each security issuance. If there is no security in a segment due to the application of the aforementioned ESG criteria, the weighting that would have been allocated to such segment shall be redistributed amongst the remaining segments in proportion to their respective weightings.

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 Reference Index was created on 17 December 2020, with history backfilled to 1 January 2015 (the base date).

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 30: 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*Risk of Sub-Investment Grade (High Yield) Bonds*<br>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.<br>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.<br>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.<br>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. |

| | |
|---|---|
| | *No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Sector Allocation Risk*<br>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.<br>*Concentration of the Reference Index*<br>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. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | For the 1D Share Class, means 8 January 2015, for the 1C Share Class, means 15 March 2017. |
| **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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[108] | | |
|---|---|---|
| **Classes** | **"1D"** | **"1C"** |
| **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[109]** | 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** | 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% |

[108] Additional Classes of Shares may be available under www.Xtrackers.com.

[109] 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[110]**

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 S&P Dow Jones Indices, LLC ("**S&P**").

The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or "**Index Administrator**").

The Index Administrator 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://www.spglobal.com/spdji/en/. 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 Administrator's website at https://www.spglobal.com/spdji/en/.

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

[110] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 31: Xtrackers II Rolling Target Maturity Sept 2027 EUR High Yield UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Rolling Target Maturity Sept 2027 EUR High Yield 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Liquid High Yield 2027 3-Year Rolling Index (the "**Reference Index**"). The Reference Index aims to reflect the market value weighted performance of liquid, fixed and floating rate, sub-investment grade (with a rating lower than Baa3/ BBB-), high yield and EUR denominated corporate bonds issued by both Eurozone and non-Eurozone issuers with first maturity date on or between 1 October 2026 and 30 September 2027 (the "**Initial Maturity Window**").<br>On the final day of the Initial Maturity Window, the Reference Index will roll into the next maturity window, investing in high yield corporate bonds that mature 3 years after the Initial Maturity Window - between 1 October 2029 and 30 September 2030 (the "**Subsequent Maturity Window**"). On the final day of the Subsequent Maturity Window, the Reference Index will then roll again into the next maturity window, and this roll will repeat every 3 years in perpetuity on the final day of every maturity window.<br>Please note that while the Reference Index has a rolling target maturity component, there is no predetermined final maturity date for the Sub-Fund. The Sub-Fund has been set up for an undetermined period of time. Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the period leading up to and throughout each Maturity Window for announcements regarding the Sub-Fund.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve its 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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. |

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|---|---|
| | *Risk of Sub-Investment Grade (High Yield) Bonds*<br>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.<br>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.<br>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.<br>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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Rolling Target Maturity*<br>Investors should note that while the Sub-Fund has scheduled 3-year rolls in order to invest in bonds that mature in the relevant Maturity Windows, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>During each Maturity Window, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Please note that as the Reference Index has a rolling target maturity component, there is no predetermined final maturity date for the Sub-Fund. Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the period leading up to and throughout each Maturity Window for announcements regarding the Sub-Fund. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 8 January 2015 for the 1D Share Class and 20 August 2025 for 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** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from |

| | |
|---|---|
| | such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g., transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes**[111] | | |
|---|---|---|
| **Classes** | **"1D"** | **"1C"** |
| **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**[112] | Up to 0.20% p.a. | Up to 0.20% 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 0.30% p.a. | Up to 0.30% 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% |

111 Additional Classes of Shares may be available under www.Xtrackers.com.

112 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**[113]

The Reference Index represents the market value weighted performance of liquid, fixed and floating rate, sub-investment grade, high yield and Euro-denominated corporate bonds issued by both Eurozone and non-Eurozone issuers with first maturity date on or between 1 October 2026 and 30 September 2027 (the "**Initial Maturity Window**"). The Reference Index includes bonds that meet specific currency, minimum amount outstanding, maturity, market of issue and security type criteria.

**Eligibility Criteria**

For bonds to be eligible for inclusion they must be rated sub-investment grade (with a rating lower than Baa3/BBB-/BBB-) using the average rating of the applicable ratings of Moody's, S&P and Fitch. For more information on how the average rating is determined, please refer to the iBoxx Rating Methodology document available at https://www.markit.com/Documentation/Product/IBoxx under Methodology. 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.

**Maturity Window**

During the Initial Maturity Window, Subsequent Maturity Window and every future maturity window, all cash amounts received from maturing bonds will be re-invested into eligible bonds at the month end rebalance and will not be reinvested into subsequent sovereign bond issuances. Only bonds that are eligible to be included in the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index are eligible for selection after this date. This includes investment grade, fixed rate, Euro denominated Treasury bills issued by France, Germany or the Netherlands with an amount outstanding greater than or equal to EUR 1 billion and with remaining maturity between 1 to 3 months. Further information on the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index can be found at: https://indicesweb.ihsmarkit.com.

**Rolling Target Maturity**

On the final day of the Initial Maturity Window, the Reference Index will roll into the next maturity window, investing in high yield corporate bonds that mature 3 years after the Initial Maturity Window - between 1 October 2029 and 30 September 2030 (the "**Subsequent Maturity Window**"). On the final day of the Subsequent Maturity Window, the Reference Index will then roll again into the next maturity window, and this roll will repeat every 3 years in perpetuity on the final day of every maturity window.

**Reference Index Calculation and Rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing. During the maturity windows, the bond capping will not be applicable.

The calculation of the index follows the rules and publication calendar of the iBoxx EUR Liquid benchmark index. The Reference Index is calculated on a total return basis which means that any coupons received 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 Reference Index is administered by S&P Dow Jones Indices GmbH (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator on a daily basis. Bonds in the Reference Index are priced on the bid side. New corporate issuances entering the Reference Index are priced at their ask price and are priced at bid after the first month. Bonds in the iBoxx EUR Sovereigns Bills France Germany Netherlands 1-3 Months Index are priced using bid prices.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: https://indicesweb.ihsmarkit.com.

[113] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 32: 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** | The aim is for your investment to reflect the performance of the FTSE Chinese Government and Policy Bank Bond 1-10 Years Capped Index (the "**Reference Index**"). The Reference Index reflects the performance of onshore Yuan denominated fixed-rate bonds issued by the government of the People's Republic of China ("**PRC Government Bonds**") and policy bank bonds ("**Policy Bank Bonds**") that are traded on the China Interbank Bond Market ("**CIBM**") and with a minimum time to maturity of at least one year and less than 10 years. The Reference Index is calculated in U.S. Dollars ("**USD**").<br>Further information on the Reference Index is contained under "General Description of the Reference Index ". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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 license granted to the Investment Manager by the China Securities Regulatory Commission ("**CSRC**") and/or directly through China Bond Connect. More details are set out under "The QFI Regulations" and "China Bond Connect Risks" below.<br>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 offshore Renminbi ("**CNH**"), onshore Renminbi ("**CNY**") 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. |
| **China Bond Connect** | Bond Connect is a joint venture scheme between China Foreign Exchange Trade System (CFETS) and Hong Kong Exchanges and Clearing Limited (HKEx) to facilitate mutual access between the respective bond markets of Hong Kong and the People's Republic of China ("**PRC**").<br>Under Bond Connect, overseas investors (including the Sub-Fund) may be allowed, subject to the requirements of the People's Bank of China (PBOC) and any rules and regulations issued/amended from time to time, to access bonds traded on the CIBM via the northbound trading link. Through Bond Connect, overseas investors are not required to possess onshore accounts in China to hold CIBM securities. Pursuant to the prevailing regulations in China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.<br>Bond Connect is governed by rules and regulations as promulgated by the Chinese authorities. Such rules and regulations may be amended from time to time. Further information about Bond Connect is available online at the website:<br>https://www.chinabondconnect.com/en/index.html |
| **The QFI Regulations** | The QFI regime is currently governed by (a) the "Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" ("**Measures**") and "Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" ("**Provisions**", together with Measures as "**New Regulations**") issued by the CSRC, the People's Bank of China ("**PBOC**") and State Administration of Foreign Exchange ("**SAFE**") and effective from 1 November, 2020; (b) the "Administrative Provisions on Domestic Securities and Futures Investment Capital of |

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| | Foreign Institutional Investors" issued by PBOC and SAFE on 7 May 2020 and effective from 6 June 2020 ("**Provisions on Investment Capital**"); and (c) any other applicable regulations promulgated by the relevant authorities (collectively, the "**QFI Regulations**"). |
| **Investment Manager** | Harvest Global Investments Limited |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>The Reference Index covers local currency debt issued by issuers in the PRC. As a result, the Reference Index is concentrated in only one country. Changes in the financial condition of the relevant issuers, changes in specific economic or political conditions that affect the relevant issuers, and changes in general economic or political conditions in the PRC can affect the value of the bonds. Such country-specific changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.<br>*Currency Risk*<br>In particular, investors' attention is drawn to the risk factor relating to exchange rates, as the Reference Index and the Reference Currency of the Sub-Fund is calculated in USD whereas the Reference Index is exposed to onshore Yuan-denominated fixed-rate bonds and each of the Share Class have a different Denomination Currency. For more details on currency risk, please also refer to sections g) "*Government Control of Currency Conversion and Future Movements in Exchange Rates"*, h) "*CNH as trading and settlement currency*" and i) "*Onshore versus offshore Renminbi differences risk*", under this Specific Risk Warning section.<br>*Tracking Error Risk*<br>The Sub-Fund is an Optimised Replication Fund 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 and Policy Bank Bonds in the Reference Index. It is therefore possible that the Sub-Fund may be subject to a larger tracking error than a Full Replication Fund.<br>*People's Republic of China*<br>Investors in the Sub-Fund should be aware of the following risks associated with an investment in the PRC:<br>a) *Political, Economic and Social Risks*<br>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 |

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| | 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.<br>b) *PRC Economic Risks*<br>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.<br>c) *Legal System of the PRC*<br>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. China is still developing the legal framework required to support a market economy. Fundamental civil, criminal, tax, administrative, property and commercial laws in China are frequently amended. Risk factors relating to the legal system of the China markets that create uncertainties with respect to the investment and investment-related decisions that the Sub-Fund may make include: inconsistencies among governmental, ministerial and local orders, decisions, resolutions and other acts; inefficient administrative regulatory environment; the lack of judicial and administrative guidance on interpreting legislation; substantial gaps in the regulatory structure due to delay or absence of implementing legislation; a high degree of discretion on the part of governmental authorities. 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.<br>d) *QFI regime risk*<br>The current QFI Regulations include rules on investment restrictions applicable to the Sub-Fund. Transaction sizes for QFIs 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).<br>The regulations which regulate investments by QFIs in the PRC are constantly changing. The New Regulations were released on 25 September 2020 and came into effect on 1 November 2020. The New Regulations unify the relevant requirements for QFII and RQFII, expand the investment scope of QFI while enhancing trade monitoring over the investment activities of QFIs and law enforcement. As the New Regulations were just released, it still remains to be seen how the New Regulations will be implemented and whether such New Regulations will have any adverse impact on the Sub-Fund's investments in the PRC market.<br>e) *Risks relating to the PRC Custodian(s) and other Agents*<br>Under the QFI regime, 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 one or several onshore custodian(s) (each a "**PRC Custodian**" and the "**PRC Custodian(s)**") to maintain the Sub-Fund's assets in custody in accordance with the terms of the relevant custody agreement.<br>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(s) or the relevant PRC Custodian(s) 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(s) have appropriate procedures to properly safe-keep the Sub-Fund's assets.<br>In the event of any default of the relevant PRC Custodian(s) (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. |

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| | Onshore PRC assets will be maintained by the PRC Custodian(s) in electronic form via securities accounts with the China Securities Depository and Clearing Corporation (CSDCC), China Central Depository & Clearing (CCDC) or Shanghai Clearing House (SCH) and cash accounts with the PRC Custodian(s). According to the QFI 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 QFI 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 QFI Regulations are subject to the interpretation of the relevant authorities in the PRC.<br><br>Investors should note that cash deposited in the cash accounts of the Sub-Fund with the PRC Custodian(s) will not be segregated but will be a debt owing from the relevant PRC Custodian to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the relevant PRC Custodian. In the event of bankruptcy or liquidation of a PRC Custodian(s), 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 *pari passu* with all other unsecured creditors, of the relevant PRC Custodian(s). 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.<br><br>f) *Repatriation risk*<br><br>Legally speaking, repatriations by QFIs 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.<br><br>The government of China may impose foreign exchange controls. The SAFE has a significant degree of administrative discretion in implementing laws and promulgating interim rules on foreign exchange control, and has used this discretion to limit convertibility of current amount and capital account cash flowing into and out of the PRC. Due to these controls, QFIs may experience substantial delays in, or be prohibited from, removing capital from the country.<br><br>Any restrictions on repatriation of the invested capital and net profits or foreign exchange control may impact on the Sub-Fund's ability to meet redemption requests.<br><br>g) *Government Control of Currency Conversion and Future Movements in Exchange Rates:*<br><br>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.<br><br>h) *CNH as trading and settlement currency*<br><br>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).<br><br>i) *Onshore versus offshore Renminbi differences risk*<br><br>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.<br><br>ii) with respect to the Currency Hedged Share Classes, the Sub-Fund will use financial contracts referring to CNH instead of CNY. |

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| | 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.<br><br>j) *Interest Rate Risk*<br><br>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.<br><br>As the Sub-Fund invests in PRC Government Bonds and Policy Bank 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.<br><br>k) *Dependence upon Trading Market for PRC Government Bonds and Policy Bank Bonds*<br><br>The existence of a liquid trading market for PRC Government Bonds and Policy Bank Bonds may depend on whether there is supply of, and demand for, PRC Government Bonds and Policy Bank Bonds. Investors should note that the Shanghai Stock Exchange ("**SSE**"), Shenzhen Stock Exchange ("**SZSE**") and CIBM on which PRC Government Bonds and Policy Bank Bonds may be 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 and Policy Bank Bonds 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.<br><br>l) *Liquidity Risk*<br><br>The Sub-Fund is subject to liquidity risk as continued regular trading activity and active secondary market for PRC securities (including PRC Government Bonds and Policy Bank Bonds) is not 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.<br><br>m) *Issuer Counterparty Risk*<br><br>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 and Policy Bank 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.<br><br>n) *Valuation Risk*<br><br>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. |

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| | o) *Restricted markets risk*<br>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.<br>p) *Operational and Settlement Risk*<br>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.<br>Trading in the CIBM 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 CIBM which is an over-the-counter market. All trades settled through CCDC, the central clearing for the CIBM, 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.<br>q) *Government Intervention and Restriction Risk*<br>Governments and *regulators* may intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of 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.<br>r) *PRC taxation risk*<br>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 affect the investment return of the Sub-Fund and the distribution to its investors.<br>With regard to the Sub-Fund's investment in the PRC bond market, including investment in PRC Government Bonds and non-government bonds (including Policy Bank Bonds), interest income derived by foreign investors from holding bonds, including government bonds and non-government bonds, purchased in the PRC bond market is specifically temporarily exempted from PRC corporate income tax and PRC value-added tax (VAT) ("**Temporary Exemption**") pursuant to the prevailing tax rules in the PRC. Such Temporary Exemption was originally from 7 November 2018 to 6 November 2021 and has been extended to 31 December 2025.<br>In case the Temporary Exemption is not further extended after its expiry, under the current Chinese domestic tax legislation, interest income derived from holding (A) central government bonds, and (B) local government bonds issued from 1 January 2012 and afterwards is subject to corporate income tax exemption. Also, interest income derived from holding bonds issued by central and local governments are subject to VAT exemption. A foreign institutional investor shall be subject to 10% corporate income tax on interest income derived from holding local government bonds issued before 1 January 2012 and non-government bonds, and 6% VAT and related surcharges on interest income derived from holding non-government bonds.<br>Gains derived by the Sub-Fund as a qualified foreign institutional investor from trading of bonds purchased in the CIBM shall be subject to exemption of VAT under the applicable VAT rules. It is not clear under the applicable Chinese tax laws and regulations whether gains derived by the Sub-Fund from trading of bonds purchased in the CIBM shall be deemed as non-China-sourced income not subject to PRC corporate income tax although as a matter of practice, such gains are generally deemed by |

Chinese tax authorities as non-China-sourced income and not subject to PRC corporate income tax.

In addition, if the Sub-Fund is considered as a PRC resident enterprise, it will be subject to corporate income tax of 25% on its worldwide taxable income. If the Sub-Fund is considered as a non-resident enterprise with an establishment or place of business in the PRC, the profits and gains attributable to that establishment or place of business would be subject to corporate income tax of 25%. The Investment Manager intends to manage and operate the Sub-Fund in such a manner that the Sub-Fund should not be treated as a PRC resident enterprise or a non-resident enterprise with an establishment or place of business in the PRC for corporate income tax purposes, although this cannot be guaranteed.

In light of the uncertainties on the PRC tax treatments of a foreign investor's investments in the PRC bonds, and in order to meet any such potential PRC tax liabilities that may arise from investments in PRC 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 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.

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.

s) *Accounting and Reporting Standards*:

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.

t) *Trading hours difference risk*

Differences in trading hours between foreign exchanges (e.g. SSE, SZSE and CIBM) and the relevant stock exchange on which the Sub-Fund is traded 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.

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.

*China Bond Connect Risk*

Further to the above risk factors, investors in the Sub-Fund should note that transactions conducted via Bond Connect will also involve risks including, but not limited to:

(a) *Suspension risk:* Trading or account opening may be suspended by the relevant authorities for reasons including; risk management and ensuring an orderly and fair market. Such suspensions would adversely affect the Sub-Fund's ability to access the bonds traded on the CIBM market, which could negatively affect the ability of the Sub-Fund to track the performance of the Reference Index or its ability to dispose of CIBM securities.

(b) *Differences in trading day:* Bond Connect operates on days when banks in both Hong Kong and PRC markets are open (excluding Saturdays, Sundays and public holidays in Hong Kong or the PRC). It is possible that there are occasions when bonds are trading on the CIBM market but Hong Kong and overseas investors (such as the Sub-Fund) cannot carry out trading via Bond Connect. As a result, the Sub-Fund may be subject to a risk of price fluctuations in bonds during the time when Bond Connect is not trading.

(c) *Clearing, settlement and custody risks:* The Central Moneymarkets Unit (CMU) acts as the Central Securities Depository (CSD) for CIBM Bonds traded via the Bond Connect Northbound link and carries out the role of nominee security holder for CMU members. In the event of a CMU or PRC clearing house default, the Sub-Fund may

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| | suffer delay in the settlement or recovery of assets or the Sub-Fund may not be able to fully recover its losses. Such settlement risks have been partially mitigated by the introduction of a delivery versus payment (DVP) settlement model for Bond Connect transactions.<br>(d) *Operational risk:* Bond Connect was established on 3 July 2017 and is therefore a relatively new mechanism for overseas investors (such as the Sub-Fund) to access the PRC market. There is no guarantee that the systems of the CIBM and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted and the Sub-Fund's ability to access the CIBM market could be adversely affected.<br>(e) *Trading costs*: In addition to trading fees and duties in connection with CIBM trading, the Sub-Fund may be subject to new portfolio fees, coupon tax and tax concerned with income arising from bond trades which are yet to be determined by the relevant authorities.<br>(f) *Regulatory risk:* Overseas investors (such as the Sub-Fund) that purchase CIBM bonds via Bond Connect are entitled to the rights and interests of the assets pursuant to PRC law. However, the application of such rules for overseas CIBM investors is relatively untested, and there is no assurance that PRC courts will recognise such rules, e.g., in liquidation proceedings of PRC companies. There can be no assurance that Bond Connect will not be abolished and the Sub-Fund's ability to invest in the PRC market may be severely adversely affected.<br>(g) *Market volatility and liquidity risk*: Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. By investing in such market, the Sub-Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 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.<br>For the 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:<br>(i) which is a Luxembourg Banking Day;<br>(ii) which is a London Banking Day;<br>(iii) which is a day upon which commercial banks are open and settle payments in New York City and Hong Kong; and<br>(iv) for which the Reference Index is calculated. |
| **NAV Date** | Means a NAV Date as defined in the Definitions section of the Prospectus provided that this is also (i) a day upon which commercial banks are open and settle payments in New York City and Hong Kong; and (ii) a day for which the Reference Index is calculated. |
| **Valuation Day** | Means a Valuation Day as defined in the Definitions section of the Prospectus provided that this is also (i) a day upon which commercial banks are open and settle payments in New York City and Hong Kong; and (ii) a day for which the Reference Index is calculated. |
| **Settlement Period** | Means up to five Settlement Days following the Transaction Day (excluding Settlement Days which: (i) are not days upon which commercial banks are open and settle payments in New York City and Hong Kong; and (ii) are not days for which the Reference Index is calculated).[114] |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off Time** | 4.00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day |

[114] In the case that a Significant Market is closed for trading or settlement on any Settlement Day during the period between the relevant Transaction Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Sub-Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times indicated in this Product Annex. Earlier or later times may be determined by the Management Company at their discretion, whereby notice will be given on www.Xtrackers.com.

| | |
|---|---|
| **OTC Swap Transaction Costs** | Situation 1 |
| **Transaction Costs** | Applicable |
| **Securities Lending** | N/A |
| **PRC Custodian(s)** | HSBC Bank (China) Company Limited, and any further PRC Custodians appointed from time to time |

| Description of Share Classes[115] | | | |
|---|---|---|---|
| **Classes** | **"1D"** | **"3D-USD Hedged"** | **"4D-EUR Hedged"** |
| **ISIN Codes** | LU1094612022 | LU1303497223 | LU1303497496 |
| **WKN Code** | DBX0PN | DBX0P4 | DBX0P5 |
| **Denomination Currency** | USD | USD | EUR |
| **Management Company Fee[116]** | Up to 0.05% p.a. | Up to 0.50% p.a. | Up to 0.50% p.a. |
| **Fixed Fee** | 0.0125% *per* month (0.15% p.a.) | 0.0125% *per* month (0.15% p.a.) | 0.0125% *per* month (0.15% p.a.) |
| **All-In Fee** | Up to 0.20% 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 |
| **Minimum Subsequent Subscription Amount** | 100,000 Shares | 250,000 Shares | 250,000 Shares |
| **Primary Market Transaction Costs** | Applicable | Applicable | Applicable |
| **Minimum Redemption Amount** | 100,000 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. |
| **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** | 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 error[117]** | Up to 2% | | |

[115] Additional Classes of Shares may be available under www.Xtrackers.com.

[116] 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.

[117] 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[118]

The Reference Index is the FTSE Chinese Government and Policy Bank Bond 1-10 Years Capped Index and is administered by FTSE Fixed Income LLC (the "**Index Administrator**").

### Reference Index Methodology

The Reference Index is based on the FTSE Chinese Government and Policy Bank Bond Index (CNGPBI) (the "**Parent Index**"). The objective of the Reference Index is to reflect the performance of the Yuan-denominated fixed-rate PRC Government Bonds and Policy Bank Bonds in the Parent Index that are traded on the CIBM and with a minimum time to maturity of at least one year and less than 10 years. The eligible Chinese policy bank bonds are those issued by the China Development Bank, the Agricultural Development Bank of China, and the Export-Import Bank of China. These policy banks are state-owned and their objectives typically include providing social benefit, stimulating the economy, and supporting growing local industries.

### Reference Index weighting, calculation and rebalancing

The Reference Index is a market capitalisation weighted index. The composition of the Reference Index is rebalanced on a monthly basis, at the end of each month. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each policy bank issuer is capped at 9% at each monthly rebalancing.

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 2014.

### Further Information

Additional information on the Reference Index, including all relevant eligibility criteria and constituents, is available on: https://www.yieldbook.com/m/indexes/fund/.

[118] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 33: Xtrackers II EUR Corporate Bond Short Duration SRI PAB UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Corporate Bond Short Duration SRI PAB 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate SRI 0-5 Year PAB Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with a remaining time to maturity of at least 1 month and up to (but not including) 5 years, excluding bonds which do not fulfill specific ESG (environmental, social, and governance) criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class. |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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". |

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|---|---|
| | *Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*EU PAB Compliance*<br>The Reference Index has been designed by the Index Administrator to meet the requirements set out for EU PAB in the Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and European Council with regards to the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (the "**PAB Regulation**") in order to be designated as an EU PAB. Amongst other things, the PAB Regulation requires an EU PAB to reduce its greenhouse gas emissions by at least 7 percent. year-on-year, and reduce greenhouse gas emissions by at least 50 percent. against the Bloomberg Euro Corporate 0-5 Year Index. However, investors should note that whilst the Reference Index seeks to ensure alignment with all relevant PAB Regulation requirements at each rebalance date, between these rebalances limits may be breached and relevant targets may not be reached. Neither the Company, nor any of its service providers, makes any representation with respect to |

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|---|---|
| | the accuracy, reliability, correctness of the way that any EU PAB standards are interpreted or implemented by the Index Administrator or other data providers (as applicable). |
| **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** | Means 23 July 2020 for the 1C Share Class. For 1D 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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| **Description of Share Classes[119]** | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2178481649 | LU2178481722 |
| **WKN Code** | A2P4XG | A2P4XH |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Management Company Fee[120]** | Up to 0.06% p.a. | Up to 0.06% 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 0.16% 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% |

[119] Additional Classes of Shares may be available under www.Xtrackers.com.

[120] 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**[121]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with at least 1 month and up to (but not including) 5 years to maturity. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("**GHG**") emissions relative to the Bloomberg Euro Corporate 0-5 Year Index followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil l specific ESG (environmental, social, and governance) criteria.

In particular, the following bonds will be excluded from the Reference Index:

- Issuers where MSCI does not have reported or estimated absolute GHG emissions data.
- Securities that are unrated by MSCI ESG Research LLC.
- Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues.
- Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal.
- Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria less than 20% of the total number of issuers in the universe of eligible bonds (the "**Relevant Threshold**") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

In addition, for bonds to be eligible for inclusion they must be rated investment grade (Baa3/BBB-/BBB- or higher) by Moody's, S&P and/or Fitch. 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 administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity).

The Reference Index is calculated by the Index Administrator 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 after the first month. The composition of the Reference Index is rebalanced on a monthly basis, on the last business day of the month. 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 minimum amount outstanding and a bond minimum and maximum time to maturity. Bonds that convert from fixed to floating rate will exit the Reference Index 1 year prior to conversion to floating-rate. The Reference Index also incorporates a semi-annual emissions exclusions process. The semi-annual process will establish which issuers should be excluded from the Reference Index to maintain compliance with the PAB Regulation, in addition to the standard monthly rebalancings.

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 ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

[121] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 34: Xtrackers II ESG Global Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II ESG Global 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** | The aim is for your investment to reflect the performance of the FTSE ESG Select World Government Bond Index – DM (the "**Reference Index**"). The Reference Index is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets, excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |

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|---|---|
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance criteria*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of issuers' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |

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| **Offering Period** | For the 5D – CHF Hedged Share Class, the Offering Period will be set at a date yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C Share Class, means the 15 June 2022.<br>For the 1D, 2D – GBP Hedged, 3D - USD Hedged and 4D-EUR Hedged Share Classes, means 7 December 2021.<br>For the 5D – CHF Hedged 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 Time** | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| **Securities Lending** | N/A |

| | Description of Share Classes[122] | | | | | |
|---|---|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2D – GBP Hedged"** | **"3D – USD Hedged** | **"4D – EUR Hedged** | **"5D – CHF Hedged** |
| **ISIN Code** | LU2462217071 | LU2385068163 | LU2385068247 | LU2385068320 | LU2385068593 | LU2413692000 |
| **WKN Code** | DBX0SH | DBX0RH | DBX0RJ | DBX0RK | DBX0RT | DBX0RY |
| **Denomination Currency** | EUR | EUR | GBP | USD | EUR | CHF |
| **Minimum Initial Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Minimum Subsequent Subscription Amount** | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares | 2,000 Shares |
| **Management Company Fee[123]** | Up to 0.10% p.a. | Up to 0.10% 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. |
| **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.) | 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. | Up to 0.25% p.a. | Up to 0.25% 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. | 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 Error[124]** | Up to 1% | Up to 1% | Up to 1% | Up to 1% | Up to 1% | Up to 1% |

[122] Additional Classes of Shares may be available under www.Xtrackers.com.

[123] 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.

[124] 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[125]

The Reference Index is administered and published by FTSE Fixed Income LLC (the "**Index Administrator**").

The Reference Index is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets, excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.

### Reference Index methodology

The Reference Index determines its constituents by applying certain ESG criteria (deriving from the FTSE ESG Government Bond Index series) to the FTSE World Government Bond Index – DM (the "**Parent Index**") universe.

The Parent Index is designed to measure the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed markets. The composition of the Parent Index is based on the sovereign markets and constituents of the FTSE World Government Bond Index, excluding those markets classified as 'emerging' under the FTSE Fixed Income Country Classification Process. The Parent Index is a market capitalisation weighted index, and eligibility for inclusion is dependent on meeting certain market size, credit rating and market accessibility level criteria.

Further information on the eligibility criteria for the Parent Index can be found on: Yield Book: Indexes (https://www.yieldbook.com/m/indices/single.shtml?ticker=WGBIDM)

### ESG Criteria and Weighting

The Reference Index determines its constituents by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series. Constituent weightings are adjusted in the Reference Index relative to the Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks before applying certain other inclusion criteria to the Parent Index constituents. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score.

#### *ESG Scores*

Country ESG scores are calculated in respect of those countries present in the Parent Index. These ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com)

ESG scores for each country are established by evaluating and scoring each country's ESG risk across each of the following three pillars:

- *Environmental risk*: considers topics such as energy, climate, and natural capital;
- *Social risk*: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- *Governance risk*: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against those other countries in the Reference Index universe with a specified "tilt factor" applied to each pillar score. The resulting pillar scores are then combined to derive a single combined ESG score for each country.

The country ESG scores are then applied to re-weight each country's market value weighting in the Reference Index relative to the Parent Index to provide higher exposures to countries that have a higher ESG score, and lower exposures to countries that have a lower ESG score.

For full details on the ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Index Series Ground Rules and the LSEG Sustainable Sovereign Risk Methodology (2SRM)

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[125] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

***Country Inclusion Criteria***

A further country inclusion criteria assessment is then performed by ranking countries based on the country ESG scores. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Reference Index. For full details on the exclusion thresholds refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Freedom Criteria***

The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Freedom House classifies each country based on its research. Only countries designated as "Free" are eligible for inclusion in the Reference Index. Further information is available at https://freedomhouse.org. For full details refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Social Violations***

The Reference Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law, based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.

EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu)

**Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the Parent Index. Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

**Reference Index calculation and rebalancing**

The Reference Index is calculated in EUR and is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The Minimum Green Bond Exposure Criteria are applied on a quarterly basis. The ESG Criteria and Weighting and the Social Violations criteria are implemented on a semi-annual basis. The Freedom Criteria are implemented on an annual basis.

The base date of the Reference Index is 31 December 2001.

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=CFIIESWD

# PRODUCT ANNEX 35: Xtrackers II ESG Eurozone Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II ESG 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** | The aim is for your investment to reflect the performance of the FTSE ESG Select EMU Government Bond Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of fixed-rate, euro-denominated, investment-grade sovereign debt issued by developed market countries in the European Economic and Monetary Union ("**EMU**"), excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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. |

| | |
|---|---|
| | *No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>The market which the Reference Index seeks to represent 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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of issuers' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **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** | For the 1C Share Class, means the 22 June 2022.<br>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** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Settlement Period** | Means up to nine Settlement Days following the Transaction Day.[126] |
| **Securities Lending** | N/A |

| **Description of Share Classes[127]** | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2468423459 | LU2482634743 |
| **WKN Code** | DBX0SK | DBX0SU |
| **Denomination Currency** | EUR | EUR |
| **Management Company Fee[128]** | 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. |
| **Minimum Initial Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **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. |
| **Dividend** | 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% | |

[126] In the case that a Significant Market is closed for trading or settlement on any Settlement Day during the period between the relevant Transaction Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Sub-Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times indicated in this Product Annex. Earlier or later times may be determined by the Management Company at their discretion, whereby notice will be given on www.Xtrackers.com.

