

# Xtrackers\*

**(\*This includes synthetic ETFs)**

Hong Kong Prospectus

1 December 2020

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and the Hong Kong Securities and Futures Commission take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

# INTRODUCTION

## General

Xtrackers\* (\*This includes synthetic ETFs) (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 index (the “**Reference 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 SEHK and Authorisation by the SFC

This Prospectus has been prepared in connection with the offer in Hong Kong of those Classes of Shares (the “**Hong Kong Shares**”) to be listed and traded on The Stock Exchange of Hong Kong Limited (“**SEHK**”) in the Sub-Funds.

The Company and the Sub-Funds to which this Prospectus relates have been authorised by the Securities and Futures Commission (the “**SFC**”) in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance (the “**SFO**”). Any authorisation by the SFC of a Sub-Fund is not a recommendation or endorsement of the Sub-Fund, nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Dealings in the Hong Kong Shares of certain Sub-Funds on SEHK have already commenced. The Hong Kong Shares of such Sub-Funds have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) for deposit, clearing and settlement in the Central Clearing and Settlement System (“**CCASS**”).

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

As all the Sub-Funds to which this Prospectus relates are existing funds, there is no Offering Period or Initial Issue Price (both terms as defined in the section “Definitions”) in respect of the Hong Kong Shares.

## 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 (the “**CFTC**”) 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.

## Marketing Rules

Subscriptions for Hong Kong Shares can be accepted only on the basis of the latest available version of this Prospectus, which is valid only if accompanied by a copy of the Company’s latest annual report (the “**Annual Report**”) containing the audited accounts, semi-annual report (the “**Semi-annual Report**”) and (where required by law or any applicable stock exchange listing rules) the quarterly report (the “**Quarterly Report**”) provided such reports are published after the latest Annual Report. The Annual Report and the Semi-annual Report form an integral part of this 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, redeeming or disposing of Hong Kong Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, redeeming or disposing of Hong Kong Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of Hong Kong 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 Hong Kong 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 this Prospectus**

The Board of Directors and the Management Company accept full responsibility for the information contained in this Prospectus as being accurate at the date of publication of this Prospectus, and confirms having made all reasonable enquiries, that to the best of the Board of Directors' and the Management Company's knowledge and belief, the information contained in this Prospectus is complete in all material respects and there are no other matters the omission of which would make any statement in this Prospectus misleading.

#### **Currency References**

All references in this Prospectus to "HKD" refer to the currency of the Hong Kong Special Administrative Region; to "USD" refer to the currency of the United States of America; to "Euro" 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 and/or such other currency as defined in the Product Annex.

#### **Time**

All references in this Prospectus to time are to Luxembourg time unless otherwise indicated.

#### **Date**

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

#### **Website**

The websites that are cited or referred to in this Prospectus including <http://www.Xtrackers.com> have not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers MSCI USA Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.  
This statement provides you with key information about this product.  
This statement is a part of the Hong Kong Prospectus.  
You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 3020	<b>Trading lot size:</b> 15 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> MSCI Total Return Net USA Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year#:</b> 0.30%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year##:</b> 0.52%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> No distribution	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)">http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</a>

### What is this product?

Xtrackers MSCI USA Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC’s Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed “Indirect costs borne by the ETF” below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Total Return Net USA Index (the “Index”).

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a “synthetic replication” investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase (“**Invested Assets**”, as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

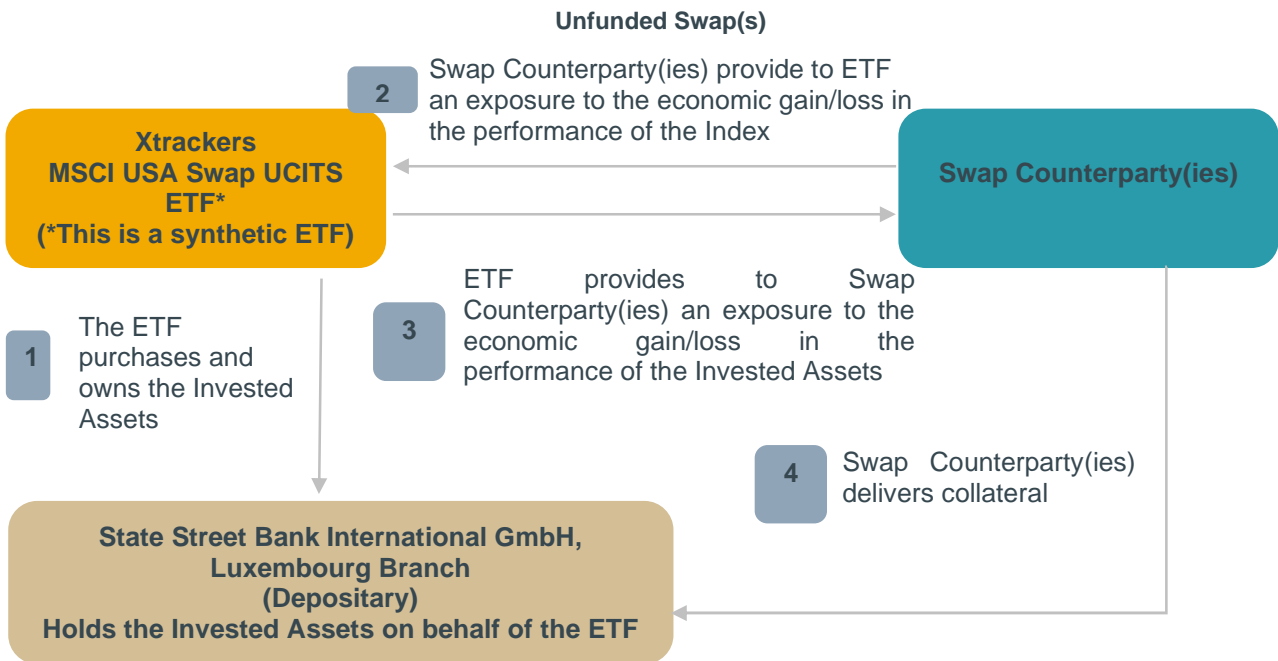
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF’s net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks’ prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the

Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the United States market by targeting all companies with a market capitalisation within the top 85% of the United States investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

### **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

#### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

#### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a suitable replacement swap counterparty. The ETF may also ultimately be terminated.
- The Invested Assets may be, and typically is, completely unrelated to the Index or

any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.

- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Index constituent securities may include stocks of mid-capitalisation companies which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### 4. **Concentration risk**

- The exposure of the ETF is concentrated in the United States and may be more volatile than funds adopting a more diversified strategy.

### 5. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group



member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**6. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**7. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**8. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

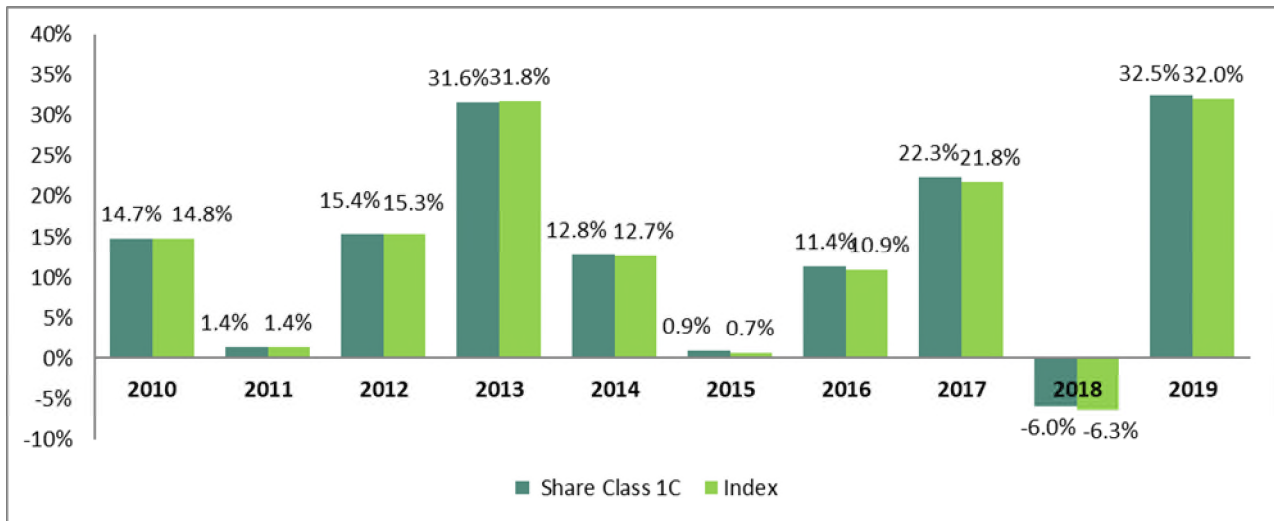
**9. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in currencies other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**10. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

## How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 8 January 2007

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net

asset value of the ETF which may affect the trading price.	
	<b>Annual rate (as a % of the ETF's value)</b>
Management fee (Management Company Fee)	Up to 0.20% p.a., and with effect from 2 December 2020, up to 0.05% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.10% p.a.
<p><b>Indirect costs borne by the ETF</b></p> <p>Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.</p>	
<p><b>Additional information</b></p> <p>You can find the following information on the ETF at the following website:  <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)"><u>http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</u></a><sup>1</sup></p> <ul style="list-style-type: none"> <li>• The ETF's Hong Kong Prospectus and product key facts statement</li> <li>• The latest audited annual report and unaudited semi-annual report (English language only)</li> <li>• Any notices and announcements relating to the ETF</li> <li>• The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day</li> <li>• The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK</li> <li>• Gross and net exposure to each swap counterparty</li> <li>• Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria</li> <li>• List of approved swap counterparties</li> <li>• Composition of the Invested Assets (updated on a daily basis)</li> <li>• Last closing level of the Index</li> <li>• List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)</li> <li>• The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF</li> </ul> <p>The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.</p> <p>The last net asset value per share in HKD is calculated by converting the last net asset value per</p>	

share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0274210672/3020/MSCI-USA-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers MSCI Taiwan UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

#### Quick facts

<b>Stock code:</b> 3036	<b>Trading lot size:</b> 25 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Taiwan 20/35 Custom Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.98%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0292109187/3036/MSCI-Taiwan-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0292109187/3036/MSCI-Taiwan-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers MSCI Taiwan UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in

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## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Taiwan 20/35 Custom Index (the "Index").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

In between the quarterly index rebalancing dates of the Index, index constituent movements may cause one or more index constituents (at group entity level) to exceed the applicable concentration limits as in the Hong Kong Prospectus under "Investment Restrictions" (the "Diversification Limits"). In such cases, the Management Company will monitor the ETF's portfolio in accordance with internal DWS guidelines and, where possible and after taking into account of the best interests of the shareholders, seek to adjust the ETF's exposure to each relevant index constituent that has exceeded the Diversification Limits with a view to ensure that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. Such portfolio weighting adjustments will normally only be made during instances where the Management Company is engaging with the ETF's portfolio management activities (such as primary market creations / redemptions, dividend adjustment activities, index rebalancing etc). Such adjustments in the ETF's exposure are not expected to result in the actual annualised tracking error of the ETF exceeding the anticipated level of tracking error as disclosed in the relevant Product Annex of the Hong Kong Prospectus.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities

lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### **Underlying Index**

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Taiwanese market by targeting all companies with a market capitalisation within the top 85% of the Taiwan investable equity universe, subject to a global minimum size requirement. The Index is constructed from the MSCI Total Return Net Taiwan Index (the "Parent Index"). Capping rules are then applied to the Parent Index to construct the Index. The weight of the largest group entity is capped at 31.5% and the weights of all other entities are capped at 18% at each quarterly index rebalancing (that is 35% and 20% respectively, with a buffer of 10% applied on these limits at each index rebalancing).

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### **2. Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### **3. Taiwan/Emerging market risk**

- As the Index relates to Taiwan which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Taiwan,

changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Taiwan may not provide the same degree of investor information or protection as would generally apply to more developed markets.

- Investments in Taiwan may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Taiwan, which may adversely affect the value of the ETF.

#### 4. **Concentration risk**

- The exposure of the ETF is concentrated in Taiwan and may be more volatile than funds adopting a more diversified strategy.

#### 5. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 6. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of



funds actually placed as initial margin;

- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the net asset value of the ETF if it uses FDIs.

#### 7. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 8. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 9. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.
- The weighting of one of the constituents in the Index may exceed 35%, or the weighting of two or more constituents in the Index may exceed 20%, between the rebalancing dates of the Index. On such occasions, in accordance with the concentration limits as described under "Investment Restrictions" in the Hong Kong Prospectus, the ETF may rebalance its portfolio such that no constituent in the

portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. In such circumstances the ETF may be subject to greater tracking error.

#### 10. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

#### 11. **Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Taiwan New Dollar) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

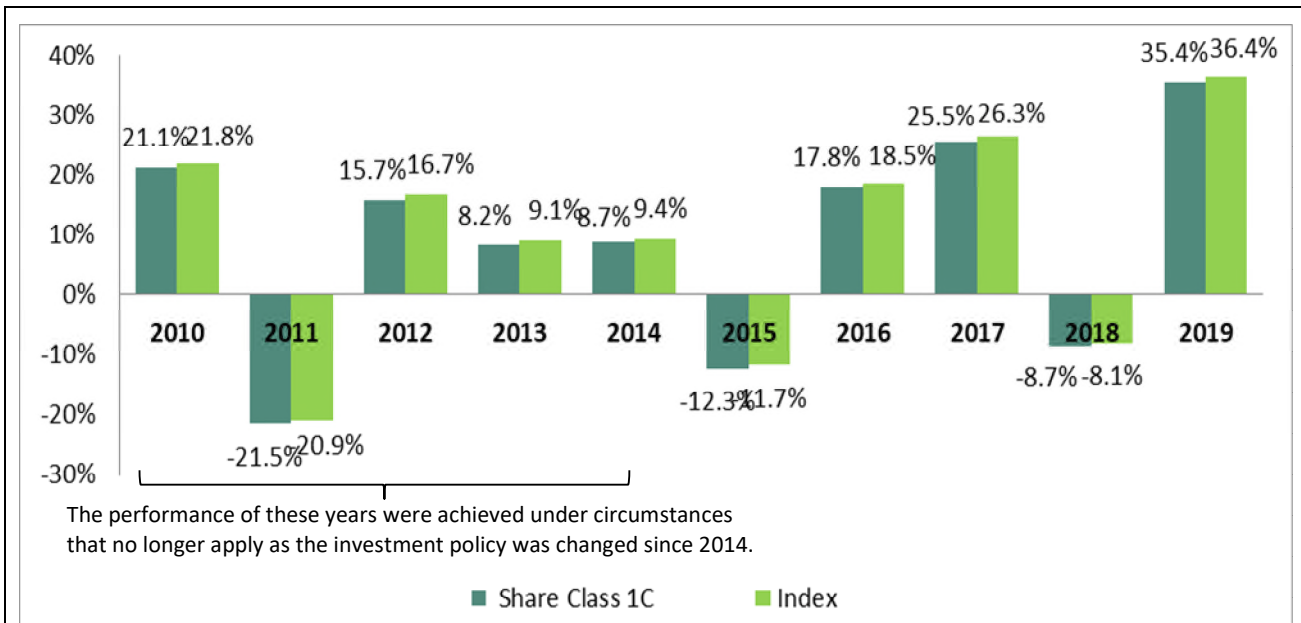
#### 12. **Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

#### 13. **Past performance risk**

- As a result of the change in the Index effective from 1 December 2020, past performance of the ETF prior to 1 December 2020 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the ETF prior to 1 December 2020.