[127] Additional Classes of Shares may be available under www.Xtrackers.com.

[128] 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[129]

The Reference Index is administered and published by FTSE Fixed Income LLC (the "**Index Administrator**").

The Reference Index aims to reflect the performance of fixed-rate, euro-denominated, investment-grade sovereign debt issued by developed market countries in the European Economic and Monetary Union ("**EMU**"), excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.

### Universe of Eligible Issuers

The Reference Index includes securities issued by EMU countries in the FTSE ESG Select World Government Bond Index – DM (the "**Parent Index**"). The Parent Index is designed to measure the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed market countries included in the FTSE World Government Bond Index – DM (the "**Ultimate Parent Index**"), excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index will also be excluded from the Reference Index. The Parent Index excludes countries based on the following criteria:

#### *Country Inclusion Criteria*

The Parent Index applies a country inclusion criteria assessment by ranking countries based on the country ESG scores, which are calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

#### *Freedom Criteria*

The Parent Index also applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" are eligible for inclusion in the Parent Index. Further information is available at: https://freedomhouse.org. Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

#### *Social Violations*

The Parent Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes at: EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

### ESG Criteria and Tilting

The weights of eligible constituents are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score (the "**Tilted Weight**").

Country ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

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[129] 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 on the website identified below in "Further Information". 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

ESG scores for each country are established by evaluating and scoring each country's ESG risks across each of the following three pillars:

- *Environmental risk*: considers topics such as energy, climate, and natural capital;
- *Social risk*: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- *Governance risk*: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score is then used to determine each issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (lseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Weighting and Capping***

The Reference Index applies a 35% issuer market value weight cap. If the Tilted Weight of any country exceeds 35%, its weight is capped and any excess market weight is redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index is reviewed to ensure at least 20% of the least well-rated securities are eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index does not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers will be removed from the Reference Index until the minimum 20% exclusion is achieved. This may mean the Reference Index could exclude additional EMU countries compared to the Parent Index.

**Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

**Reference Index Calculation and Rebalancing**

The Reference Index is calculated in EUR daily on a total return basis, which means that coupon payments are reinvested in the Reference Index.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The Minimum Green Bond Exposure Criteria are applied on a quarterly basis. The ESG Criteria and Weighting and the Social Violations criteria are implemented on a semi-annual basis. The Freedom Criteria are implemented on an annual basis.

The base date of the Reference Index is 31 December 2010.

Further information on the Reference Index, including all relevant eligibility criteria and constituents, is available on FTSE ESG Select Government Bond Index Series (lseg.com)

# PRODUCT ANNEX 36: Xtrackers II TIPS US Inflation-Linked Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II TIPS US 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** | 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.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Concentration of the Reference Index*<br>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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Launch Date** | Means 13 October 2022 for 1C Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |

| | |
|---|---|
| **Cut-off Time** | 5.00 p.m. Luxembourg time on the Business Day on the Transaction Day. |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| **Description of Share Classes**[130] | |
|---|---|
| **Classes** | **"1C"** |
| **Form of Shares** | Registered Shares represented by a Global Share Certificate. |
| **ISIN Code** | LU2504532131 |
| **WKN Code** | DBX0S0 |
| **Denomination Currency** | USD |
| **Minimum Initial Subscription Amount** | USD 50, 000 |
| **Minimum Subsequent Subscription Amount** | USD 50, 000 |
| **Management Company Fee**[131] | Up to 0.01% p.a. |
| **Fixed Fee** | 0.00500% *per* month (0.06% p.a.) |
| **All-In Fee** | Up to 0.07% 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% |

[130] Additional Classes of Shares may be available under www.Xtrackers.com.

[131] 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[132]

The Reference Index is administered and published by IHS Markit Benchmark Administration Limited (the "**Index Administrator**"). The Reference Index forms part of the Markit iBoxx Inflation-Linked Bond Indices family, which are designed to reflect the performance of inflation linked investment grade debt issued by developed markets. The index rules aim to offer a broad coverage of the inflation-linked bond universe, whilst upholding minimum standards of investability and liquidity. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

**Reference Index methodology:**

The Reference Index determines its constituents by applying five main selection criteria: issuer type, credit rating, bond type, time to maturity, and amount outstanding:

**(1)** **Issuer type:** Only bonds issued by the U.S. government are eligible for inclusion in the Reference Index.
**(2)** **Credit rating:** All bonds in the Reference Index must be rated investment grade (being BBB- / Baa3) according to the IBoxx Rating Methodology used by the Markit Group, which is available under https://www.spglobal.com/spdji/en/.
**(3)** **Time to maturity:** All bonds must have a remaining time to maturity of at least one (1) year at the rebalancing date.
**(4)** **Amount outstanding:** All bonds require a minimum amount outstanding of USD 2 billion in order to be eligible for the Reference Index.
**(5)** **Bond type:** Only fixed-rate bonds whose cash flow can be determined in advance are eligible. Zero coupon inflation-linked bonds are also eligible. 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.

**Reference Index calculation and rebalancing:**

The Reference Index is calculated in USD and is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end.

The Reference Index is market-value-weighted, with the bond's amount outstanding as the weighting factor. The amount outstanding of a bond is only adjusted at the monthly rebalancing process at the end of each month. Market weights for the Reference Index are classified into index weighting and bond weighting.

The index history of the Reference Index starts on 31 December 2000.

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

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at https://www.spglobal.com/spdji/en/.

[132] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 37: Xtrackers II Eurozone Government Green Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Green 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index (the "**Reference Index**"). The Reference Index is designed to reflect the performance of Sovereign Green bonds that are denominated in EUR. The index rules aim to offer a broad coverage of the Green sovereign bond universe, meeting certain minimum environmental, social and governance ("ESG") criteria, whilst upholding minimum standards of investability and liquidity.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund has sustainable investment as its objective and is subject to the disclosure requirements of a financial product under Article 9(1) of SFDR. Information on how the Reference Index is aligned with the Sub-Fund's sustainable investment objective is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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. |

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| | *No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>The market which the Reference Index seeks to represent covers sovereign debt issued in developed markets. A. 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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 9(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects has sustainable investment as its objective. The Company is solely relying on the activities conducted by and information provided by the Index Administrator to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index is aligned with the Sub-Fund's sustainable investment objective is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of issuers' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator may incorrectly assess a security or issuer, resulting in the incorrect inclusion or |

| | |
|---|---|
| | exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **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 a date yet to be determined by the Board of Directors. |
| **Launch Date** | Means 13 October 2022 for the 1D Share Class. 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 Time** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | N/A |

| **Description of Share Classes**[133] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **Form of Shares** | Registered Shares represented by a Global Share Certificate. | Registered Shares represented by a Global Share Certificate. |
| **ISIN Code** | LU2504532305 | LU2504532487 |
| **WKN Code** | DBX0SY | DBX0SZ |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Management Company Fee**[134] | Up to 0.08% p.a. | Up to 0.08% 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 0.18% p.a. | Up to 0.18% 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**[135] | Up to 1% | Up to 1% |

133 Additional Classes of Shares may be available under www.Xtrackers.com.

134 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.

135 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**[136]

The Reference Index is administered and published by IHS Markit Benchmark Administration Limited (the "**Index Administrator**"). The Reference Index is designed to reflect the performance of sovereign Green Bonds that are denominated in EUR. The index rules aim to offer a broad coverage of the 'green' sovereign bond universe whilst upholding minimum standards of investability and liquidity. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

**Reference Index methodology:**

The Reference Index determines its constituents by applying the following main selection criteria:

**(1)** **Eligible bond types:** Only bonds whose cash flows can be determined in advance are eligible for inclusion in the Reference Index. Eligible bond types include, but are not restricted to, fixed coupon bonds (plain vanilla bonds) and zero-coupon bonds issued by a central government of a member country of the Eurozone. Bonds must be denominated in Euro or in a pre-Euro currency.

**(2)** **Credit rating:** All Green Bonds in the Reference Index must be rated investment grade (being BBB- / Baa3) according to the methodology used by the Markit Group, which is available under https://www.spglobal.com/spdji/en/.

**(3)** **Time to maturity:** All Green Bonds must have a remaining time to maturity of at least one (1) year at the rebalancing date.

**(4)** **Amount outstanding:** All Green Bonds require a minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

**(5)** **Freedom House Global Freedom Status:** The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or Partly Free are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

**(6)** **Sustainalytics Country-Risk Category:** Country-Risk Scores are used to determine the Sustainalytics Country-Risk Category. The Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "Severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

**(7)** **Green Bond classification:** The Reference Index leverages external independent data sources for determining any 'green' bond classification. Only those bonds that have been classified by the Climate Bond Initiative ("**CBI**") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy are eligible. The criteria goes beyond self-labelling conventions, and evaluates the credibility of an asset and its environmental impact. The CBI's Climate Bond Taxonomy determines if each Green Bond's use of generated proceeds will help in the wider effort of transitioning to a low carbon economy. The CBI verifies if any generated greenhouse gas emissions are consistent with the greater goal of achieving the 2-degree global warming target as set by the COP 21 Paris Agreement. The CBI Taxonomy has been developed based on the latest climate science, including research from the Intergovernmental Panel on Climate Change, the International Energy Agency, and has benefited from the input of hundreds of technical experts from around the world.

The Reference Index uses inclusion criteria based on Morningstars Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, this index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

[136] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

**Reference Index calculation and rebalancing:**

The Reference Index is calculated in EUR and is calculated daily on a total return basis which means that coupon payments are reinvested in the Reference Index.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. Constituents will be weighted in the Reference Index according to their market value. The aggregate weight for any country will be capped at 35% within the Reference Index. Any excess will be distributed to all of the remaining countries on a pro rata basis.

The index history of the Reference Index is 31 January 2021.

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

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at https://www.spglobal.com/spdji/en/.

# PRODUCT ANNEX 38: Xtrackers II Eurozone Government Bond ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of EUR denominated sovereign bond issues with adjusted weights, which meet certain minimum environmental, social and governance ("**ESG**") standards, by allocating higher weights to countries with a favorable Country-Risk score and reducing weights of countries with a less favorable Country-Risk score.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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. |

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| | *No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>The market which the Reference Index seeks to represent 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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of issuers' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator may incorrectly assess a security or issuer, resulting in the incorrect inclusion or |

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|---|---|
| | exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **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 a date yet to be determined by the Board of Directors. |
| **Launch Date** | Means 13 October 2022 for the 1D Share Class. For the 1C 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** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| **Description of Share Classes**[137] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **Form of Shares** | Registered Shares represented by a Global Share Certificate. | Registered Shares represented by a Global Share Certificate. |
| **ISIN Code** | LU2504537361 | LU2504537445 |
| **WKN Code** | DBX0SW | DBX0SX |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | EUR 50,000 |
| **Management Company Fee**[138] | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% | |

[137] Additional Classes of Shares may be available under www.Xtrackers.com.

[138] 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[139]

The Reference Index is administered and published by IHS Markit Benchmark Administration Limited (the "**Index Administrator**"). The Reference Index offers a targeted coverage of the EUR denominated sovereign bond universe with adjusted weights, by allocating higher weights to countries with favorable Sustainalytics Country-Risk Scores while reducing weights of countries with less favorable Sustainalytics Country-Risk Scores. The Reference Index is owned by S&P Dow Jones Indices, LLC ("**S&P**").

**Reference Index methodology:**

The Reference Index determines its constituents by applying the following main selection criteria:

**(1)** **Eligible bond types:** Only fixed-rate bonds whose cash flow can be determined in advance are eligible. Eligible bond types include, but are not restricted to, fixed coupon bonds (plain vanilla bonds) and zero-coupon bonds issued by a central government of a member country of the Eurozone. Bonds must be denominated in Euro or in a pre-Euro currency.

**(2)** **Credit rating:** All bonds in the Reference Index must be rated investment grade (being BBB-/ Baa3) according to the iBoxx Rating Methodology used by the Markit Group, which is available under https://www.spglobal.com/spdji/en/.

**(3)** **Time to maturity:** All bonds must have a remaining time to maturity of at least one (1) year at the rebalancing date.

**(4)** **Amount outstanding:** All bonds require a minimum amount outstanding of EUR 1 billion in order to be eligible for the Reference Index.

**(5)** **Freedom House Global Freedom Status:** The Reference Index also applies an additional inclusion criteria based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

**(6)** **Sustainalytics Country-Risk Score**: Once the eligible bond universe has been defined, the countries within the eligible bond universe are weighted depending on their relative 'Sustainalytics Country-Risk Scores'. A countries risk score measures the magnitude of unmanaged ESG risk. A low score indicates a lower degree of unmanaged ESG risk and a high score indicates a higher degree of unmanaged ESG risk. Countries are then grouped into one of five Country-Risk Categories (negligible, low, medium, high, severe) as further detailed below and based on the calculated Country-Risk Score. Issuer weights are then tilted more favourably towards countries with lower levels of unmanaged ESG risk (i.e. a lower Country-Risk Score) by the application of a re-weight factor and the issuer's pre-tilted weight. Such re-weight factor assesses the variance of each issuer's Country-Risk Score from the mean of the eligible universe. The country with the lowest Country-Risk Score relative to the mean will be assigned a re-weight factor of 0.5 and the country with the highest Country-Risk Score relative to the mean will be assigned a re-weight factor of 2. Countries falling between this range are assigned a re-weight factor by a non-linear formula relative to such issuer's variance from the Country-Risk Score mean. Country weights will then be normalised to sum to 100%. Further information on Country-Risk Scores can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

**(7)** **Sustainalytics Country-Risk Category:** The Country-Risk Scores as described above calculates the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "Severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

The Reference Index uses inclusion criteria based on Morningstar's Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the

[139] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

**Reference Index calculation and rebalancing:**

The Reference Index is calculated in EUR and is calculated daily on a total return basis, which means that coupon payments are reinvested in the Reference Index.

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-allocated quarterly. Bonds issued by the same country are market-value weighted according to the country weight. The aggregate weight for any country will be capped at 35% within the Reference Index. Any excess will be distributed to all of the remaining countries on a pro rata basis.

The index history of the Reference Index starts on 30 November 2010.

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

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at https://www.spglobal.com/spdji/en/.

# PRODUCT ANNEX 39: Xtrackers II J.P. Morgan EM Local Government Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II J.P. Morgan EM Local 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** | The aim is for your investment to reflect the performance of the J.P. Morgan Government Bond Index-Emerging Markets Global Div 10% Cap 0.25% Floor Index ("**Reference Index**"). The Reference Index aims to represent the returns of investment grade and high-yield sovereign debt issued by the governments of certain emerging market countries, issued in domestic currency.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **China Bond Connect** | Bond Connect is a joint venture scheme between China Foreign Exchange Trade System (CFETS) and Hong Kong Exchanges and Clearing Limited (HKEx) to facilitate mutual access between the respective bond markets of Hong Kong and the People's Republic of China (PRC).<br>Under Bond Connect, overseas investors (including the Sub-Fund) may be allowed, subject to the requirements of the People's Bank of China (PBOC) and any rules and regulations issued/amended from time to time, to access bonds traded on the China Interbank Bond Market (CIBM) via the northbound trading link. Through Bond Connect, overseas investors are not required to possess onshore accounts in China to hold CIBM securities. Pursuant to the prevailing regulations in China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.<br>Bond Connect is governed by rules and regulations as promulgated by the Chinese authorities. Such rules and regulations may be amended from time to time. Further information about Bond Connect is available online at the website:<br>https://www.chinabondconnect.com/en/index.html |
| **Specific Investment Restrictions** | 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.<br>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". |
| **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 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |

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| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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.<br>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".<br>*Distribution Shares*<br>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.<br>*Sovereign Bond Risk*<br>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.<br>*Interest Rate Risk*<br>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.<br>*Liquidity Risk*<br>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 realisation costs and may suffer losses accordingly.<br>*Emerging Markets*<br>Investments in the markets to which the Reference Index relates are currently exposed to risks pertaining to emerging markets generally. These include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of securities. These may contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.<br>(a) *Legal Risk:* The economies of most emerging markets are often substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting these economies are also in a relatively early stage of development and are not as well established as the laws and regulations of developed countries. Such countries' securities laws and regulations may still be in their development stages and not drafted in a very concise manner which may be subject to interpretation. In the event of a securities related dispute involving a foreign party, the laws of these countries would typically apply (unless an applicable international treaty provides otherwise). The court systems of these nations may not be as transparent and effective as court systems in more developed countries or territories and there can be no assurance of obtaining effective enforcement of rights through legal proceedings and generally the judgements of foreign courts are often not recognised. |

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| | (b) *Regulatory Risk:* Foreign investment in emerging economies' primary and secondary markets is often still relatively new and much of the relevant securities laws may be ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that because of a lack of precedent, securities market laws and the regulatory environment for primary and secondary market investments by foreign investors can be in the early stages of development, and may, in some jurisdictions, remain untested.<br>(c) *Foreign Exchange Risk:* Some currencies of emerging markets are controlled. Investors should note the risks of limited liquidity in certain foreign exchange markets. Because the Sub-Fund and Reference Index are calculated in USD while the constituents of the Reference Index are denominated in various other currencies, the performance of the Reference Index and Sub-Fund will also depend on the strength of such currencies against the Reference Currency and the interest rate of the countries issuing these currencies.<br>*China Bond Connect Risk*<br>Investors in the Sub-Fund should note that transactions conducted via Bond Connect will involve risks including, but not limited to:<br>(a) *Suspension risk:* Trading or account opening may be suspended by the relevant authorities for reasons including; risk management and ensuring an orderly and fair market. Such suspensions would adversely affect the Sub-Fund's ability to access the bonds traded on the CIBM market, which could negatively affect the ability of the Sub-Fund to track the performance of the Reference Index or its ability to dispose of CIBM securities.<br>(b) *Differences in trading day:* Bond Connect operates on days when banks in both Hong Kong and Shanghai markets are open (excluding Saturdays, Sundays and public holidays in Hong Kong or the PRC). It is possible that there are occasions when bonds are trading on the CIBM market but Hong Kong and overseas investors (such as the Sub-Fund) cannot carry out trading via Bond Connect. As a result, the Sub-Fund may be subject to a risk of price fluctuations in bonds during the time when Bond Connect is not trading.<br>(c) *Clearing, settlement and custody risks:* The Central Moneymarkets Unit (CMU) acts as the Central Securities Depository (CSD) for CIBM Bonds traded via the Bond Connect Northbound link and carries out the role of nominee security holder for CMU members. In the event of a CMU or PRC clearing house default, the Sub-Fund may suffer delay in the settlement or recovery of assets or the Sub-Fund may not be able to fully recover its losses. Such settlement risks have been partially mitigated by the introduction of a delivery versus payment (DVP) settlement model for Bond Connect transactions.<br>(d) *Operational risk:* Bond Connect was established on 3 July 2017 and is therefore a relatively new mechanism for overseas investors (such as the Sub-Fund) to access the PRC market. There is no guarantee that the systems of the CIBM and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted and the Sub-Fund's ability to access the CIBM market could be adversely affected.<br>(e) *Trading costs:* In addition to trading fees and duties in connection with CIBM trading, the Sub-Fund may be subject to new portfolio fees, coupon tax and tax concerned with income arising from bond trades which are yet to be determined by the relevant authorities.<br>(f) *Regulatory risk:* Overseas investors (such as the Sub-Fund) that purchase CIBM bonds via Bond Connect are entitled to the rights and interests of the assets pursuant to PRC law. However, the application of such rules for overseas CIBM investors is relatively untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies. There can be no assurance that Bond Connect will not be abolished and the Sub-Fund's ability to invest in the PRC market may be severely adversely affected.<br>(g) *Market volatility and liquidity risk:* Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. By investing in such market, the Sub-Fund is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may |

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| | be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments. |
| **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 a date yet to be determined by the Board of Directors. |
| **Launch Date** | Means 12 April 2023 for the 1D 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. |
| **Cut-off Time** | 5.00 p.m. Luxembourg time on the Business Day prior to the Transaction Day |
| **Significant Market** | Direct Replication Significant Market |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[140] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **Form of Shares** | Registered Shares represented by a Global Share Certificate. | Registered Shares represented by a Global Share Certificate. |
| **ISIN Code** | LU2158769856 | LU2158769930 |
| **WKN Code** | A2P26Z | A2P263 |
| **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 Fee[141]** | Up to 0.05% p.a. | Up to 0.05% p.a. |
| **Fixed Fee** | 0.01667% *per* month (0.20% p.a.) | 0.01667% *per* month (0.20% p.a.) |
| **All-In Fee** | Up to 0.25% p.a. | 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. | |
| **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 2% | |

[140] Additional Classes of Shares may be available under www.Xtrackers.com.

[141] 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 [142]

The Reference Index is the J.P. Morgan Government Bond Index-Emerging Markets Global Div 10% Cap 0.25% Floor Index and is administered by J. P. Morgan Securities LLC (the "**Index Administrator**").

The objective of the Reference Index is to reflect the performance of both investment-grade and high-yield local currency sovereign debt issued by the governments of certain emerging market countries.

### Reference Index Methodology

The Reference Index is based on the J.P. Morgan GBI-EM Global Diversified Index (the "**Parent Index**") with specific eligibility criteria including, but not limited to, country eligibility, bond type, maturity, issue size, accessibility and pre-defined capping criteria.

Only local currency denominated debt securities are eligible for inclusion in the Reference Index. Eligible debt securities must be issued by governments domiciled in emerging market countries, as determined by the Index Administrator. A country is eligible for inclusion if: (a) its GNI per capita is below a certain index income threshold; (b) its national cost of living, as measured by the Index Purchasing-Power-Parity Ratio, is below a certain threshold; and (c) its sovereign credit rating is below a certain threshold. The Reference Index includes only those countries that are accessible by most of the international investor base as determined by the Index Administrator and have a weight in the Parent Index above predefined threshold.

### Reference Index Weighting, Calculation and Rebalancing

Constituents in the Reference Index are market capitalisation weighted using the Index Administrator's diversified weighting methodology. A maximum country weight cap of 10% and minimum country weight floor of 0.25% are applied to the index constituents in order to limit individual market concentration, occurring at the date of each rebalance.

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 30 November 2012.

### Further Information

Additional information on the Reference Index, including all relevant eligibility criteria and constituents, is available on: https://markets.jpmorgan.com/#research.emerging_markets.index

[142] 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.jpmorgan.com/insights/research/index-research/composition. They may change from time to time and details of the changes will appear on the Index Administrator's website.
Shareholders' attention is drawn to the fact that the Index Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 40: Xtrackers II Eurozone Government Bond 0-1 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 0-1 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns 0-1 Capped Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of less than one year.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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". |

| | |
|---|---|
| | *Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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 |
| **Offering Period** | For the 2C – USD 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** | Means 12 September 2023 for the 1C Share Class.<br>For the 2C – USD 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** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[143] | | | |
|---|---|---|---|
| **Classes** | **"1C"** | **"2C – USD Hedged"** | **"3D – GPB Hedged** |
| **ISIN Code** | LU2641054122 | LU2641053660 | LU2641053744 |
| **WKN Code** | DBX0T2 | DBX0T3 | DBX0T4 |
| **Denomination Currency** | EUR | USD | GBP |
| **Minimum Initial Subscription Amount** | EUR 50,000 | USD 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | USD 50,000 | GBP 50,000 |
| **Management Company Fee[144]** | Up to 0.01% p.a. | Up to 0.06% p.a. | Up to 0.06% p.a. |
| **Fixed Fee** | 0.005% *per* month (0.06% p.a.) | 0.005% *per* month (0.06% p.a.) | 0.005% *per* month (0.06% p.a.) |
| **All-In Fee** | Up to 0.07% p.a. | Up to 0.12% p.a. | Up to 0.12% p.a. |
| **Primary Market Transaction Costs** | 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. |
| **Dividends** | N/A | 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[145]** | Up to 1% | | |

143 Additional Classes of Shares may be available under www.Xtrackers.com.

144 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.

145 The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Class against the Reference Index (which is also unhedged)

**General Description of the Reference Index[146]**

The Reference Index represents 0-1 year maturity EUR-denominated sovereign debt issued by governments of Eurozone countries. The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or "**Index Administrator**").

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 denominated bonds. All bonds must have a remaining time to maturity of less than 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 and meet certain credit rating criteria 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:

*Bond selection*

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

*Reference Index composition*

General Markit iBoxx EUR Index Rules establish that all bonds are assigned to each Markit 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.

*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 weight of a country in the Reference Index is capped at 35 percent. of the market value of the Reference Index at the rebalancing date. The remaining market weight is redistributed on a pro-rata basis across the other countries.

**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 October 2016.

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

[146] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 41: Xtrackers II Germany Government Bond 0-1 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Germany Government Bond 0-1 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Germany 0-1 Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the German government that have a remaining time to maturity of less than one year.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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". |

| | |
|---|---|
| | *Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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 |
| **Offering Period** | For the 2C – USD 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** | Means 12 September 2023 for the 1C Share Class.<br>For the 2C- USD 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** | 4.00 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[147] | | | |
|---|---|---|---|
| **Classes** | **"1C"** | **"2C – USD Hedged"** | **"3D – GPB Hedged** |
| **ISIN Code** | LU2641054551 | LU2641054635 | LU2641054718 |
| **WKN Code** | DBX0T8 | DBX0T9 | DBX0UA |
| **Denomination Currency** | EUR | USD | GBP |
| **Minimum Initial Subscription Amount** | EUR 50,000 | USD 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | EUR 50,000 | USD 50,000 | GBP 50,000 |
| **Management Company Fee[148]** | Up to 0.01% p.a. | Up to 0.06% p.a. | Up to 0.06% p.a. |
| **Fixed Fee** | 0.005% *per* month (0.06% p.a.) | 0.005% *per* month (0.06% p.a.) | 0.005% *per* month (0.06% p.a.) |
| **All-In Fee** | Up to 0.07% p.a. | Up to 0.12% p.a. | Up to 0.12% p.a. |
| **Primary Market Transaction Costs** | 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. |
| **Dividends** | N/A | 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[149]** | Up to 1% | | |

147 Additional Classes of Shares may be available under www.Xtrackers.com.

148 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.

149 The anticipated level of Tracking Error disclosed represents the Tracking Error of the unhedged Share Class against the Reference Index (which is also unhedged)

**General Description of the Reference Index[150]**

The Reference Index represents the 0-1 year maturity EUR-denominated sovereign debt issued by Germany. The Reference Index is administered by IHS Markit Benchmark Administration Limited ("**Markit**" or "**Index Administrator**").

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 denominated bonds. All bonds must have a remaining time to maturity of less than 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 and meet certain credit rating criteria 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:

*Bond selection*

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

*Reference Index composition*

General Markit iBoxx EUR Index Rules establish that all bonds are assigned to each Markit 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.

*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.

*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 October 2016.

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

[150] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 42: Xtrackers II Target Maturity Sept 2027 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2027 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2027 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2026 and 30 September 2027, and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("**ESG**") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2027 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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 |

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|---|---|
| | "General Information on the Company and the Shares" in the main part of the Prospectus.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions. |

| | |
|---|---|
| | *Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption amount may be below the initial purchase amount, and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 8 November 2023 for the 1D Share Class and 25 September 2024 for the 1C Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off** | 3.30 p.m. Luxembourg time on the Transaction Day. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[151] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2673522830 | LU2673523218 |
| **WKN Code** | DBX0U6 | DBX0VA |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[152]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

151 Additional Classes of Shares may be available under www.Xtrackers.com.

152 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[153]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2026 and 30 September 2027. The Reference Index includes bonds issued by industrial, utility, and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2026, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2026 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[153] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 43: Xtrackers II Target Maturity Sept 2029 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2029 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2029 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2028 and 30 September 2029, and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2029 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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. |

| | |
|---|---|
| | The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in |

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|---|---|
| | relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption amount may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 8 November 2023 for the 1D Share Class and 25 September 2024 for the 1C Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off** | 3.30 p.m. Luxembourg time on the Transaction Day. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[154] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2673522913 | LU2673523309 |
| **WKN Code** | DBX0U7 | DBX0VB |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[155]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

154 Additional Classes of Shares may be available under www.Xtrackers.com.

155 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[156]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2028 and 30 September 2029. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2028, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2028 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[156] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amount outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 44: Xtrackers II Target Maturity Sept 2031 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2031 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 | |
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| **Investment Objective** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2031 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2030 and 30 September 2031, and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2031 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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. |

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| | The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in |

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| | relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br><br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br><br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br><br>*Maturity Date*<br><br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br><br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption amount may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br><br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br><br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 8 November 2023 for the 1D Share Class and 25 September 2024 for the 1C Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off** | 3.30 p.m. Luxembourg time on the Transaction Day. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[157] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2673523135 | LU2673523481 |
| **WKN Code** | DBX0U8 | DBX0VC |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[158]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

[157] Additional Classes of Shares may be available under www.Xtrackers.com.

[158] 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[159]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2030 and 30 September 2031. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2030, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2030 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[159] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amount outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 45: Xtrackers II Target Maturity Sept 2033 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2033 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2033 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2032 and 30 September 2033 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2033 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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. |

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| | The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in |

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| | relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Launch Date** | Means 8 November 2023 for the 1D Share Class and 25 September 2024 for the 1C Share Class. |
| **OTC Swap Transaction Costs** | N/A |
| **Significant Market** | Direct Replication Significant Market |
| **Cut-off** | 3.30 p.m. Luxembourg time on the Transaction Day. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[160] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2673523051 | LU2673523564 |
| **WKN Code** | DBX0U9 | DBX0VD |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[161]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

160 Additional Classes of Shares may be available under www.Xtrackers.com.

161 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[162]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2032 and 30 September 2033. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2032, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2032 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[162] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amount outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 46: Xtrackers II US Treasuries 3-7 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries 3-7 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** | The aim is for your investment to reflect the performance of the Bloomberg US Treasury 3-7 Year Index (the "**Reference Index**"). The Reference Index reflects the performance of sovereign debt denominated in U.S. Dollars with an outstanding maturity between 3 years and up to, but not including 7 years, issued by the U.S. Government.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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 under "Investment Restrictions". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

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|---|---|
| | *Concentration of the Reference Index*<br>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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 1C, 2D – EUR Hedged and the 3D - GBP Hedged Share Classes the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | Means, for the 1D Share Class, 6 December 2023.<br>For the 1C, 2D – EUR Hedged and the 3D – GBP Hedged Share Classes, the Launch Date will be set at a date yet 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 for the 1D and 1C Share Classes and 3.30 p.m. Luxembourg Time on the Transaction Day for the 2D – EUR Hedged and the 3D - GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[163] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D "** | **"2D - EUR Hedged"** | **"3D - GBP Hedged"** |
| **ISIN Code** | LU2672788812 | LU2662649503 | LU2672788903 | LU2672789034 |
| **WKN Code** | DBX0UX | DBX0UU | DBX0UY | DBX0UZ |
| **Denomination Currency** | USD | USD | EUR | GBP |
| **Management Company Fee[164]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.05% p.a. | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) |
| **All-In Fee** | Up to 0.06% p.a. | Up to 0.06% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **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. | 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[165]** | Up to 1% | | | |

[163] Additional Classes of Shares may be available under www.Xtrackers.com.

[164] 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.

[165] 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[166]**

The Reference Index represents the performance of U.S. Dollar sovereign debt with an outstanding maturity between 3 years and up to, but not including 7 years, issued by the U.S. Government. The Reference Index is administered by Bloomberg Index Services Limited ("**Bloomberg**" or the "**Index Administrator**").

***Selection Criteria for the inclusion of securities in the Reference Index:***

Only U.S. dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with a maturity between 3 years and up to, but not including 7 years, is eligible for inclusion in the Reference Index.

In order to be eligible for inclusion in the Reference Index, such securities require a minimum amount outstanding of USD 300 million par and must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch.

The following securities are not eligible and therefore excluded from the Reference Index:

- US Treasuries held in the Federal Reserve System Open Market Account (SOMA) account;
- Inflation-linked or floating-rate bonds;
- Separate Trading of Registered Interest and Principal Securities (STRIPS), Treasury bills or bellwethers;
- State and local government series (SLG) bonds.

***Reference Index Calculation and Rebalancing:***

*Rebalancing and securities selection:*

Those security issues meeting the criteria described above are included in the Reference Index on the last business day of each month (the rebalancing date) with weights based on market value. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date, qualify for inclusion in the following month's rebalance.

*Pricing:*

The Reference Index is calculated on a daily basis using Bloomberg Finance L.P.'s evaluated pricing service, Bloomberg's Evaluated Pricing Product (BVAL). Securities are typically priced at 4.00 p.m. New York time. Securities in the Reference Index are priced on the bid side. All securities included in the Reference Index are quoted as a percentage of their par value.

*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. 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 base date of the Reference Index is January 2007.

Full information on the Reference Index and the general methodology behind the Bloomberg indices is available at: Bloomberg Fixed Income Indices | Bloomberg Professional Services.

[166] 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. Information on the Reference Index appears on 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 47: Xtrackers II US Treasuries 7-10 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries 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** | The aim is for your investment to reflect the performance of the Bloomberg US Treasury 7-10 Year Index (the "**Reference Index**"). The Reference Index reflects the performance of sovereign debt denominated in U.S. Dollars with an outstanding maturity between 7 years and up to, but not including 10 years, issued by the U.S. Government.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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 under "Investment Restrictions". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Concentration of the Reference Index*<br>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 |

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|---|---|
| | 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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 1C, 2D – EUR Hedged and the 3D - GBP Hedged Share Classes the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | Means, for the 1D Share Class, 6 December 2023.<br>For the 1C, 2D – EUR Hedged and the 3D – GBP Hedged Share Classes, the Launch Date will be set at a date yet 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 for the 1D and 1C Share Classes and 3.30 p.m. Luxembourg Time on the Transaction Day for the 2D – EUR Hedged and the 3D - GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[167] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D "** | **"2D - EUR Hedged"** | **"3D - GBP Hedged"** |
| **ISIN Code** | LU2672789117 | LU2662649685 | LU2672789208 | LU2672789380 |
| **WKN Code** | DBX0U0 | DBX0UV | DBX0U1 | DBX0U2 |
| **Denomination Currency** | USD | USD | EUR | GBP |
| **Management Company Fee[168]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.05% p.a. | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) |
| **All-In Fee** | Up to 0.06% p.a. | Up to 0.06% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **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. | 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[169]** | Up to 1% | | | |

[167] Additional Classes of Shares may be available under www.Xtrackers.com.

[168] 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.

[169] 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[170]**

The Reference Index represents the performance of U.S. Dollar sovereign debt with an outstanding maturity between 7 years and up to, but not including 10 years, issued by the U.S. Government. The Reference Index is administered by Bloomberg Index Services Limited ("**Bloomberg**" or the "**Index Administrator**").

***Selection Criteria for the inclusion of securities in the Reference Index:***

Only U.S. dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with a maturity between 7 years and up to, but not including 10 years, is eligible for inclusion in the Reference Index.

In order to be eligible for inclusion in the Reference Index, such securities require a minimum amount outstanding of USD 300 million par and must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch.

The following securities are not eligible and therefore excluded from the Reference Index:

- US Treasuries held in the Federal Reserve System Open Market Account (SOMA) account;
- Inflation-linked or floating-rate bonds;
- Separate Trading of Registered Interest and Principal Securities (STRIPS), Treasury bills or bellwethers;
- State and local government series (SLG) bonds.

***Reference Index Calculation and Rebalancing:***

*Rebalancing and securities selection:*

Those security issues meeting the criteria described above are included in the Reference Index on the last business day of each month (the rebalancing date) with weights based on market value. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date, qualify for inclusion in the following month's rebalance.

*Pricing:*

The Reference Index is calculated on a daily basis using Bloomberg Finance L.P.'s evaluated pricing service, Bloomberg's Evaluated Pricing Product (BVAL). Securities are typically priced at 4.00 p.m. New York time. Securities in the Reference Index are priced on the bid side. All securities included in the Reference Index are quoted as a percentage of their par value.

*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. 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 base date of the Reference Index is May 1997.

Full information on the Reference Index and the general methodology behind the Bloomberg indices is available at: Bloomberg Fixed Income Indices | Bloomberg Professional Services.

[170] 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. Information on the Reference Index appears on 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 48: Xtrackers II US Treasuries 10+ UCITS ETF

The information contained in this Product Annex relates to Xtrackers II US Treasuries 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** | The aim is for your investment to reflect the performance of the Bloomberg US Long Treasury Index (the "**Reference Index**"). The Reference Index reflects the performance of sovereign debt denominated in U.S. Dollars with an outstanding maturity of 10 years or greater, issued by the U.S. Government.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>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. |
| **Specific Investment Restrictions** | 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.<br>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 under "Investment Restrictions". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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. |

| | |
|---|---|
| | *Concentration of the Reference Index*<br>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** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 1C, 2D – EUR Hedged and the 3D - GBP Hedged Share Classes the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | Means, for the 1D Share Class, 6 December 2023.<br>For the 1C, 2D – EUR Hedged and the 3D - GBP Hedged Share Classes, the Launch Date will be set at a date yet 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 for the 1D and 1C Share Classes and 3.30 p.m. Luxembourg Time on the Transaction Day for the 2D – EUR Hedged and the 3D - GBP Hedged Share Classes. |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[171] | | | | |
|---|---|---|---|---|
| **Classes** | **"1C"** | **"1D "** | **"2D - EUR Hedged"** | **"3D - GBP Hedged"** |
| **ISIN Code** | LU2672789463 | LU2662649412 | LU2672789547 | LU2672789620 |
| **WKN Code** | DBX0U3 | DBX0UW | DBX0U4 | DBX0U5 |
| **Denomination Currency** | USD | USD | EUR | GBP |
| **Management Company Fee[172]** | Up to 0.01% p.a. | Up to 0.01% p.a. | Up to 0.05% p.a. | Up to 0.05% p.a. |
| **Fixed Fee** | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) | 0.00417% *per* month (0.05% p.a.) |
| **All-In Fee** | Up to 0.06% p.a. | Up to 0.06% p.a. | Up to 0.10% p.a. | Up to 0.10% p.a. |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | EUR 50,000 | GBP 50,000 |
| **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. | 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[173]** | Up to 1% | | | |

[171] Additional Classes of Shares may be available under www.Xtrackers.com.

[172] 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.

[173] 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[174]**

The Reference Index represents the performance of U.S. Dollar sovereign debt with an outstanding maturity of 10 years or greater, issued by the U.S. Government. The Reference Index is administered by Bloomberg Index Services Limited ("**Bloomberg**" or the "**Index Administrator**").

***Selection Criteria for the inclusion of securities in the Reference Index:***

Only U.S. dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with a maturity of 10 years or greater is eligible for inclusion in the Reference Index.

In order to be eligible for inclusion in the Reference Index, such securities require a minimum amount outstanding of USD 300 million par and must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch.

The following securities are not eligible and therefore excluded from the Reference Index:

- US Treasuries held in the Federal Reserve System Open Market Account (SOMA) account;
- Inflation-linked or floating-rate bonds;
- Separate Trading of Registered Interest and Principal Securities (STRIPS), Treasury bills or bellwethers;
- State and local government series (SLG) bonds.

***Reference Index Calculation and Rebalancing:***

*Rebalancing and securities selection:*

Those security issues meeting the criteria described above are included in the Reference Index on the last business day of each month (the rebalancing date) with weights based on market value. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date, qualify for inclusion in the following month's rebalance.

*Pricing:*

The Reference Index is calculated on a daily basis using Bloomberg Finance L.P.'s evaluated pricing service, Bloomberg's Evaluated Pricing Product (BVAL). Securities are typically priced at 4.00 p.m. Eastern time. Securities in the Reference Index are priced on the bid side. All securities included in the Reference Index are quoted as a percentage of their par value.

*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. 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 base date of the Reference Index is January 1973.

Full information on the Reference Index and the general methodology behind the Bloomberg indices is available at: Bloomberg Fixed Income Indices | Bloomberg Professional Services.

[174] 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. Information on the Reference Index appears on 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 49: Xtrackers II Target Maturity Sept 2026 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2026 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2026 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2025 and 30 September 2026 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2026 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |

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| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance. |

| | |
|---|---|
| | ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors |
| **Launch Date** | For the 1C and 1D 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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[175] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2809863728 | LU2809863991 |
| **WKN Code** | DBX0VW | DBX0VX |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[176]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

175 Additional Classes of Shares may be available under www.Xtrackers.com.

176 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[177]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2025 and 30 September 2026. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2025, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2025 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[177] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 50: Xtrackers II Target Maturity Sept 2028 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2028 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2028 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2027 and 30 September 2028 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2028 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |

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| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance. |

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| | ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **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** | Means 25 September 2024 for the 1D Share Class.<br>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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[178] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2810185582 | LU2810185665 |
| **WKN Code** | DBX0V5 | DBX0V6 |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[179]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

178 Additional Classes of Shares may be available under www.Xtrackers.com.

179 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[180]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2027 and 30 September 2028. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2027, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2027 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[180] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 51: Xtrackers II Target Maturity Sept 2030 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2030 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 | |
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| **Investment Objective** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2030 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2029 and 30 September 2030 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2030 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |

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| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance. |

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| | ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **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** | Means 25 September 2024 for the 1D Share Class.<br>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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[181] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2809864023 | LU2809864296 |
| **WKN Code** | DBX0VY | DBX0VZ |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[182]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

181 Additional Classes of Shares may be available under www.Xtrackers.com.

182 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[183]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2029 and 30 September 2030. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2029, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2029 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[183] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 52: Xtrackers II Target Maturity Sept 2032 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2032 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 | |
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| **Investment Objective** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2032 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2031 and 30 September 2032 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2032 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |

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| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented. |

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| | It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **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** | Means 25 September 2024 for the 1D Share Class.<br>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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[184] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2809864379 | LU2809864452 |
| **WKN Code** | DBX0V0 | DBX0V1 |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[185]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

184 Additional Classes of Shares may be available under www.Xtrackers.com.

185 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[186]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2031 and 30 September 2032. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2031, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG key issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2031 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[186] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 53: Xtrackers II Target Maturity Sept 2034 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2034 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2034 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2033 and 30 September 2034 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2034 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |

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| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented. |

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|---|---|
| | It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **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** | Means 25 September 2024 for the 1D Share Class.<br>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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[187] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU2809864536 | LU2809864619 |
| **WKN Code** | DBX0V2 | DBX0V3 |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[188]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

187 Additional Classes of Shares may be available under www.Xtrackers.com.

188 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[189]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2033 and 30 September 2034. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2033, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2033 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[189] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 54: Xtrackers II Eurozone Government Bond 1-3 ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 1-3 ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted 1-3 Select Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 1 year and up to 3 years, which meet certain minimum environmental, social and governance ("ESG") standards.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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 |

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| | 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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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. Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |

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| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| **Description of Share Classes**[190] | | |
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| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3119430067 | pending |
| **WKN Code** | DBX0XJ | pending |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[191] | 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% |

190 Additional Classes of Shares may be available under www.Xtrackers.com.

191 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[192]

The Reference Index represents the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 1 year and up to 3 years, remaining to the maturity, which align with certain ESG and climate-related criteria. The Reference Index is administered by S&P Dow Jones Indices LLC (the "**Index Administrator**").

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "**Parent Index**"). For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. All bonds must meet certain minimum criteria with regards to bond type, amount outstanding, and time to maturity in order to be eligible for inclusion in the Reference Index.

In addition, the Reference Index excludes bonds that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "**Eligible Universe**"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the "**Tilted Weight**"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 1-3 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Reference Index calculation and rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-calculated quarterly. On each rebalancing date, the eligibility criteria above will be applied to the universe of eligible bonds to determine those bonds which shall be included in the Reference Index.

The calculation of the index follows the rules and publication calendar of the Parent Index. The Reference Index is calculated on a total return basis which means that any coupons received 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 Reference Index is calculated by the Index Administrator on a daily basis. 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

[192] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

for inclusion at the next re-balancing, enter the Reference Index at their ask price.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: S&P Dow Jones Indices.

# PRODUCT ANNEX 55: Xtrackers II Eurozone Government Bond 3-5 ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 3-5 ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted 3-5 Select Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 3 years and up to 5 years, which meet certain minimum environmental, social and governance ("ESG") standards.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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 |

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| | 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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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. Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |

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| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| **Description of Share Classes**[193] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3119430141 | pending |
| **WKN Code** | DBX0XK | pending |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[194] | 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% |

193 Additional Classes of Shares may be available under www.Xtrackers.com.

194 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[195]

The Reference Index represents the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 3 years and up to 5 years, remaining to the maturity, which align with certain ESG and climate-related criteria. The Reference Index is administered by S&P Dow Jones Indices LLC (the "**Index Administrator**").

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "**Parent Index**"). For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. All bonds must meet certain minimum criteria with regards to bond type, amount outstanding, and time to maturity in order to be eligible for inclusion in the Reference Index.

In addition, the Reference Index excludes bonds that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "**Eligible Universe**"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the "**Tilted Weight**"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 3-5 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Reference Index calculation and rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-calculated quarterly. On each rebalancing date, the eligibility criteria above will be applied to the universe of eligible bonds to determine those bonds which shall be included in the Reference Index.

The calculation of the index follows the rules and publication calendar of the Parent Index. The Reference Index is calculated on a total return basis which means that any coupons received 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.

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[195] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

The Reference Index is calculated by the Index Administrator on a daily basis. 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.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: S&P Dow Jones Indices.

# PRODUCT ANNEX 56: Xtrackers II Eurozone Government Bond 5-7 ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 5-7 ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted 5-7 Select Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 5 years and up to 7 years, which meet certain minimum environmental, social and governance ("ESG") standards.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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. |

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| | *No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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. Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index |

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| | Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| **Description of Share Classes**[196] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3119430224 | pending |
| **WKN Code** | DBX0XL | pending |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[197] | 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% |

196 Additional Classes of Shares may be available under www.Xtrackers.com.

197 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[198]

The Reference Index represents the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 5 years and up to 7 years, remaining to the maturity, which align with certain ESG and climate-related criteria. The Reference Index is administered by S&P Dow Jones Indices LLC (the "**Index Administrator**").

### Eligibility criteria

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "**Parent Index**"). For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. All bonds must meet certain minimum criteria with regards to bond type, amount outstanding, and time to maturity in order to be eligible for inclusion in the Reference Index.

In addition, the Reference Index excludes bonds that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

### Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "**Eligible Universe**"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the "**Tilted Weight**"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 5-7 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

### Reference Index calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-calculated quarterly. On each rebalancing date, the eligibility criteria above will be applied to the universe of eligible bonds to determine those bonds which shall be included in the Reference Index.

The calculation of the index follows the rules and publication calendar of the Parent Index. The Reference Index is calculated on a total return basis which means that any coupons received 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 Reference Index is calculated by the Index Administrator on a daily basis. The Reference Index is calculated

[198] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

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.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: S&P Dow Jones Indices.

# PRODUCT ANNEX 57: Xtrackers II Eurozone Government Bond 7-10 ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 7-10 ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted 7-10 Select Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 7 years and up to 10 years, which meet certain minimum environmental, social and governance ("ESG") standards.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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 |

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| | 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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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. Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |

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| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| **Description of Share Classes**[199] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3119430497 | pending |
| **WKN Code** | DBX0XM | pending |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[200] | 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% |

[199] Additional Classes of Shares may be available under www.Xtrackers.com.

[200] 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[201]

The Reference Index represents the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 7 years and up to 10 years, remaining to the maturity, which align with certain ESG and climate-related criteria. The Reference Index is administered by S&P Dow Jones Indices LLC (the "**Index Administrator**").

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "**Parent Index**"). For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. All bonds must meet certain minimum criteria with regards to bond type, amount outstanding, and time to maturity in order to be eligible for inclusion in the Reference Index.

In addition, the Reference Index excludes bonds that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "**Eligible Universe**"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the "**Tilted Weight**"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 7-10 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Reference Index calculation and rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-calculated quarterly. On each rebalancing date, the eligibility criteria above will be applied to the universe of eligible bonds to determine those bonds which shall be included in the Reference Index.

The calculation of the index follows the rules and publication calendar of the Parent Index. The Reference Index is calculated on a total return basis which means that any coupons received 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.

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201 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

The Reference Index is calculated by the Index Administrator on a daily basis. 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.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: S&P Dow Jones Indices.

# PRODUCT ANNEX 58: Xtrackers II Eurozone Government Bond 10+ ESG Tilted UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Eurozone Government Bond 10+ ESG Tilted 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** | The aim is for your investment to reflect the performance of the iBoxx EUR Sovereigns ESG Tilted 10+ Select Index (the "**Reference Index**"). The Reference Index reflects the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of 10 years or greater, which meet certain minimum environmental, social and governance ("ESG") standards.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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 |

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| | 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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's environmental, social and governance standards limit the number 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. Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund. |

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| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| **Description of Share Classes[202]** | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3119430570 | pending |
| **WKN Code** | DBX0XN | pending |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[203]** | 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% |

[202] Additional Classes of Shares may be available under www.Xtrackers.com.

[203] 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[204]

The Reference Index represents the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with an outstanding maturity of 10 years or greater, which align with certain ESG and climate-related criteria. The Reference Index is administered by S&P Dow Jones Indices LLC (the "**Index Administrator**").

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "**Parent Index**"). For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade (Baa3/BBB-/BBB-) or higher using the average rating of the applicable ratings of Moody's, S&P and Fitch. All bonds must meet certain minimum criteria with regards to bond type, amount outstanding, and time to maturity in order to be eligible for inclusion in the Reference Index.

In addition, the Reference Index excludes bonds that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "**Eligible Universe**"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the "**Tilted Weight**"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 10+ Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Reference Index calculation and rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. The country weights are re-calculated quarterly. On each rebalancing date, the eligibility criteria above will be applied to the universe of eligible bonds to determine those bonds which shall be included in the Reference Index.

The calculation of the index follows the rules and publication calendar of the Parent Index. The Reference Index is calculated on a total return basis which means that any coupons received 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.

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[204] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

The Reference Index is calculated by the Index Administrator on a daily basis. 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.

Full information on the Reference Index and the general methodology can be found on the relevant S&P Dow Jones website at: S&P Dow Jones Indices.

# PRODUCT ANNEX 59: Xtrackers II Salam USD Global Aggregate Sukuk UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Salam USD Global Aggregate Sukuk 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** | The aim is for your investment to reflect the performance of the Bloomberg Global USD 500mn Sukuk Index (the "**Reference Index**"). The Reference Index reflects the performance of a broad-based measure of the global USD-denominated Sukuk markets that pass Sukuk Shari'a screening criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve its aim, the Sub-Fund will attempt to replicate the Reference Index by buying a portfolio of securities that comprise the constituents of the Reference Index or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager. The Sub-Fund invests in Shari'a-compliant Sukuk ("**Sukuk**" or at times referred to as bonds within this Product Annex unless the context requires otherwise), as further described hereafter and under "General Description of the Reference Index". The investments are made in global certificates markets, including emerging markets, and include instruments that are sub-investment grade.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy").<br>The Management Company has appointed ASB Capital Limited (the "**Shari'a Consultant**") to provide Shari'a consultation services relating to the securities which comprise the portfolio of the Sub-Fund (each a "**Security**", collectively referred to as "**Securities**"). The Sub-Fund shall, subject to the section entitled 'Specific Risk Warning' as set out below, adhere to the requirements of Shari'a principles by undertaking its investment activities in accordance with the "**Shari'a Investment Guidelines**" as determined by the Shari'a Consultant. The Shari'a Consultant is responsible for determining compliance of the Securities.<br>*Shari'a Consultant*<br>The Shari'a Consultant's duties include but are not limited to (i) performing on-going monitoring of the compliance of the portfolio with the Shari'a Investment Guidelines, and issuing certificates, as appropriate, confirming the results of such compliance, (ii) providing recommendations, if required, on procedural steps to bring the portfolio into compliance with the Shari'a Investment Guidelines ("**Compliance Adjustment**"), for example the Sub-Fund may be required to dispose of securities deemed non-compliant with the Shari'a Investment Guidelines, and (iii) providing recommendations on the disclosures necessary for the Purification (as defined below) of income generated from any activities deemed non-compliant with the Shari'a Investment Guidelines, for example, interest earnings ("**Prohibited Activities**").<br>The roles and responsibilities of the Shari'a Consultant are detailed in the Shari'a Consultation Services Agreement entered into between the Shari'a Consultant and the Management Company (the "**Shari'a Consultation Services Agreement**"). The Management Company may terminate the Shari'a Consultation Services Agreement in accordance with the terms and conditions as set out therein.<br>The Shari'a Consultant's role is limited strictly to assessing compliance with the non-financial criteria defined in the Shari'a Investment Guidelines. The Shari'a Consultant will have no discretionary investment powers over the composition of the Sub-Fund's portfolio of Securities. The Shari'a Consultant shall not undertake any discretionary or non-discretionary asset management activities |

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| | and shall not provide any opinions or make any suggestions or recommendations (including personal, non-personal or investment recommendations), whether express or implied, in relation to any financial instruments comprising the Sub-Fund and their past, present or future value, or in relation to the issuers of such financial instruments.<br>*Purification*<br>"**Purification**" involves the donation by investors of any income generated from Prohibited Activities to one or more charities. Investors are solely responsible for ensuring the Purification of income generated from Prohibited Activities. In the event of any income being generated from Prohibited Activities, investors will be notified of the percentage of income which will require Purification and the recommendations on the steps investors may take to purify such income. For the avoidance of doubt, investors are responsible for selecting charities and donating any income generated from Prohibited Activities. This information will be published on the website www.Xtrackers.com. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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. |
| **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 Sub-Fund has been designed for investors seeking returns that comply with Shari'a requirements, and the criteria set out in the Shari'a Investment Guidelines. Investors should be aware that investments will be managed by the Investment Manager in compliance with the Shari'a Investment Guidelines, with ongoing oversight by the Shari'a Consultant, as set out in this supplement. |
| **Specific Risk Warning** | 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.<br>*Risk of Sub-Investment Grade (High Yield) Bonds*<br>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.<br>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.<br>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.<br>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.<br>*Emerging Market Risk*<br>Investments in the market to which the Reference Index relates are currently exposed to risks pertaining to emerging markets generally. These may |

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| | contribute to the illiquidity of the relevant securities market, as well as create inflexibility and uncertainty as to the trading environment.<br>*Liquidity Risk*<br>The Sub-Fund is subject to liquidity risk as continued regular trading activity and active<br>secondary market is not guaranteed. The Sub-Fund may suffer losses in trading in such<br>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<br>accordingly.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>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.<br>*Shari'a Compliance*<br>Although the Sub-Fund intends to comply with the Shari'a Investment Guidelines at all times, no such assurance can be given, as there may be occasions when the Sub-Fund's investments do not fully comply with such criteria. Pursuant to such guidance by the Shari'a Consultant, the Sub-Portfolio Manager will, for instance, refrain from investing in securities and other financial instruments which, in the opinion of the Shari'a Consultant, are not or are no longer, in compliance with the Shari'a Investment Guidelines. In addition, the Shari'a Investment Guidelines may require the Sub-Portfolio Manager to dispose of investments in circumstances that are less advantageous. Consequently, this may result in the underperformance of the Sub-Fund relative to other investment funds with comparable investment objectives that do not aim to adhere to the Shari'a Investment Guidelines (for example the ability to invest in Prohibited Activities). Cash balances held by the Sub-Fund may be deposited on terms which may provide no return to the benefit of the Sub-Fund, provided that such deposits are also in compliance with the Shari'a Investment Guidelines.<br>*Sukuk*<br>Sukuk are exposed to credit risk and interest rate risk. There is a risk that a Sukuk issuer may be unable or unwilling to make payments according to the terms of the Sukuk, resulting in your investment suffering a loss. If interest rates rise, typically the value of Sukuk will fall, which could also affect the value of your investment. |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **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 1D Share Class, 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** | 3:30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | No |

| Description of Share Classes[205] | |
|---|---|
| **Classes** | **"1D"** |
| **ISIN Code** | LU3123443510 |
| **WKN Code** | DBX0XH |
| **Denomination Currency** | USD |
| **Minimum Initial Subscription Amount** | USD 75,000 |
| **Minimum Subsequent Subscription Amount** | USD 75,000 |
| **Management Company Fee[206]** | Up to 0.20% p.a. |
| **Fixed Fee** | 0.01667% *per* month (0.20% p.a.) |
| **All-In Fee** | 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** | 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% |

[205] Additional Classes of Shares may be available under www.Xtrackers.com.

[206] 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**[207]

The Reference Index is based on the Bloomberg Global Aggregate Index and Bloomberg Global High Yield Index, each a "**Parent Index**", or collectively referred to as the "**Parent Indices**".

The Parent Indices intend to reflect the global debt market that meet certain bond rating eligibility requirements. The Bloomberg Global Aggregate Index requires bonds to be rated investment grade (Baa3/BBB-/BBB- or higher) and the Bloomberg Global High Yield Index requires bonds to be rated High Yield (Ba1/BB+/BB+ or below) using applicable rating of Moody's, Standard & Poor's and Fitch, after dropping the highest and lowest available ratings.

For bonds from the Parent Indices to be eligible for inclusion in the Reference Index, they must be USD-denominated Sukuk that meet specific amount outstanding criteria. In addition, the Reference Index will exclude issuers which do not pass the Shari'a compliant screening based on IdealRatings data. The Shari'a compliant screening specifies the Shari'a compliant guideline for Sukuk in line with the Accounting and Auditing Organization for Islamic Financial Institutions as reviewed by IdealRatings. Further information on Shari'a compliant screening is available at https://www.idealratings.com/. IdealRatings is a financial data and technology provider offering responsible investment solutions, including ESG and Shari'a-compliant screening.

The Reference Index excludes 144A tranche securities which do not have an equivalent Regulation S tranche. As such the Reference Index may contain (and therefore the Sub-Fund may be invested in) eligible 144A securities.

**Reference Index Calculation and Rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each issuer is capped at 15% at each monthly rebalancing.

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 Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

[207] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 60: Xtrackers II Target Maturity Sept 2035 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2035 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2035 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2034 and 30 September 2035 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2035 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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. |

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| | The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any |

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| | of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors |
| **Launch Date** | For the 1C and 1D 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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[208] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3192258971 | LU3152892546 |
| **WKN Code** | DBX0X6 | DBX0XS |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[209]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

208 Additional Classes of Shares may be available under www.Xtrackers.com.

209 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**[210]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2034 and 30 September 2035. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2034, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2034 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro

[210] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 61: Xtrackers II Target Maturity Sept 2036 EUR Corporate Bond UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Target Maturity Sept 2036 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** | The aim is for your investment to reflect the performance of the Bloomberg MSCI Euro Corporate September 2036 SRI Index (the "**Reference Index**"). The Reference Index aims to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market with maturity dates on or between 1 October 2035 and 30 September 2036 and excluding bonds which do not fulfil specific Environmental, Social, and Governance ("ESG") criteria.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Maturity Date** | The Sub-Fund will have a Maturity Date as of 30 September 2036 (the "**Maturity Date**"), when the Sub-Fund will be put into liquidation and all outstanding Shares will be compulsorily redeemed at the prevailing Net Asset Value per Share. |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Reference Index considers environmental, social and governance characteristics is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | The Company may declare dividends in relation to the D Share Class. 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. |

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| | The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Classes will make dividend payments. Where a dividend payment is made by the D Share Class, the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends on the ex-dividend date.<br>*Concentration of the Reference Index*<br>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.<br>*Environmental, Social and Governance standards*<br>The Reference Index's ESG standards limit the number 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 ESG standards, or which do not screen for such standards.<br>Investors should note that the determination that the Sub-Fund is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR is made solely on the basis that the Reference Index that the Sub-Fund reflects promotes environmental and social characteristics. The Company is solely relying on the activities conducted by and information provided by the Index Administrator or other data providers (as applicable) to make this determination.<br>Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Sub-Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Sub-Fund accords with their own ESG criteria. Information on how the Reference Index considers ESG characteristics is contained under "General Description of the Reference Index".<br>Investors should note that whilst the Sub-Fund and the Reference Index seek to ensure compliance with the criteria outlined under "General Description of the Reference Index" at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the Sub-Fund until it is possible and practicable to divest such positions.<br>*Sustainability Data Risks*<br>Investors should note that the Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in |

| | |
|---|---|
| | relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.<br>It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.<br>ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Sub-Fund.<br>*Maturity Date*<br>Investors should note that while the Sub-Fund has a scheduled Maturity Date, there is no guarantee that this will be met. The Board of Directors may determine to redeem all of the outstanding Shares of the Sub-Fund or Class of Share in advance of this date, as further described in the 'Termination of Sub-Funds' as found under the chapter "General Information on the Company and the Shares" in the main part of the Prospectus.<br>In addition, as the Sub-Fund is intended to be held to maturity, investors who do not hold their Shares to maturity may suffer substantial losses. However, there is no guarantee that any specific redemption amount will be returned to investors at maturity. The redemption value may be below the initial purchase amount and investors should be able to sustain losses up to the total investment amount.<br>During the twelve months in advance of the Maturity Date, the Reference Index will be comprised of, and therefore the Sub-Fund will be invested in, an increasing proportion of cash, short term sovereign debt, money market assets, or other cash equivalents as the corporate bonds in the Reference Index mature. As a result, it is likely that the Sub-Fund will be exposed to securities with a lower yield than during the typical life of the Sub-Fund or to bonds in the wider market.<br>Investors are reminded to regularly check the website of the Company (www.Xtrackers.com) in the months leading up to the Maturity Date for announcements regarding the Sub-Fund termination proceedings and timeline. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors |
| **Launch Date** | For the 1C and 1D 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** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **OTC Swap Transaction Costs** | N/A |
| **Securities Lending** | N/A |

| Description of Share Classes[211] | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3192259193 | LU3152892629 |
| **WKN Code** | DBX0X7 | DBX0XT |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee[212]** | Up to 0.02% p.a. | Up to 0.02% 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 0.12% p.a. | Up to 0.12% 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% |

[211] Additional Classes of Shares may be available under www.Xtrackers.com.

[212] 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[213]

The Reference Index represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with maturity dates on or between 1 October 2035 and 30 September 2036. The Reference Index includes bonds issued by industrial, utility and financial institutions that meet specific currency, sector, amount outstanding, maturity, coupon, seniority of debt, market of issue, and security type criteria. 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. From 1 October 2035, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

In addition, the Reference index will exclude issuers which do not fulfil specific ESG criteria. In particular, the following issuers will be excluded from the Reference Index:

- Issuers that are unrated by MSCI ESG Research LLC.
- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal.
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves.
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account ESG Key Issues.
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

### Reference Index Calculation and Rebalancing

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. On each rebalancing date, the criteria above will be applied to the universe of eligible bonds in order to determine those bonds which shall be included in the Reference Index. The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance. The weight of each corporate issuer is capped at 3% at each monthly rebalancing.

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.

From the 1 October 2035 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

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[213] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**"). The Reference Index is calculated by the Index Administrator 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 after the first month. Euro Treasury bills are priced using mid-market prices.