## **How has the ETF performed?**



*Note: The performance of the ETF before 1 December 2020 was achieved under circumstances that no longer apply as a result of the change in underlying index of the ETF. Investors should exercise caution when considering the past performance of the ETF prior to 1 December 2020.*

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 19 June 2007

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website:  
<http://Xtrackers.com/HKG/ENG/ETF/LU0292109187/3036/MSCI-Taiwan-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.

- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0292109187/3036/MSCI-Taiwan-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers Nifty 50 Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 3015	<b>Trading lot size:</b> 5 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> Nifty 50 Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.85%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -2.50%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> No distribution	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)"><u>http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</u></a>

### What is this product?

Xtrackers Nifty 50 Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC’s Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed “Indirect costs borne by the ETF” below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the Nifty 50 Index (the “**Index**”).

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a “synthetic replication” investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase (“**Invested Assets**”, as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

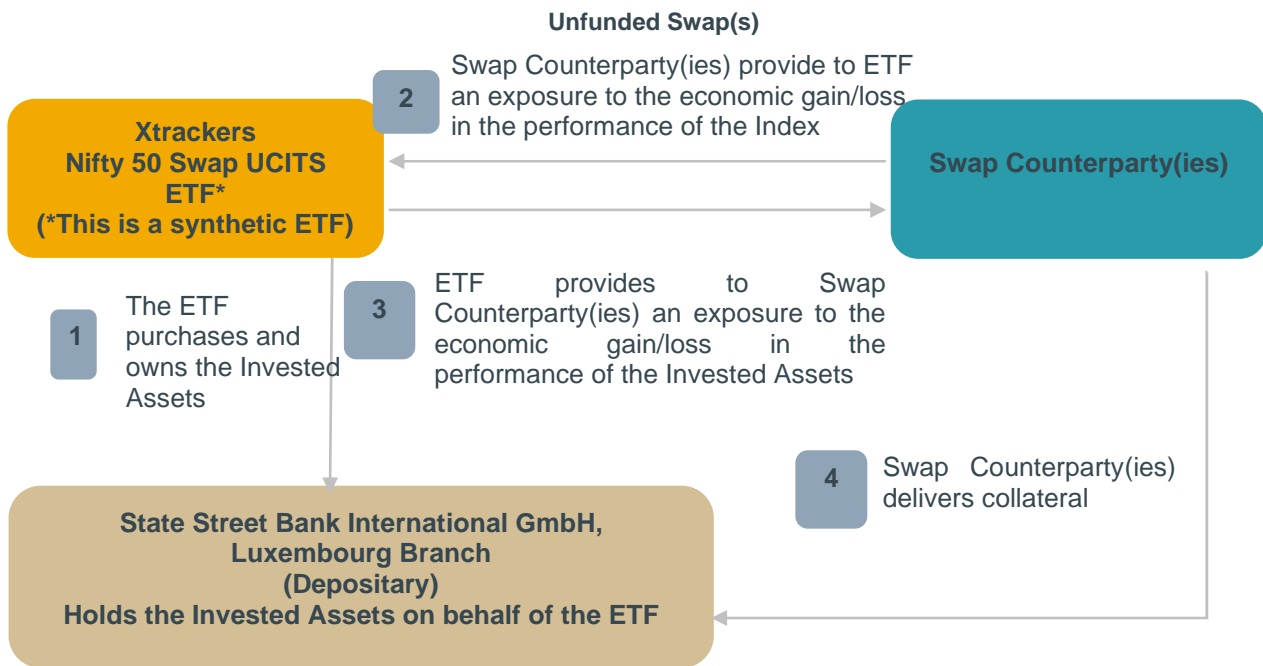
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF’s net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks’ prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a well diversified 50 stock weighted index accounting for various sectors of the Indian economy.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is NSE Indices Limited.

You can obtain the list of constituents of the Index with their respective weightings from <http://www.niftyindices.com/reports/monthly-reports>.

For details (including the latest index level and other important news), please refer to the index website at [www.nseindia.com](http://www.nseindia.com).

### **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

#### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

#### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a suitable replacement swap counterparty. The ETF may also

ultimately be terminated.

- The Invested Assets may be, and typically is, completely unrelated to the Index or any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.
- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 4. **India/Emerging market risk**

- As the Index relates to India which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in India, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in India may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in India may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in India, which may adversely affect the value of the ETF.

**5. Concentration risk**

- The exposure of the ETF is concentrated in India and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

**6. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares

of the ETF to its net asset value.

- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on “naked” short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

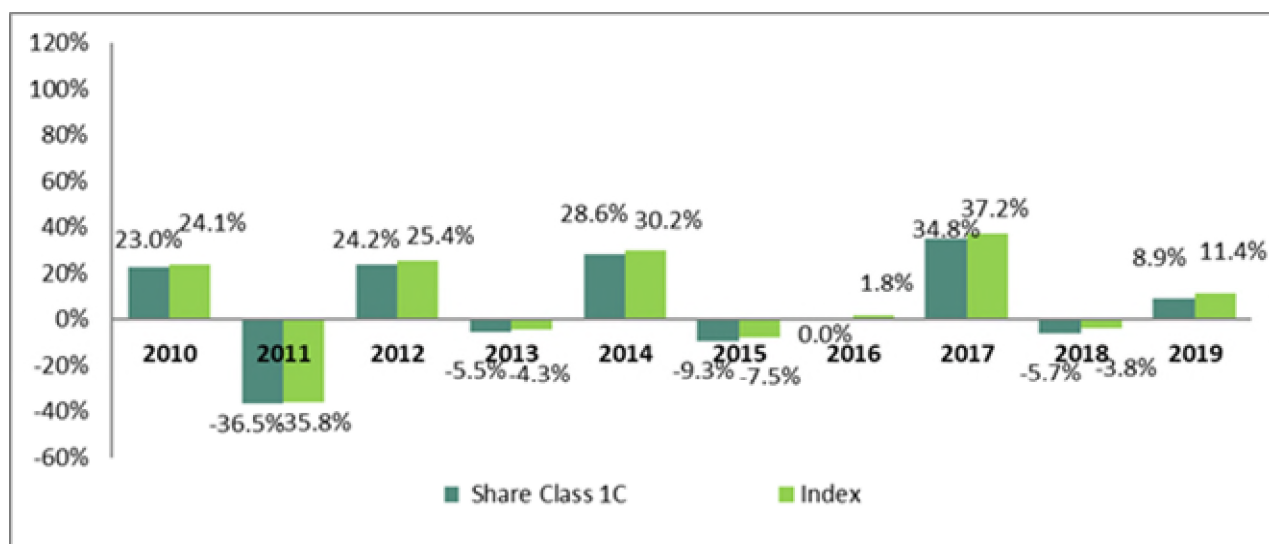
#### 10. Foreign exchange risk

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Indian Rupee) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

#### 11. Risk of Index termination

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

### How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 5 July 2007

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.65% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

## Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF

- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)^1](http://Xtrackers.com/HKG/ENG/ETF/LU0292109690/3015/Nifty50-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)^1)).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)  
Xtrackers MSCI Korea UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 2848	<b>Trading lot size:</b> 10 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Korea 20/35 Custom Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.72%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0292100046/2848/MSCI-Korea-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0292100046/2848/MSCI-Korea-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

### What is this product?

Xtrackers MSCI Korea UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in

Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Korea 20/35 Custom Index (the “**Index**”).

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

In between the quarterly index rebalancing dates of the Index, index constituent movements may cause one or more index constituents (at group entity level) to exceed the applicable concentration limits as in the Hong Kong Prospectus under “Investment Restrictions” (the “Diversification Limits”). In such cases, the Management Company will monitor the ETF's portfolio in accordance with internal DWS guidelines and, where possible and after taking into account of the best interests of the shareholders, seek to adjust the ETF's exposure to each relevant index constituent that has exceeded the Diversification Limits with a view to ensure that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. Such portfolio weighting adjustments will normally only be made during instances where the Management Company is engaging with the ETF's portfolio management activities (such as primary market creations / redemptions, dividend adjustment activities, index rebalancing etc). Such adjustments in the ETF's exposure are not expected to result in the actual annualised tracking error of the ETF exceeding the anticipated level of tracking error as disclosed in the relevant Product Annex of the Hong Kong Prospectus.

The ETF may also invest in financial derivative instruments (“FDIs”) including futures, options, swaps, credit default swaps (“CDSs”), contracts for differences (“CFDs”) and forwards including non-deliverable forwards (“NDFs”). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at



any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Korean market by targeting all companies with a market capitalisation within the top 85% of the Korean investable equity universe, subject to a global minimum size requirement. The Index is constructed from the MSCI Total Return Net Korea Index (the “Parent Index”). Capping rules are then applied to the Parent Index to construct the Index. The weight of the largest group entity is capped at 31.5% and the weights of all other entities are capped at 18% at each quarterly index rebalancing (that is 35% and 20% respectively, with a buffer of 10% applied on these limits at each index rebalancing).

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF’s net derivative exposure may be up to 50% of the ETF’s net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF’s investments may fall in value due to any of the key risk factors below and therefore an investor’s investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Korea/Emerging market risk

- As the Index relates to Korea which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.

- The performance of the ETF may be affected by political developments in Korea, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Korea may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Korea may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Korea, which may adversely affect the value of the ETF.

#### 4. **Concentration risk**

- The exposure of the ETF is concentrated in Korea and may be more volatile than funds adopting a more diversified strategy.

#### 5. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 6. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of

funds actually placed as initial margin;

- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 7. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 8. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 9. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.
- The weighting of one of the constituents in the Index may exceed 35%, or the weighting of two or more constituents in the Index may exceed 20%, between the rebalancing dates of the Index. On such occasions, in accordance with the concentration limits as described under "Investment Restrictions" in the Hong Kong Prospectus, the ETF may rebalance its portfolio such that no constituent in the

portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. In such circumstances the ETF may be subject to greater tracking error.

#### 10. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

#### 11. **Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Korean Won) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

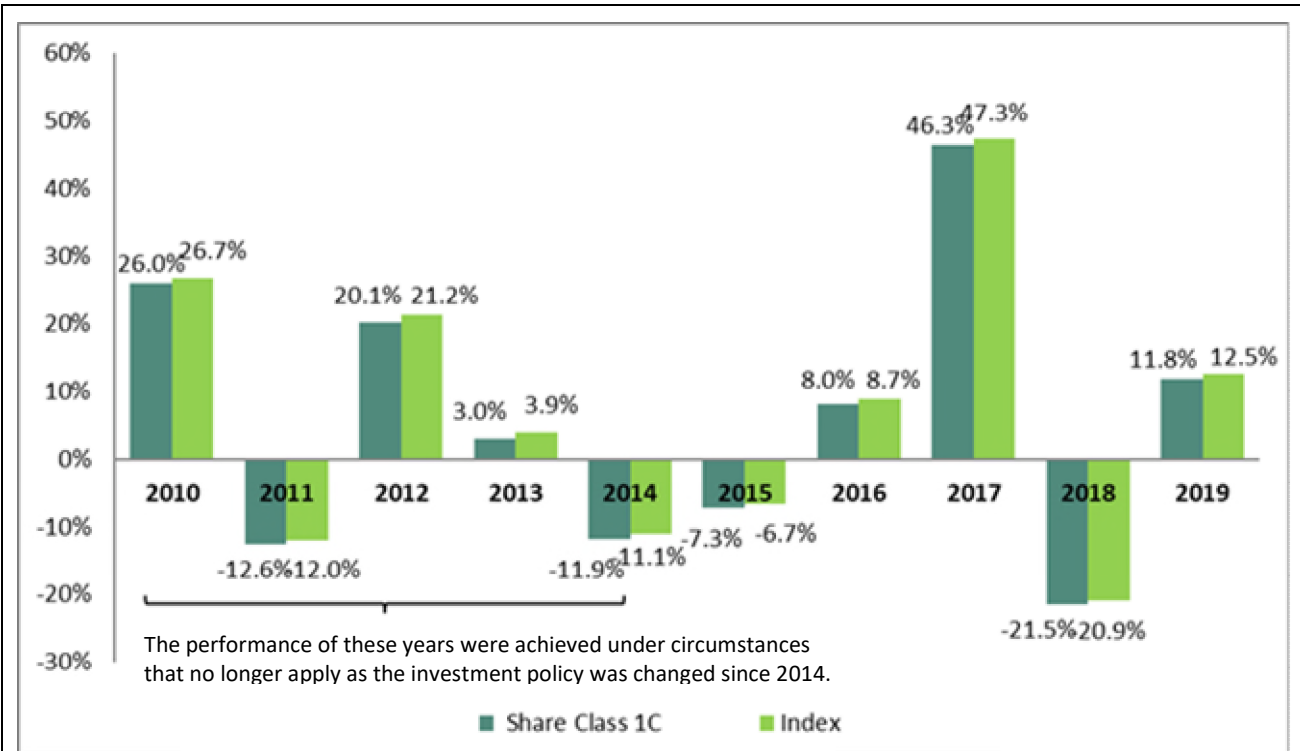
#### 12. **Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

#### 13. **Past performance risk**

- As a result of the change in the Index effective from 1 December 2020, past performance of the ETF prior to 1 December 2020 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the ETF prior to 1 December 2020.

## **How has the ETF performed?**



*Note: The performance of the ETF before 1 December 2020 was achieved under circumstances that no longer apply as a result of the change in underlying index of the ETF. Investors should exercise caution when considering the past performance of the ETF prior to 1 December 2020.*

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 5 July 2007

### Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

### What are the fees and charges?

#### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%

Stamp Duty	Nil
<p><b>Ongoing fees payable by the ETF</b></p> <p>The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.</p>	
	<b>Annual rate (as a % of the ETF's value)</b>
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.
<p><b>Securities lending revenue sharing</b></p> <p>To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.</p>	
<p><b>Additional information</b></p> <p>You can find the following information on the ETF at the following website:  <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0292100046/2848/MSCI-Korea-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0292100046/2848/MSCI-Korea-UCITS-ETF</a><sup>1</sup></p> <ul style="list-style-type: none"> <li>• The ETF's Hong Kong Prospectus and product key facts statement</li> <li>• The latest audited annual report and unaudited semi-annual report (English language only)</li> <li>• Any notices and announcements relating to the ETF</li> <li>• The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day</li> <li>• The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK</li> <li>• Composition of the ETF (updated on a daily basis)</li> <li>• Information on securities lending, including: <ul style="list-style-type: none"> <li>(a) A summary of the securities lending policy and the risk management policy;</li> <li>(b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);</li> <li>(c) Amount of securities on loan and level of collateralisation;</li> <li>(d) Net return from securities lending to the ETF since commencement of the securities</li> </ul> </li> </ul>	

lending or over the past 12 months, whichever period is shorter;

(e) Certain collateral information; and

(f) Percentage of fee split on the income.

- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0292100046/2848/MSCI-Korea-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers FTSE China 50 UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

#### Quick facts

<b>Stock code:</b> 3007	<b>Trading lot size:</b> 10 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> FTSE China 50 Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.60%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.65%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0292109856/3007/FTSE-China-50-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0292109856/3007/FTSE-China-50-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers FTSE China 50 UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in



Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE China 50 Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is designed to represent the performance of the stocks of the mainland Chinese market that are available to international investors and so does not include A-shares. The Index includes 50 companies that trade on the SEHK.

The Index is a total return net index. A total return net index calculates the performance of the

index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is FTSE International Limited.

You can obtain the list of constituents of the Index with their respective weightings from <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights>.

For details (including the latest index level and other important news), please refer to the index website at [www.ftserussell.com](http://www.ftserussell.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Mainland China/Emerging market risk

- As the Index relates to mainland China which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in mainland China, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in mainland China may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in mainland China may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in mainland China, which may adversely affect the value of the ETF.

### 4. Concentration risk

- The exposure of the ETF is concentrated in mainland China and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index

constituent than an index which has a larger number of index constituents.

#### 5. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 6. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy

of a counterparty may also affect the enforceability of contractual rights; and

- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 7. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 8. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 9. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

#### 10. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of

short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.

- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

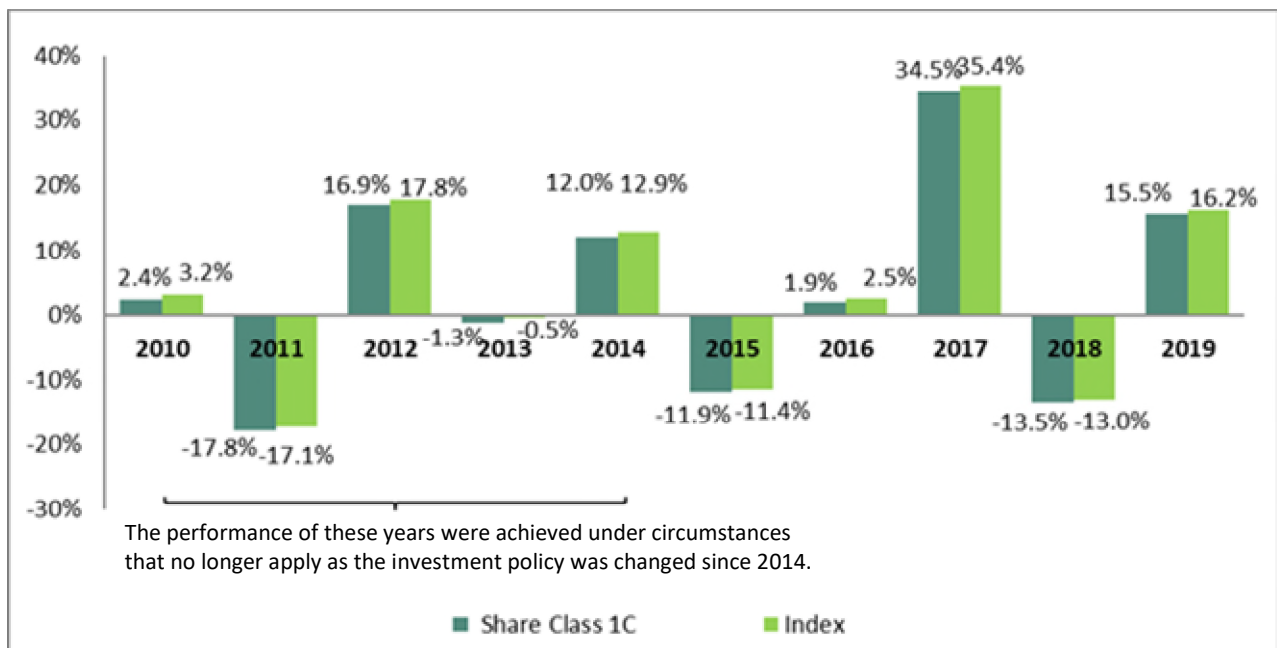
**11. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Renminbi) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**12. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 19 June 2007

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.40% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website: <http://Xtrackers.com/HKG/ENG/ETF/LU0292109856/3007/FTSE-China-50-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK

- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0292109856/3007/FTSE-China-50-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers FTSE Vietnam Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 3087	<b>Trading lot size:</b> 10 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> FTSE Vietnam Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.85%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -1.56%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> No distribution	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)"><u>http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</u></a>

### What is this product?

Xtrackers FTSE Vietnam Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC’s Code on Unit Trusts and Mutual Funds.



The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed "Indirect costs borne by the ETF" below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Vietnam Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a "synthetic replication" investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase ("**Invested Assets**", as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

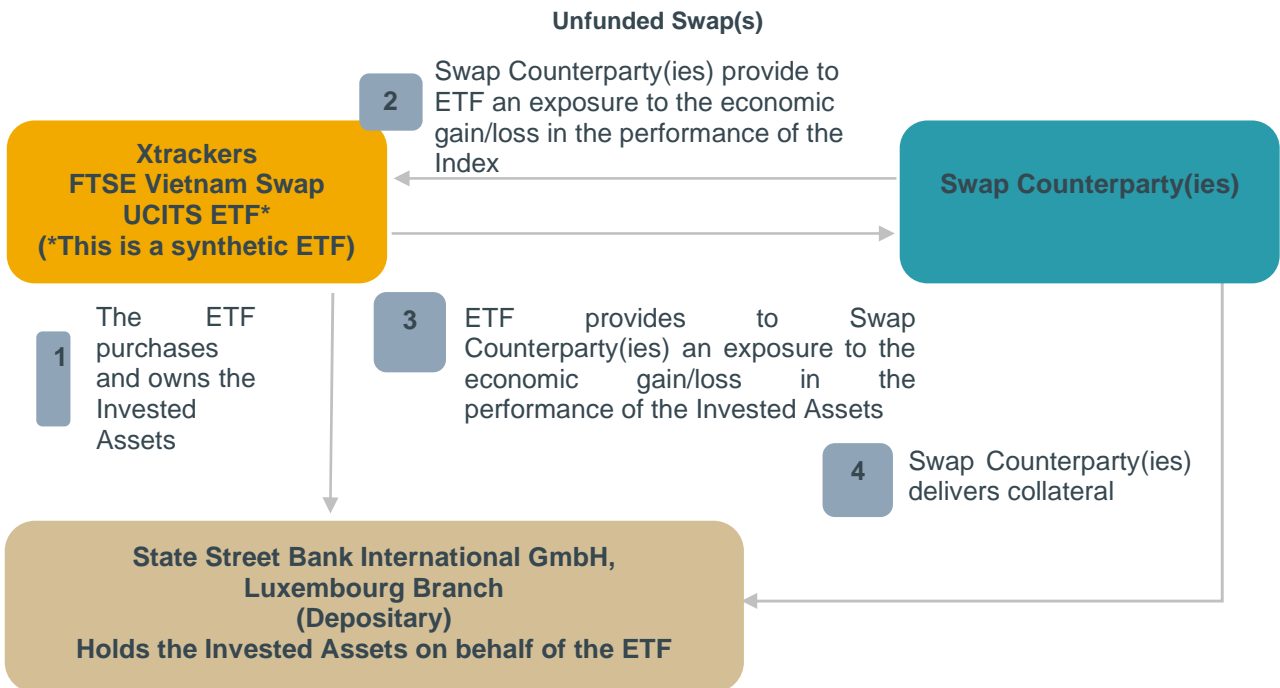
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF's net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks' prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is part of the FTSE Vietnam Index Series and is a subset of the FTSE Vietnam All-Share Index. The Index comprises those companies (roughly 20) of the FTSE Vietnam All-Share Index that have sufficient foreign ownership availability. The Index provides a broad coverage of the Vietnamese equity market.

The Index is a gross total return index. A gross total return index calculates the performance of the index constituents assuming that all dividends and distributions are reinvested on a gross basis.

The Index administrator is FTSE International Limited.

You can obtain the list of constituents of the Index with their respective weightings from <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights>.

For details (including the latest index level and other important news), please refer to the index website at [www.ftserussell.com](http://www.ftserussell.com).

## **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company

fails to find a suitable replacement swap counterparty. The ETF may also ultimately be terminated.

- The Invested Assets may be, and typically is, completely unrelated to the Index or any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.
- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 4. **Vietnam/Emerging market risk**

- As the Index relates to Vietnam which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Vietnam, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Vietnam may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Vietnam may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Vietnam, which may adversely affect the value of the ETF.

**5. Concentration risk**

- The exposure of the ETF is concentrated in Vietnam and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

**6. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.

- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on “naked” short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

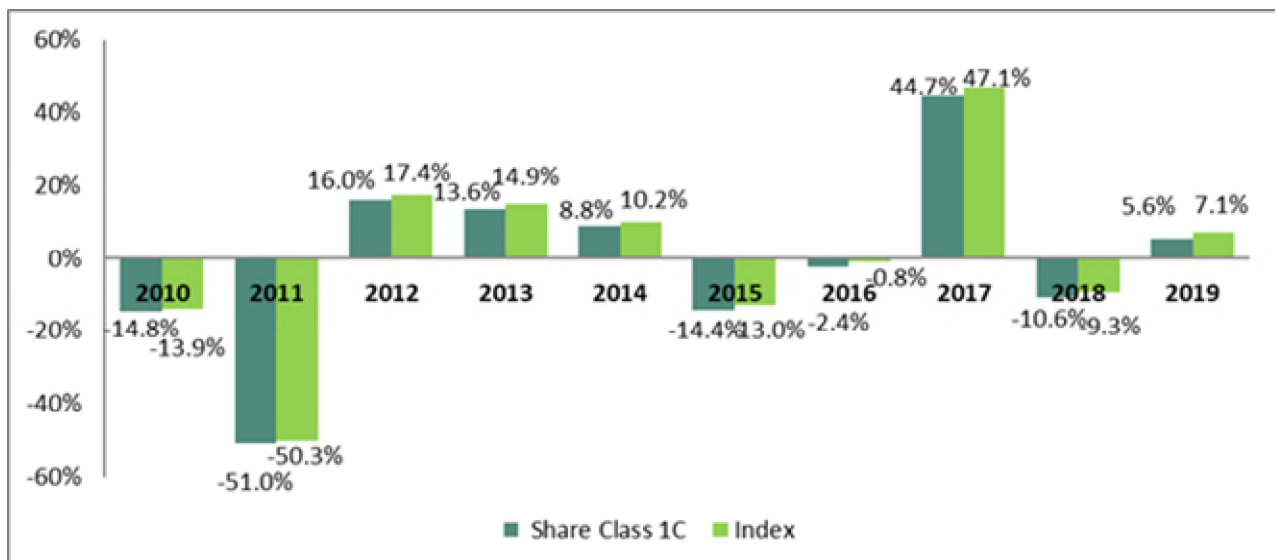
#### 10. Foreign exchange risk

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Vietnamese Dong) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

#### 11. Risk of Index termination

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

### How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 1C launch date: 15 January 2008

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.65% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

## Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF

- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)<sup>1</sup>](http://Xtrackers.com/HKG/ENG/ETF/LU0322252924/3087/FTSE-Vietnam-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)<sup>1</sup>)).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.



# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers MSCI Brazil UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

#### Quick facts

<b>Stock code:</b> 3048	<b>Trading lot size:</b> 50 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Total Return Net Brazil Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>###</sup>:</b> -0.84%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0455009182/3048/MSCI-Brazil-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0455009182/3048/MSCI-Brazil-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers MSCI Brazil UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6

and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Total Return Net Brazil Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Brazilian market by targeting all companies with a market capitalisation within the top 85% of the Brazilian investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the

index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Brazil/Emerging market risk

- As the Index relates to Brazil which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Brazil, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory **framework and legal system in Brazil may not provide the same degree of investor information or protection** as would generally apply to more developed markets.
- Investments in Brazil may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Brazil, which may adversely affect the value of the ETF.

### 4. Concentration risk

- The exposure of the ETF is concentrated in Brazil and may be more volatile than funds adopting a more diversified strategy.

### 5. Securities lending transaction risk

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment

obligations arising from redemption requests and may trigger claims.

- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 6. Risk of investing in FDIs

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

**7. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**8. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**9. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**10. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

**11. Foreign exchange risk**

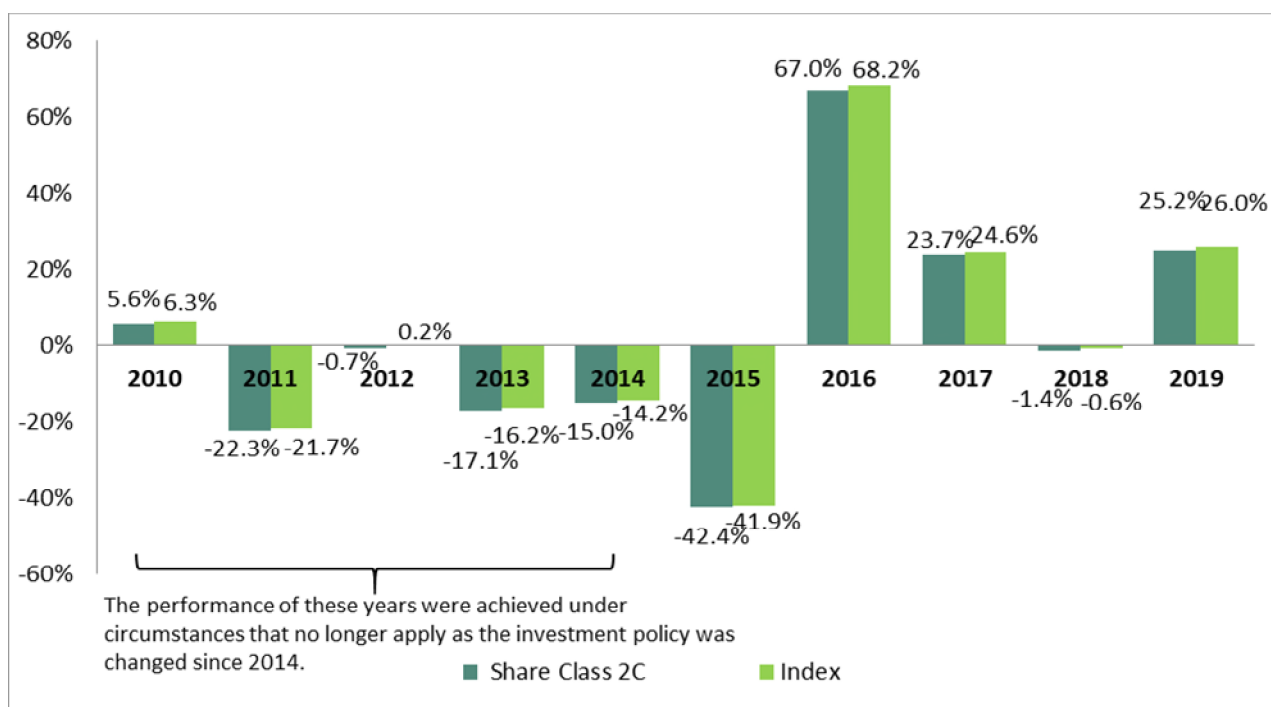
- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency

(such as the Brazilian Real) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**12. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 14 December 2009

**Is there any guarantee?**

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website:  
<http://Xtrackers.com/HKG/ENG/ETF/LU0455009182/3048/MSCI-Brazil-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:

- (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
  - List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
  - The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0455009182/3048/MSCI-Brazil-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.



# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers MSCI Russia Capped Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

### Quick facts

<b>Stock code:</b> 3027	<b>Trading lot size:</b> 125 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> MSCI Russia Issuers Capped 25% Index (the "Index")
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Base currency:</b> United States Dollars ("USD")
<b>Tracking difference of the last calendar year<sup>###</sup>:</b> -1.35%	<b>Trading Currency:</b> Hong Kong Dollars ("HKD")
<b>Dividend policy:</b> Up to four times per year, subject to the Board of Director's discretion. Please refer to "Distribution risk" on pages 6 to 7	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0455009265/3027/MSCI-Russia-Capped-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)">http://Xtrackers.com/HKG/ENG/ETF/LU0455009265/3027/MSCI-Russia-Capped-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</a>

### What is this product?

Xtrackers MSCI Russia Capped Swap UCITS ETF\* (\*This is a synthetic ETF) (the "ETF") is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the "Company"), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited ("SEHK"). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange

traded fund falling within Chapter 8.6 and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed "Indirect costs borne by the ETF" below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Russia Issuers Capped 25% Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a "synthetic replication" investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase ("**Invested Assets**", as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

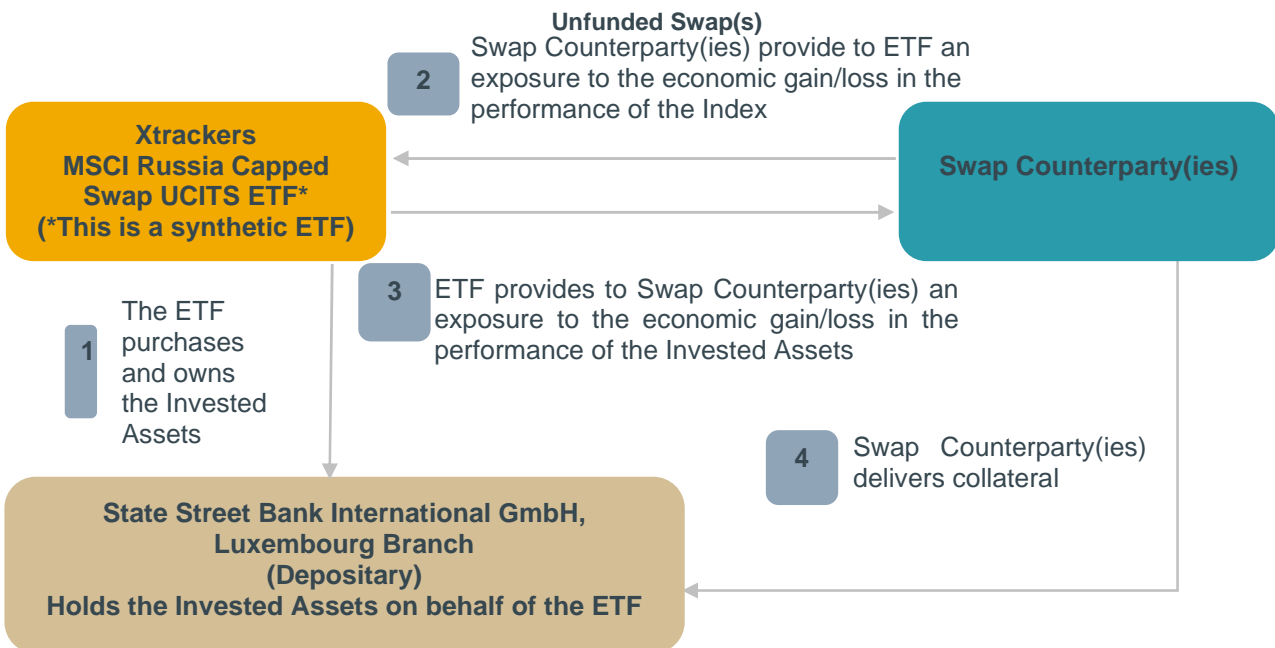
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF's net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks' prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a custom market capitalisation weighted index and is a sub-set index of Russia's standard index, the MSCI Russia Index (the "**Parent Index**"). It contains the same constituents as the Parent Index (currently includes Russia only) except that the weightings of the issuers in the Index are capped. The Parent Index represents about 85% (+/- 5%) of Russia's investable equity universe.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at <https://www.msci.com/www/index-factsheets/msci-russia-issuers-capped-25/016652158>.

## **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a suitable replacement swap counterparty. The ETF may also

ultimately be terminated.

- The Invested Assets may be, and typically is, completely unrelated to the Index or any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.
- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 4. **Russia/Emerging market risk**

- As the Index relates to Russia which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Russia, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Russia may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Russia may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Russia, which may adversely affect the value of the ETF.

**5. Concentration risk**

- The exposure of the ETF is concentrated in Russia and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

**6. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of

short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.

- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

**10. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Russian Rouble) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

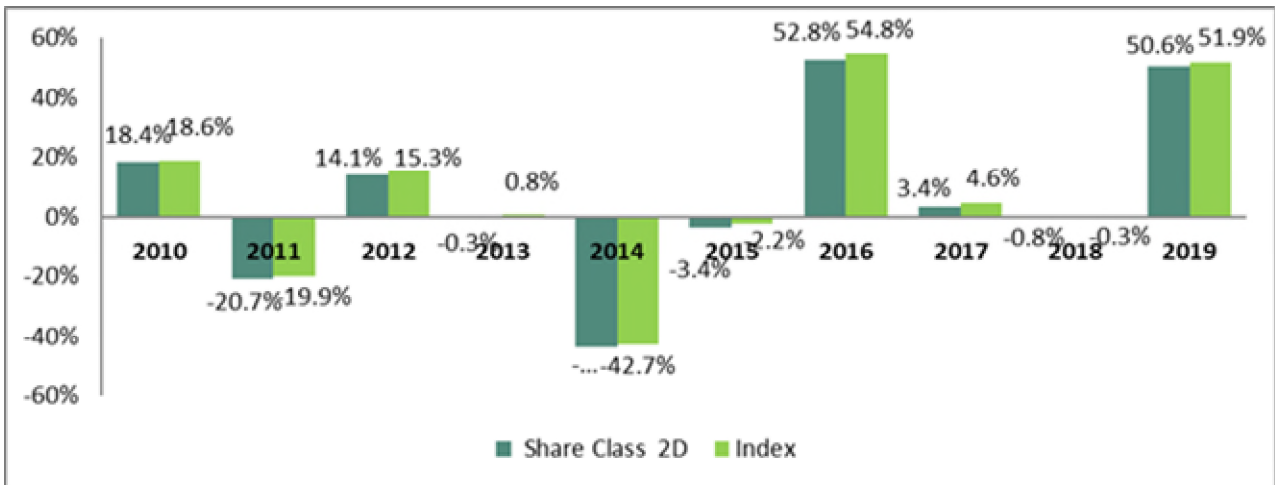
**11. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**12. Distribution risk / Distribution out of capital risk**

- There is no assurance that dividends will be declared and paid in respect of the securities comprising the Index. In addition, whether or not distributions will be made by the Company is at the discretion of the Board of Directors taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the ETF is the same as that of the Index.
- The Company may pay a dividend even where there is no net distributable income attributable to the relevant share class. In other words, such dividend may be treated as being paid out of the capital of the ETF.
- Alternatively, the Company may pay a dividend out of gross income while charging all or part of the ETF's fees and expenses to the capital of the ETF, resulting in an increase in the distributable income for the payment of dividends by the ETF. In other words, such dividend may be treated as being effectively paid out of the capital of the ETF.
- Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.
- Any distributions involving payment of dividends out of the ETF's capital or payment of dividends effectively out of the ETF's capital may result in an immediate reduction of the net asset value.

## How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2D launch date: 14 December 2009

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)



Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

## Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0455009265/3027/MSCI-Russia-Capped-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0455009265/3027/MSCI-Russia-Capped-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- Composition of any dividends paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website:  
<http://Xtrackers.com/HKG/ENG/ETF/LU0455009265/3027/MSCI-Russia-Capped-Swap-UCITS->

[ETF-\(-This-is-a-synthetic-ETF\)<sup>1</sup>](#).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers MSCI World Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

<p><b><i>This is a passive exchange traded fund.</i></b></p> <p><b><i>This statement provides you with key information about this product.</i></b></p> <p><b><i>This statement is a part of the Hong Kong Prospectus.</i></b></p> <p><b><i>You should not invest in this product based on this statement alone.</i></b></p>	
<b>Quick facts</b>	
<b>Stock code:</b> 3019	<b>Trading lot size:</b> 125 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> MSCI Total Return Net World Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.45%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> 0.14%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> No distribution	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)">http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</a>

## What is this product?

Xtrackers MSCI World Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC’s Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31

December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed “Indirect costs borne by the ETF” below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Total Return Net World Index (the “**Index**”).

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a “synthetic replication” investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase (“**Invested Assets**”, as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

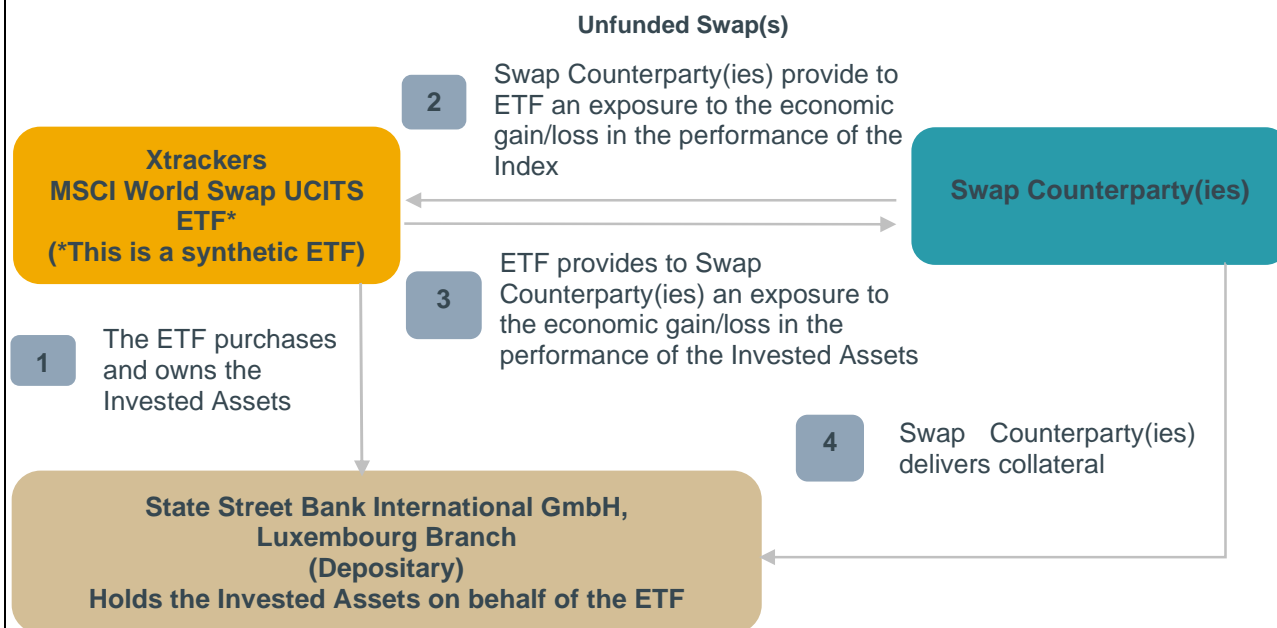
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF’s net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks’ prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a free float-adjusted market capitalisation index reflecting the performance of listed equity securities of large and mid capitalisation companies of global developed market.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a suitable replacement swap counterparty. The ETF may also ultimately be terminated.
- The Invested Assets may be, and typically is, completely unrelated to the Index or

any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.

- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Index constituent securities may include stocks of mid-capitalisation companies which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### 4. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination

of the ETF.

**5. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**6. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**7. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

**8. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in currencies other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

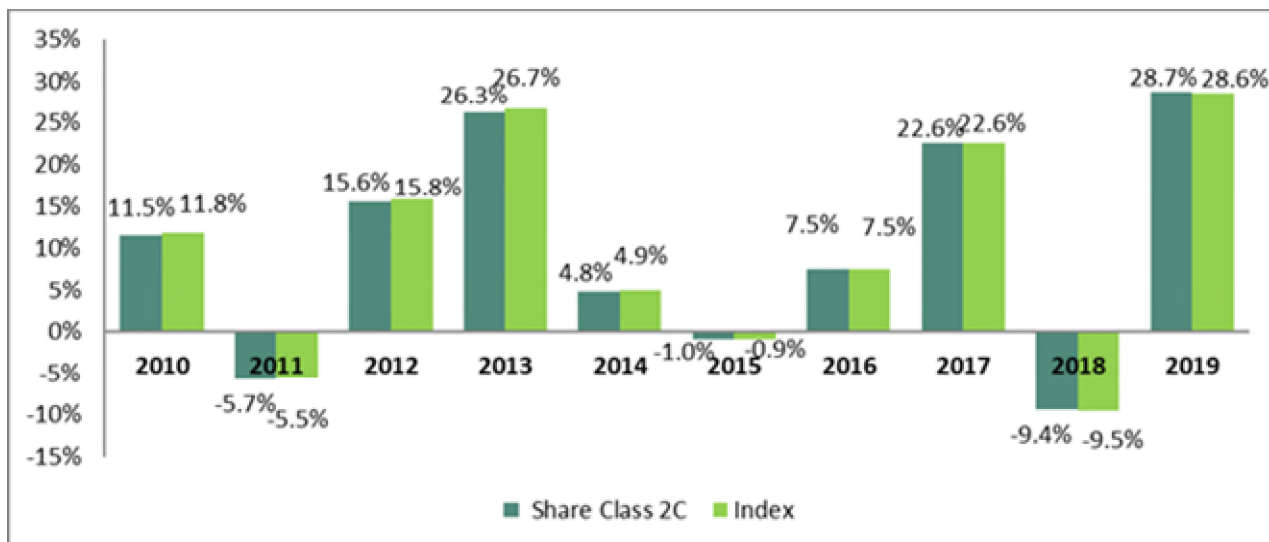
**9. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In



particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

## How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 14 December 2009

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.35% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.10% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

### Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and

for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0455009851/3019/MSCI-World-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers MSCI Pacific ex Japan UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

#### Quick facts

<b>Stock code:</b> 3043	<b>Trading lot size:</b> 100 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Pacific ex Japan TRN Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.45%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.46%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value.
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU045500993/5/3043/MSCI-Pacific-ex-Japan-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU045500993/5/3043/MSCI-Pacific-ex-Japan-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers MSCI Pacific ex Japan UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in

Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Pacific ex Japan TRN Index (the “**Index**”).

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments (“FDIs”) including futures, options, swaps, credit default swaps (“CDSs”), contracts for differences (“CFDs”) and forwards including non-deliverable forwards (“NDFs”). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the market performance of the developed countries of the Pacific Region, excluding Japan by targeting all companies with a market capitalisation within the top 85% of their respective home market's investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Index constituent securities may include stocks of mid-capitalisation companies which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### 3. Concentration risk

- The exposure of the ETF is concentrated in developed countries of the Pacific Region, excluding Japan and may be more volatile than funds adopting a more diversified strategy.

### 4. Securities lending transaction risk

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.

- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 5. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 6. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of

any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

**10. Foreign exchange risk**

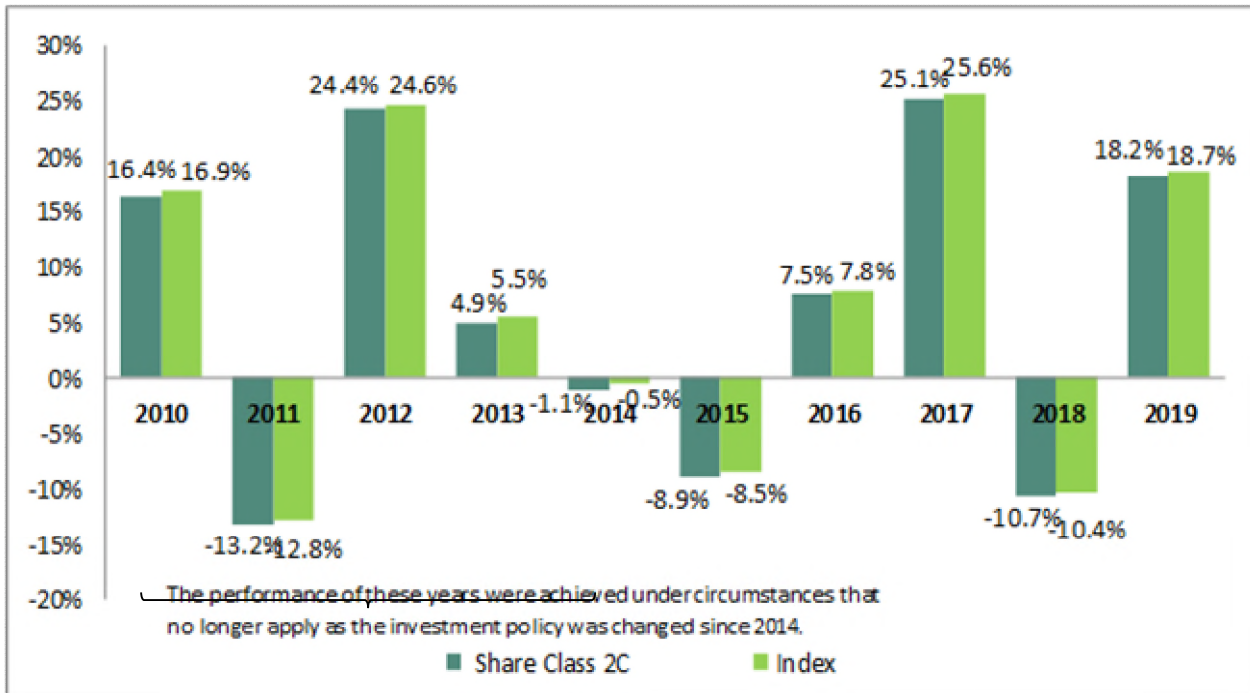
- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in currencies other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**11. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.



## How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 14 December 2009

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

**Ongoing fees payable by the ETF**

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	<b>Annual rate (as a % of the ETF's value)</b>
Management fee (Management Company Fee)	Up to 0.30% p.a., and with effect from 2 December 2020, up to 0.10% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.15% p.a.

**Securities lending revenue sharing**

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

**Additional information**

You can find the following information on the ETF at the following website: <http://Xtrackers.com/HKG/ENG/ETF/LU0455009935/3043/MSCI-Pacific-ex-Japan-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and

(f) Percentage of fee split on the income.

- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0455009935/3043/MSCI-Pacific-ex-Japan-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers CSI300 Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.*

*This statement provides you with key information about this product.*

*This statement is a part of the Hong Kong Prospectus.*

*You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 3049	<b>Trading lot size:</b> 300 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> CSI300 Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.50%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> 5.44%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> Up to four times per year, subject to the Board of Directors’ discretion. Please refer to “Distribution risk” on page 7	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)"><u>http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</u></a>

### What is this product?

Xtrackers CSI300 Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and

Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

- # The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed "Indirect costs borne by the ETF" below for details.
- ## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI300 Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a "synthetic replication" investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective. Investors should note that the ETF does not invest directly in A shares.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase ("**Invested Assets**", as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

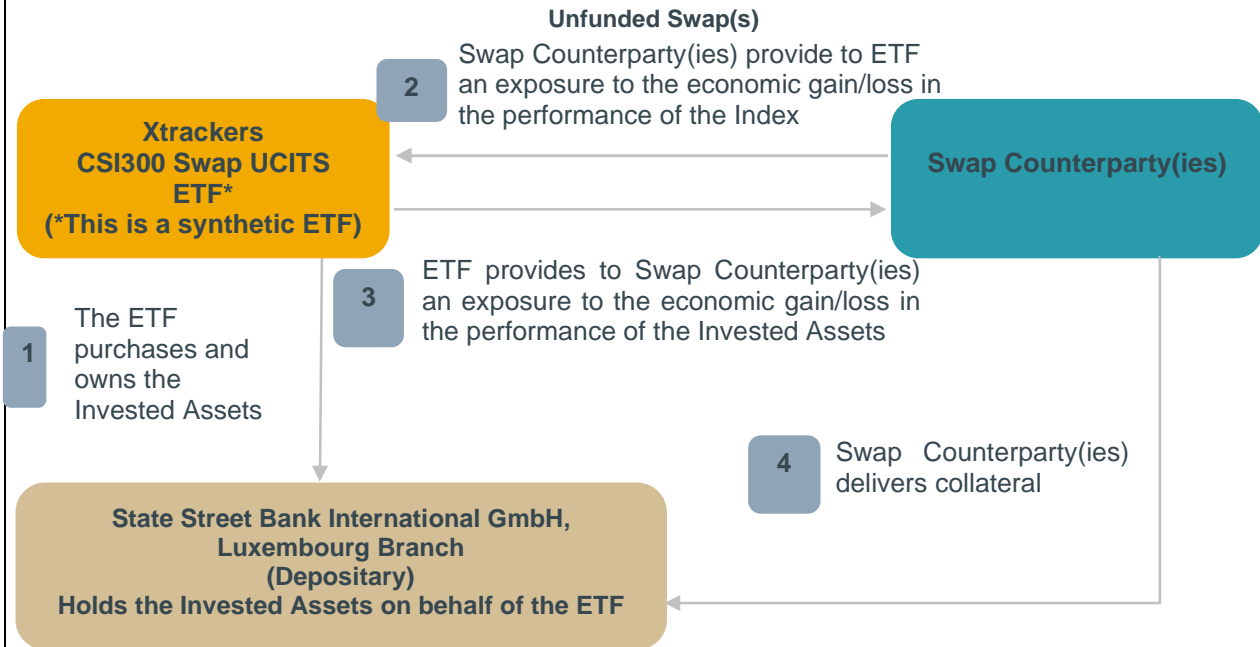
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF's net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks' prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



### Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

### Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a free float market capitalisation weighted index which measures the performance of A shares traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The Index consists of the 300 stocks with the largest market capitalisation and liquidity from the entire universe of listed A share companies in the People's Republic of China.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is China Securities Index Co., Ltd.

You can obtain the list of constituents of the Index with their respective weightings from <http://www.csindex.com.cn/en/downloads/indices?lb=All&xl=1>.

For details (including the latest index level and other important news), please refer to the index website at [www.csindex.com.cn](http://www.csindex.com.cn).

## **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

## **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in A shares which are the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a

suitable replacement swap counterparty. The ETF may also ultimately be terminated.

- The Invested Assets may be, and typically is, completely unrelated to the Index or any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.
- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 4. **Mainland China/Emerging market risk**

- As the Index relates to mainland China which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in mainland China, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in mainland China may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in mainland China may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in mainland China, which may adversely affect the value of the ETF.



5. **A-share market suspension risk**

- Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock and/or the whole market, whether as a result of government intervention or otherwise), the subscription and redemption of Shares may also be disrupted.

6. **Mainland China tax risk**

- 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 have a negative impact on the performance of the ETF.
- Currently QFIIs are temporarily exempt from PRC capital gains tax with respect to gains derived from the trading of A shares. When such exemption expires, the valuation of a swap may be negatively impacted to reflect PRC capital gains tax payable by the relevant Swap Counterparty in relation to such swap.

7. **Concentration risk**

- The exposure of the ETF is concentrated in mainland China and may be more volatile than funds adopting a more diversified strategy.

8. **Risk related to QFII policy**

- Changes to the QFII regulation in mainland China may be made at any time by the China Securities Regulatory Commission (“**CSRC**”) and the State Administration of Foreign Exchange (“**SAFE**”), and such changes may have an adverse impact on the ability of the ETF to achieve its investment objective. Any restriction in the amount of investment quota made available to a Swap Counterparty by the CSRC and the SAFE may hinder its ability to increase the size of the relevant unfunded swap. If this happens in respect of all the Swap Counterparties, the ETF may be closed for further subscriptions. Such restriction may also cause the Shares to trade at a premium to their net asset value. In the worst case scenario, the ETF may be terminated.

9. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**10. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**11. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**12. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

**13. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Renminbi) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

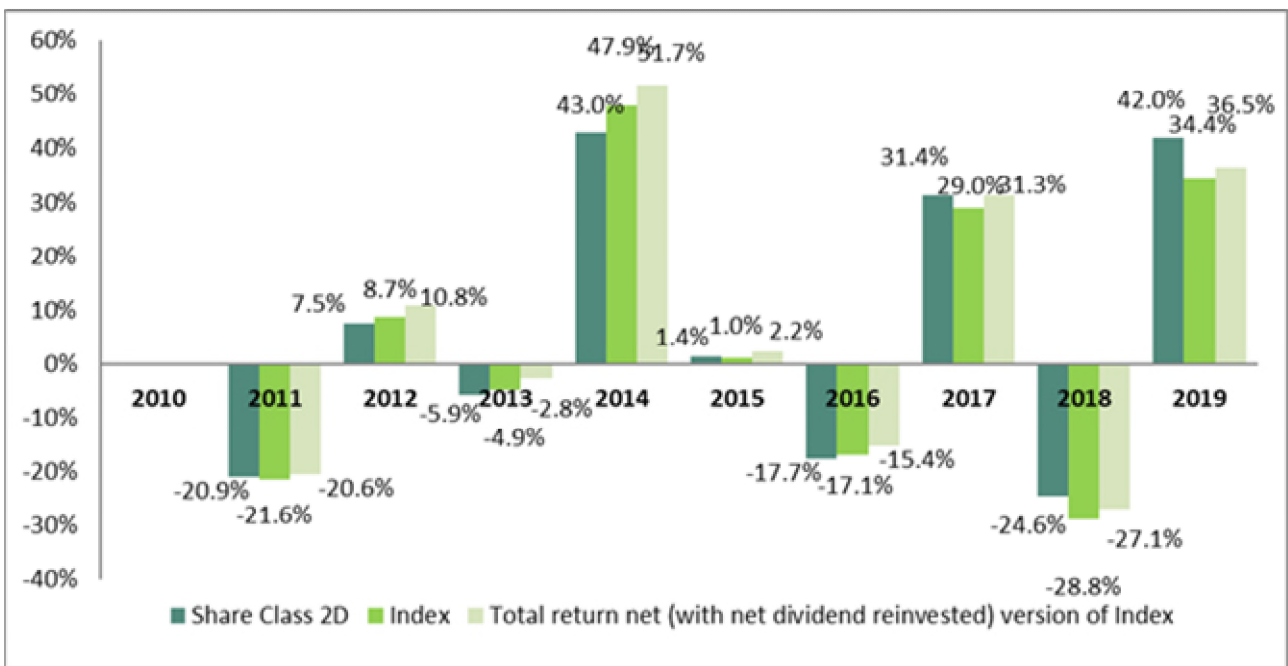
**14. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

15. **Distribution risk / Distribution out of capital risk**

- There is no assurance that dividends will be declared and paid in respect of the securities comprising the Index. In addition, whether or not distributions will be made by the Company is at the discretion of the Board of Directors taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the ETF is the same as that of the Index.
- The Company may pay a dividend even where there is no net distributable income attributable to the relevant share class. In other words, such dividend may be treated as being paid out of the capital of the ETF.
- Alternatively, the Company may pay a dividend out of gross income while charging all or part of the ETF's fees and expenses to the capital of the ETF, resulting in an increase in the distributable income for the payment of dividends by the ETF. In other words, such dividend may be treated as being effectively paid out of the capital of the ETF.
- Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.
- Any distributions involving payment of dividends out of the ETF's capital or payment of dividends effectively out of the ETF's capital may result in an immediate reduction of the net asset value.

**How has the ETF performed?**



Note: With effect from 11 August 2017, the version of the Index tracked by the ETF changed from price return to total return net, in order to provide a more accurate measurement of the actual investment return and performance of the Index.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during

the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2D launch date: 16 March 2010

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.30% p.a.
Fixed Fee (covers the Depository Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

## Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)

- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- Composition of any dividends paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)<sup>1</sup>](http://Xtrackers.com/HKG/ENG/ETF/LU0455008887/3049/CSI300-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)<sup>1</sup>)).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

Xtrackers MSCI Indonesia Swap UCITS ETF\*

(\*This is a synthetic ETF)

Issuer: DWS Investment S.A.

1 December 2020

*This is a passive exchange traded fund.  
This statement provides you with key information about this product.  
This statement is a part of the Hong Kong Prospectus.  
You should not invest in this product based on this statement alone.*

### Quick facts

<b>Stock code:</b> 3099	<b>Trading lot size:</b> 25 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investments UK Limited in the United Kingdom (Internal delegation)	<b>Underlying Index:</b> MSCI Indonesia TRN Index (the “ <b>Index</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.92%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Dividend policy:</b> No distribution	<b>Securities lending:</b> No
<b>Financial year end of this fund:</b> 31 December	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)">http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)</a>

### What is this product?

Xtrackers MSCI Indonesia Swap UCITS ETF\* (\*This is a synthetic ETF) (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the SFC’s Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses and any indirect costs borne by the ETF and reflected in the value of the swap transaction(s). Please refer to the section headed “Indirect costs borne by the ETF” below for details.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Indonesia TRN Index (the “**Index**”).

### Strategy

The ETF is passively managed in accordance with an indirect investment policy. The ETF adopts a “synthetic replication” investment strategy, pursuant to which the ETF will enter into unfunded swap transaction(s) with one or more swap counterparties to achieve its investment objective.

Effectively, the ETF will receive from the swap counterparties, through the unfunded swap(s), an exposure to the economic gain/loss in the performance of the Index. In return the ETF will, under the unfunded swap(s), provide the swap counterparties an exposure to the economic gain/loss in the performance of a portfolio of assets which the ETF will purchase (“**Invested Assets**”, as described hereafter) with the net proceeds of any issue of its shares. The ETF will own the Invested Assets.