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

# PRODUCT ANNEX 62: Xtrackers II Global Government Bond 0-5 UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Government Bond 0-5 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** | The aim is for your investment to reflect the performance of the Bloomberg Global Treasury 0-5 Yr Index (the "**Reference Index**"). The Reference Index reflects the performance of investment grade sovereign debt issued by both developed and emerging market countries, denominated in the issuer's domestic currency, with remaining time to maturity of up to, but not including, five years.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>With respect to the Currency Hedged Share Class(es), 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Emerging Market Risk*<br>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.<br>*Concentration of the Reference Index*<br>The Reference Index covers sovereign debt issued in developed and emerging 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.<br>*China Bond Connect Risk*<br>Investors in the Sub-Fund should note that transactions conducted via Bond Connect will involve risks including, but not limited to: Suspension risk, differences in trading day, clearing, settlement and custody risk, operational risk, trading costs, regulatory risk, and market volatility and liquidity risk. |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 1C, 1D, and 2D – 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 1C, 1D and 2D – GBP Hedged 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 Time** | 5.00 p.m. Luxembourg time the Business Day prior to the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes[214] | | | |
|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2D - GBP Hedged"** |
| **ISIN Code** | LU3363374888 | LU3363374961 | LU3363375000 |
| **WKN Code** | DBX0ZR | DBX0ZS | DBX0ZT |
| **Denomination Currency** | USD | USD | GBP |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD 50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | GBP 50,000 |
| **Management Company Fee[215]** | Up to 0.03% p.a. | Up to 0.03% p.a. | Up to 0.03% p.a. |
| **Fixed Fee** | 0.00667% *per* month (0.08% p.a.) | 0.00667% *per* month (0.08% p.a.) | 0.00667% *per* month (0.08% p.a.) |
| **All-In Fee** | Up to 0.11% p.a. | Up to 0.11% p.a. | Up to 0.11% p.a. |
| **Primary Market Transaction Costs** | 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. |
| **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[216]** | Up to 1% | Up to 1% | Up to 1% |

214 Additional Classes of Shares may be available under www.Xtrackers.com.

215 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.

216 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[217]

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**").

The Reference Index is based on the Bloomberg Global Treasury Hold to Maturity Index (the "**Parent Index**"), which is further based on the Bloomberg Global Treasury Index. The Parent Index represents the performance of fixed-rate, investment grade treasury debt (rated Baa3/BBB-/BBB- or higher using the middle rating 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), issued in local currency by the governments of both developed and emerging market sovereign issuers, and following certain minimum liquidity requirements, with bonds included up until their maturity.

For bonds in the Parent Index to be eligible for inclusion in the Reference Index, they must have remaining time to maturity of up to, but not including, five years.

### Reference Index calculation and rebalancing

The composition of the Reference Index is rebalanced on a monthly basis at each month-end. Securities meeting the eligibility criteria described above are included in the Reference Index on the last business date of each month (the rebalancing date) with weights based on 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.

The Reference Index is calculated by the Index Administrator on a daily basis. Bonds in the Reference Index are priced on the bid side. New issuances entering the Reference Index are priced on the offer side, and are priced at bid after the first month. Full information on the Reference Index including eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

[217] 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 63: Xtrackers II Global Government Bond 20+ UCITS ETF

The information contained in this Product Annex relates to Xtrackers II Global Government Bond 20+ 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** | The aim is for your investment to reflect the performance of the Bloomberg Global Treasury 20+ Yr Index (the "**Reference Index**"). The Reference Index reflects the performance of investment grade sovereign debt issued by both developed and emerging market countries, denominated in the issuer's domestic currency, with remaining time to maturity of more than, twenty years.<br>Further information on the Reference Index is contained under "General Description of the Reference Index". |
| **Investment Policy** | The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is an Optimised Replication Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus).<br>To achieve the Investment Objective, 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.<br>With respect to the Currency Hedged Share Class(es), 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.<br>The Investment Manager reserves the right to exclude from the portfolio of the Sub-Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the main part of the Prospectus under the heading "Sub-Funds with a Direct Investment Policy"). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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** | 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.<br>*No Guarantee*<br>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 |

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| | 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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Emerging Market Risk*<br>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.<br>*Concentration of the Reference Index*<br>The Reference Index covers sovereign debt issued in developed and emerging 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.<br>*China Bond Connect Risk*<br>Investors in the Sub-Fund should note that transactions conducted via Bond Connect will involve risks including, but not limited to: Suspension risk, differences in trading day, clearing, settlement and custody risk, operational risk, trading costs, regulatory risk, and market volatility and liquidity risk. |
| **Minimum Net Asset Value** | USD 50,000,000 |
| **Reference Currency** | USD |
| **Offering Period** | For the 1C, 1D, and 2D – 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 1C, 1D and 2D – GBP Hedged 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 Time** | 5.00 p.m. Luxembourg time the Business Day prior to the Transaction Day |
| **Securities Lending** | Yes |
| **Securities Lending revenue/costs policy** | The Sub-Fund pays 30 percent. of the gross revenues generated from Securities Lending Transactions as costs/fees to the Management Company and retains 70 percent. of the gross revenues generated from such Securities Lending Transactions. Out of the 30 percent. of the gross revenues it receives the Management Company retains 5 percent. of such 30 percent. (that is 1.5 percent. of the overall gross revenues generated from such transactions) for its own coordination and oversight tasks and pays the direct costs (e.g. transaction and collateral management costs) to external service providers. The remaining amount (after deduction of the Management Company costs and the direct costs) is paid to the Investment Manager for supporting the Management Company in initiating, preparing and implementing Securities Lending Transactions. |

| Description of Share Classes | | | |
|---|---|---|---|
| **Classes** | **"1C"** | **"1D"** | **"2D - GBP Hedged"** |
| **ISIN Code** | LU3363383954 | LU3363384093 | LU3363384176 |
| **WKN Code** | DBX0ZU | DBX0ZV | DBX0ZW |
| **Denomination Currency** | USD | USD | GBP |
| **Minimum Initial Subscription Amount** | USD 50,000 | USD50,000 | GBP 50,000 |
| **Minimum Subsequent Subscription Amount** | USD 50,000 | USD 50,000 | GBP 50,000 |
| **Management Company Fee**[218] | Up to 0.04% p.a. | Up to 0.04% p.a. | Up to 0.04% p.a. |
| **Fixed Fee** | 0.00667% *per* month (0.08% p.a.) | 0.00667% *per* month (0.08% p.a.) | 0.00667% *per* month (0.08% p.a.) |
| **All-In Fee** | Up to 0.12% p.a. | Up to 0.12% p.a. | Up to 0.12% p.a. |
| **Primary Market Transaction Costs** | 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. |
| **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**[219] | Up to 1% | Up to 1% | Up to 1% |

[218] 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.

[219] 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[220]

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**").

The Reference Index is based on the Bloomberg Global Treasury Index (the "**Parent Index**") which represents the performance of fixed-rate, investment grade treasury debt (rated Baa3/BBB-/BBB- or higher using the middle rating 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) issued in local currency by the governments of both developed and emerging market sovereign issuers and following certain minimum liquidity requirements.

For bonds in the Parent Index to be eligible for inclusion in the Reference Index, they must meet specific country-level amount outstanding criteria and have remaining time to maturity of greater than, twenty years.

**Reference Index calculation and rebalancing**

The composition of the Reference Index is rebalanced on a monthly basis, at each month-end. Securities meeting the eligibility criteria described above are included in the Reference Index on the last business date of each month (the rebalancing date) with weights based on 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.

The Reference Index is calculated by the Index Administrator on a daily basis. Bonds in the Reference Index are priced on the bid side. New issuances entering the Reference Index are priced on the offer side, and are priced at bid after the first month. Full information on the Reference Index including eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).

220 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 Administrator 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 Company will not be obliged to notify Shareholders via a notice on the website www.Xtrackers.com. The Shareholders are consequently invited to consult the above stated website of the Index Administrator on a regular basis.

# PRODUCT ANNEX 64: Xtrackers II EUR High Yield Corporate Bond Active UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR High Yield Corporate Bond Active 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.

<table>
<tr><th colspan="2">GENERAL INFORMATION</th></tr>
<tr><td>Investment Objective</td><td>The aim is for your investment to achieve before fees and expenses an excess return over a benchmark reflecting the performance of EUR-denominated, sub-investment grade (with a rating of less than Baa3/ BBB-) corporate debt securities.</td></tr>
<tr><td>Investment Policy</td><td>The Sub-Fund is an Actively Managed Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus). The Sub-Fund has designated the ICE BofA Euro High Yield Constrained Index as the performance benchmark (the "Performance Benchmark").<br><br>Even though the Sub-Fund composition may differ from the Performance Benchmark composition, the Sub-Fund does not target any particular level of outperformance of the Performance Benchmark. Investors should note that any outperformance may be minimal, may be negatively impacted by fees and may ultimately be unachievable. Investors should note that the Sub-Fund will not seek to track the performance of or replicate the Performance Benchmark, rather the Sub-Fund will hold Invested Assets, as defined below and (which may include but will not be limited to issuers included in the Performance Benchmark) which are actively selected and managed with the aim of seeking excess return over the Performance Benchmark<br><br>In order to seek to achieve its aim, the Sub-Fund: (i) will invest at least 80% of its assets in EUR denominated sub-investment grade corporate bonds (the "High Yield Bonds"); and (ii) may also invest from time to time in other fixed income securities (such as other corporate bonds, including non-EUR denominated bonds or bonds with a recent credit rating change as well as government bonds), money market instruments (such as secured and/or unsecured deposits and shares within money market funds managed by entities within the DWS Group), collective investment schemes or other eligible assets in accordance with the Investment Restrictions (together with the High Yield Bonds, referred to as the "Invested Assets").<br><br>Sub-investment grade securities are defined as BB+ or worse, as classified by S&P/Fitch or Ba1 or worse, as classified by Moody’s. In case of a split rating involving multiple of the mentioned rating agencies, the average rating will be used for the rating classification. If a security has only one rating, that rating will be applied. If no official rating or rating from a rating agency is available for a security, the rating classification will be made according to the following criteria:<br>1. The issuer rating is applied;<br>2. If no issuer rating is available, the security will be considered unrated.<br><br>The High Yield Bonds may include contingent convertible bonds ("CoCos"), hybrid debt securities issued by financial institutions that may be converted into equity, and distressed (including defaulted) or unrated securities, subject to the following limits:<br><br>
<table>
<tr><th>Securities</th><th>Limits</th></tr>
<tr><td>Contingent Convertibles (CoCos)</td><td>10%</td></tr>
<tr><td>Distressed (average credit rating of ‘CC’ or below including defaulted) or unrated</td><td>10%</td></tr>
</table>
<br>While the Sub-Fund may be exposed to defaulted securities in case of credit deterioration, the Investment Manager typically seeks to reduce or exit exposures prior to a default event, where market conditions allow and in the best interest of investors.<br><br>The Sub-Fund may temporarily hold equity securities resulting from the conversion of CoCos held in the portfolio.</td></tr>
</table>

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| | The Investment Manager for the Sub-Fund is DWS Investment GmbH. The Investment Manager has appointed DWS Investments UK Limited as Sub-Portfolio Manager for the Sub-Fund. Both the Investment Manager and Sub-Portfolio Manager will be responsible for the day-to-day investment management of the Fund, including the allocation of the Invested Assets and cash re-investments.<br>The Invested Assets will be selected by the Investment Manager and/or Sub-Portfolio Manager with the primary aim of generating excess return over the Performance Benchmark. The portfolio management process combines top-down and bottom-up analysis, with a strong bias towards bottom-up analysis. Bottom-up analysis is primarily comprised of issuer and security level research.<br>Issuer level research may consider, but is not limited to, factors such as the analyses of financial statements, including balance sheets, income statements, and cashflow statements, the business model, as well as qualitative assessments of the management of the issuer. Security level research may consider, but is not limited to, factors such as liquidity risk, debt ranking, currency, and analysis of documents and covenants.<br>Top-down related analysis may include, but is not limited to, aspects such as the analysis of relevant industries, which may consider factors such as industry trends and competitive landscape and/or macroeconomic and market conditions. The analyses conducted may consider further factors such as opportunities arising from new issues, where attractive pricing, structural features, or temporary market inefficiencies may enhance alpha.<br>The focus lies on value and risk-adjusted returns, acting counter-cyclically and emphasising downside risk due to the asymmetric risk/return profile of high yield investments.<br>In addition to the determination of the composition of the Invested Assets, the Sub-Portfolio Manager will primarily perform certain day-to-day portfolio management activities, which shall include, but not be limited to, management of Invested Assets following subscriptions and redemptions of Shares of the Sub-Fund, coupon re-investment, cash balance management and corporate action events management.<br>In addition to the determination of the composition of the Invested Assets, the Investment Manager will perform certain ongoing duties pursuant to the Investment Management Agreement, which shall include, but not be limited to, issuer engagement, trade related downstream services, ongoing investment guideline monitoring and oversight and reporting services.<br>Potential securities are screened against an Environmental, Social, and Governance (ESG) database where companies which breach the following ESG standards, among others, will not be included in the Invested Assets:<br>• Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;<br>• Have any involvement in controversial weapons;<br>• Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and<br>• Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("**GCEL**").<br>Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.<br>The Sub-Fund utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies and MSCI ESG Business Involvement Screening Research.<br><br>*Urgewald Global Coal Exit List (GCEL)*<br>The Urgewald Global Coal Exit List aims to give financial institutions a tool to remove coal from their portfolios. The GCEL aims to provide coal-related data for companies within the coverage universe. GCEL covers the entire thermal coal value chain from coal exploration and mining to coal power production and coal gasification. For full details please refer to www.urgewald.org/english |

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| | *MSCI ESG Controversies*<br>MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.<br>*MSCI ESG Business Involvement Screening Research*<br>MSCI ESG Business Involvement Screening Research aims to enable institutional investors to manage ESG standards and restrictions. |
| **Performance Benchmark** | The Performance Benchmark represents the performance of Euro-denominated, sub-investment grade, fixed-rate corporate bonds. The Performance Benchmark is maintained by ICE Data Indices, LLC. ("**ICE**"). The Performance Benchmark is rebalanced on a monthly basis. Further information in relation to the Performance Benchmark is available on the relevant Intercontinental Exchange website (https://indices.ice.com). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Sub-Fund promotes environmental and social characteristics and assesses governance characteristics is contained under the "Investment Policy". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Conflicts of Interest*<br>DWS Investments UK Limited acts as the Sub-Portfolio Manager and DWS Investments GmbH acts as the Investment Manager. DWS Investments UK Limited and DWS Investments GmbH are part of the DWS Group.<br>Conflicts of interest may exist or arise between the Sub-Portfolio Manager or the Investment Manager on the one hand and, on the other hand, DWS entities acting in other capacities including as issuer, obligor, dealer or calculation agent of one or more |

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| | of the shares constituting the Invested Assets. Subject always to the regulatory obligations of DWS entities in performing each or any of these roles, DWS entities do not act on behalf of, or accept any duty of care or any fiduciary duty to any investors or any other person. Each relevant DWS entity will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for investors. DWS entities may be in possession at any time of information in relation to one or more of the shares constituting the Invested Assets which may not be available to investors. There is no obligation on any DWS entity to disclose to any investor any such information.<br><br>DWS entities shall be entitled to receive fees or other payments pursuant to financial products linked to the Invested Assets or otherwise (any such fees or other payments may be deducted from the amounts otherwise payable to investors) 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.<br><br>DWS Investments UK Limited or DWS Investments GmbH may buy or sell proprietary positions or engage in other transactions for its account or the account of other clients in a manner inconsistent with the reconstitution and/or the administration of the Invested Assets.<br><br>DWS Group entities may act as service provider (including investment manager, market maker and/or counterparty to an ETF). Each of the DWS Group entities, acting in any such role, and the directors, the depositary, the administrative agent, any fund shareholder, other investment manager, portfolio manager, swap counterparty or distributor, and any market maker may undertake activities which may give rise to potential conflicts of interest including, but not limited to, financing or banking transactions with the ETF or investing and dealing in Fund Shares, other securities or assets (including sales to and purchases from the ETF) of the kind included in the Invested Assets.<br><br>*Environmental, Social and Governance standards*<br><br>DWS bases its ESG assessments on external vendor data, which includes both quantitative (e.g. carbon intensities or share of sustainable activity) and qualitative data (e.g. ESG assessments or assessment of possible violations of international norms). However, potential expert-based subjectivity is more significant in qualitative measures than in quantitative ones. For instance, qualitative measures like general purpose ESG assessments may inherently carry subjectivity, while quantitative measures may involve estimations or be based on certain assumptions (e.g. determining the share of revenues from the share of produced energy). The prevalence of potential subjectivity poses a limitation that may need proper mitigation.<br><br>Furthermore, there is a risk associated with ESG investments, as they may underperform the broad market. As ESG information obtained from third-party data providers may be incomplete, inaccurate, or unavailable, there is a risk that the Investment Manager may incorrectly assess a security or issuer, leading to the incorrect inclusion or exclusion of a security in the portfolio of the Sub-Fund.<br><br>*Active Management Risk*<br><br>The Sub-Fund's assets will be managed following an active approach by the Investment Manager and Sub-Portfolio Manager who will have discretion (subject to the Sub-Fund's investment policy and restrictions) to invest the Sub-Fund's assets in investments that it considers will enable the Sub-Fund to achieve its investment objective. There is no guarantee that the Sub-Fund's investment objective will be achieved based on the investments selected.<br><br>*Risk of Sub-Investment Grade (High Yield) Bonds*<br><br>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.<br><br>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.<br><br>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. |

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| | 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.<br>*Distressed Securities*<br>The Sub-Fund may invest in distressed or defaulted securities, which are subject to significantly higher risks than securities of issuers in sound financial condition. Distressed securities involve issuers that have failed to meet their financial obligations, entered bankruptcy or restructuring proceedings, or ceased viable operations, often with reduced or uncertain prospects for recovery of principal or interest. As a result, these securities may experience pronounced price volatility and heightened sensitivity to adverse economic or issue-specific developments. Although such securities may offer enhanced yield potential due to their depressed valuations, they simultaneously expose the Sub-Fund to a greater risk of partial or total loss. The Sub-Fund's investment strategy seeks to partly capitalise on undervalued securities that may recover.<br>*Contingent Convertible Bonds ("CoCos")*<br>The Sub-Fund may be exposed to the performance of contingent convertible bonds, which may exhibit significantly higher price volatility than traditional corporate bonds of comparable maturity. CoCos are designed as loss-absorbing instruments and therefore carry elevated credit and valuation risks. Their prices may be adversely affected by deteriorating issuer fundamentals, broader economic downturns, or periods of rising interest rates. In addition, the market for CoCos is generally less liquid than that for conventional debt securities, which can make them more difficult to value accurately.<br>CoCos are typically issued by highly leveraged or financially stressed institutions seeking to bolster their capital structure, and such issuers may be less able to meet interest or principal obligations under adverse conditions. Adverse conditions may include a deterioration in the issuer's financial or capital position, regulatory or supervisory actions, or broader market stresses. CoCos may also be influenced by uncertainty around call decisions, reduced market liquidity, or shifts in overall investor sentiment. Due to their structural features, including the potential for conversion into equity or a permanent write-down, CoCos may experience sudden and significant declines in value, even ahead of other debt instruments from the same issuer. Potential investors in the Sub-Fund should carefully consider these characteristics and recognise that CoCos are not intended for short-term investment purposes. Furthermore, CoCo prices may be influenced by shifts in market sentiment, reduced secondary-market liquidity, and developments affecting the broader financial sector, all of which may negatively impact the performance of the Sub-Fund. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |
| **Securities Lending** | No |

| Description of Share Classes | | |
|---|---|---|
| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3367672022 | LU3370249396 |
| **WKN Code** | DBX0ZJ | DBX0ZX |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[221] | Up to 0.28% p.a. | Up to 0.28% p.a. |
| **Fixed Fee** | 0.00583% *per* month (0.07% p.a.) | 0.00583% *per* month (0.07% p.a.) |
| **All-In Fee**[222] | 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** | N/A | Subject to the provisions under "General Information" above, a dividend may be paid up to four times per year. |

[221] 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.

[222] The Management Company has waived part of its fee for the Share Class 1C of the Sub-Fund from "Up to 0.28% per annum" to "Up to 0.13% per annum", for the period from 22 July 2026 until 21 July 2027 inclusive (the "Fee Waiver Period"). During the Waiver Period, the All-in-Fee will be reduced to "Up to 0.20% per annum.

# PRODUCT ANNEX 65: Xtrackers II EUR Investment Grade Corporate Bond Active UCITS ETF

The information contained in this Product Annex relates to Xtrackers II EUR Investment Grade Corporate Bond Active 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** | The aim is for your investment to achieve before fees and expenses an excess return over a benchmark reflecting the performance of EUR-denominated, investment grade (with a rating of better or equal than Baa3/ BBB-) corporate debt securities. |
| **Investment Policy** | The Sub-Fund is an Actively Managed Fund (please refer to chapter "Investment Objectives and Policies" in the main part of the Prospectus). The Sub-Fund has designated the ICE BofA Euro Corporate Index as a performance benchmark (the "**Performance Benchmark**").<br>Even though the Sub-Fund composition may differ from the Performance Benchmark composition, the Sub-Fund does not target any particular level of outperformance of the Performance Benchmark. Investors should note that any outperformance may be minimal, may be negatively impacted by fees and may ultimately be unachievable. Investors should note that the Sub-Fund will not seek to track the performance of or replicate the Benchmark, rather the Sub-Fund will hold Invested Assets, as defined below and (which may include but will not be limited to issuers included in the Performance Benchmark) which are actively selected and managed with the aim of seeking excess return over the Performance Benchmark.<br>In order to seek to achieve its aim, the Sub-Fund: (i) will invest at least 80% of its assets in EUR denominated investment grade corporate bonds (the "**Investment Grade Bonds**"); and (ii) may also invest from time to time in other fixed income securities (such as other corporate bonds, including non-EUR denominated bonds or bonds with a recent credit rating change, as well as government bonds), money market instruments (such as secured and/or unsecured deposits and shares within money market funds managed by entities within the DWS Group), collective investment schemes or other eligible assets in accordance with the Investment Restrictions (together with the Investment Grade Bonds, referred to as the "**Invested Assets**").<br>Investment grade securities are defined as BBB- or better, as classified by S&P/Fitch or Baa3 or better, as classified by Moody's. In the event that a holding is downgraded below investment grade, the Investment Manager will seek to dispose the affected security taking into account market conditions and the best interest of investors, in a period for up to 6 months. In case of a split rating involving multiple of the mentioned rating agencies, the average rating will be used for the rating classification. If a security has only one rating, that rating will be applied. If no official rating or rating from a rating agency is available for a security, the rating classification will be made according to the following criteria:<br>1. The issuer rating is applied;<br>2. If no issuer rating is available, the security will be considered unrated.<br><br>The Investment Manager for the Sub-Fund is DWS Investment GmbH. The Investment Manager has appointed DWS Investments UK Limited as Sub-Portfolio Manager for the Sub-Fund. Both the Investment Manager and Sub-Portfolio Manager will be responsible for the day-to-day investment management of the Fund, including the allocation of the Invested Assets and cash re-investments.<br>The Invested Assets will be selected by the Investment Manager and/or Sub-Portfolio Manager with the primary aim of generating excess return over the Performance Benchmark. The portfolio management process combines top-down and bottom-up analysis, with a bias towards bottom-up analysis. Bottom- |

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| | up analysis is primarily comprised of issuer and security level research.<br>Issuer level research may consider, but is not limited to, factors such as the analyses of financial statements, including balance sheets, income statements, and cashflow statements, or the business model, as well as qualitative assessments of the management of the issuer. Security level research may consider, but is not limited to, factors such as liquidity risk, debt ranking, currency, and analysis of documents and covenants.<br>Top-down related analysis may include, but is not limited to, aspects such as the analysis of relevant industries, which may consider but is not limited to factors such as industry trends and competitive landscape and/or macroeconomic and market conditions. The analyses conducted may consider further factors such as opportunities arising from new issues, where attractive pricing, structural features, or temporary market inefficiencies may enhance alpha. The analysis of relative value between securities issued by the same issuers and across issuers may be considered.<br>In addition to the determination of the composition of the Invested Assets, the Sub-Portfolio Manager will primarily perform certain day-to-day portfolio management activities, which shall include, but not be limited to, management of Invested Assets following subscriptions and redemptions of Shares of the Sub-Fund, coupon re-investment, cash balance management and corporate action events management.<br>In addition to the determination of the composition of the Invested Assets, the Investment Manager will perform certain ongoing duties pursuant to the Investment Management Agreement, which shall include, but not be limited to, issuer engagement, trade related downstream services, ongoing investment guideline monitoring and oversight and reporting services.<br>Potential securities are screened against an Environmental, Social, and Governance (ESG) database where companies which breach the following ESG standards, among others, will not be included in the Invested Assets:<br>• Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;<br>• Have any involvement in controversial weapons;<br>• Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and<br>• Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("**GCEL**").<br>Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.<br>The Sub-Fund utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies and MSCI ESG Business Involvement Screening Research.<br><br>*Urgewald Global Coal Exit List (GCEL)*<br>The Urgewald Global Coal Exit List aims to give financial institutions a tool to remove coal from their portfolios. The GCEL aims to provide coal-related data for companies within the coverage universe. GCEL covers the entire thermal coal value chain from coal exploration and mining to coal power production and coal gasification. For full details please refer to www.urgewald.org/english<br>*MSCI ESG Controversies*<br>MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.<br>*MSCI ESG Business Involvement Screening Research*<br>MSCI ESG Business Involvement Screening Research aims to enable institutional investors to manage ESG standards and restrictions. |

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| **Performance Benchmark** | The Performance Benchmark represents the performance of Euro-denominated, investment grade, fixed-rate corporate bonds. The Performance Benchmark is maintained by ICE Data Indices, LLC. ("**ICE**"). The Performance Benchmark is rebalanced on a monthly basis. Further information in relation to the Performance Benchmark is available on the relevant Intercontinental Exchange website (https://indices.ice.com). |
| **Specific Investment Restrictions** | 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.<br>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". |
| **Transparency under SFDR and EU Taxonomy Regulation** | The Sub-Fund promotes, among other characteristics, environmental and social characteristics and is subject to the disclosure requirements of a financial product under Article 8(1) of SFDR. Information on how the Sub-Fund promotes environmental and social characteristics and assesses governance characteristics is contained under the "Investment Policy". Please also refer to "Environmental, Social and Governance standards" under "Specific Risk Warning" below, chapter "Sustainability-related disclosures under SFDR and EU Taxonomy Regulation" in the main part of the Prospectus and to Annex IV "Pre-contractual Information on Sustainable Investments" of the Prospectus. |
| **Distribution Policy** | 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.<br>The Sub-Fund does not intend to make dividend payments in relation to the C Share Class(es). |
| **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". |
| **Specific Risk Warning** | 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.<br>*No Guarantee*<br>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".<br>*Distribution Shares*<br>There is no guarantee that distributing Share Class(es) 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.<br>*Conflicts of Interest*<br>DWS Investments UK Limited acts as the Sub-Portfolio Manager and DWS Investments GmbH acts as the Investment Manager. DWS Investments UK Limited and DWS Investments GmbH are part of the DWS Group.<br>Conflicts of interest may exist or arise between the Sub-Portfolio Manager or the Investment Manager on the one hand and, on the other hand, DWS entities acting in other capacities including as issuer, obligor, dealer or calculation agent of one or more of the shares constituting the Invested Assets. Subject always to the regulatory obligations of DWS entities in performing each or any of these roles, DWS entities do not act on behalf of, or accept any duty of care or any fiduciary duty to any investors or any other person. Each relevant DWS entity will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for investors. DWS entities |

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| | may be in possession at any time of information in relation to one or more of the shares constituting the Invested Assets which may not be available to investors. There is no obligation on any DWS entity to disclose to any investor any such information.<br>DWS entities shall be entitled to receive fees or other payments pursuant to financial products linked to the Invested Assets or otherwise (any such fees or other payments may be deducted from the amounts otherwise payable to investors) 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.<br>DWS Investments UK Limited or DWS Investments GmbH may buy or sell proprietary positions or engage in other transactions for its account or the account of other clients in a manner inconsistent with the reconstitution and/or the administration of the Invested Assets.<br>DWS Group entities may act as service provider (including investment manager, market maker and/or counterparty to an ETF. Each of the DWS Group entities, acting in any such role, and the directors, the depositary, the administrative agent, any fund shareholder, other investment manager, portfolio manager, swap counterparty or distributor, and any market maker may undertake activities which may give rise to potential conflicts of interest including, but not limited to, financing or banking transactions with the ETF or investing and dealing in Fund Shares, other securities or assets (including sales to and purchases from the ETF) of the kind included in the Invested Assets.<br>*Environmental, Social and Governance standards*<br>DWS bases its ESG assessments on external vendor data, which includes both quantitative (e.g. carbon intensities or share of sustainable activity) and qualitative data (e.g. ESG assessments or assessment of possible violations of international norms). However, potential expert-based subjectivity is more significant in qualitative measures than in quantitative ones. For instance, qualitative measures like general purpose ESG assessments may inherently carry subjectivity, while quantitative measures may involve estimations or be based on certain assumptions (e.g. determining the share of revenues from the share of produced energy). The prevalence of potential subjectivity poses a limitation that may need proper mitigation.<br>Furthermore, there is a risk associated with ESG investments, as they may underperform the broad market. As ESG information obtained from third-party data providers may be incomplete, inaccurate, or unavailable, there is a risk that the Investment Manager may incorrectly assess a security or issuer, leading to the incorrect inclusion or exclusion of a security in the portfolio of the Sub-Fund.<br>*Active Management Risk*<br>The Sub-Fund's assets will be managed following an active approach by the Investment Manager and Sub-Portfolio Manager who will have discretion (subject to the Sub-Fund's investment policy and restrictions) to invest the Sub-Fund's assets in investments that it considers will enable the Sub-Fund to achieve its investment objective. There is no guarantee that the Sub-Fund's investment objective will be achieved based on the investments selected. |
| **Minimum Net Asset Value** | EUR 50,000,000 |
| **Reference Currency** | EUR |
| **Offering Period** | For the 1C and 1D Share Classes, the Offering Period will be set at dates yet to be determined by the Board of Directors. |
| **Launch Date** | For the 1C and 1D 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 Time** | 3.30 p.m. Luxembourg time on the Transaction Day |

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| **Securities Lending** | No |

| **Description of Share Classes** | | |
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| **Classes** | **"1C"** | **"1D"** |
| **ISIN Code** | LU3367672295 | LU3370249479 |
| **WKN Code** | DBX0ZK | DBX0ZY |
| **Denomination Currency** | EUR | EUR |
| **Minimum Initial Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Minimum Subsequent Subscription Amount** | 50,000 EUR | 50,000 EUR |
| **Management Company Fee**[223] | Up to 0.13% p.a. | Up to 0.13% p.a. |
| **Fixed Fee** | 0.00583% *per* month (0.07% p.a.) | 0.00583% *per* month (0.07% 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. |

[223] 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.

# ANNEX I: DISCLAIMERS

## MARKIT/IBOXX DISCLAIMER

The Markit iBoxx EUR Liquid High Yield Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 1-3 Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 15-30 Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 25+ Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 3-5 Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 5-7 Index, Markit iBoxx EUR Eurozone (DE ES FR IT NL) 7-10 Index, iBoxx € Sovereigns Eurozone Index, iBoxx € Germany 1-3® Index, iBoxx € Germany® Index, Markit iTraxx® Crossover 5- year Short Total Return Index, iBoxx $ Treasuries 1-3® Index, iBoxx $ Treasuries Index, Markit iBoxx EUR Sovereigns Eurozone Yield Plus 1- 3 Index, Markit iBoxx EUR Sovereigns Eurozone Yield Plus Index®, , Markit iBoxx EUR Sovereigns Eurozone Yield Plus Index®, iBoxx EUR Sovereigns ESG Tilted Index, iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index, iBoxx TIPS Inflation-Linked Index, iBoxx EUR Sovereigns 0-1 Capped Index, iBoxx EUR Germany 0-1 Index, iBoxx EUR Liquid High Yield 2027 3-Year Rolling Index, iBoxx EUR Sovereigns Italy & Spain Fixed Maturity 2029 Index, iBoxx EUR Sovereigns ESG Tilted 1-3 Select Index, iBoxx EUR Sovereigns ESG Tilted 3-5 Select Index, iBoxx EUR Sovereigns ESG Tilted 5-7 Select Index, iBoxx EUR Sovereigns ESG Tilted 7-10 Select Index, the iBoxx EUR Sovereigns ESG Tilted 10+ Select Index (each a "**Markit IBOXX Index**" and together the "**Markit IBOXX Indices**") are a product of S&P Dow Jones Indices LLC or its affiliates ("**SPDJI**"), and have been licensed for use by Xtrackers II. S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("**S&P**") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("**Dow Jones**"). The trademarks have been licensed to SPDJI and sublicensed for use for certain purposes by Xtrackers II. It is not possible to invest directly in an index. The relevant Sub-Funds of Xtrackers II are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "**S&P Dow Jones Indices**"). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the relevant Sub-Funds of Xtrackers II or any member of the public regarding the advisability of investing in securities generally or in the relevant Sub-Funds of Xtrackers II particularly or the ability of the Markit IBOXX Indices to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices' only relationship to Xtrackers II with respect to the Markit IBOXX Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Markit IBOXX Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to Xtrackers II or the relevant Sub-Funds of Xtrackers II**.** S&P Dow Jones Indices have no obligation to take the needs of Xtrackers II or the owners of the relevant Sub-Funds of Xtrackers II into consideration in determining, composing or calculating the Markit IBOXX Indices. S&P Dow Jones Indices have no obligation or liability in connection with the administration, marketing or trading of the relevant Sub-Funds of Xtrackers II**.** There is no assurance that investment products based on the Markit IBOXX Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment adviser, commodity trading advisory, commodity pool operator, broker dealer, fiduciary, "promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

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# MARKIT/ITRAXX DISCLAIMER

The Markit iTraxx® Crossover 5-year TOTAL RETURN INDEX, the Markit iTraxx® Europe 5-year Short TOTAL RETURN INDEX, the Markit iTraxx® Crossover 5-year Short TOTAL RETURN INDEX, the Markit iTraxx® Europe Senior Financials 5-year TOTAL RETURN INDEX, the Markit iTraxx® Europe Subordinated Financials 5-year TOTAL RETURN INDEX, the Markit iTraxx® Asia ex-Japan IG 5-year Short TOTAL RETURN INDEX, the Markit iTraxx® Europe Senior Financials 5-year Short TOTAL RETURN INDEX, the Markit iTraxx® Europe Subordinated Financials 5-year Short TOTAL RETURN INDEX and the Markit iTraxx® Crossover 5-year 2x Short Daily Total Return Index (each a "**Markit iTraxx Index**" and together the "**Markit iTraxx Indices**") are owned by Markit Indices Limited, part of Markit (the "**Index Sponsor**") and have been licensed for use in connection with Xtrackers II iTraxx Crossover Short Daily Swap UCITS ETF (the "**Markit iTraxx Sub-Fund**") (as applicable).

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# SOLACTIVE AG DISCLAIMER

Solactive AG ("**Solactive**") is the licensor of the Solactive €STR +8.5 Daily Total Return Index, the Solactive FEDL Daily Total Return Index and the Solactive SONIA Daily Total Return Index (the "**Solactive Indices**"). Xtrackers II EUR Overnight Rate Swap UCITS ETF, Xtrackers II USD Overnight Rate Swap UCITS ETF and Xtrackers II GBP Overnight Rate Swap UCITS ETF are based on the Solactive Indices and are not sponsored, endorsed, promoted or sold by Solactive in any way and Solactive makes no express or implied representation, guarantee or assurance with regard to: (a) the advisability in investing in the financial instruments; (b) the quality, accuracy and/or completeness of the Solactive Indices; and/or (c) the results obtained or to be obtained by any person or entity from the use of the Solactive Indices. Solactive does not guarantee the accuracy and/or the completeness of the Solactive Indices and shall not have any liability for any errors or omissions with respect thereto. Notwithstanding Solactive's obligations to its licensees, Solactive reserves the right to change the methods of calculation or publication with respect to the Solactive Indices and Solactive shall not be liable for any miscalculation of or any incorrect, delayed or interrupted publication with respect to the Solactive Indices. Solactive shall not be liable for any damages, including, without limitation, any loss of profits or business, or any special, incidental, punitive, indirect or consequential damages suffered or incurred as a result of the use (or inability to use) of the Solactive Indices.

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BLOOMBERG® and Bloomberg Global Aggregate Bond Index, the Bloomberg Euro Corporate Bond Index, the Bloomberg Euro Government Inflation-Linked Bond Index, the Bloomberg World Government Inflation-Linked Bond Index, the Bloomberg US Treasury 3-7 Year Index, the Bloomberg US Treasury 7-10 Year Index, the Bloomberg US Long Treasury Index, the Bloomberg Global Treasury 0-5 Yr Index and the Bloomberg Global Treasury 20+ Yr Index (the "Bloomberg Indices") are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by Xtrackers II.

Xtrackers II ESG Global Aggregate Bond UCITS ETF, Xtrackers II EUR Corporate Bond UCITS ETF, Xtrackers II Eurozone Inflation-Linked Bond UCITS ETF, Xtrackers II Global Inflation-Linked Bond UCITS ETF, Xtrackers II US Treasuries 3-7 UCITS ETF, Xtrackers II US Treasuries 7-10 UCITS ETF, Xtrackers II US Treasuries 10+ UCITS ETF, Xtrackers II Global Government Bond 0-5 UCITS ETF and Xtrackers II Global Government Bond 20+ UCITS ETF (the "Bloomberg Sub-Funds") are not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Bloomberg Sub-Funds or any member of the public regarding the advisability of investing in securities generally or in the Bloomberg Sub-Funds particularly. The only relationship of Bloomberg to Xtrackers II is the licensing of certain trademarks, trade names and service marks and of the Bloomberg Indices, which is determined, composed and calculated by BISL without regard to Xtrackers II or the Bloomberg Sub-Funds. Bloomberg has no obligation to take the needs of Xtrackers II or the owners of the Bloomberg Sub-Funds into consideration in determining, composing or calculating the Bloomberg Indices. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Bloomberg Sub-Funds to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to Bloomberg Sub-Funds customers, in connection with the administration, marketing or trading of the Bloomberg Sub-Funds.

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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 | Benchmark | Sub-Fund | Supervising authority |
|---|---|---|---|
| SOLACTIVE AG | Solactive Sonia Daily Total Return Index | Xtrackers II GBP Overnight Rate Swap UCITS ETF | Germany - Federal Financial Supervisory Authority (BaFin) - DEBA |
| | Solactive €STR +8.5 Daily Total Return Index | Xtrackers II EUR Overnight Rate Swap UCITS ETF | |
| | Solactive FEDL Daily Total Return Index | Xtrackers II USD Overnight Rate Swap UCITS ETF | |

## ANNEX III:

**List of benchmark administrators whose indices are used by the Company and which, as at the date of this Prospectus, are inscribed in the UK Benchmarks Register maintained by the Financial Conduct Authority (FCA) of the United Kingdom*:**

| Benchmark administrator | Benchmark | Sub-Fund | Supervising authority |
|---|---|---|---|
| FTSE International Limited | FTSE Eurozone BOT (Weekly) Index | Xtrackers II Italy Government Bond 0-1 Swap UCITS ETF | UK - Financial Conduct Authority (FCA) |
| IHS Markit Benchmark Administration Limited | iBoxx EUR Liquid High Yield 2027 3-Year Rolling Index | Xtrackers II Rolling Target Maturity Sept 2027 EUR High Yield UCITS ETF | UK - Financial Conduct Authority (FCA) |
| | Markit iBoxx EUR Liquid High Yield Index | Xtrackers II EUR High Yield Corporate Bond UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 1-3 Index | Xtrackers II Eurozone Government Bond 1-3 UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 15-30 Index | Xtrackers II Eurozone Government Bond 15-30 UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 25+ Index | Xtrackers II Eurozone Government Bond 25+ UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 3-5 Index | Xtrackers II Eurozone Government Bond 3-5 UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 5-7 Index | Xtrackers II Eurozone Government Bond 5-7 UCITS ETF | |
| | Markit iBoxx EUR Eurozone (DE ES FR IT NL) 7-10 Index | Xtrackers II Eurozone Government Bond 7-10 UCITS ETF | |
| | Markit iBoxx EUR Sovereigns Eurozone Yield Plus 1-3 Index | Xtrackers II iBoxx Eurozone Government Bond Yield Plus 1-3 UCITS ETF | |
| | Markit iBoxx EUR Sovereigns Eurozone Yield Plus Index | Xtrackers II iBoxx Eurozone Government Bond Yield Plus UCITS ETF | |
| | Markit iTraxx Crossover 5-year Short Total Return Index | Xtrackers II iTraxx Crossover Short Daily Swap UCITS ETF | |
| | iBoxx EUR Sovereigns Italy & Spain Fixed Maturity 2029 Index | Xtrackers II Target Maturity Sept 2029 Italy and Spain Government Bond UCITS ETF | |
| | iBoxx € Sovereigns Eurozone Index | Xtrackers II Eurozone Government Bond UCITS ETF | |
| | iBoxx € Germany 1-3 Index | Xtrackers II Germany Government Bond 1-3 UCITS ETF | |
| | iBoxx € Germany Index | Xtrackers II Germany Government Bond UCITS ETF | |
| | iBoxx $ Treasuries 1-3 Total Return Index | Xtrackers II US Treasuries 1-3 UCITS ETF | |

| | | | |
|---|---|---|---|
| | iBoxx $ Treasuries Index | Xtrackers II US Treasuries UCITS ETF | |
| | Markit iBoxx TIPS Inflation-Linked Index | Xtrackers II TIPS US Inflation-Linked Bond UCITS ETF | |
| | iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index | Xtrackers II Eurozone Government Green Bond UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted Index | Xtrackers II Eurozone Government Bond ESG Tilted UCITS ETF | |
| | iBoxx EUR Sovereigns 0-1 Capped Index | Xtrackers II Eurozone Government Bond 0-1 UCITS ETF | |
| | iBoxx EUR Germany 0-1 Index | Xtrackers II Germany Government Bond 0-1 UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted 1-3 Select Index | Xtrackers II Eurozone Government Bond 1-3 ESG Tilted UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted 3-5 Select Index | Xtrackers II Eurozone Government Bond 3-5 ESG Tilted UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted 5-7 Select Index | Xtrackers II Eurozone Government Bond 5-7 ESG Tilted UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted 7-10 Select Index | Xtrackers II Eurozone Government Bond 7-10 ESG Tilted UCITS ETF | |
| | iBoxx EUR Sovereigns ESG Tilted 10+ Select Index | Xtrackers II Eurozone Government Bond 10+ ESG Tilted UCITS ETF | |
| Bloomberg Index Services Limited | Bloomberg World Government Inflation-Linked Bond Index | Xtrackers II Global Inflation-Linked Bond UCITS ETF | UK - Financial Conduct Authority (FCA) |
| | the Bloomberg Euro Government Inflation-Linked Bond Index | Xtrackers II Eurozone Inflation-Linked Bond UCITS ETF | |
| | Bloomberg Euro Corporate Bond Index | Xtrackers II EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate SRI PAB Index | Xtrackers II EUR Corporate Bond SRI PAB UCITS ETF | |
| | Bloomberg MSCI Global Aggregate Sustainable and SRI Currency Neutral Index | Xtrackers II ESG Global Aggregate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate SRI 0-5 Year PAB Index | Xtrackers II EUR Corporate Bond Short Duration SRI PAB UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2027 SRI Index | Xtrackers II Target Maturity Sept 2027 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2029 SRI Index | Xtrackers II Target Maturity Sept 2029 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2031 SRI Index | Xtrackers II Target Maturity Sept 2031 EUR Corporate Bond UCITS ETF | |

| | | | |
|---|---|---|---|
| | Bloomberg MSCI Euro Corporate September 2033 SRI Index | Xtrackers II Target Maturity Sept 2033 EUR Corporate Bond UCITS ETF | |
| | Bloomberg US Treasury 3-7 Year Index | Xtrackers II US Treasuries 3-7 UCITS ETF | |
| | Bloomberg US Treasury 7-10 Year Index | Xtrackers II US Treasuries 7-10 UCITS ETF | |
| | Bloomberg US Long Treasury Index | Xtrackers II US Treasuries 10+ UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2026 SRI Index | Xtrackers II Target Maturity Sept 2026 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2028 SRI Index | Xtrackers II Target Maturity Sept 2028 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2030 SRI Index | Xtrackers II Target Maturity Sept 2030 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2032 SRI Index | Xtrackers II Target Maturity Sept 2032 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2034 SRI Index | Xtrackers II Target Maturity Sept 2034 EUR Corporate Bond UCITS ETF | |
| | Bloomberg Global USD 500mn Sukuk Index | Xtrackers II Salam USD Global Aggregate Sukuk UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2035 SRI Index | Xtrackers II Target Maturity Sept 2035 EUR Corporate Bond UCITS ETF | |
| | Bloomberg MSCI Euro Corporate September 2036 SRI Index | Xtrackers II Target Maturity Sept 2036 EUR Corporate Bond UCITS ETF | |
| | Bloomberg Global Treasury 0-5 Yr Index | Xtrackers II Global Government Bond 0-5 UCITS ETF | |
| | Bloomberg Global Treasury 20+ Yr Index | Xtrackers II Global Government Bond 20+ UCITS ETF | |
| J.P. Morgan Securities LLC | J.P. Morgan Government Bond Index-Emerging Markets Global Div 10% Cap 0.25% Floor Index | Xtrackers II J.P. Morgan EM Local Government Bond UCITS ETF | UK - Financial Conduct Authority (FCA) |
| | J.P. Morgan Emerging Markets Bond Index Global Diversified 1Bn Country | Xtrackers II J.P. Morgan USD Emerging Markets Bond UCITS ETF | |

* For the avoidance of doubt, the benchmark administrators in this annex qualify as benchmark administrators located in a third country within the meaning of the Benchmark Regulation

# ANNEX IV:
# PRE-CONTRACTUAL INFORMATION ON SUSTAINABLE INVESTMENTS

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II EUR Corporate Bond SRI PAB UCITS ETF

**Legal entity identifier:** 549300HRJ2UNJWP1I674

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** __% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to represent the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation.

The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("GHG") emissions relative to the Parent Index (as defined below), followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria.

In particular, the following bonds will be excluded from the Reference Index:

• Issuers where MSCI does not have reported or estimated absolute GHG emissions data;

• Securities that are unrated by MSCI ESG Research LLC;

• Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues;

• Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited to, United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work;

• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

• Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria, less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Total GHG Emissions:** The financial product's portfolio's weighted average of its issuers' total GHG emissions (Scopes 1, 2 and 3) as determined by MSCI.

• **Exposure to Fossil Fuels:** The percentage of financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

• **Exposure to Very Severe Controversies**: The percentage of financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, and includes violations of the United Nations Global Compact, as well as the OECD Guidelines for Multinational Enterprises.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 10% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;

• Violation of international norms or involvement in very severe controversies; and

• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

• Carbon footprint (no. 2);

• GHG emissions (Scope 1, 2, 3 and total) (no. 3);

• Exposure to companies active in the fossil fuel sector (no. 4);

• Share of non-renewable energy consumption and production (no. 5);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and

• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X**

Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Carbon footprint (no. 2);

• GHG emissions (Scope 1, 2, 3 and total) (no. 3);

• Exposure to companies active in the fossil fuel sector (no. 4);

• Share of non-renewable energy consumption and production (no. 5); • Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and

• Exposure to controversial weapons (no. 14).

No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the Bloomberg MSCI Euro Corporate SRI PAB Index, which is designed to reflect the performance of Euro-denominated, investment grade, fixed-rate corporate bonds. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Bloomberg Euro Corporate Index (the "Parent Index"), followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria.

In particular, the following bonds will be excluded from the Reference Index:

• Issuers where MSCI does not have reported or estimated absolute GHG emissions data;

• Securities that are unrated by MSCI ESG Research LLC;

• Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues;

• Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited to, United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work;

• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

• Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria, less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.

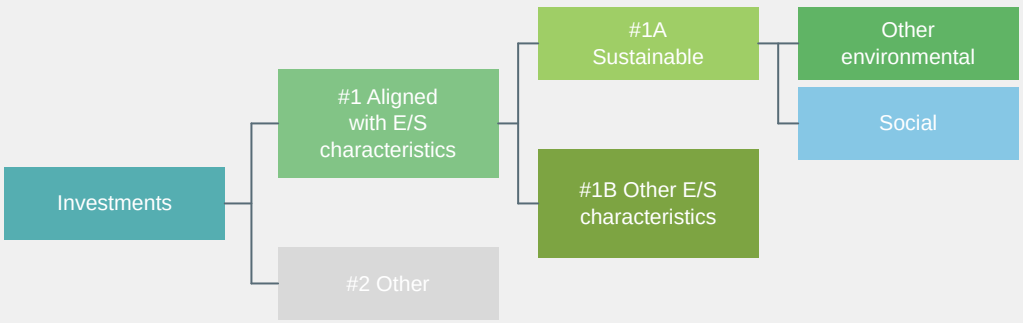
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 10% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

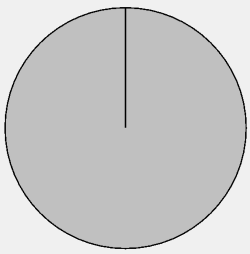
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

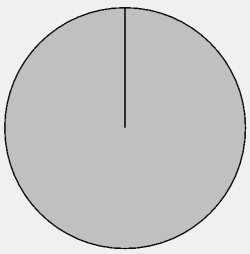
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 10%.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 10%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate SRI PAB Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by aiming to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, which is the relevant broad market index, followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

In particular, the following bonds will be excluded from the Reference Index:

• Issuers where MSCI does not have reported or estimated absolute GHG emissions data;

• Securities that are unrated by MSCI ESG Research LLC;

• Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues;

• Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work;

• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

• Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II ESG Global Aggregate Bond UCITS ETF

**Legal entity identifier:** 549300BLVKFY3X3CSM08

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | No |
|---|---|
| | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| It will make a minimum of **sustainable investments with an environmental objective:** __% | |
| in economic activities that qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| It will make a minimum of **sustainable investments with a social objective:** __% | It promotes E/S characteristics, but **will not make any sustainable investments** |

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities. The Reference Index is designed to represent the performance of a broad-based measure of the global investment grade fixed-rate debt markets.

The Reference Index is based on the Parent Index (as defined below). The Reference Index applies certain ESG criteria to the Parent Index.

The Reference Index excludes issuers from the Parent Index which do not fulfil specific ESG (environmental, social, and governance) criteria, including but not limited to:
• Issuers with insufficient MSCI ESG Ratings; MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key Issues;
• Companies that fail to comply with the United Nations Global Compact Principles, have an MSCI ESG Controversies Score below a certain threshold, have an insufficient MSCI ESG Controversies Score related to certain environmental controversies, or are not researched by MSCI ESG Controversies;
•Companies that have not been researched as per the MSCI Climate Change Metrics methodology;
• Companies that are not covered by MSCI ESG Business Involvement Screening Research or breach certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, thermal coal, fossil fuel, nuclear weapons, and power generation; and
• Companies with any involvement in controversial weapons are excluded.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses ratings and research provided by MSCI ESG Research LLC. In particular, the following components are utilised:

*MSCI ESG Ratings*

MSCI ESG Ratings provide research, data, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating. For more details on MSCI ESG Ratings, please refer to the MSCI website.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. For more details on MSCI ESG Controversies Score, please refer to the MSCI website.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions. For more details on MSCI ESG Business Involvement Screening Research, please refer to the MSCI website.

*MSCI Climate Change Metrics*

MSCI Climate Change Metrics provides climate data and tools to support investors integrating climate risk and opportunities into their investment strategy and processes.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Worst-in-Class Issuers**: The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to the corporate portion of the financial product's portfolio.

• **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to the government portion of the financial product's portfolio.

• **Exposure to Very Severe Controversies**: The percentage of financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, and includes violations of the United Nations Global Compact, as well as the OECD Guidelines for Multinational Enterprises. Coverage for this sustainability indicator will be limited to the corporate portion of the financial product's portfolio.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;

• Violation of international norms or involvement in very severe controversies; and

• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude relevant securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10);

• Exposure to controversial weapons (no. 14); and

• Investee countries subject to social violations (no. 16).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any corporate securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

[X] Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10);

• Exposure to controversial weapons (no. 14); and

• Investee countries subject to social violations (no. 16).

[ ] No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is Bloomberg MSCI Global Aggregate Sustainable and SRI Currency Neutral Index, which is designed to reflect the performance of a broad-based measure of the global investment grade fixed-rate debt markets. The Reference Index is based on the Bloomberg Global Aggregate Index (the "Parent Index"), which is designed to reflect the global investment grade fixed-rate debt market.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index is based on the Parent Index. The Reference Index excludes issuers from the Parent Index which do not fulfil specific ESG (environmental, social, and governance) criteria, including but not limited to:
• Issuers with insufficient MSCI ESG Ratings; MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key Issues;
• Companies that fail to comply with the United Nations Global Compact Principles, have an MSCI ESG Controversies Score below a certain threshold, have an insufficient MSCI ESG Controversies Score related to certain environmental controversies, or are not researched by MSCI ESG Controversies;
• Companies that have not been researched as per the MSCI Climate Change Metrics methodology;
• Companies that are not covered by MSCI ESG Business Involvement Screening Research or breach certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, thermal coal, fossil fuel, nuclear weapons, and power generation; and
• Companies with any involvement in controversial weapons are excluded.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses ratings and research provided by MSCI ESG Research LLC. In particular, the following components are utilised:

*MSCI ESG Ratings*

MSCI ESG Ratings provide research, data, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating. For more details on MSCI ESG Ratings, please refer to the MSCI website.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. For more details on MSCI ESG Controversies Score, please refer to the MSCI website.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions. For more details on MSCI ESG Business Involvement Screening Research, please refer to the MSCI website.

*MSCI Climate Change Metrics*

MSCI Climate Change Metrics provides climate data and tools to support investors integrating climate risk and opportunities into their investment strategy and processes.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.

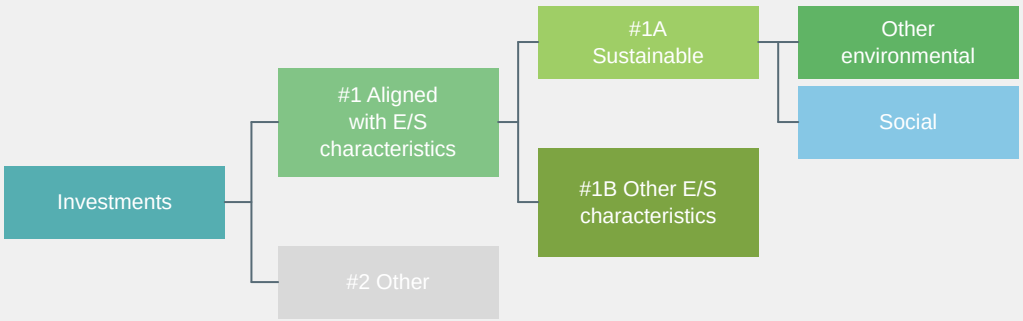
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

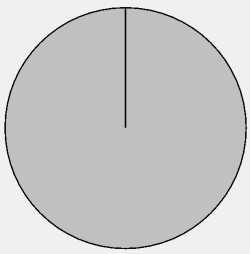
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

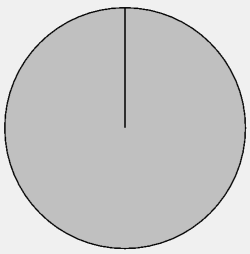
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Global Aggregate Sustainable and SRI Currency Neutral Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding constituents from the Parent Index which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised inthe Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index is based on the Parent Index, which is designed to reflect the global investment grade fixed-rate debt market.

The Reference Index applies certain ESG criteria to the Parent Index.

The Reference Index excludes issuers from the Parent Index which do not fulfil specific ESG (environmental, social, and governance) criteria, including but not limited to:
• Issuers with insufficient MSCI ESG Ratings; MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key Issues;
• Companies that fail to comply with the United Nations Global Compact Principles, have an MSCI ESG Controversies Score below a certain threshold, have an insufficient MSCI ESG Controversies Score related to certain environmental controversies, or are not researched by MSCI ESG Controversies;
• Companies that have not been researched as per the MSCI Climate Change Metrics methodology;
• Companies that are not covered by MSCI ESG Business Involvement Screening Research or breach certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, thermal coal, fossil fuel, nuclear weapons, and power generation; and
• Companies with any involvement in controversial weapons are excluded.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("PAB Exclusions").

The Reference Index uses ratings and research provided by MSCI ESG Research LLC. In particular, the following components are utilised:

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MSCI ESG Ratings provide research, data, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities. MSCI ESG Ratings provides an overall company ESG rating. For more details on MSCI ESG Ratings, please refer to the MSCI website.

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*MSCI Climate Change Metrics*

MSCI Climate Change Metrics provides climate data and tools to support investors integrating climate risk and opportunities into their investment strategy and processes.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index can be found on the relevant Bloomberg website https://www.bloombergindices.com.




Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II EUR Corporate Bond Short Duration SRI PAB UCITS ETF

**Legal entity identifier:** 254900K0IMZDD09CXS95

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |



What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations.

The financial product holds a portfolio of securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to represent the performance of investment grade, euro-denominated, fixed-rate corporate bonds with at least 1 month and up to (but not including) 5 years to maturity, excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation.

The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("GHG") emissions relative to the Parent Index (as defined below), followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria.

In particular, the following bonds will be excluded from the Reference Index:

• Issuers where MSCI does not have reported or estimated absolute GHG emissions data;

• Securities that are unrated by MSCI ESG Research LLC;

• Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues;

• Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited to, United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work;

• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

• Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria, less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Total GHG Emissions:** The financial product's portfolio's weighted average of its issuers' total GHG emissions (Scopes 1, 2 and 3) as determined by MSCI.

• **Exposure to Fossil Fuels:** The percentage of financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

• **Exposure to Very Severe Controversies**: The percentage of financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, and includes violations of the United Nations Global Compact, as well as the OECD Guidelines for Multinational Enterprises.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 10% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;

• Violation of international norms or involvement in very severe controversies; and

• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

• Carbon footprint (no. 2);

• GHG emissions (Scope 1, 2, 3 and total) (no. 3);

• Exposure to companies active in the fossil fuel sector (no. 4);

• Share of non-renewable energy consumption and production (no. 5);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and

• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

[X] Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Carbon footprint (no. 2);

• GHG emissions (Scope 1, 2, 3 and total) (no. 3);

• Exposure to companies active in the fossil fuel sector (no. 4);

• Share of non-renewable energy consumption and production (no. 5);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and

• Exposure to controversial weapons (no. 14).

[ ] No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the Bloomberg MSCI Euro Corporate SRI 0-5 Year PAB Index, which is designed to reflect the performance of Euro-denominated, investment grade, fixed-rate corporate bonds with at least 1 month and up to (but not including) 5 years to maturity. The Reference Index aims to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Bloomberg Euro Corporate 0-5 Year Index (the "Parent Index"), followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

## What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index will set an initial 50% decarbonization of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, followed by an annual 7% decarbonization trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG criteria.

In particular, the following bonds will be excluded from the Reference Index:

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• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

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If having applied the above ESG exclusion criteria, less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.

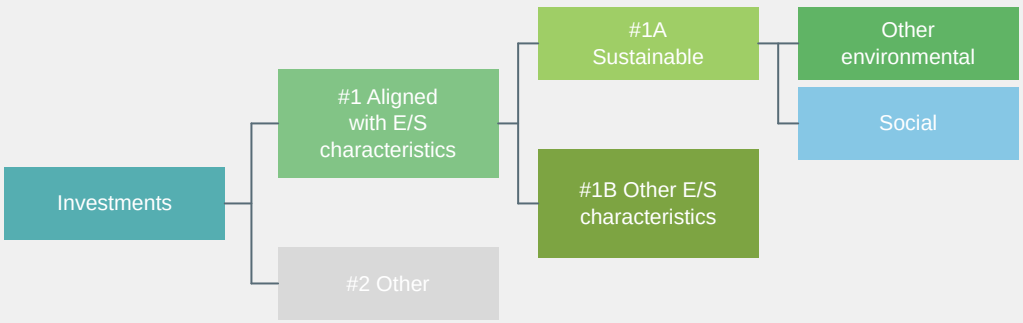
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Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

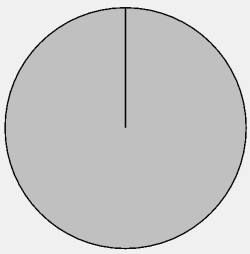
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

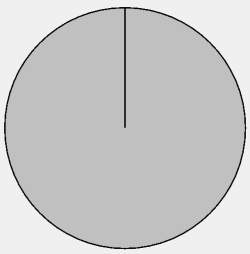
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 10%.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 10%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate SRI 0-5 Year PAB Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by aiming to comply with the minimum standards laid out for EU PAB in the PAB Regulation. The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index will set an initial 50% decarbonisation of absolute greenhouse gas ("GHG") emissions relative to the Parent Index, which is the relevant broad market index, followed by an annual 7% decarbonisation trajectory of absolute GHG emissions. In addition, the Reference Index will exclude bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

In particular, the following bonds will be excluded from the Reference Index:

• Issuers where MSCI does not have reported or estimated absolute GHG emissions data;

• Securities that are unrated by MSCI ESG Research LLC;

• Bonds issued by issuers rated BB or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure a company's ESG characteristics, relative to their industry peers and takes into account over 30 Environmental, Social and Governance Key Issues;

• Issuers with a "red" MSCI ESG Controversies Score or issuers which breach a MSCI Environmental Controversy Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work;

• Issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, oil & gas, nuclear power and weapons, and thermal coal; and

• Issuers with any involvement in controversial weapons or fossil fuel reserves.

If having applied the above ESG exclusion criteria less than 20% of the total number of issuers in the universe of eligible bonds (the "Relevant Threshold") are excluded, the remaining issuers are ranked according to MSCI ESG Ratings score and MSCI ESG Controversies score and those with the lowest ranking will be excluded from the Reference Index, until the number of excluded issuers is higher than the Relevant Threshold.

The MSCI GHG emissions data, MSCI ESG ratings, MSCI ESG Controversies scores and Business Involvement Screening Research are sourced from MSCI ESG Research LLC.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II ESG Global Government Bond UCITS ETF**
**Legal entity identifier: 254900DOBENWQS9YME93**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| | |
|---|---|
| ☐ **Yes** | ☒ **No** |
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to represent the performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets, excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.

The Reference Index determines its constituents by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series. Constituent weightings are adjusted in the Reference Index relative to the Parent Index (as defined below) by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks before applying certain other inclusion criteria to the Parent Index constituents. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score.

***ESG Scores***

Country ESG scores are calculated in respect of those countries present in the Parent Index. These ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country are established by evaluating and scoring each country's ESG risk across each of the following three pillars:

- *Environmental risk*: considers topics such as energy, climate, and natural capital;
- *Social risk*: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- *Governance risk*: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against those other countries in the Reference Index universe with a specified "tilt factor" applied to each pillar score. The resulting pillar scores are then combined to derive a single combined ESG score for each country.

The country ESG scores are then applied to re-weight each country's market value weighting in the Reference Index relative to the Parent Index to provide higher exposures to countries that have a higher ESG score, and lower exposures to countries that have a lower ESG score.

For full details on the ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Index Series Ground Rules and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Country Inclusion Criteria***

A further country inclusion criteria assessment is then performed by ranking countries based on the country ESG scores. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Reference Index. For full details on the exclusion thresholds refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Freedom Criteria***

The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Freedom House classifies each country based on its research. Only countries designated as "Free" are eligible for inclusion in the Reference Index. Further information is available at https://freedomhouse.org. For full details refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Social Violations***

The Reference Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law, based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.

EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu)

**Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the Parent Index. Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation.

Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- **Freedom House Score**: The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
- **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by MSCI.
- **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by MSCI.
- **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by MSCI.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 5% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR by investing in sustainable bonds where the use of proceeds is limited to projects with environmental and/or social benefits ("Use of Proceeds Bonds") which typically contribute to one or several UN Sustainable Development Goals, which may include, but is not limited to, (i) Goal 6: Clean water and sanitation, (ii) Goal 7: Affordable and clean energy, (iii) Goal 9: Industry, innovation and infrastructure, (iv) Goal 11: Sustainable cities and communities, (v) Goal 13: Climate action, (vi) Goal 15: Life on Land. Use of Proceeds Bonds (re)finance projects or activities with a positive environmental and/or social impact. Issuers of Use of Proceeds Bonds invest the proceeds of the bond issue in environmentally and/or socially beneficial projects or activities and as such directly contribute to the sustainable investment that the financial product partially intends to make.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in social violations; and

• Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to exclude securities which are negatively aligned with the following principal adverse indicators:

• Investee countries subject to social violations (no. 16).