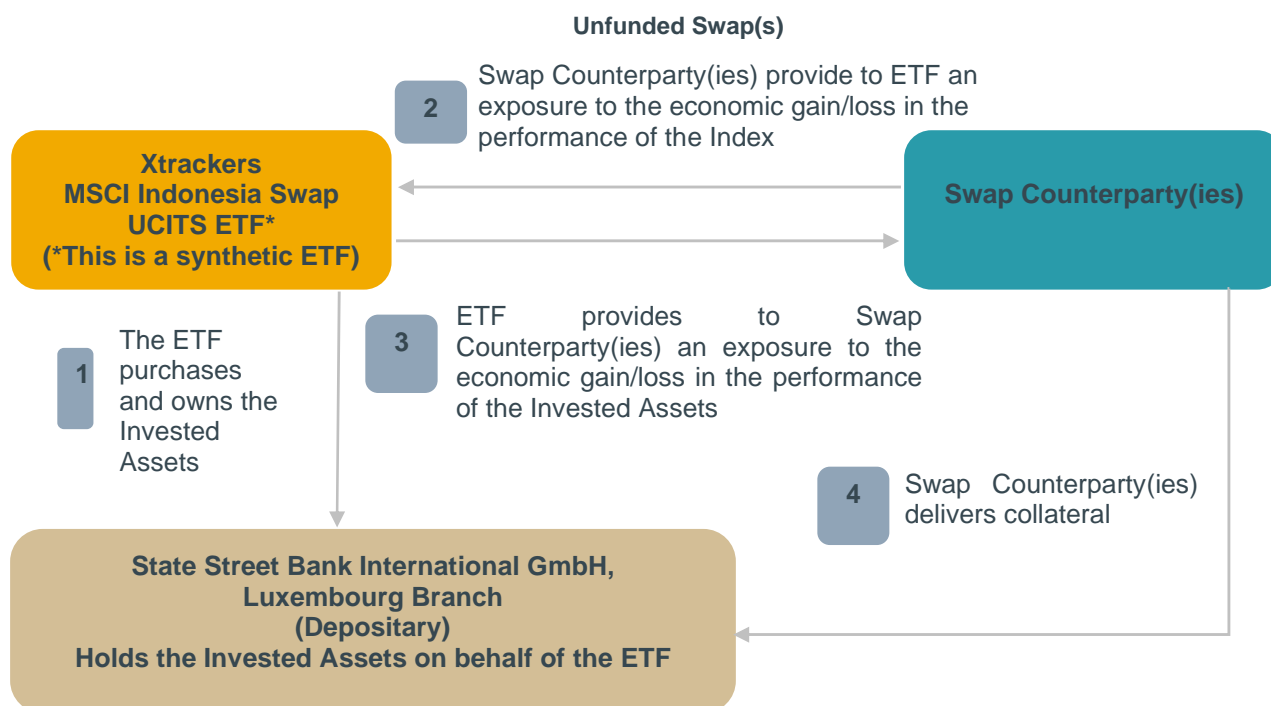
The Management Company will manage the ETF with the objective to reduce to nil its single counterparty net exposure on the basis that where the ETF’s net exposure to a swap counterparty exceeds 0% at the end of a trading day T, by the end of trading day T+1 the Company and/or the Investment Manager will generally require the relevant swap counterparty to deliver collateral to the ETF so that the net exposure of the ETF to such Swap Counterparty is limited to no more than 0% of its net asset value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

The ETF will not invest in any structured products or financial derivative instruments other than the unfunded swap(s). It will also not enter into any repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

Subject to the prior approval of the SFC, the ETF may change from an unfunded swap strategy to a funded swap strategy provided that not less than two weeks’ prior notice is given to the shareholders.

## How does it work?

The diagram below shows how the ETF works:



## Invested Assets

The Invested Assets held by the ETF consists of shares admitted to official listing on a stock exchange or dealt with on another regulated market which operates regularly and is recognised and open to the public of any member state of the OECD and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin, subject to the applicable regulatory requirements.

The ETF may buy the Invested Assets from the swap counterparties.

Please refer to the website of the ETF for the composition of the Invested Assets which will be updated on a monthly basis.

## Swap Counterparty

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. In selecting a swap counterparty, the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution (as defined in the Hong Kong Prospectus) headquartered in OECD Member States (as defined in the Hong Kong Prospectus), which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade rating from a credit rating agency and which comply with Article 3 of the SFTR Regulation (as defined in the Hong Kong Prospectus). 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 and/or the Investment Manager at fair value.

The value of each unfunded swap is marked to market by the relevant swap counterparty as the swap calculation agent and checked by both the Management Company and State Street Bank International GmbH, Luxembourg Branch as the administrative agent on each day which is a Luxembourg Banking Day (term as defined in the Hong Kong Prospectus).

Please refer to the website of the ETF for the gross and net exposure to each swap counterparty.

### **Underlying Index**

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Indonesian market by targeting all companies with a market capitalisation within the top 85% of the Indonesian investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

### **Use of derivatives / investment in derivatives**

The ETF's net derivative exposure may be more than 50% but up to 100% of the ETF's net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

#### **1. General investment risk**

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

#### **2. Synthetic replication and counterparty risk**

- The ETF does not invest directly in the constituent securities of the Index but seeks to obtain an exposure to the economic gain/loss in the performance of the Index (net of indirect costs) by the unfunded swaps, which are financial derivative instruments, entered into with one or more swap counterparties. The ETF is therefore exposed to the counterparty and default risk of each swap counterparty and may suffer significant losses if a swap counterparty fails to perform its obligations under the relevant unfunded swap.
- In the event of any default by a swap counterparty or termination of the relevant unfunded swap for any reason, dealing in the shares of the ETF may be suspended and the shares of the ETF may not continue to trade if the Company fails to find a suitable replacement swap counterparty. The ETF may also

ultimately be terminated.

- The Invested Assets may be, and typically is, completely unrelated to the Index or any of its constituents. Accordingly the value of the Invested Assets may diverge substantially from the performance of the Index. Therefore in the event of any default of a swap counterparty, the ETF may suffer significant losses.
- The value of the Invested Assets may be affected by market events. An intra-day decline in the value of the Invested Assets (as a percentage of the net asset value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause the ETF's exposure to a swap counterparty to be larger than zero from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of a swap counterparty.
- In respect of each swap counterparty, while the ETF holds, or has recourse to, collateral to mitigate its exposure to such swap counterparty under the unfunded swap, this is subject to the risk of such swap counterparty or its collateral provider not fulfilling its obligations and settlement risk of the collateral. Furthermore, the collateral may be, and typically is, completely unrelated to the Index and may not comprise any constituent securities of the Index. Accordingly the value of the collateral may diverge substantially from the performance of the Index. Therefore an intra-day decline in the value of the collateral combined with the insolvency or default of a swap counterparty may cause the ETF's exposure to such swap counterparty to be under-collateralised and therefore result in significant losses for the ETF.
- The value of the collateral may be affected by market events. An intra-day decline in the value of the collateral (as a percentage of the net asset value) due to market risk and price movements or a delay in collateral delivery by a swap counterparty prior to the end of the relevant trading day may cause the ETF's net exposure to such swap counterparty to exceed 0% from time to time. This may result in significant losses for the ETF in the event of the insolvency or default of such swap counterparty.

### 3. **Equity market risk**

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 4. **Indonesia/Emerging market risk**

- As the Index relates to Indonesia which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Indonesia, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Indonesia may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Indonesia may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Indonesia, which may adversely affect the value of the ETF.

**5. Concentration risk**

- The exposure of the ETF is concentrated in Indonesia and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

**6. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG may act as a swap counterparty and swap calculation agent. In addition, the Management Company, the Investment Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company and the Investment Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, swap counterparty, market participant from whom the ETF may purchase the Invested Assets, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial

markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on “naked” short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.

- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

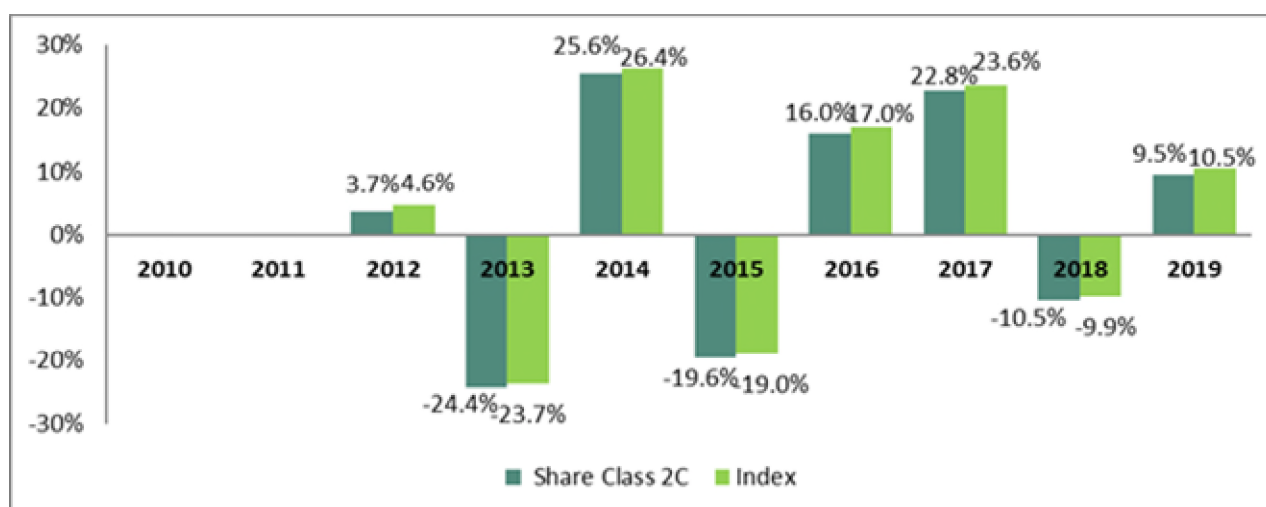
#### 10. Foreign exchange risk

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Indonesian Rupiah) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

#### 11. Risk of Index termination

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

### How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 20 December 2011

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Indirect costs borne by the ETF

Apart from the ongoing fees payable by the ETF, there may be indirect costs (e.g. hedging costs, tax provisions and taxes) charged by a swap counterparty which are not deducted directly from the assets of the ETF but reflected in the value of the relevant unfunded swap, which forms part of the assets of the ETF. These indirect costs may have a substantial adverse impact on the net asset value of the ETF and the performance of the ETF and may result in higher tracking error.

## Additional information

You can find the following information on the ETF at the following website:  
[http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)](http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF))<sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout

each valuation day during trading hours of the SEHK

- Gross and net exposure to each swap counterparty
- Information on collateral arrangement, including the composition of the collateral (updated on a daily basis) and a summary of the collateral securities selection criteria
- List of approved swap counterparties
- Composition of the Invested Assets (updated on a daily basis)
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: [http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-\(-This-is-a-synthetic-ETF\)<sup>1</sup>](http://Xtrackers.com/HKG/ENG/ETF/LU0476289896/3099/MSCI-Indonesia-Swap-UCITS-ETF-(-This-is-a-synthetic-ETF)<sup>1</sup>)).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)  
Xtrackers MSCI China UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

<p><b><i>This is a passive exchange traded fund.</i></b></p> <p><b><i>This statement provides you with key information about this product.</i></b></p> <p><b><i>This statement is a part of the Hong Kong Prospectus.</i></b></p> <p><b><i>You should not invest in this product based on this statement alone.</i></b></p>	
<b>Quick facts</b>	
<b>Stock code:</b> 3055	<b>Trading lot size:</b> 50 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI China TRN Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.80%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value.
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0514695856/3055/MSCI-China-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0514695856/3055/MSCI-China-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

### What is this product?

Xtrackers MSCI China UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6

and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI China TRN Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets. The ETF may directly trade A-shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connect").

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

The ETF will gain economic exposure to A-shares, B-shares, H-shares, and other overseas listed shares.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the China market by targeting all companies with a market capitalisation within the top 85% of



the Chinese investable equity universe, subject to a global minimum size requirement. The “Chinese investable equity universe” refers to Chinese companies that are available to investors worldwide.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF’s net derivative exposure may be up to 50% of the ETF’s net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF’s investments may fall in value due to any of the key risk factors below and therefore an investor’s investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Mainland China/Emerging market risk

- As the Index relates to mainland China which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in mainland China, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in mainland China may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in mainland China may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in mainland China, which may adversely affect the value of the ETF.

### 4. Mainland China tax risk

- The ETF will gain economic exposure to A-shares, B-shares, H-shares, and other

overseas listed shares. The ETF shall bear any costs and liabilities including transaction costs, taxes or liabilities relating to the purchase or sale of A-shares, B-shares, H-shares, and other overseas listed shares. Such costs, taxes or liabilities (which may be imposed presently or in the future) may affect the net asset value of the ETF. The Company and the Management Company have determined not to make any provision in respect of any potential PRC capital gains tax at the ETF level.

- Currently there is a temporary exemption from PRC capital gains tax with respect to gains derived from the trading of A-shares through Stock Connect. Such temporary exemption may be abolished in the future.

#### 5. **Concentration risk**

- The exposure of the ETF is concentrated in mainland China and may be more volatile than funds adopting a more diversified strategy.

#### 6. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 7. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of

funds actually placed as initial margin;

- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 8. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 9. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 10. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

#### 11. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.

- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

#### 12. **Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Renminbi) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

#### 13. **Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

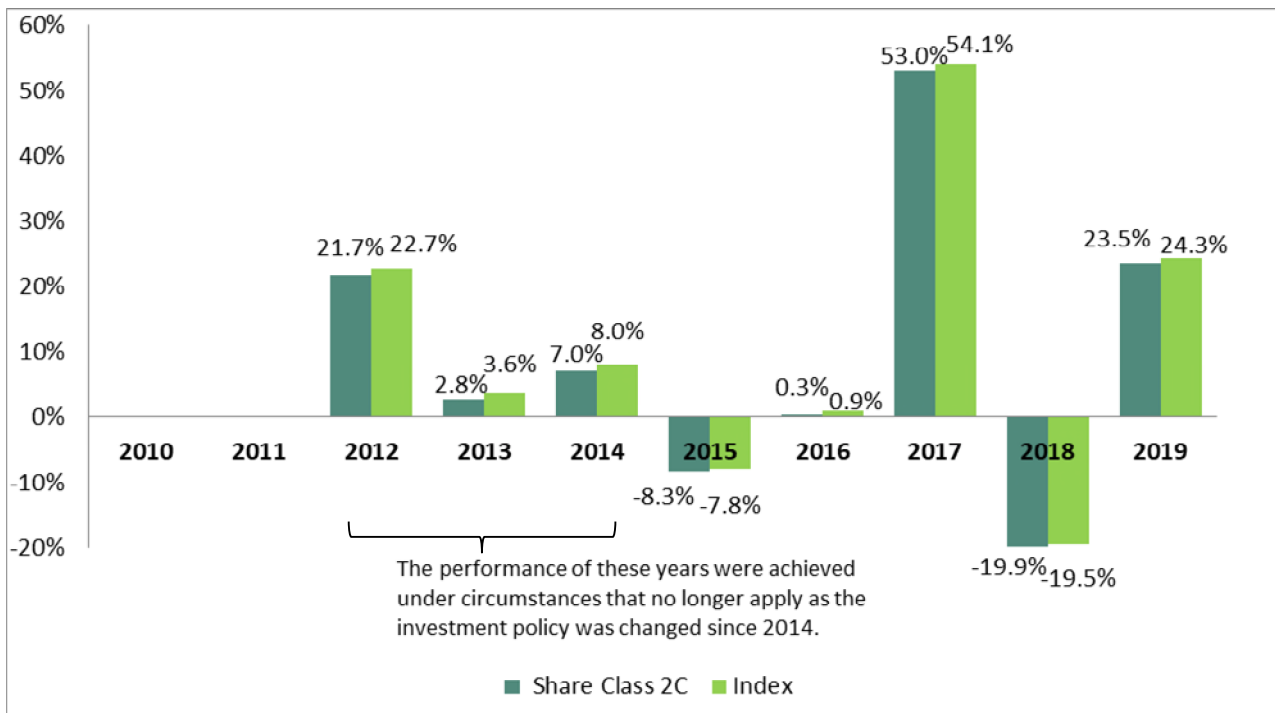
#### 14. **Stock Connect Risk**

- The ETF may directly trade A-shares through Stock Connect. The ETF is exposed to liquidity, operational, clearing, settlement, market suspension, custody, quota limitation and regulatory risks linked to investments in the PRC via Stock Connect. The current regulations are subject to change and may have potential retrospective effect. There can be no assurance that Stock Connect will not be abolished. Where a suspension in the trading through Stock Connect is effected, the ETF's ability to invest in A-shares or access the PRC market through Stock Connect will be adversely affected. In such event, the ETF's ability to achieve its investment objective may be negatively affected.

#### 15. **A-share market suspension risk**

- Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock and/or the whole market, whether as a result of government intervention or otherwise), the subscription and redemption of Shares may also be disrupted.

## How has the ETF performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 20 December 2011

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

**Ongoing fees payable by the ETF**

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

**Securities lending revenue sharing**

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

**Additional information**

You can find the following information on the ETF at the following website:  
<http://Xtrackers.com/HKG/ENG/ETF/LU0514695856/3055/MSCI-China-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and

(f) Percentage of fee split on the income.

- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0514695856/3055/MSCI-China-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

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# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers MSCI Malaysia UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

#### Quick facts

<b>Stock code:</b> 3082	<b>Trading lot size:</b> 30 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Malaysia TRN Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.50%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.49%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0514694537/3082/MSCI-Malaysia-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0514694537/3082/MSCI-Malaysia-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers MSCI Malaysia UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6



and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Malaysia TRN Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Malaysian market by targeting all companies with a market capitalisation within the top 85% of the Malaysian investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the

index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Malaysia/Emerging market risk

- As the Index relates to Malaysia which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Malaysia, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Malaysia may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Malaysia may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Malaysia, which may adversely affect the value of the ETF.

### 4. Concentration risk

- The exposure of the ETF is concentrated in Malaysia and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

## 5. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

## 6. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment

or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

**7. Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**8. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**9. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**10. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.

- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

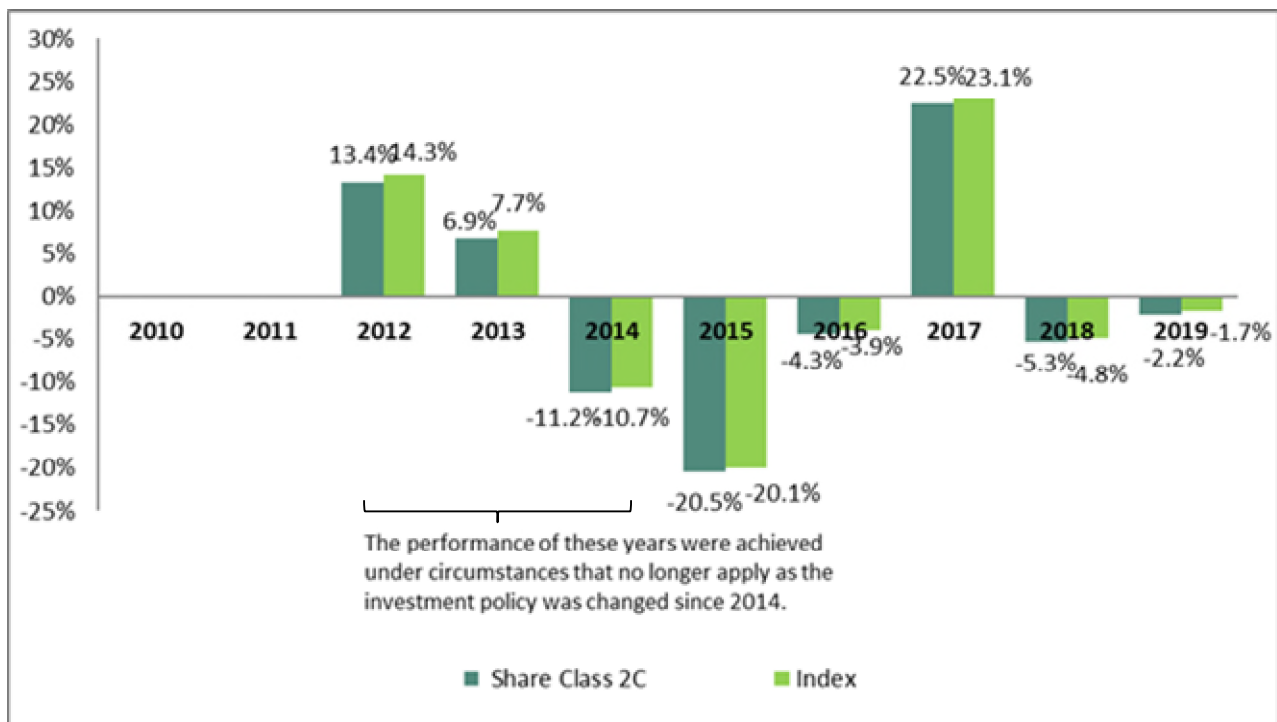
**11. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Malaysian Ringgit) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**12. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.

- Share Class 2C launch date: 20 December 2011

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.30% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website:  
<http://Xtrackers.com/HKG/ENG/ETF/LU0514694537/3082/MSCI-Malaysia-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day

- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0514694537/3082/MSCI-Malaysia-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)

### Xtrackers MSCI Thailand UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

#### Quick facts

<b>Stock code:</b> 3092	<b>Trading lot size:</b> 25 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Thailand TRN Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.50%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.55%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0514694966/3092/MSCI-Thailand-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0514694966/3092/MSCI-Thailand-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

#### What is this product?

Xtrackers MSCI Thailand UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6



and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Thailand TRN Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of the Thai market by targeting all companies with a market capitalisation within the top 85% of the Thai investable equity universe, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the

deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Thailand/Emerging market risk

- As the Index relates to Thailand which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.
- The performance of the ETF may be affected by political developments in Thailand, changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). In addition, the regulatory framework and legal system in Thailand may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- Investments in Thailand may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in Thailand, which may adversely affect the value of the ETF.

### 4. Concentration risk

- The exposure of the ETF is concentrated in Thailand and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

## 5. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

## 6. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and

- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 7. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 8. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 9. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

#### 10. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in

respect of the ETF may be affected by such market interventions.

- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

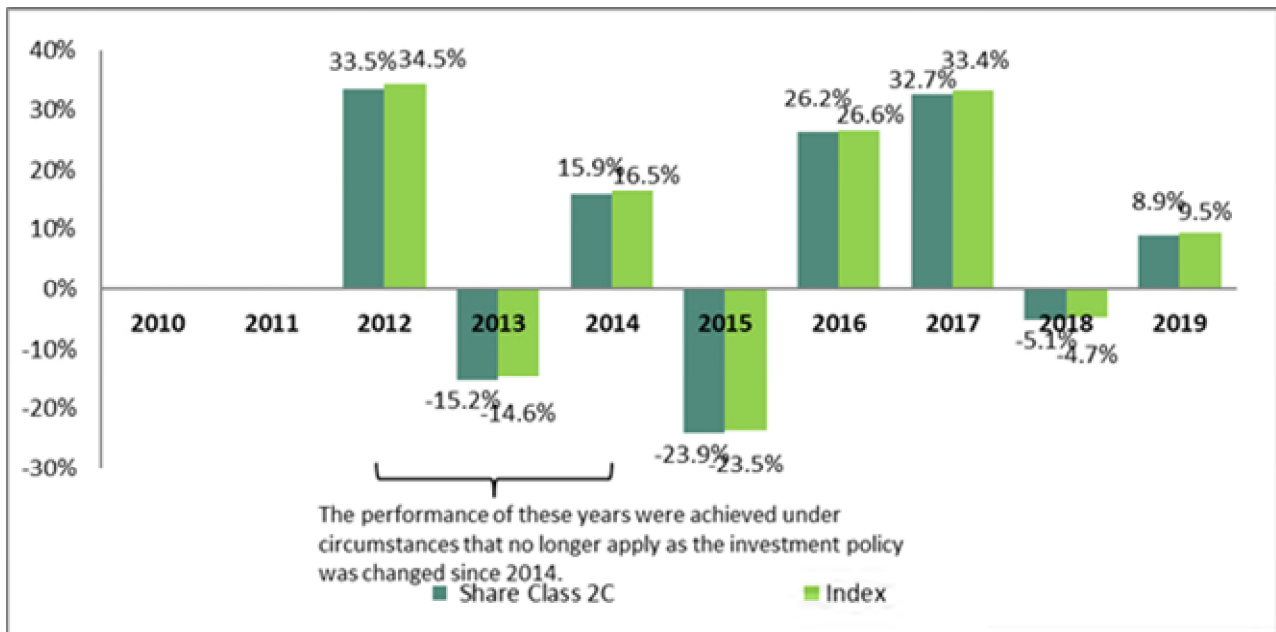
**11. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Thai Baht) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**12. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 20 December 2011

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.30% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website: <http://Xtrackers.com/HKG/ENG/ETF/LU0514694966/3092/MSCI-Thailand-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day
- The near real time estimated net asset value per share updated every 15 seconds throughout

each valuation day during trading hours of the SEHK

- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0514694966/3092/MSCI-Thailand-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)  
Xtrackers MSCI Philippines UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product.***

***This statement is a part of the Hong Kong Prospectus.***

***You should not invest in this product based on this statement alone.***

### Quick facts

<b>Stock code:</b> 3016	<b>Trading lot size:</b> 200 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Philippines Investable Market Total Return Net Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.65%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.75%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0592215668/3016/MSCI-Philippines-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0592215668/3016/MSCI-Philippines-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

### What is this product?

Xtrackers MSCI Philippines UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6



and Appendix I of the SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Philippines Investable Market Total Return Net Index (the "Index").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid and small capitalisation companies of the Philippines, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the

index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### 3. Philippines/Emerging market risk

- As the Index relates to the Philippines, which is an emerging market, the ETF is subject to a greater risk of loss compared with investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity and the increased risk of nationalisation or expropriation of assets in such markets.
- The performance of the ETF may be affected by political developments in the Philippines, corruption, changes in government (which have, in the past, been frequent), changes in government policies and changes in regulatory requirements (such as the imposition of restrictions on foreign exchange or transfer of capital, and limitations on inward investments and securities trading). Recurrence of conditions such as frequent government turnover could cause sudden and significant investment losses. In addition, the court system in the Philippines is not as transparent and effective as court systems in more developed countries or territories such as Hong Kong and there may be a lower level of regulatory supervision and enforcement activity in the regulation of the Philippines securities markets.
- Investments in the Philippines may be less liquid and experience greater volatility than investments in more developed markets due to generally lower trading volumes, smaller market capitalisations of companies and potential settlement difficulties in the Philippines, which may adversely affect the value of the ETF. Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the net asset value. When equity markets are extremely volatile, the net asset value may fluctuate substantially. In addition, holding limits and constraints imposed on trading of listed securities by a registered foreign investor may contribute to the illiquidity of investments in the Philippines.

#### 4. **Geographical risk**

- Philippines is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and typhoons, and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Philippines' economy, and hence the performance of the ETF.

#### 5. **Concentration risk**

- The exposure of the ETF is concentrated in the Philippines and may be more volatile than funds adopting a more diversified strategy.
- The Index may have only a limited number of index constituents, in which case, the Index would be more easily affected by the price movements of any one index constituent than an index which has a larger number of index constituents.

#### 6. **Securities lending transaction risk**

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for the ETF.
- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 7. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve

additional risk as there is no exchange market on which to close out an open position;

- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 8. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).
- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

#### 9. **Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

#### 10. **Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

#### 11. **Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio

may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.

- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on “naked” short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

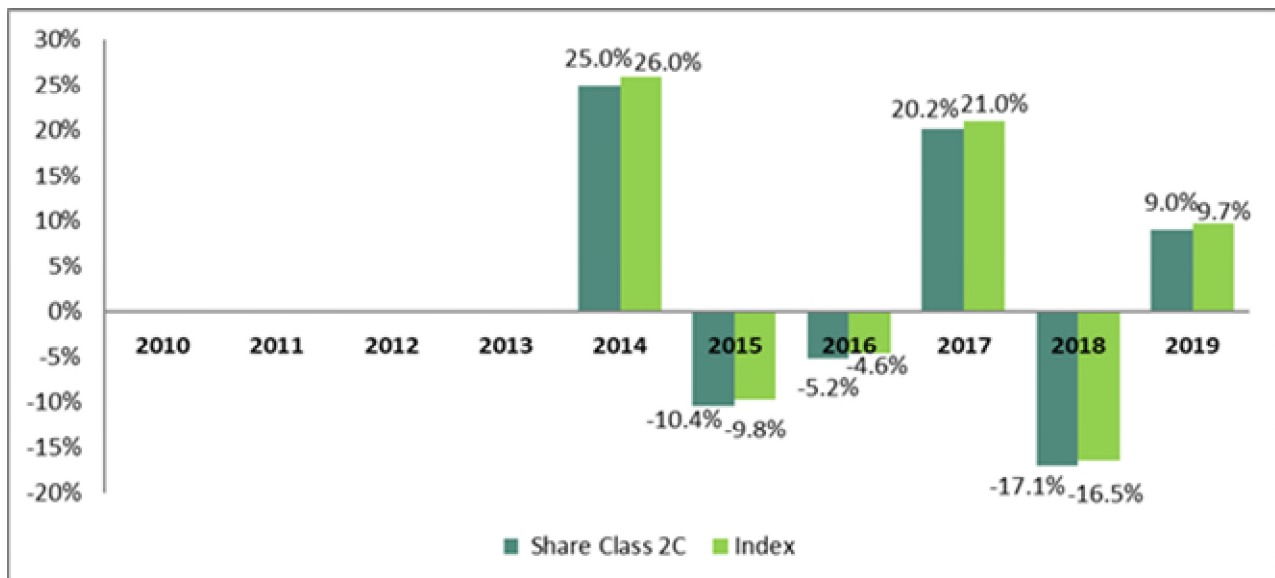
10. **Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Philippine Peso) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

11. **Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 27 March 2013

## Is there any guarantee?

The ETF does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

### Charges incurred when trading the ETF on the SEHK

Fee	What you pay
Brokerage Fee	At each broker's discretion
Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil

### Ongoing fees payable by the ETF

The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.

	Annual rate (as a % of the ETF's value)
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.

### Securities lending revenue sharing

To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.

## Additional information

You can find the following information on the ETF at the following website: <http://Xtrackers.com/HKG/ENG/ETF/LU0592215668/3016/MSCI-Philippines-UCITS-ETF><sup>1</sup>

- The ETF's Hong Kong Prospectus and product key facts statement
- The latest audited annual report and unaudited semi-annual report (English language only)
- Any notices and announcements relating to the ETF
- The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day

- The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK
- Composition of the ETF (updated on a daily basis)
- Information on securities lending, including:
  - (a) A summary of the securities lending policy and the risk management policy;
  - (b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);
  - (c) Amount of securities on loan and level of collateralisation;
  - (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
- List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
- The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0592215668/3016/MSCI-Philippines-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

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# PRODUCT KEY FACTS

## Xtrackers\*

(\*This includes synthetic ETFs)  
Xtrackers MSCI Singapore UCITS ETF

Issuer: DWS Investment S.A.