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

N/A - The financial product invests solely into sovereign debt.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**What investment strategy does this financial product follow?**

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the FTSE ESG Select World Government Bond Index – DM, which is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign debt issued in developed markets, excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria. The Reference Index is based on the FTSE World Government Bond Index – DM ("Parent Index"), which is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed markets.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index determines its constituents by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series. Constituent weightings are adjusted in the Reference Index relative to the Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks before applying certain other inclusion criteria to the Parent Index constituents. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score.

***ESG Scores***

Country ESG scores are calculated in respect of those countries present in the Parent Index. These ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country are established by evaluating and scoring each country's ESG risk across each of the following three pillars:

- *Environmental risk*: considers topics such as energy, climate, and natural capital;
- *Social risk*: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- *Governance risk*: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against those other countries in the Reference Index universe with a specified "tilt factor" applied to each pillar score. The resulting pillar scores are then combined to derive a single combined ESG score for each country.

The country ESG scores are then applied to re-weight each country's market value weighting in the Reference Index relative to the Parent Index to provide higher exposures to countries that have a higher ESG score, and lower exposures to countries that have a lower ESG score.

For full details on the ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Index Series Ground Rules and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Country Inclusion Criteria***

A further country inclusion criteria assessment is then performed by ranking countries based on the country ESG scores. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Reference Index. For full details on the exclusion thresholds refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Freedom Criteria***

The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Freedom House classifies each country based on its research. Only countries designated as "Free" are eligible for inclusion in the Reference Index. Further information is available at https://freedomhouse.org. For full details refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Social Violations***

The Reference Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law, based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.

EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu)

**Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the Parent Index. Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation.

Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

***What is the policy to assess good governance practices of the investee companies?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.

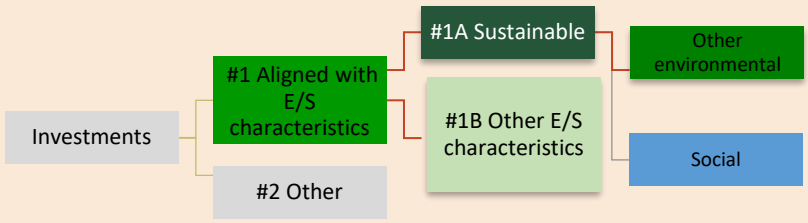
**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 5% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

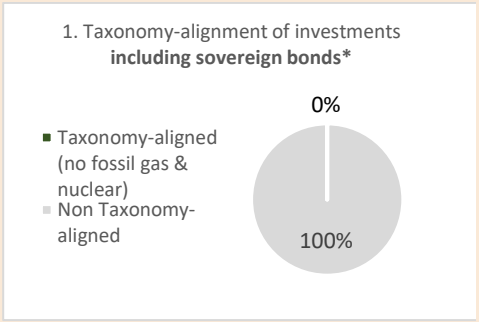
☒ No.

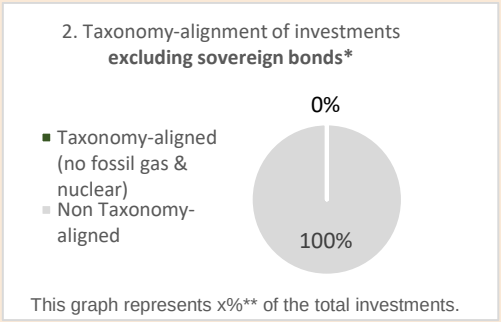
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

***** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.***

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 5%.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 5%.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the FTSE ESG Select World Government Bond Index – DM as the reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding or reweighting issuers from the Parent Index by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series, as of each Reference Index rebalance. Constituent weightings are adjusted in the Reference Index relative to the Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks before applying certain other inclusion criteria to the Parent Index constituents. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score as outlined above.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

***How does the designated index differ from a relevant broad market index?***

The Reference Index is based on the Parent Index, which is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed markets.

The Reference Index determines its constituents by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series. Constituent weightings are adjusted in the Reference Index relative to the Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks before applying certain other inclusion criteria to the Parent Index constituents. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score.

***ESG Scores***

Country ESG scores are calculated in respect of those countries present in the Parent Index. These ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com)

ESG scores for each country are established by evaluating and scoring each country's ESG risk across each of the following three pillars:

- *Environmental risk*: considers topics such as energy, climate, and natural capital;
- *Social risk*: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- *Governance risk*: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against those other countries in the Reference Index universe with a specified "tilt factor" applied to each pillar score. The resulting pillar scores are then combined to derive a single combined ESG score for each country.

The country ESG scores are then applied to re-weight each country's market value weighting in the Reference Index relative to the Parent Index to provide higher exposures to countries that have a higher ESG score, and lower exposures to countries that have a lower ESG score.

For full details on the ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Index Series Ground Rules and the LSEG Sustainable Sovereign Risk Methodology (2SRM)

***Country Inclusion Criteria***

A further country inclusion criteria assessment is then performed by ranking countries based on the country ESG scores. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Reference Index. For full details on the exclusion thresholds refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Freedom Criteria***

The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Freedom House classifies each country based on its research. Only countries designated as "Free" are eligible for inclusion in the Reference Index. Further information is available at https://freedomhouse.org. For full details refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

***Social Violations***

The Reference Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law, based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For

further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.

EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu)

**Minimum Green Bond Exposure Criteria**

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the Parent Index. Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***Where can the methodology used for the calculation of the designated index be found?***

For full details on the Reference Index, ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Bond Index Series Ground Rules.




FTSE ESG Select Government Bond Index Series (lseg.com)

**Where can I find more product specific information online?**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II ESG Eurozone Government Bond UCITS ETF**
**Legal entity identifier: 2549000GO3T2K1FRUV52**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to represent the performance of fixed-rate, euro-denominated, investment-grade sovereign debt issued in developed market countries in the European Economic and Monetary Union ("EMU"), excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria.

The Reference Index includes securities issued by EMU countries in the Parent Index (as defined below). The Parent Index is designed to measure the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed market countries included in the Ultimate Parent Index (as defined below), excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index will also be excluded from the Reference Index. The Parent Index excludes countries based on the following criteria:

***Country Inclusion Criteria***

The Parent Index applies a country inclusion criteria assessment by ranking countries based on the country ESG scores, which are calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

***Freedom Criteria***

The Parent Index also applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" are eligible for inclusion in the Parent Index. Further information is available at: https://freedomhouse.org. Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

***Social Violations***

The Parent Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes at: EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

***ESG Criteria and Tilting***

The weights of eligible constituents are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score (the "Tilted Weight").

Country ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country are established by evaluating and scoring each country's ESG risks across each of the following three pillars:

- Environmental risk: considers topics such as energy, climate, and natural capital;
- Social risk: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- Governance risk: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score is then used to determine each issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (lseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Weighting and Capping***

The Reference Index applies a 35% issuer market value weight cap. If the Tilted Weight of any country exceeds 35%, its weight is capped and any excess market weight is redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index is reviewed to ensure at least 20% of the least well-rated securities are eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index does not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers will be removed from the Reference Index until the minimum 20% exclusion is achieved. This may mean the Reference Index could exclude additional EMU countries compared to the Parent Index.

***Minimum Green Bond Exposure Criteria***

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

**FTSE ESG Select Government Bond Index Series (lseg.com)**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- **Freedom House Score**: The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
- **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by MSCI.
- **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by MSCI.
- **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by MSCI.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 20% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR by investing in sustainable bonds where the use of proceeds is limited to projects with environmental and/or social benefits ("Use of Proceeds Bonds") which typically contribute to one or several UN Sustainable Development Goals, which may include, but is not limited to, (i) Goal 6: Clean water and sanitation, (ii) Goal 7: Affordable and clean energy, (iii) Goal 9: Industry, innovation and infrastructure, (iv) Goal 11: Sustainable cities and communities, (v) Goal 13: Climate action, (vi) Goal 15: Life on Land. Use of Proceeds Bonds (re)finance projects or activities with a positive environmental and/or social impact. Issuers of Use of Proceeds Bonds invest the proceeds of the bond issue in environmentally and/or socially beneficial projects or activities and as such directly contribute to the sustainable investment that the financial product partially intends to make.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in social violations; and

• Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to exclude securities which are negatively aligned with the following principal adverse indicators:

- Investee countries subject to social violations (no. 16).

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

N/A - The financial product invests solely into sovereign debt in developed countries within the EMU.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**What investment strategy does this financial product follow?**

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the FTSE ESG Select EMU Government Bond Index, which is designed to reflect the performance of fixed-rate, euro-denominated, investment-grade sovereign debt issued in developed market countries in the European Economic and Monetary Union ("EMU"), excluding countries which do not fulfil specific ESG (environmental, social, and governance) criteria. The Reference Index is based on FTSE ESG Select World Government Bond Index – DM ("Parent Index"), which is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed markets, excluding countries which do not fulfil specific ESG criteria.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index includes securities issued by EMU countries in the Parent Index (as defined below). The Parent Index is designed to measure the performance of fixed-rate, local currency,

investment-grade sovereign bonds issued in developed market countries included in the Ultimate Parent Index (as defined below), excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index will also be excluded from the Reference Index. The Parent Index excludes countries based on the following criteria:

***Country Inclusion Criteria***

The Parent Index applies a country inclusion criteria assessment by ranking countries based on the country ESG scores, which are calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

***Freedom Criteria***

The Parent Index also applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" are eligible for inclusion in the Parent Index. Further information is available at: https://freedomhouse.org. Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

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***ESG Criteria and Tilting***

The weights of eligible constituents are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score (the "Tilted Weight").

Country ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

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- Environmental risk: considers topics such as energy, climate, and natural capital;
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- Governance risk: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score is then used to determine each issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (lseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Weighting and Capping***

The Reference Index applies a 35% issuer market value weight cap. If the Tilted Weight of any country exceeds 35%, its weight is capped and any excess market weight is redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index is reviewed to ensure at least 20% of the least well-rated securities are eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index does not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers will be removed from the Reference Index until the minimum 20% exclusion is achieved. This may mean the Reference Index could exclude additional EMU countries compared to the Parent Index.

***Minimum Green Bond Exposure Criteria***

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility is assessed by the Climate Bond Initiative ("CBI") and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

**FTSE ESG Select Government Bond Index Series (lseg.com)**

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

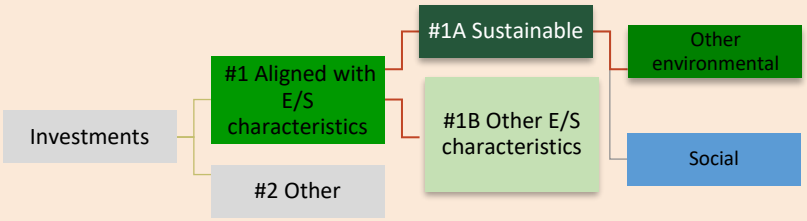
**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 20% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

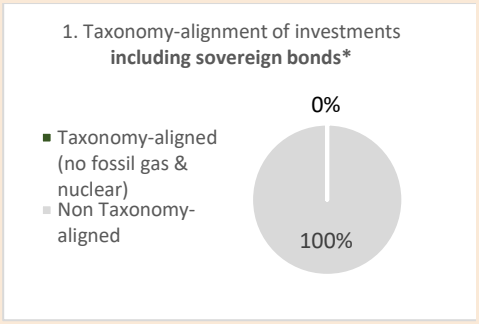
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

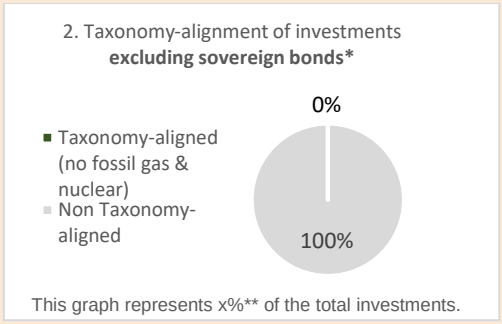
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

***** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.***

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 20%.

**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 20%.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the FTSE ESG Select EMU Government Bond Index as the reference benchmark.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding or reweighting issuers from the EMU subset of the Ultimate Parent Index by applying certain ESG criteria derived from the FTSE ESG Government Bond Index series, as of each Reference Index rebalance. The Parent Index applies certain inclusion criteria to the Ultimate Parent Index constituents. Countries excluded from the Parent Index will also be excluded from the Reference Index. Constituent weightings are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score as outlined above.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

***How does the designated index differ from a relevant broad market index?***

The Reference Index is based on the Parent Index, which is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed market countries included in the Ultimate Parent Index, excluding countries which do not fulfil specific ESG criteria. Countries excluded from the Parent Index will also be excluded from the Reference Index. The Parent Index excludes countries based on the following criteria:

***Country Inclusion Criteria***

The Parent Index applies a country inclusion criteria assessment by ranking countries based on the country ESG scores, which are calculated as set out in the paragraph 'ESG Criteria and Tilting'. Countries that are identified as significant laggards (i.e. ranked in a certain lowest percentile) are removed from the Parent Index. Further information on the exclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

***Freedom Criteria***

The Parent Index also applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partially Free" or "Not Free". Only countries designated as "Free" are eligible for inclusion in the Parent Index. Further information is available at: https://freedomhouse.org.

Further information on the inclusion thresholds is available at: FTSE ESG Select Government Bond Index Series (lseg.com).

***Social Violations***

The Parent Index excludes countries that are subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law based on data from Sustainalytics. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. The Reference Index also excludes countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes at: EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

***ESG Criteria and Tilting***

The weights of eligible constituents are adjusted in the Reference Index relative to the EMU subset of the Ultimate Parent Index by overweighting countries with lower ESG risks and underweighting countries with higher ESG risks. The market value weight for each security is "tilted" by its respective country's ESG score such that the weight of each issuer in the Reference Index is a function of the market value weight and the country ESG score (the "Tilted Weight").

Country ESG scores are intended to assess a country's exposure to, and management of, certain ESG risk factors and are sourced from the LSEG Sustainable Sovereign Risk Methodology (2SRM). Further information can be found on: Sustainable Sovereign Risk Methodology (lseg.com).

ESG scores for each country are established by evaluating and scoring each country's ESG risks across each of the following three pillars:

- Environmental risk: considers topics such as energy, climate, and natural capital;
- Social risk: considers topics such as inequality, employment, human capital, health, and societal wellbeing; and
- Governance risk: considers topics such as corruption, government effectiveness, political stability, regulatory quality, rule of law, and voice & accountability.

These pillar scores are then compared on a relative basis against other eligible constituents in the Reference Index with a specified "tilt factor" applied to each pillar score, and combined to derive a single combined ESG score for each country. This single ESG score is then used to determine each issuer's Tilted Weight in the Reference Index.

Further information on the ESG Pillars, Underlying Indicators and ESG Tilting methodology is available at: FTSE ESG Select Government Bond Index Series (lseg.com) and the LSEG Sustainable Sovereign Risk Methodology (2SRM).

***Weighting and Capping***

The Reference Index applies a 35% issuer market value weight cap. If the Tilted Weight of any country exceeds 35%, its weight is capped and any excess market weight is redistributed on a pro-rata basis across the other countries.

After the application of ESG tilting and issuer capping, the Reference Index is reviewed to ensure at least 20% of the least well-rated securities are eliminated from the Reference Index relative to the EMU subset of the Ultimate Parent Index. If the Reference Index does not exclude 20% by market value of the lowest scoring ESG issuers, additional issuers will be removed from the Reference Index until the minimum 20% exclusion is achieved. This may mean the Reference Index could exclude additional EMU countries compared to the Parent Index.

***Minimum Green Bond Exposure Criteria***

Following the application of the ESG Criteria and Weighting, a green bond tilt is implemented to each green bond's market value weighting within the Reference Index. This ensures that eligible green bonds meet a certain minimum threshold of the Reference Index, while maintaining the country weights previously calculated. The remaining bond weights are then tilted to achieve duration neutrality relative to the index duration of the EMU subset of the Ultimate Parent Index.

Green Bond eligibility is assessed by the Climate Bond Initiative (“CBI”) and only bonds classified as either CBI-aligned or CBI-certified are designated as Green Bonds. CBI data is intended to identify eligible Green Bonds whose use of proceeds are in line with the Paris Agreement. The Climate Bond Initiative (CBI) provides independent analysis on green bond use of proceeds and provides opinions on the green credential of the intended proceeds allocation. Further details on the CBI green bond methodology can be found at cbi-gb-methodology-061020.pdf (climatebonds.net).

For full details on the minimum green bond exposure criteria please refer to the FTSE ESG Select World Government Bond Index – DM Ground Rules.

**FTSE ESG Select Government Bond Index Series (lseg.com)**

***Where can the methodology used for the calculation of the designated index be found?***

For full details on the Reference Index, ESG pillars, underlying ESG indicators and ESG "tilting" methodology, please refer to the FTSE ESG Government Bond Index Series Ground Rules.

FTSE ESG Select Government Bond Index Series (lseg.com)




**Where can I find more product specific information online?**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**Pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Eurozone Government Green Bond UCITS ETF**
**Legal entity identifier: 254900O1WFLHO43NY710**

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

| ☒ *Yes* | ☐ *No* |
|---|---|
| ☒ It will make a minimum of **sustainable investments with an environmental objective:** 90% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of__% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### What is the sustainable investment objective of this financial product?

The financial product has sustainable investment as its objective and qualifies as a financial product subject to Article 9(1) SFDR by tracking the Reference Index (as defined below). The Reference Index is designed to represent the performance of sovereign green bonds that are denominated in EUR. The Reference Index rules aim to offer a broad coverage of the green sovereign bond universe, meeting certain minimum environmental, social and governance ("ESG") criteria. The financial product holds a portfolio of securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets.

The Reference Index determines its constituents by applying the following ESG selection criteria:

(1) **Freedom House Global Freedom Status:** The Reference Index applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Only sovereign bonds issued by countries designated as "Free" or Partly Free are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

(2) **Sustainalytics Country-Risk Category:** Country-Risk Scores are used to determine the Sustainalytics Country-Risk Category. The Country-Risk Scores calculate the degree of unmanaged

ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

(3) **Green Bond classification:** The Reference Index leverages external independent data sources for determining any 'green' bond classification. Only those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy are eligible. The criteria goes beyond self-labelling conventions, and evaluates the credibility of an asset and its environmental impact. The CBI's Climate Bond Taxonomy determines if each Green Bond's use of generated proceeds will help in the wider effort of transitioning to a low carbon economy. The CBI verifies if any generated greenhouse gas emissions are consistent with the greater goal of achieving the 2-degree global warming target as set by the COP 21 Paris Agreement. The CBI Taxonomy has been developed based on the latest climate science, including research from the Intergovernmental Panel on Climate Change, the International Energy Agency, and has benefited from the input of hundreds of technical experts from around the world.

The Reference Index uses inclusion criteria based on Morningstars Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

- **Green Bond Exposure**: The percentage of the financial product's portfolio which is exposed to securities identified as "green bonds" as determined by Refinitiv, incorporating data and classifications from the Climate Bond Initiative. In order to be identified as a green bond the asset and issuer must meet the following requirements:

  (i) CBI Certified Green Bond: These are issued either based on issuer's own green bond principles or CBI green bond principles and is also certified by CBI as a green.

  ii) Self-Labelled Green Bond: These are labelled as green by the issuers but do not meet CBI criteria.

  (iii) CBI Verified Green Bond: These are labelled securities which also meet CBI green bond principles. These issuers issue green bonds based on their own green bond principles.

- **Government ESG Score:** The weighted average of the financial product's portfolio's market value ESG Government score which indicates the overall environmental, social, and governance (ESG) performance of a country/region as determined by either MSCI or Sustainalytics, details on the provider used are available upon request.

***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in social violations; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment

integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to exclude securities which are negatively aligned with the following principal adverse indicators:

- Investee countries subject to social violations (no. 16).

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

N/A –The financial product invests solely in sovereign debt.



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Investee countries subject to social violations (no. 16).

☐ No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk

**What investment strategy does this financial product follow?**

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index, which is designed to reflect the performance of Sovereign Green bonds that are denominated in EUR. The Reference Index rules aim to offer a broad coverage of the Green sovereign bond universe, meeting certain minimum ESG criteria, whilst upholding minimum standards of investability and liquidity.

***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index determines its constituents by applying the following ESG selection criteria:

(1) **Freedom House Global Freedom Status:** The Reference Index applies an inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or Partly Free are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

(2) **Sustainalytics Country-Risk Category:** Country-Risk Scores are used to determine the Sustainalytics Country-Risk Category. The Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

(3) **Green Bond classification:** The Reference Index leverages external independent data sources for determining any 'green' bond classification. Only those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy are eligible. The criteria goes beyond self-labelling conventions, and evaluates the credibility of an asset and its environmental impact. The CBI's Climate Bond Taxonomy determines if each Green Bond's use of generated proceeds will help in the wider effort of transitioning to a low carbon economy. The CBI verifies if any generated greenhouse gas emissions are consistent with the greater goal of achieving the 2-degree global warming target as set by the COP 21 Paris Agreement. The CBI Taxonomy has been developed based on the latest climate science, including research from the Intergovernmental Panel on Climate Change, the International Energy Agency, and has benefited from the input of hundreds of technical experts from around the world.

The Reference Index uses inclusion criteria based on Morningstars Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.

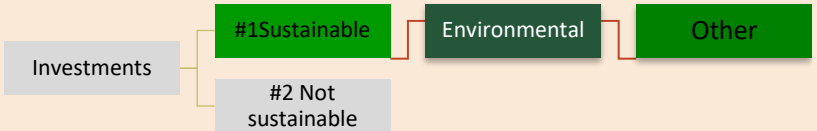
**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation and the minimum share of sustainable investments?**

This financial product invests at least 90% of its net assets in investments that are aligned with the sustainable investments with an environmental objective.

Up to 10% of the investments are not aligned with these characteristics (#2 Not sustainable).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Sustainable** covers sustainable investments with environmental or social objectives.
**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

***How does the use of derivatives attain the sustainable investment objective?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the sustainable investments with environmental or social objectives (#2 Not sustainable).

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, technical screening criteria have only been defined through delegated acts, for two of the six environmental objectives under the EU Taxonomy Regulation - climate change mitigation and climate change adaptation. Until all RTS are available and in force, the management company considers that 0% of the financial product's investments are taxonomy-aligned investments.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

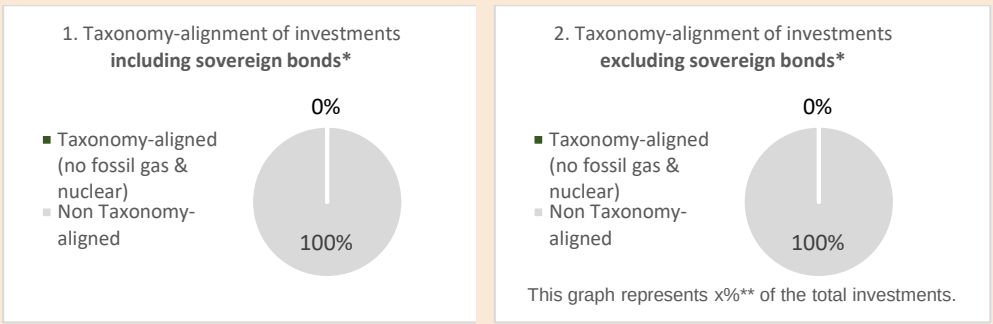
☒ No.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures***

***** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.***

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.


are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The financial product intends to make a minimum allocation of 90% to sustainable economic activities that contribute to an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of sustainable investments with a social objective?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective.



**What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are sustainable investments with an environmental objective (#1 Sustainable).

Those investments included under "#2 Not sustainable", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Yes. The financial product has designated the iBoxx EUR Eurozone Sovereigns Green Bonds Capped Index as the reference benchmark.

***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The Reference Index takes into account sustainability factors in line with the sustainable investment objective by aiming to offer a broad coverage of the Green sovereign bond universe, meeting certain minimum ESG criteria.

The Reference Index only includes those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy.

With regards to ESG criteria, the Sustainalytics Country-Risk Category and the Freedom House Global Freedom Status are used to exclude certain countries. All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index and only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index, amongst other things.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a relevant broad market index by only including those bonds that have been classified by the Climate Bond Initiative ("CBI") as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy and that meet certain minimum ESG criteria.

*Climate Bond Initiative ("CBI")*

The Reference Index leverages external independent data sources for determining any 'green' bond classification. Only those bonds that have been classified by the CBI as 'Green Bonds' in adherence with the CBI's Climate Bond Taxonomy are eligible. The criteria goes beyond self-labelling conventions, and evaluates the credibility of an asset and its environmental impact. The CBI's Climate Bond Taxonomy determines if each Green Bond's use of generated proceeds will help in the wider effort of transitioning to a low carbon economy. The CBI verifies if any generated greenhouse gas emissions are consistent with the greater goal of achieving the 2-degree global warming target as set by the COP 21 Paris Agreement. The CBI Taxonomy has been developed based on the latest climate science, including research from the Intergovernmental Panel on Climate Change, the International Energy Agency, and has benefited from the input of hundreds of technical experts from around the world.

*Sustainalytics Country-Risk Category*

Country-Risk Scores are used to determine the Sustainalytics Country-Risk Category. The Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

*Freedom House Global Freedom Status*

The Reference Index also applies an additional inclusion criterion based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

**Where can the methodology used for the calculation of the designated index be found?**

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at https://ihsmarkit.com.




**Where can I find more product specific information online?**

**More product-specific information can be found on the website:** www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II Eurozone Government Bond ESG Tilted UCITS ETF

**Legal entity identifier:** 254900P8XOXFDVXLAS51

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | X It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to represent the performance of EUR denominated sovereign bond issues with adjusted weights, which meet certain minimum environmental, social and governance ("ESG") standards, by allocating higher weights to countries with a favourable Country-Risk score and reducing weights of countries with a less favourable Country-Risk score.

The Reference Index determines its constituents by applying the following ESG selection criteria:

• **Freedom House Global Freedom Status:** The Reference Index applies an additional inclusion criteria based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

• **Sustainalytics Country-Risk Score:** Once the eligible bond universe has been defined, the countries within the eligible bond universe are weighted depending on their relative 'Sustainalytics Country-Risk Scores'. A country's risk score measures the magnitude of unmanaged ESG risk. A low score indicates a lower degree of unmanaged ESG risk and a high score indicates a higher degree of unmanaged ESG risk. Countries are then grouped into one of five Country-Risk Categories (negligible, low, medium, high, severe) as further detailed below and based on the calculated Country-Risk Score. Issuer weights are then tilted more favourably towards countries with lower levels of unmanaged ESG risk (i.e. a lower Country-Risk Score) by the application of a re-weight factor and the issuer's pre-tilted weight. Such re-weight factor assesses the variance of each issuer's Country-Risk Score from the mean of the eligible universe. The country with the lowest Country-Risk Score relative to the mean will be assigned a re-weight factor of 0.5 and the country with the highest Country-Risk Score relative to the mean will be assigned a re-weight factor of 2. Countries falling between this range are assigned a re-weight factor by a non-linear formula relative to such issuer's variance from the Country-Risk Score mean. Country weights will then be normalised to sum to 100%. Further information on Country-Risk Scores can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

• **Sustainalytics Country-Risk Category:** The Country-Risk Scores as described above calculates the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "Severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

The Reference Index uses inclusion criteria based on Morningstar's Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Freedom House Score**: The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.

• **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by MSCI.

• **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by MSCI.

• **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by MSCI.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, indicators for adverse impacts on sustainability factors have not been taken into account for the purposes of determining sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X**

Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Investee countries subject to social violations (no. 16).

No

**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the iBoxx EUR Sovereigns ESG Tilted Index, which is designed to reflect the performance of EUR denominated sovereign bond issues with adjusted weights, which meet certain minimum ESG standards, by allocating higher weights to countries with a favorable Country-Risk score and reducing weights of countries with a less favorable Country-Risk score.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index determines its constituents by applying the following ESG selection criteria:

• **Freedom House Global Freedom Status:** The Reference Index applies an additional inclusion criteria based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its ‘Freedom of the World’ report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

• **Sustainalytics Country-Risk Score:** Once the eligible bond universe has been defined, the countries within the eligible bond universe are weighted depending on their relative ‘Sustainalytics Country-Risk Scores’. A country’s risk score measures the magnitude of unmanaged ESG risk. A low score indicates a lower degree of unmanaged ESG risk and a high score indicates a higher degree of unmanaged ESG risk. Countries are then grouped into one of five Country-Risk Categories (negligible, low, medium, high, severe) as further detailed below and based on the calculated Country-Risk Score. Issuer weights are then tilted more favourably towards countries with lower levels of unmanaged ESG risk (i.e. a lower Country-Risk Score) by the application of a re-weight factor and the issuer’s pre-tilted weight. Such re-weight factor assesses the variance of each issuer’s Country-Risk Score from the mean of the eligible universe. The country with the lowest Country-Risk Score relative to the mean will be assigned a re-weight factor of 0.5 and the country with the highest Country-Risk Score relative to the mean will be assigned a re-weight factor of 2. Countries falling between this range are assigned a re-weight factor by a non-linear formula relative to such issuer’s variance from the Country-Risk Score mean. Country weights will then be normalised to sum to 100%. Further information on Country-Risk Scores can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

• **Sustainalytics Country-Risk Category:** The Country-Risk Scores as described above calculates the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "Severe" will be excluded from the Reference Index. In the case of category change, the country will be added or

removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.
The Reference Index uses inclusion criteria based on Morningstar's Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



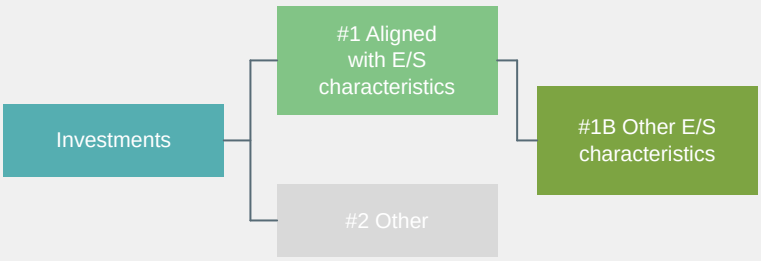
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

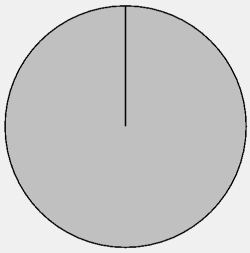
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

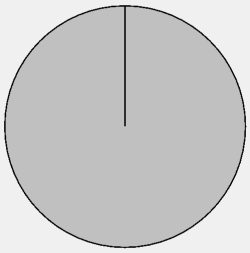
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by adjusting weights of EUR denominated sovereign bond issues. The Reference Index excludes countries classified as "Not Free" using Freedome House data and countries classified as "Severe" in the Sustainalytics Country-Risk Category. Eligible bonds are reweighted based on the Sustainalytics Country-Risk Score, allocating higher weights to countries with a favourable Country-Risk score and reducing weights of countries with a less favourable Country-Risk score.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index differs from a broad market index representing the performance of the EUR denominated sovereign bond universe by applying the following ESG selection criteria:

• **Freedom House Global Freedom Status:** The Reference Index applies an additional inclusion criteria based on Freedom House data. Freedom House is a non-profit, non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. To calculate the Reference Index, only countries designated as "Free" or "Partly Free" are eligible for inclusion in the Reference Index. Further information surrounding the methodology is available under the header "Reports" at https://freedomhouse.org.

• **Sustainalytics Country-Risk Score:** Once the eligible bond universe has been defined, the countries within the eligible bond universe are weighted depending on their relative 'Sustainalytics Country-Risk Scores'. A country's risk score measures the magnitude of unmanaged ESG risk. A low score indicates a lower degree of unmanaged ESG risk and a high score indicates a higher degree of unmanaged ESG risk. Countries are then grouped into one of five Country-Risk Categories (negligible, low, medium, high, severe) as further detailed below and based on the calculated Country-Risk Score. Issuer weights are then tilted more favourably towards countries with lower levels of unmanaged ESG risk (i.e. a lower Country-Risk Score) by the application of a re-weight factor and the issuer's pre-tilted weight. Such re-weight factor assesses the variance of each issuer's Country-Risk Score from the mean of the eligible universe. The country with the lowest Country-Risk Score relative to the mean will be assigned a re-weight factor of 0.5 and the country with the highest Country-Risk Score relative to the mean will be assigned a re-weight factor of 2. Countries falling between this range are assigned a re-weight factor by a non-linear formula relative to such issuer's variance from the Country-Risk Score mean. Country weights will then be normalised to sum to 100%. Further information on Country-Risk Scores can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

• **Sustainalytics Country-Risk Category:** The Country-Risk Scores as described above calculates the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. Issuers are then grouped into one of five risk categories; negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+). All issuers with a Sustainalytics Country-Risk Category of "Severe" will be excluded from the Reference Index. In the case of category change, the country will be added or removed during monthly rebalancing. Further information on Country-Risk Category can be found on the Sustainalytics website (https://www.sustainalytics.com/) under ESG Risk Ratings.

The Reference Index uses inclusion criteria based on Morningstar's Sustainalytics data. Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. In particular, the Reference Index uses the following ESG Products: Sustainalytics ESG Risk Rating Scores, Controversies, Country Ratings, Global Standards Screening, and Product Involvement, Controversial Weapons Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com.

Where can the methodology used for the calculation of the designated index be found?

Further details regarding the Reference Index (including its constituents) are available on the Index Administrator's website at https://ihsmarkit.com.




Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II Target Maturity Sept 2027 EUR Corporate Bond UCITS ETF

**Legal entity identifier:** 254900499HX79E7FXO75

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ● ● ☐ Yes | ● ○ X No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2026 and 30 September 2027, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2028, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research (“BISR”) as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil and gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as “Not Free” or “Partly Free” based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its ‘Freedom of the World’ report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2026 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.

• **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;
• Violation of international norms or involvement in very severe controversies; and
• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude corporate securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any corporate securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2027 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2026 and 30 September 2027, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to

measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2026 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



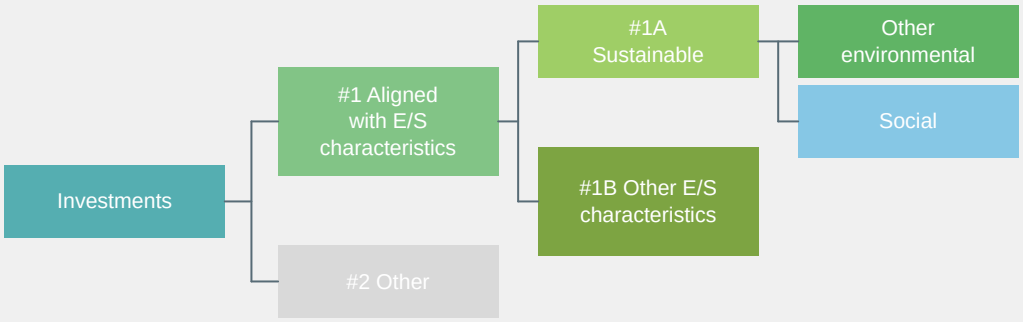
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

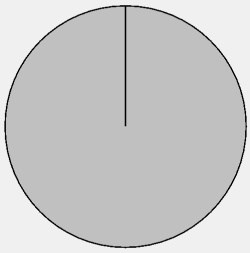
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

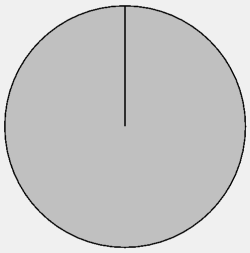
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2027 SRI Index as the reference benchmark.

### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2026 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: (https://www.xtrackers.com) as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II Target Maturity Sept 2029 EUR Corporate Bond UCITS ETF

**Legal entity identifier:** 254900CGRW6JNIQZ0437

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2028 and 30 September 2029, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2028, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
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• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research (“BISR”) as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil and gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
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**Reference Index Calculation and Rebalancing**

From the 1 October 2028 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.

• **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;
• Violation of international norms or involvement in very severe controversies; and
• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude corporate securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any corporate securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2029 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2028 and 30 September 2029, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:
• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental,

Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2028 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



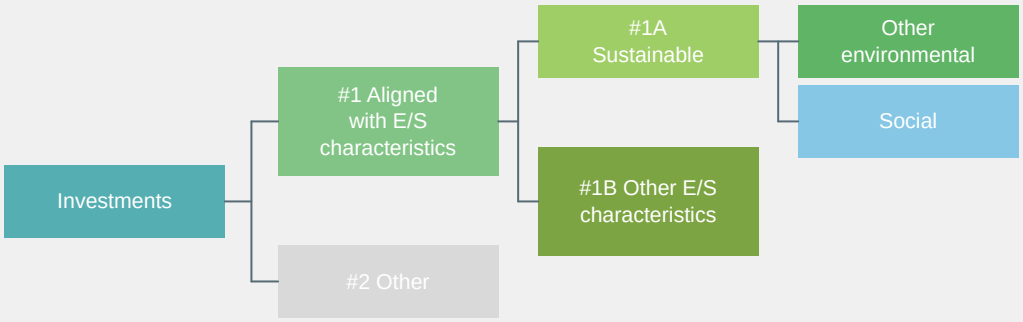
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

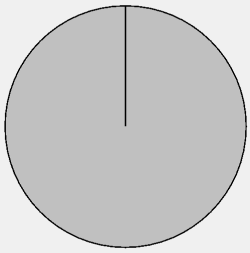
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

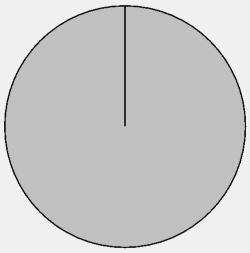
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2029 SRI Index as the reference benchmark.

### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2028 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: (https://www.xtrackers.com) as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II Target Maturity Sept 2031 EUR Corporate Bond UCITS ETF

**Legal entity identifier:** 254900DPRP5MMTZ8VL26

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2030 and 30 September 2031, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2030, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research (“BISR”) as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil and gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as “Not Free” or “Partly Free” based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its ‘Freedom of the World’ report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2030 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.

• **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;
• Violation of international norms or involvement in very severe controversies; and
• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude corporate securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any corporate securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2031 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2030 and 30 September 2031, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:
• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental,

Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2030 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



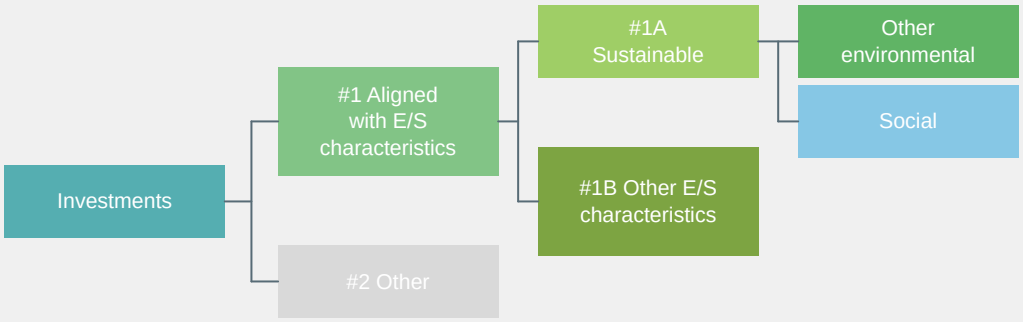
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

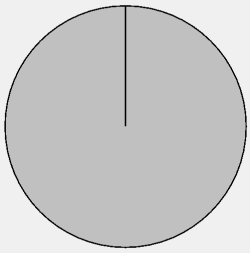
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

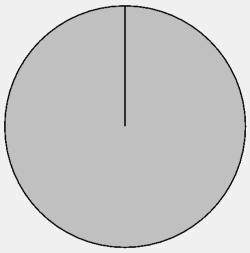
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2031 SRI Index as the reference benchmark.

### How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

### How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://https://freedomhouse.org.

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**Reference Index Calculation and Rebalancing**

From the 1 October 2030 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: (https://www.xtrackers.com) as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II Target Maturity Sept 2033 EUR Corporate Bond UCITS ETF

**Legal entity identifier:** 254900Q8IL21HGJ73745

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective: __%** | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective: __%** | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2032 and 30 September 2033, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2032, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research (“BISR”) as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer’s ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as “Not Free” or “Partly Free” based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its ‘Freedom of the World’ report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

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**Reference Index Calculation and Rebalancing**

From the 1 October 2032 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

• **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.

• **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2(17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

• Involvement in harmful business activities;
• Violation of international norms or involvement in very severe controversies; and
• Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude corporate securities which are negatively aligned with the following principal adverse indicators:

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any corporate securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);
• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
• Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2033 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2032 and 30 September 2033, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:
• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental,

Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
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What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



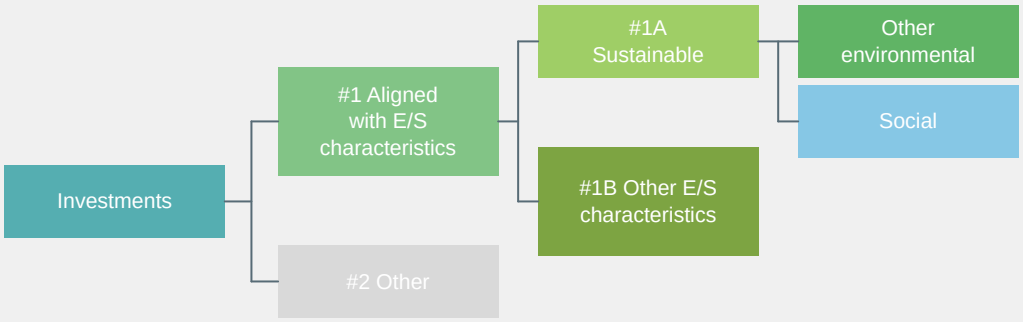
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




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The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [X] No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

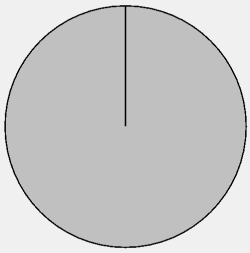
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

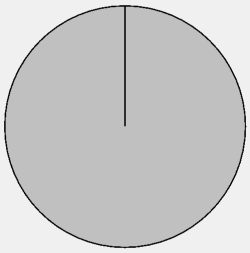
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2033 SRI Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

• Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
• Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
• Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
• Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
• Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
• Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2032 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Where can the methodology used for the calculation of the designated index be found?

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




Where can I find more product specific information online?

More product-specific information can be found on the website: (https://www.xtrackers.com) as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Target Maturity Sept 2026 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900MA0YW5HDS7RR27**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ Yes | ☒ No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2025 and 30 September 2026, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2025, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC

**Reference Index Calculation and Rebalancing**

From the 1 October 2025 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2026 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2025 and 30 September 2026, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2025 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



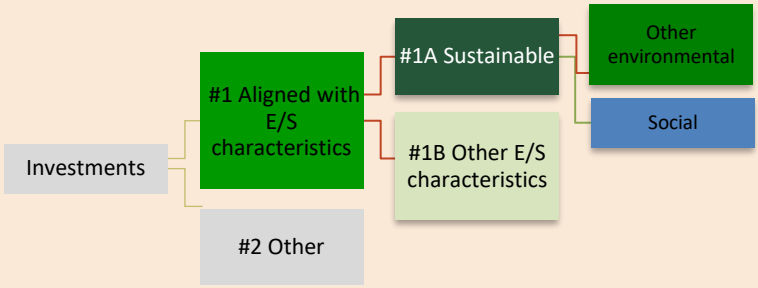
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

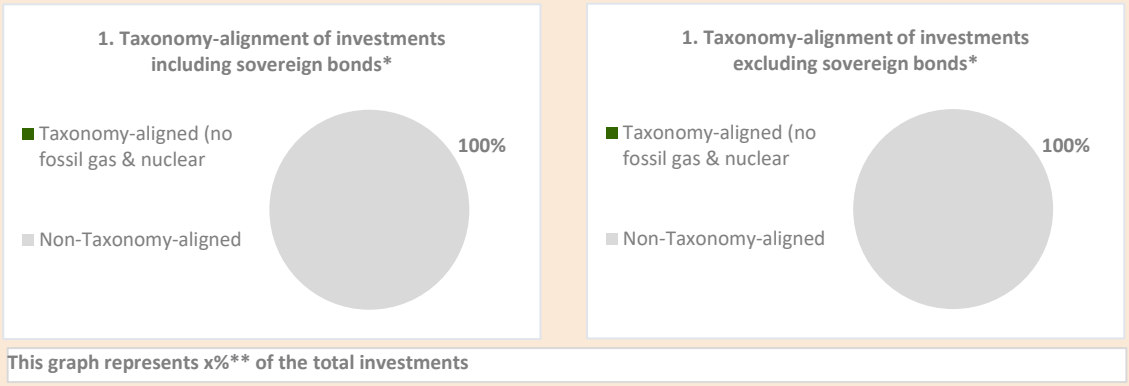
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an invironmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2026 SRI Index as

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

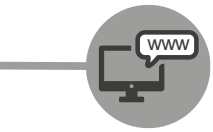
**Reference Index Calculation and Rebalancing**

From the 1 October 2025 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Xtrackers II Target Maturity Sept 2028 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900NQNTF2IW8RR126**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2027 and 30 September 2028, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2028, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC

**Reference Index Calculation and Rebalancing**

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**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2028 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2027 and 30 September 2028, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2027 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

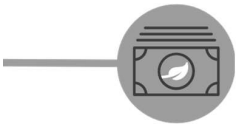
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



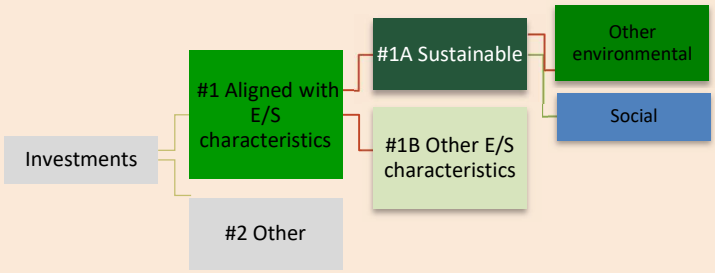
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

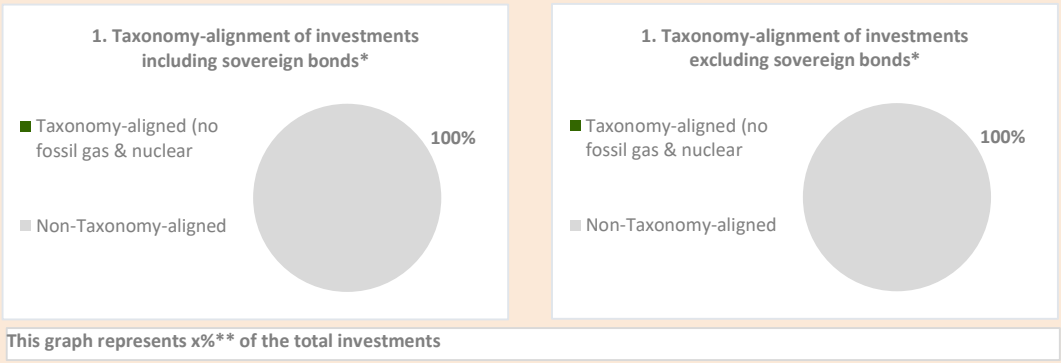
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2028 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
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with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Xtrackers II Target Maturity Sept 2030 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900TLLMQOGV0NZM82**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

●● ☐ **Yes**

●○ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ___%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2029 and 30 September 2030, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2029, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

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The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC

**Reference Index Calculation and Rebalancing**

From the 1 October 2029 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2030 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2029 and 30 September 2030, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2029 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

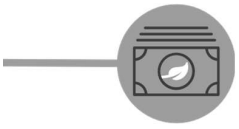
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



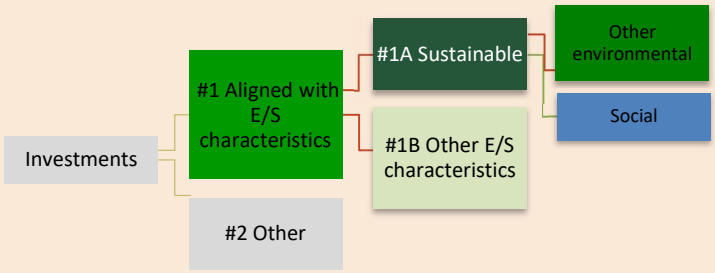
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

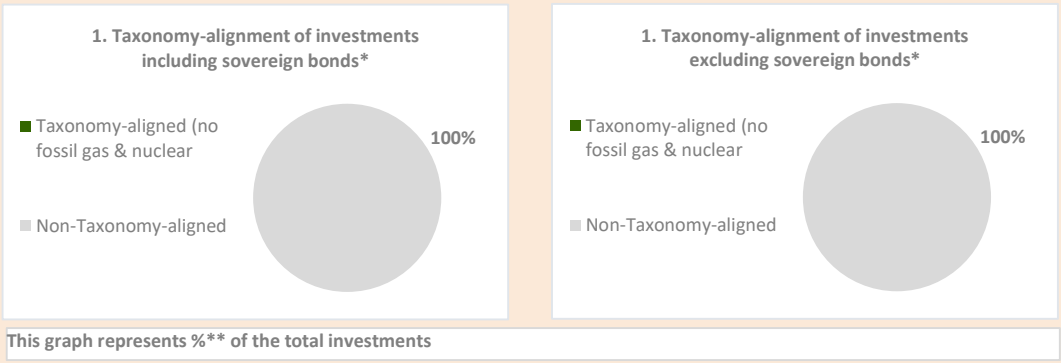
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2030 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2029 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Xtrackers II Target Maturity Sept 2032 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900XL731XZSKPWB77**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2031 and 30 September 2032, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2031, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC

**Reference Index Calculation and Rebalancing**

From the 1 October 2031 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2032 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2031 and 30 September 2032, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2031 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

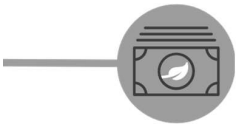
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



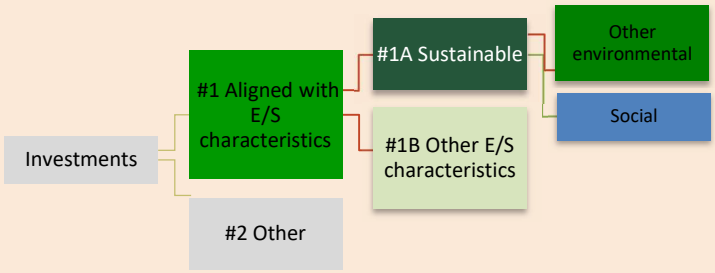
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

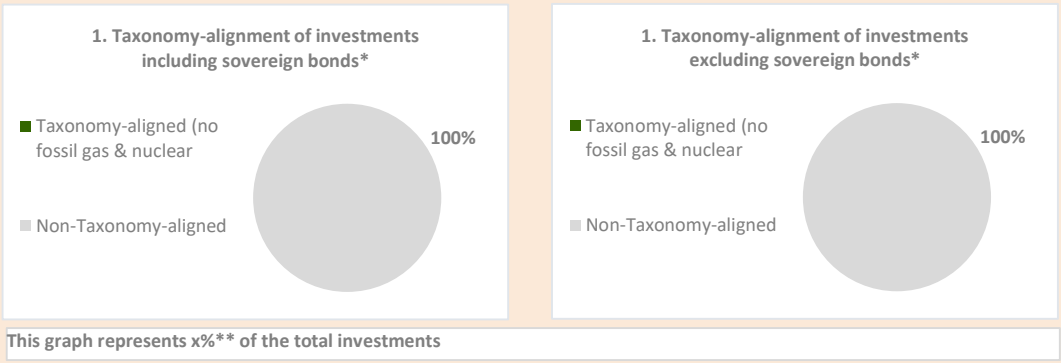
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2032 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
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**Reference Index Calculation and Rebalancing**

From the 1 October 2031 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Xtrackers II Target Maturity Sept 2034 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900M2QKA1YGOTJ579**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2033 and 30 September 2034, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2033, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
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**Reference Index Calculation and Rebalancing**

From the 1 October 2033 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2034 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2033 and 30 September 2034, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
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Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

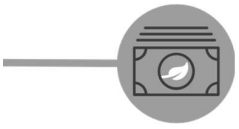
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



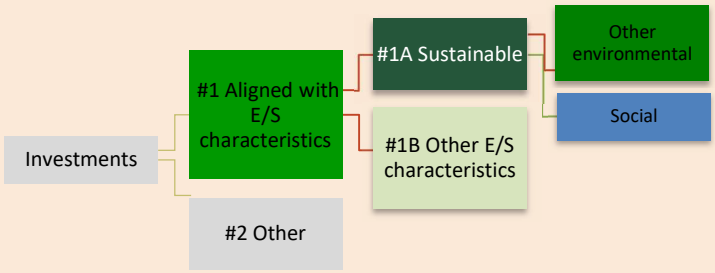
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**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

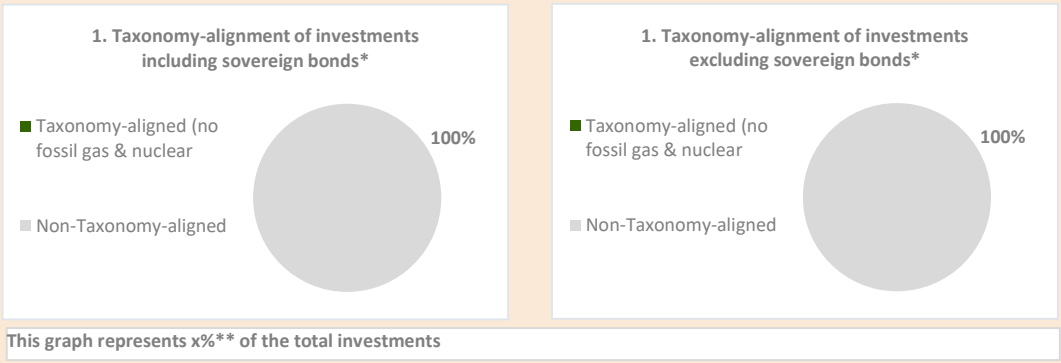
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2034 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2033 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).




## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Eurozone Government Bond 1-3 ESG Tilted UCITS ETF**
**Legal entity identifier: 254900MXOGUEQXSLFZ26**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 1 year and up to 3 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index"). The Reference Index excludes bonds from the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index") that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is

measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;

- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes. Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 1-3 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Freedom House Score:** The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
  - **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- GHG intensity (no. 15)
- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", iBoxx EUR Sovereigns ESG Tilted 1-3 Select Index, which is designed to reflect the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 1 year and up to 3 years, which meet certain minimum environmental, social and governance ("ESG") standards.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 1 year and up to 3 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 1-3 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered***

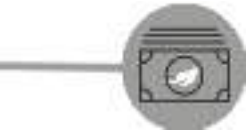
***prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



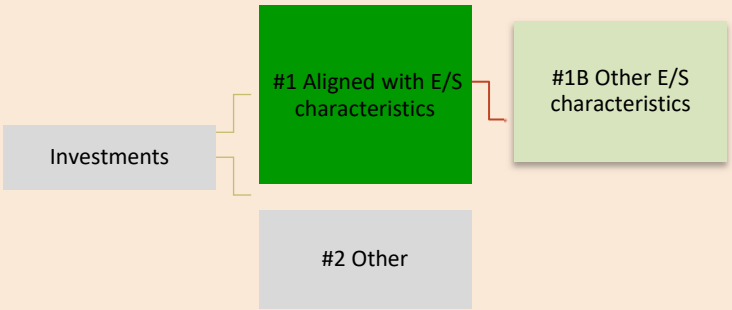
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the

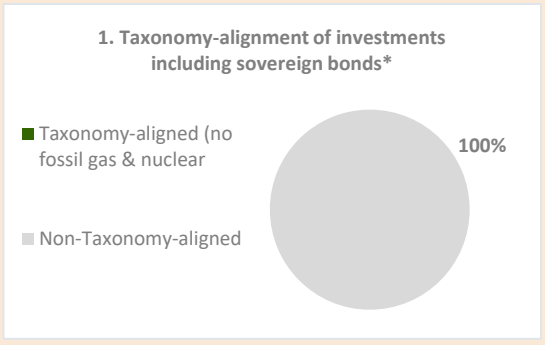
investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

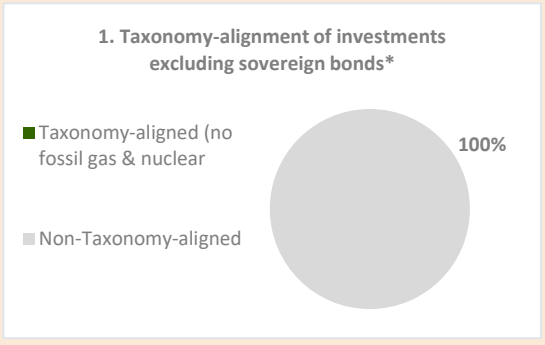
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules**.**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




This graph represents x%** of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

Yes:

In fossil gas  In nuclear energy

No.

### *What is the minimum share of investments in transitional and enabling activities?*

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable

## What is the minimum share of sustainable investments with an environmental

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted 1-3 Select Index as the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria and/or underweights issuers that have an ESG Score below a certain threshold as outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 1 year and up to 3 years remaining to the maturity, which align with certain ESG and climate-related criteria.

Eligibility criteria

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
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Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 1-3 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the Index Administrator's website at https://www.spglobal.com/.



## Where can I find more product specific information online?

### More product-specific information can be found on the website:

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**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Eurozone Government Bond 3-5 ESG Tilted UCITS ETF**
**Legal entity identifier: 2549002SF7ZVA2XIVH61**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 3 years and up to 5 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index"). The Reference Index excludes bonds from the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index") that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is

measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;

- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes. Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 3-5 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Freedom House Score:** The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
  - **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- GHG intensity (no. 15)
- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", iBoxx EUR Sovereigns ESG Tilted 3-5 Select Index, which is designed to reflect the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 3 years and up to 5 years, which meet certain minimum environmental, social and governance ("ESG") standards.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 3 years and up to 5 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 3-5 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered***

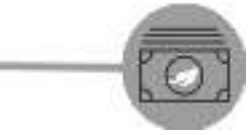
***prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



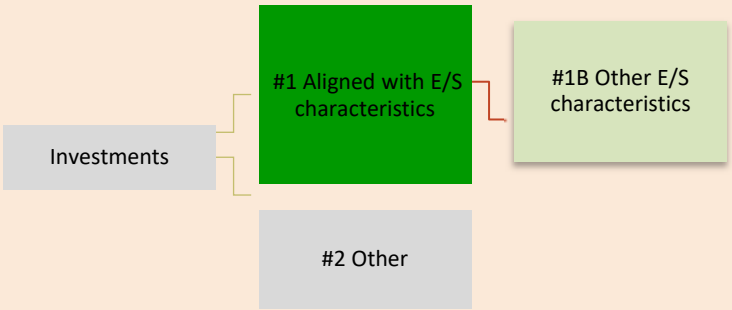
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the

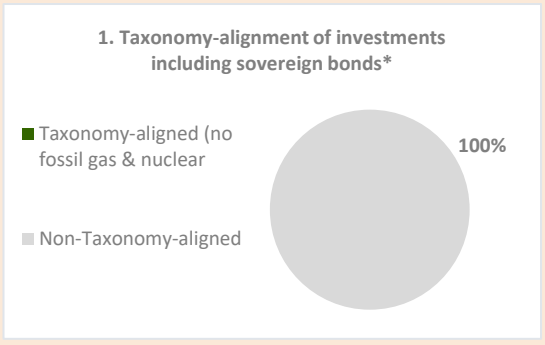
investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

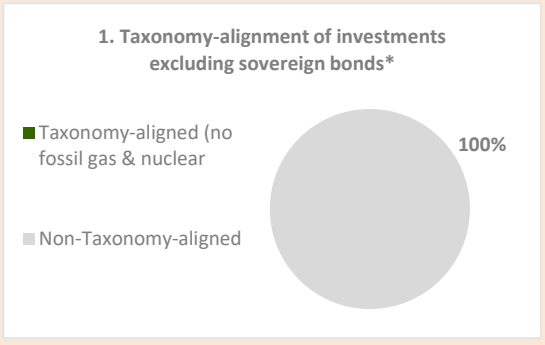
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules**.**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




This graph represents x%** of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

Yes:

In fossil gas  In nuclear energy

No.

### *What is the minimum share of investments in transitional and enabling activities?*

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable

## What is the minimum share of sustainable investments with an environmental

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted 3-5 Select Index as the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria and/or underweights issuers that have an ESG Score below a certain threshold as outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 3 years and up to 5 years remaining to the maturity, which align with certain ESG and climate-related criteria.

Eligibility criteria

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
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Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 3-5 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the Index Administrator's website at https://www.spglobal.com/.



## Where can I find more product specific information online?

### More product-specific information can be found on the website:

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Eurozone Government Bond 5-7 ESG Tilted UCITS ETF**
**Legal entity identifier: 25490000HN55Z1FBJT03**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

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## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 5 years and up to 7 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index"). The Reference Index excludes bonds from the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index") that do not fulfil the following ESG criteria:

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- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 5-7 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

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- **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

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*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- GHG intensity (no. 15)
- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", iBoxx EUR Sovereigns ESG Tilted 5-7 Select Index, which is designed to reflect the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 5 years and up to 7 years, which meet certain minimum environmental, social and governance ("ESG") standards.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 5 years and up to 7 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
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**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 5-7 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered***

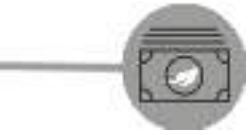
***prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



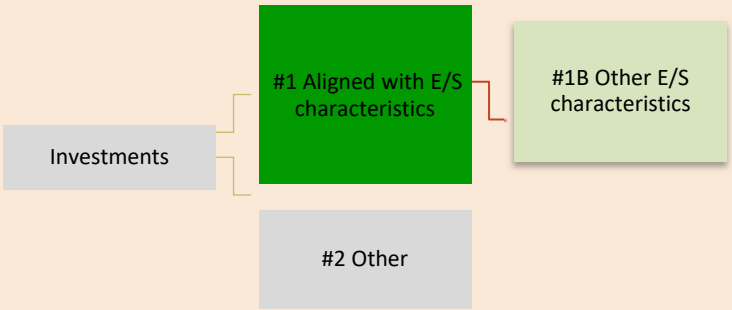
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
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**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the

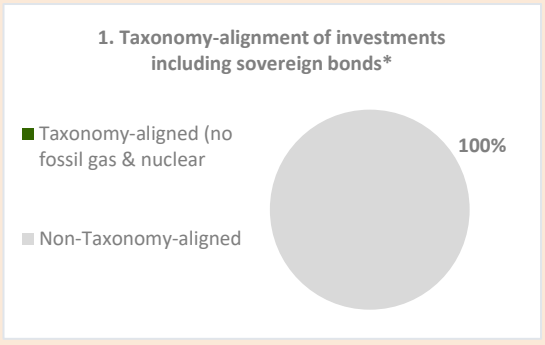
investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

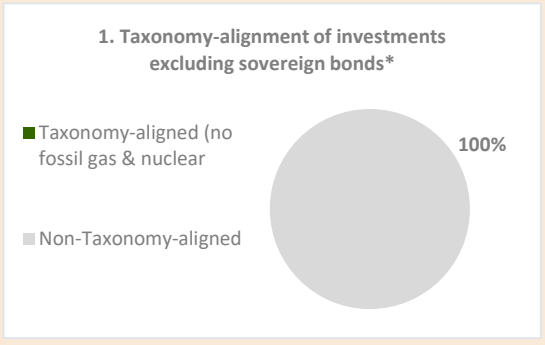
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules**.**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




This graph represents x%** of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

Yes:

In fossil gas  In nuclear energy

No.

### *What is the minimum share of investments in transitional and enabling activities?*

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable

## What is the minimum share of sustainable investments with an environmental

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted 5-7 Select Index as the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria and/or underweights issuers that have an ESG Score below a certain threshold as outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 5 years and up to 7 years remaining to the maturity, which align with certain ESG and climate-related criteria.

Eligibility criteria

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
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Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
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- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the Index Administrator's website at https://www.spglobal.com/.



## Where can I find more product specific information online?

### More product-specific information can be found on the website:

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name: Xtrackers II Eurozone Government Bond 7-10 ESG Tilted UCITS ETF**
**Legal entity identifier: 254900G4IGYNBF8EHE96**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 7 years and up to 10 years remaining to the maturity, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index"). The Reference Index excludes bonds from the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index") that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is

measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;

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**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 7-10 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Freedom House Score:** The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
  - **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- GHG intensity (no. 15)
- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", iBoxx EUR Sovereigns ESG Tilted 7-10 Select Index, which is designed to reflect the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries that have a remaining time to maturity of at least 7 years and up to 10 years, which meet certain minimum environmental, social and governance ("ESG") standards.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

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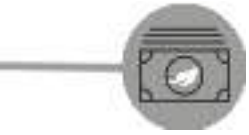
***prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



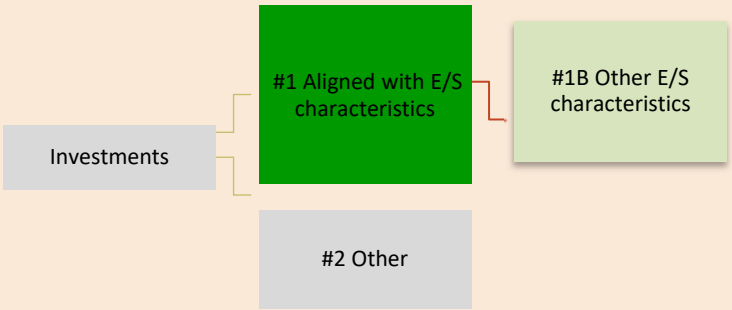
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The category **#1 Aligned with E/S characteristics** covers:
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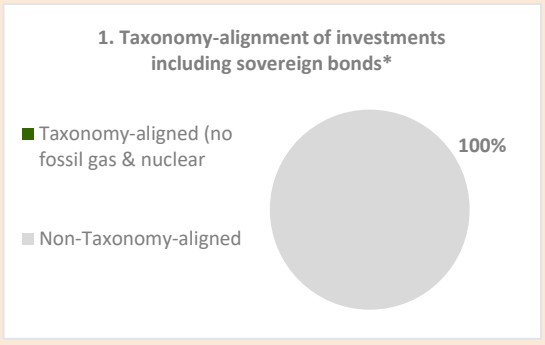
investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

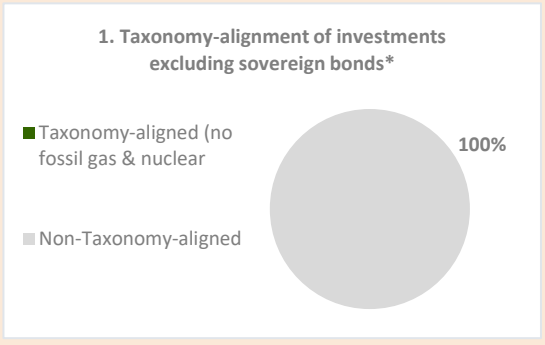
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**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




This graph represents x%** of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

Yes:

In fossil gas  In nuclear energy

No.

### *What is the minimum share of investments in transitional and enabling activities?*

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable

## What is the minimum share of sustainable investments with an environmental

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted 7-10 Select Index as the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria and/or underweights issuers that have an ESG Score below a certain threshold as outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with at least 7 years and up to 10 years remaining to the maturity, which align with certain ESG and climate-related criteria.

Eligibility criteria

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 7-10 Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the Index Administrator's website at https://www.spglobal.com/.



## Where can I find more product specific information online?

### More product-specific information can be found on the website:

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Eurozone Government Bond 10+ ESG Tilted UCITS ETF**
**Legal entity identifier: 254900UKP6OW3RE58L09**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with an outstanding maturity of 10 years or greater, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index"). The Reference Index excludes bonds from the iBoxx EUR Sovereigns ESG Tilted Index (the "Parent Index") that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is

measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;

- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes. Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 10+ Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Freedom House Score:** The weighted average of the financial product's portfolio's market value score according to Freedom House's "Freedom in the World" classification and scoring process.
  - **Country Environment Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign environmental risk score, assessing issuers' overall performance on environmental risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Social Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign social risk score, assessing issuers' overall performance on social risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.
  - **Country Governance Pillar Score:** The weighted average of the financial product's portfolio's market value sovereign governance risk score, assessing issuers' overall performance on governance risk factors as measured by either MSCI or Sustainalytics. Details on the provider used are available upon request.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A - Given the financial product does not intend to make sustainable investments and invests solely into sovereign debt, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- GHG intensity (no. 15)
- Investee countries subject to social violations (no. 16).
- Non-cooperative tax jurisdictions (no. 22).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", iBoxx EUR Sovereigns ESG Tilted 10+ Select Index, which is designed to reflect the performance of tradable debt (bonds) denominated in Euro issued by the governments of Eurozone countries with an outstanding maturity of 10 years or greater, which meet certain minimum environmental, social and governance ("ESG") standards.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with an outstanding maturity of 10 years or greater, which align with certain ESG and climate-related criteria.

**Eligibility criteria**

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
- Countries that are present on the EU list of non-cooperative jurisdictions for tax purposes. For further details on which countries are present on this list, refer to the EU list of non-cooperative jurisdictions for tax purposes.
  Further information is available at EU list of non-cooperative jurisdictions for tax purposes - Consilium (europa.eu).

**Weighting criteria**

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 10+ Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

***What is the committed minimum rate to reduce the scope of the investments considered***

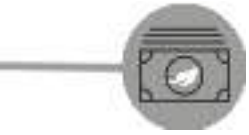
***prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and excludes and/or underweights countries that have an ESG Score (which assesses, amongst other things, a country's governance risks) below a certain threshold.



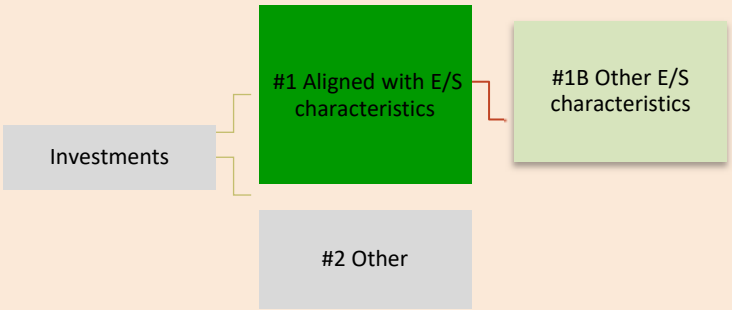
**Asset allocation** describes the share of investments in specific assets.

## What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 0% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the

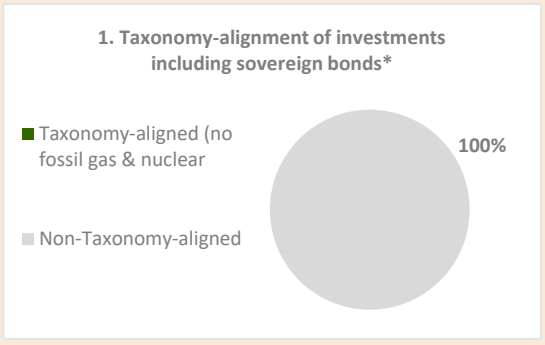
investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

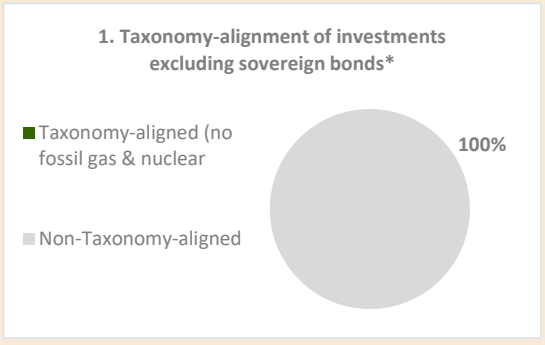
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules**.**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




This graph represents x%** of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

Yes:

In fossil gas  In nuclear energy

No.

### *What is the minimum share of investments in transitional and enabling activities?*

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable

## What is the minimum share of sustainable investments with an environmental

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**objective that are not aligned with the EU Taxonomy?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What is the minimum share of socially sustainable investments?**

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.



**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Yes. The financial product has designated the iBoxx EUR Sovereigns ESG Tilted 10+ Select Index as the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria and/or underweights issuers that have an ESG Score below a certain threshold as outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index is designed to reflect the performance of EUR-denominated sovereign debt issued by governments of Eurozone countries with an outstanding maturity of 10 years or greater, which align with certain ESG and climate-related criteria.

Eligibility criteria

The methodology of the Reference Index is based on the Parent Index. The Reference Index excludes bonds from the Parent Index that do not fulfil the following ESG criteria:

- Issuers with a Sustainalytics Country-Risk Category of "Severe" (a Country-Risk Score of 40+). Country-Risk Scores calculate the degree of unmanaged ESG risk a country may have. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) and a maximum score below 50. Further information on Country-Risk Category is available at https://www.sustainalytics.com/;
- Issuers classified as "Not Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org; and
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Weighting criteria

Securities from the Parent Index which pass the Eligibility criteria outlined above will constitute the eligible universe (the "Eligible Universe"). Securities from the Eligible Universe are selected and weighted based on the following criteria:

- The weights of eligible securities are adjusted in the Reference Index by overweighting countries with a lower Country-Risk Score and underweighting countries with a higher Country-Risk Score. The market value weight for each security is "tilted" by its respective Country-Risk Score such that the weight of each issuer in the Reference Index is a function of the market value weight and the Country-Risk Score (the " Tilted Weight"); and
- The Tilted Weights of countries ranking within the highest 20% of carbon emissions from all countries represented in the Parent Index are further tilted until the carbon intensity of the Reference Index is less than that of the iBoxx EUR Sovereigns 10+ Index. Carbon emissions are calculated using the Production-Based Carbon emissions per GDP based on the Trucost Sovereign Environmental Dataset. Further information is available at https://www.spglobal.com/.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the Index Administrator's website at https://www.spglobal.com/.



## Where can I find more product specific information online?

### More product-specific information can be found on the website:

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Target Maturity Sept 2035 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 2549003BD2XFDHX6OI89**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2034 and 30 September 2035, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2034, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2034 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2035 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2034 and 30 September 2035, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2034 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

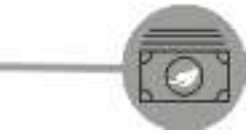
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



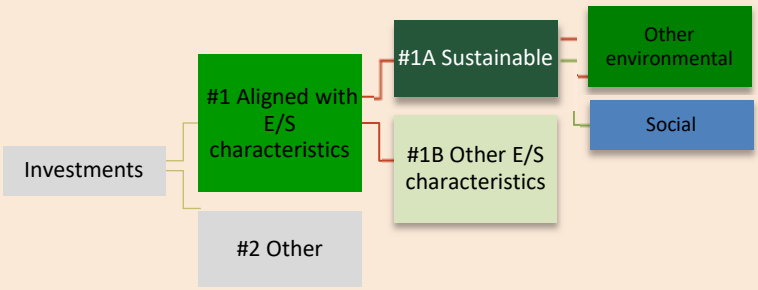
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

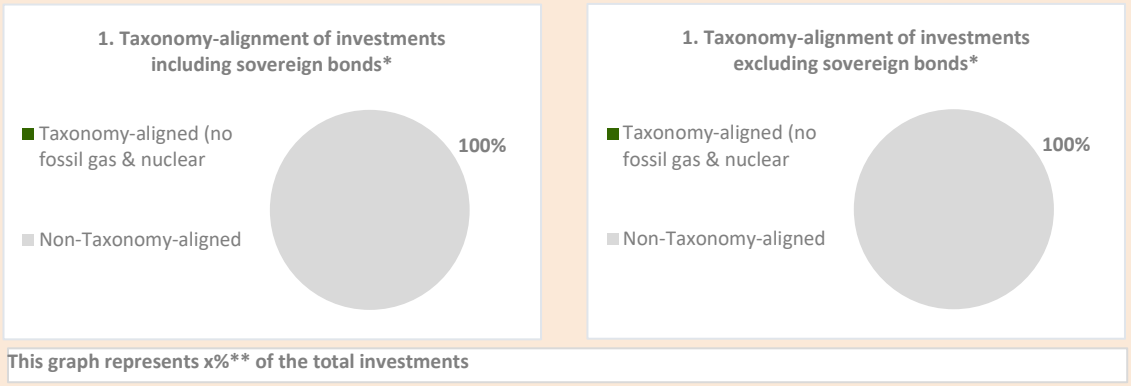
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2035 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

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**Reference Index Calculation and Rebalancing**

From the 1 October 2034 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).



## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

**ANNEX**

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name: Xtrackers II Target Maturity Sept 2036 EUR Corporate Bond UCITS ETF**
**Legal entity identifier: 254900KF7JOJVLR93Z20**

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** ___% | ☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 1% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☒ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** ___% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product specifically promotes, amongst others, the environmental characteristics of: a reduction in fossil fuel production; and the social characteristics of: a reduction in human and labour rights controversy occurrences and a reduction in controversial weapon production.

In order to promote these characteristics, the financial product holds a portfolio of securities that comprises constituents of the Reference Index or unrelated transferable securities or other eligible assets. The Reference Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, with maturity dates on or between 1 October 2035 and 30 September 2036, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria. From 1 October 2035, the Reference Index will also include certain Euro-denominated Treasury bills issued by certain European governments with 1 to 3 months remaining to maturity.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research ("BISR") as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B or below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2035 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  - **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.
  - **Government ESG Score:** The weighted average of the financial product's portfolio's market value overall sovereign environmental, social, and governance (ESG) score which assesses the performance of a country/regional issuer's overall performance on environmental risk factors as measured by MSCI. Coverage for this sustainability indicator will be limited to sovereign issuers.
  - **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI. Coverage for this sustainability indicator will be limited to corporate issuers.

- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 1% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the "Reference Index", Bloomberg MSCI Euro Corporate September 2036 SRI Index, which is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, maturity dates on or between 1 October 2035 and 30 September 2036, and excluding bonds which do not fulfil specific ESG (environmental, social, and governance) criteria.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

The Reference Index excludes issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian

firearms, weapons, oil & gas, nuclear power, and thermal coal

- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2035 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion, with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

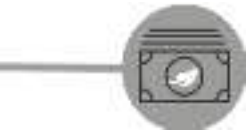
***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the policy to assess good governance practices of the investee companies?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.



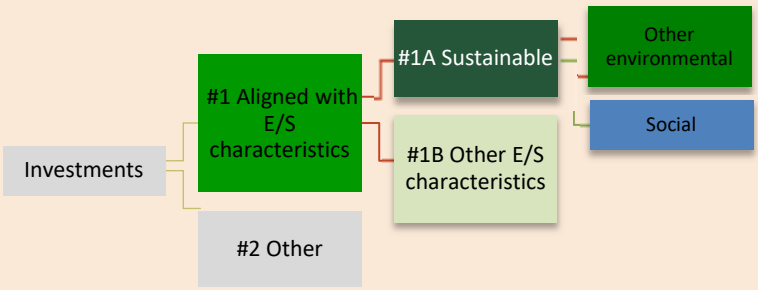
## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 1% of the financial product's assets qualify as sustainable investments (#1A Sustainable).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities of climate change mitigation and/or climate change adaptation (the only two of the six environmental objectives under the EU Taxonomy Regulation for which technical screening criteria have been defined through delegated acts). As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

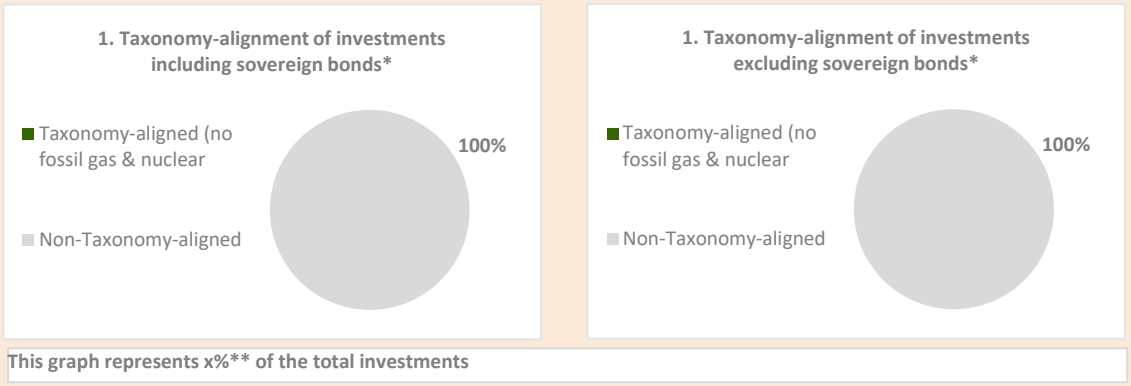
☒ No.

[1] ***Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.***

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** There are no investments which are aligned with the EU Taxonomy. This statement is therefore not applicable.*

***What is the minimum share of investments in transitional and enabling activities?***

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective. However, the share of environmentally and socially sustainable investments will in total be at least 1%.

## What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under "#2 Other", may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Bloomberg MSCI Euro Corporate September 2036 SRI Index as

the reference benchmark

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Reference Index promotes environmental and social characteristics by excluding issuers which do not fulfil the specific ESG criteria outlined above, as of each Reference Index rebalance.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve the investment objective, the financial product will adopt a "Direct Investment Policy" which means that the financial product will aim to replicate the Reference Index by buying all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. Any unrelated transferable securities held by the financial product will typically be similar to the securities comprised in the Reference Index.

- ***How does the designated index differ from a relevant broad market index?***

The Reference Index differs from a broad market index representing the performance of Euro denominated corporate bonds by excluding issuers which do not fulfil specific ESG criteria. In particular, issuers will be excluded from the Reference Index due to the following ESG considerations:

- Corporate issuers rated CCC by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance key issues
- Corporate issuers with a "red" MSCI ESG Controversies Score. MSCI ESG Controversies identifies companies involved in severe ESG controversies consistent with global conventions and norms, such as, but not limited, to United Nations Global Compact, Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work
- Corporate issuers that are classified by MSCI in their Business Involvement Screening Research as breaching certain revenue thresholds in controversial activities, including, but not limited to, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, civilian firearms, weapons, oil & gas, nuclear power, and thermal coal
- Corporate issuers with any involvement in controversial weapons, nuclear weapons, or with any fossil fuel reserves
- Sovereign issuers rated B of below by MSCI ESG Research LLC. MSCI ESG ratings provide scores to measure an issuer's ESG characteristics, relative to their peers and takes into account Environmental, Social and Governance Key Issues
- Sovereign issuers classified as "Not Free" or "Partly Free" based on Freedom House data. Freedom House is a nonprofit non-governmental organisation that conducts research and advocacy on democracy, political freedom, and human rights. Freedom House classifies countries as part of its 'Freedom of the World' report as either "Free", "Partly Free" or "Not Free". Freedom House classifies each country based on its research. Further information is available at https://freedomhouse.org.

The MSCI ESG Ratings, MSCI ESG Controversies scores and BISR are sourced from MSCI ESG Research LLC.

**Reference Index Calculation and Rebalancing**

From the 1 October 2035 all cash amounts received from maturing bonds will be re-invested into Euro Treasury bills at the month end rebalance and will not be reinvested into subsequent corporate bond issuances. Only Euro Treasury bills with amounts outstanding greater than or equal to EUR 1 billion,

with remaining maturity between 1 to 3 months, and that fulfil the above Sovereign ESG criteria are eligible for selection.

- ***Where can the methodology used for the calculation of the designated index be found?***

Full information on the Reference Index can be found on the relevant Bloomberg website (https://www.bloombergindices.com).



## Where can I find more product specific information online?

**More product-specific information can be found on the website:**

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II EUR High Yield Corporate Bond Active UCITS ETF

**Legal entity identifier:** 254900QK4DRM3B6SD767

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective:** __% | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 2% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective:** __% | ☐ It promotes E/S characteristics, but **will not make any sustainable investments** |

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR through the screening of potential securities against an ESG database, where companies which breach the following ESG standards, among others, will be excluded from the investment universe:

- Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;
- Have any involvement in controversial weapons;
- Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and
- Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("GCEL").

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.

The financial product utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies, MSCI ESG Business Involvement Screening Research.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research ("BISR") aims to enable institutional investors to manage ESG standards and restrictions.

Although the financial product seeks to ensure compliance with the above ESG standards on an ongoing basis, securities which no longer meet these criteria may remain included in the portfolio of the financial product until it is possible and practicable to divest such positions, for a period of up to 6 months.

The financial product has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more very Severe controversies related to the environment, customers, human rights, labour rights and governance as captured by the MSCI ESG Controversies Score, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI.
- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes, among others, companies deriving revenue from thermal coal extraction, unconventional oil and gas extraction, as well as revenue from thermal coal-based power generation.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 2% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principal adverse indicators and the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are ineligible for investment by the financial product.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to achieve, before fees and expenses, an excess return over a benchmark reflecting the performance of EUR-denominated, sub-investment grade (with a rating of less than Baa3/ BBB-) corporate debt securities. Potential securities are screened against an Environmental, Social, and Governance (ESG) database where companies which breach certain ESG standards will not be included in the Invested Assets.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The financial product will primarily be invested in assets that comply with the certain standards in respect to environmental and social characteristics as well as good governance practices.

The composition of the financial product will be screened against an ESG database where companies which breach the following ESG standards, among others, will be excluded from the investment universe:

- Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;
- Have any involvement in controversial weapons;
- Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and
- Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("GCEL").

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.

The financial product utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies, and MSCI ESG Business Involvement Screening Research.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research ("BISR") aims to enable institutional investors to manage ESG standards and restrictions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The policy of the financial product is to assess good governance practices of investee companies using MSCI ESG Controversies data.

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The financial product will utilise MSCI ESG Controversies to exclude companies with an MSCI ESG Controversies Score of 0 which are companies which have very severe controversies, including governance controversies such as: bribery and fraud, governance structures, and controversial investments.



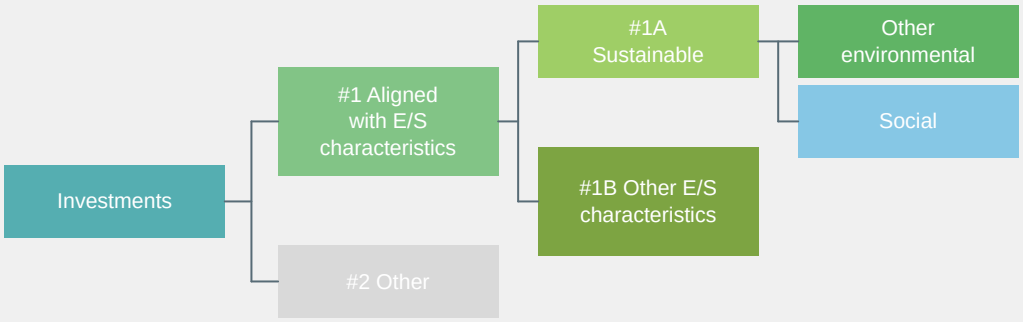
What is the asset allocation planned for this financial product?

This financial product invests at least 80% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 2% of the sub-fund's net assets qualify as sustainable investments (#1A Sustainable).

Up to 20% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending portfolio rebalance to gain market exposure. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of this financial product, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

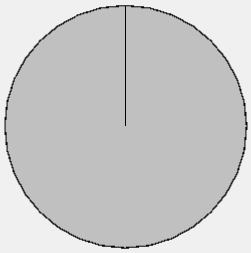
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

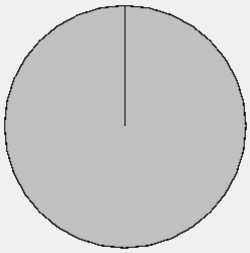
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of at least 1%.

### What is the minimum share of socially sustainable investments?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments with a social objective of at least 1%.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

This financial product has not designated a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### Where can I find more product specific information online?

**More product-specific information can be found on the website**: www.xtrackers.com as well as on your local country website.

# Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Xtrackers II EUR Investment Grade Corporate Bond Active UCITS ETF

**Legal entity identifier:** 254900MJ1KAWZTPI0S67

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| Yes | X No |
|---|---|
| It will make a minimum of **sustainable investments with an environmental objective: __%** | X It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 2% of sustainable investments |
| in economic activities that qualify as environmentally sustainable under the EU Taxonomy | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | X with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | X with a social objective |
| It will make a minimum of **sustainable investments with a social objective: __%** | It promotes E/S characteristics, but **will not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR through the screening of potential securities against an ESG database, where companies which breach the following ESG standards, among others, will be excluded from the investment universe:

- Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;
- Have any involvement in controversial weapons;
- Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and
- Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("GCEL").

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.

The financial product utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies, MSCI ESG Business Involvement Screening Research.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research ("BISR") aims to enable institutional investors to manage ESG standards and restrictions.

Although the financial product seeks to ensure compliance with the above ESG standards on an ongoing basis, securities which no longer meet these criteria may remain included in the portfolio of the financial product until it is possible and practicable to divest such positions, for a period of up to 6 months.

The financial product has not designated a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more very Severe controversies related to the environment, customers, human rights, labour rights and governance as captured by the MSCI ESG Controversies Score, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI.
- **Exposure to Fossil Fuels:** The percentage of the financial product's portfolio's market value exposed to companies flagged for involvement in fossil fuels as determined by MSCI, and includes, among others, companies deriving revenue from thermal coal extraction, unconventional oil and gas extraction, as well as revenue from thermal coal-based power generation.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments as defined by Article 2 (17) SFDR.

At least 2% of the financial product's net assets will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2 (17) SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable. The environmental and/or social objectives are identified by activities that contribute positively to the United Nations Sustainable Development Goals ("UN SDGs"), which may include, but is not limited to, (i) Goal 1: No poverty, (ii) Goal 2: Zero hunger, (iii) Goal 3: Good health and well-being, (iv) Goal 4: Quality education, (v) Goal 5: Gender equality, (vi) Goal 6: Clean water and Sanitation, (vii) Goal 7: Affordable and clean energy, (viii) Goal 10: Reduced inequality, (ix) Goal 11: Sustainable cities and communities, (x) Goal 12: Responsible consumption, (xi) Goal 13: Climate action, (xii) Goal 14: Life below water, and (xiii) Goal 15: Life on land, are measured in terms of revenues, capital expenditure (CapEx) and/or operational expenditure (OpEx). The extent of contribution to individual UN SDGs will vary based on the actual investments in the portfolio.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

How have the indicators for adverse impacts on sustainability factors been taken into account?

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principal adverse indicators and the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are ineligible for investment by the financial product.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

**X** Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

- Exposure to companies active in the fossil fuel sector (no. 4);
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and
- Exposure to controversial weapons (no. 14).

☐ No



**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment objective of the financial product is to achieve, before fees and expenses, an excess return over a benchmark reflecting the performance of EUR-denominated, investment grade (with a rating of better or equal than Baa3/ BBB-) corporate debt securities. Potential securities are screened against an Environmental, Social, and Governance (ESG) database where companies which breach certain ESG standards will not be included in the Invested Assets.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The financial product will primarily be invested in assets that comply with the certain standards in respect to environmental and social characteristics as well as good governance practices.

The composition of the financial product will be screened against an ESG database where companies which breach the following ESG standards, among others, will be excluded from the investment universe:

- Have a MSCI Controversies Score of 0, or have a MSCI Low Carbon Transition score below 2;
- Have any involvement in controversial weapons;
- Breach certain revenue thresholds in controversial activities, including civilian firearms, nuclear weapons, tobacco production, palm oil, thermal coal mining and power, uranium mining, nuclear power, unconventional oil and gas extraction; and
- Have any involvement in coal power expansion projects or coal mining expansion projects, as classified by the Urgewald Global Coal Exit List ("GCEL").

Please note that companies that are not assessed by MSCI ESG Research in the ESG Controversies assessments are also excluded.

The financial product utilises data from Urgewald and MSCI ESG Research LLC to apply certain ESG criteria using the following products: Urgewald Global Coal Exit List, MSCI ESG Controversies, and MSCI ESG Business Involvement Screening Research.

*MSCI ESG Controversies*

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services.

*MSCI ESG Business Involvement Screening Research*

MSCI ESG Business Involvement Screening Research ("BISR") aims to enable institutional investors to manage ESG standards and restrictions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The policy of the financial product is to assess good governance practices of investee companies using MSCI ESG Controversies data.

MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The financial product will utilise MSCI ESG Controversies to exclude companies with an MSCI ESG Controversies Score of 0 which are companies which have very severe controversies, including governance controversies such as: bribery and fraud, governance structures, and controversial investments.



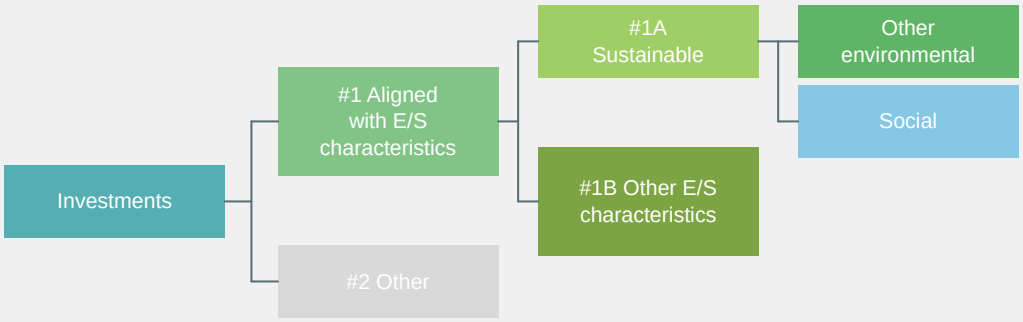
What is the asset allocation planned for this financial product?

This financial product invests at least 80% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics). Within this category, at least 2% of the sub-fund's net assets qualify as sustainable investments (#1A Sustainable).

Up to 20% of the investments are not aligned with these characteristics (#2 Other).

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments (“FDIs”) may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending portfolio rebalance to gain market exposure. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of this financial product, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

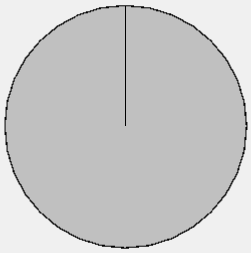
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

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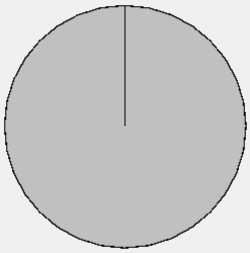
***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***

1. Taxonomy-alignment of investments **including sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

2. Taxonomy-alignment of investments **excluding sovereign bonds***



| | |
|---|---|
| Taxonomy-aligned: Fossil gas | 0.00% |
| Taxonomy-aligned: Nuclear | 0.00% |
| Taxonomy-aligned (no fossil gas and nuclear) | 0.00% |
| Taxonomy-aligned | 0.00% |
| Non Taxonomy-aligned | 100.00% |

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy of at least 1%.

What is the minimum share of socially sustainable investments?

While the financial product does not have sustainable investment as its objective, it will invest a minimum proportion of its assets in sustainable investments with a social objective of at least 1%.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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