1 December 2020

<p><b><i>This is a passive exchange traded fund.</i></b></p> <p><b><i>This statement provides you with key information about this product.</i></b></p> <p><b><i>This statement is a part of the Hong Kong Prospectus.</i></b></p> <p><b><i>You should not invest in this product based on this statement alone.</i></b></p>	
<b>Quick facts</b>	
<b>Stock code:</b> 3065	<b>Trading lot size:</b> 500 Hong Kong shares
<b>Management Company:</b> DWS Investment S.A.	<b>Depository:</b> State Street Bank International GmbH, Luxembourg Branch
<b>Investment Manager:</b> DWS Investment GmbH in Germany (Internal delegation)	<b>Underlying Index:</b> MSCI Singapore Investable Market Total Return Net Index (the “ <b>Index</b> ”)
<b>Sub-Portfolio Manager:</b> DWS Investments UK Limited in the United Kingdom and DWS Investments Hong Kong Limited in Hong Kong (Internal sub-delegation, at the discretion of the Investment Manager)	<b>Base currency:</b> United States Dollars (“ <b>USD</b> ”)
<b>Ongoing charges over the last calendar year<sup>#</sup>:</b> 0.50%	<b>Trading Currency:</b> Hong Kong Dollars (“ <b>HKD</b> ”)
<b>Tracking difference of the last calendar year<sup>##</sup>:</b> -0.30%	<b>Securities lending:</b> Yes. Up to 30% of the net asset value
<b>Dividend policy:</b> No distribution	<b>ETF Hong Kong website:</b> <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0755279428/3065/MSCI-Singapore-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0755279428/3065/MSCI-Singapore-UCITS-ETF</a>
<b>Financial year end of this fund:</b> 31 December	

### What is this product?

Xtrackers MSCI Singapore UCITS ETF (the “**ETF**”) is a sub-fund of Xtrackers\* (\*This includes synthetic ETFs) (the “**Company**”), an umbrella fund constituted in the form of a mutual fund set up as a Luxembourg investment company (SICAV) and approved under the UCITS IV regulations. The shares of the ETF are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These shares are traded on the SEHK like listed stocks. The ETF is domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier in Luxembourg. The ETF is a passively-managed exchange traded fund falling within Chapter 8.6 and Appendix I of the



SFC's Code on Unit Trusts and Mutual Funds.

The ETF is also primarily listed on the Luxembourg Stock Exchange.

# The ongoing charges figure is based on expenses for the calendar year ended 31 December 2019. This figure may vary from year to year. It does not include any extraordinary expenses.

## This is the actual tracking difference of the calendar year ended 31 December 2019. Investors should refer to the ETF website for more up-to-date information on actual tracking difference.

## Objective and Investment Strategy

### Objective

The ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the MSCI Singapore Investable Market Total Return Net Index (the "**Index**").

### Strategy

The ETF is passively managed in accordance with a direct investment policy and is a full replication fund. In order to achieve the Investment Objective, the ETF will attempt to replicate the Index by directly investing in a portfolio of transferrable securities that may comprise all or a substantial number of the constituents of the Index broadly in proportion to the respective weightings of the constituents of the Index, or other eligible assets.

The ETF may also invest in financial derivative instruments ("FDIs") including futures, options, swaps, credit default swaps ("CDSs"), contracts for differences ("CFDs") and forwards including non-deliverable forwards ("NDFs"). The ETF will not use FDIs extensively for non-hedging purposes.

The ETF may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. The ETF will not invest more than 10% of its assets in units or shares of other UCITS or other Undertakings for Collective Investments in order to be eligible for investment by UCITS governed by the UCITS Directive.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Management Company wishes to adopt an investment strategy other than the current direct investment policy.

The ETF may also enter into securities lending transactions for up to 30% of its net asset value at any one time and is able to recall the securities lent out at any time. As part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis. The ETF will not engage in any reinvestment of collateral received.

The ETF will not invest in any structured products or enter into any repurchase agreements or other similar over-the-counter transactions.

### Underlying Index

The Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid and small capitalisation companies of Singapore, subject to a global minimum size requirement.

The Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction

of any taxes that may apply.

The Index administrator is MSCI Inc. and its subsidiaries (which include MSCI Limited).

You can obtain the list of constituents of the Index with their respective weightings from <https://www.msci.com/constituents>.

For details (including the latest index level and other important news), please refer to the index website at [www.msci.com](http://www.msci.com).

## Use of derivatives / investment in derivatives

The ETF's net derivative exposure may be up to 50% of the ETF's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

### 1. General investment risk

- The ETF's investments may fall in value due to any of the key risk factors below and therefore an investor's investment in the ETF may suffer losses. There is no guarantee of repayment of principal.

### 2. Equity market risk

- The Index constituent securities are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Index constituent securities may include stocks of small or mid-capitalisation companies which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### 3. Concentration risk

- The exposure of the ETF is concentrated in Singapore and may be more volatile than funds adopting a more diversified strategy.

### 4. Securities lending transaction risk

- Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the ETF may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Although as part of its securities lending transactions, the ETF must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100% of the global valuation of the securities lent, marked to market on a daily basis, if the borrower of securities lent by the ETF fails to return these, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This

may result in significant losses for the ETF.

- Although the securities lending agent (which is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches) provides the ETF with an indemnity under the securities lending agreement, such indemnity does not fully cover the borrower's default because the securities lending agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the ETF will suffer a loss.
- Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of the ETF to meet delivery or payment obligations arising from redemption requests and may trigger claims.

#### 5. **Risk of investing in FDIs**

The ETF may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes the ETF to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: the ETF is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the ETF.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of the ETF if it uses FDIs.

#### 6. **Reliance on DWS Group and conflicts of interests risk**

- Deutsche Bank AG is the securities lending agent. In addition, the Management Company, the Investment Manager, the Sub-Portfolio Manager and Deutsche Bank AG belong to DWS Group. The functions which Deutsche Bank AG, the Management Company, the Investment Manager and the Sub-Portfolio Manager will perform in connection with the ETF may give rise to potential conflicts of interest. The Management Company will vigorously manage any such conflicts in the best interest of investors (please refer to pages 55 to 56 of the Hong Kong Prospectus).

- Since different entities under the same corporate group, DWS Group, act as the management company, investment manager, sub-portfolio manager, securities lending agent, market maker and participating dealer, disruption in the operation of any of these entities may adversely affect the liquidity of the ETF. Further, the insolvency of any group member may lead to suspension of dealing and trading, or eventually, termination of the ETF.

**7. Passive investment risk**

- The ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Index, the ETF will also decrease in value. Investors may suffer significant losses accordingly.

**8. Tracking error risk**

- Changes in the net asset value of the ETF may deviate from the performance of the Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Index.

**9. Trading risk**

- Generally, retail investors can only buy or sell shares of the ETF on the SEHK. The trading price of the shares of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the net asset value.
- Investors who trade through a broker will incur a brokerage commission or other charges imposed by the broker, and may pay more than the prevailing net asset value per share of the ETF when buying the shares of the ETF or may receive less than the prevailing net asset value per share of the ETF when selling the shares of the ETF.
- As the stock exchange(s) on which the Index constituent securities are listed may be open when shares of the ETF are not priced, the value of the ETF's portfolio may change on days when investors will not be able to purchase or sell shares of the ETF. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the shares of the ETF to its net asset value.
- Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of the ETF may be affected by such market interventions.
- The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one market maker. However, there is still a risk that market making activities may stop or may cease to be effective.

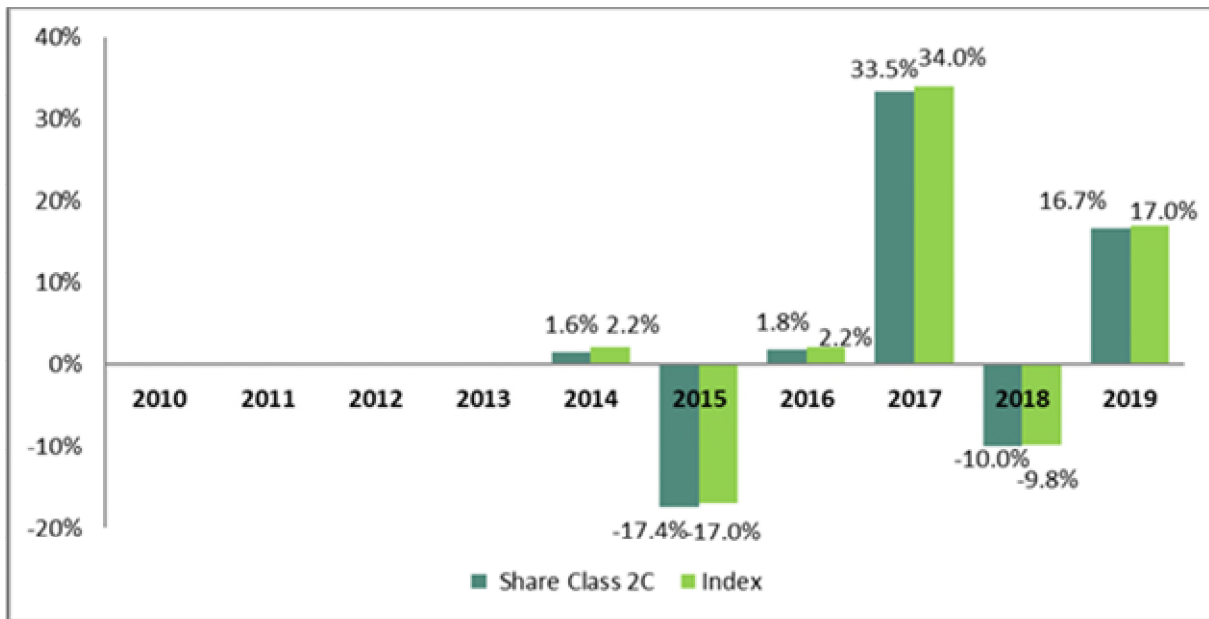
**10. Foreign exchange risk**

- An investment in the shares of the ETF may directly or indirectly involve exchange rate risk. The constituent securities of the Index may be denominated in a currency (such as the Singapore Dollar) other than the base currency of the ETF (which is the USD). Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the ETF.

**11. Risk of Index termination**

- Although the investment in shares in the ETF should be viewed as medium to long term in nature, investors should note that the ETF may be terminated under certain circumstances and, therefore, may cease to be available in Hong Kong. In particular, the ETF may be terminated if the Index provider terminates the Index or does not allow the ETF to use the Index.

**How has the ETF performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD including ongoing charges and excluding trading costs on SEHK you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Share Class 2C launch date: 27 March 2013

**Is there any guarantee?**

The ETF does not have any guarantees. You may not get back the amount of money you invest.

**What are the fees and charges?**

**Charges incurred when trading the ETF on the SEHK**

Fee	What you pay
Brokerage Fee	At each broker’s discretion

Transaction Levy	0.0027%
Trading Fee	0.005%
Stamp Duty	Nil
<b>Ongoing fees payable by the ETF</b>	
The following expenses will be paid out of the ETF. They affect you because they reduce the net asset value of the ETF which may affect the trading price.	
	<b>Annual rate (as a % of the ETF's value)</b>
Management fee (Management Company Fee)	Up to 0.45% p.a.
Fixed Fee (covers the Depositary Fee, Administrative Agent Fee and other fees and expenses as disclosed in the Hong Kong Prospectus)	0.20% p.a.
<b>Securities lending revenue sharing</b>	
To the extent the ETF undertakes securities lending transactions, the ETF will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the securities lending agent will be allocated 15%. To facilitate this, the ETF will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation.	
<b>Additional information</b>	
You can find the following information on the ETF at the following website: <a href="http://Xtrackers.com/HKG/ENG/ETF/LU0755279428/3065/MSCI-Singapore-UCITS-ETF">http://Xtrackers.com/HKG/ENG/ETF/LU0755279428/3065/MSCI-Singapore-UCITS-ETF</a> <sup>1</sup>	
<ul style="list-style-type: none"> <li>• The ETF's Hong Kong Prospectus and product key facts statement</li> <li>• The latest audited annual report and unaudited semi-annual report (English language only)</li> <li>• Any notices and announcements relating to the ETF</li> <li>• The last net asset value and last net asset value per share of the ETF in HKD updated on a daily basis on each valuation day</li> <li>• The near real time estimated net asset value per share updated every 15 seconds throughout each valuation day during trading hours of the SEHK</li> <li>• Composition of the ETF (updated on a daily basis)</li> <li>• Information on securities lending, including: <ul style="list-style-type: none"> <li>(a) A summary of the securities lending policy and the risk management policy;</li> <li>(b) Securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that the ETF has exposure to in the preceding month, and (iii) the number of securities lending counterparties that the ETF has exposure to which exceeds 3% of its Net Asset Value);</li> <li>(c) Amount of securities on loan and level of collateralisation;</li> </ul> </li> </ul>	

- (d) Net return from securities lending to the ETF since commencement of the securities lending or over the past 12 months, whichever period is shorter;
  - (e) Certain collateral information; and
  - (f) Percentage of fee split on the income.
- Last closing level of the Index
  - List of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s)
  - The ongoing charges figure, the past performance information, the annual tracking difference and tracking error for the ETF

The near real time estimated net asset value per share in HKD referred to above is indicative and for reference only.

The last net asset value per share in HKD is calculated by converting the last net asset value per share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the website: <http://Xtrackers.com/HKG/ENG/ETF/LU0755279428/3065/MSCI-Singapore-UCITS-ETF><sup>1</sup>).

<sup>1</sup> This website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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(\*This is a synthetic ETF)

## MANAGEMENT & ADMINISTRATION

### Registered Office

Xtrackers\* (\*This includes synthetic ETFs)  
49, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors

#### Philippe Ah-Sun

Chief Operating Officer – Index Investing, DWS Investments UK Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

#### Alex McKenna

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

#### Freddy 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.

### Depositary

State Street Bank International GmbH, Luxembourg Branch, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

### Administrative Agent, Paying Agent, Domiciliary Agent and Listing Agent

State Street Bank International GmbH, Luxembourg Branch, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

### Registrar and Transfer Agent

State Street Bank International GmbH, Luxembourg Branch, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

### Management Company

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

### Management Board of the Management Company

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

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

**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.

### Supervisory Board of the Management Company

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

**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.

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

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

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

**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  
Winchester House  
1 Great Winchester Street  
London, EC2N 2DB  
United Kingdom

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

**Securities Lending Agent**

*(unless otherwise specified in the relevant Product Annex)*

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

**Hong Kong Listing Agent**

Deutsche Bank AG, Hong Kong Branch  
Level 60, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

**Hong Kong Representative**

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

**Hong Kong Administrative Agent**

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

**SEHK Market Maker(s) and Hong Kong Authorised Participant(s)**

Please refer to the website <http://www.Xtrackers.com> for the latest list of (i) SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company, and (ii) Hong Kong Authorised Participant(s).

**Hong Kong Service Agent**

HK Conversion Agency Services Limited  
1/F One and Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Auditor of the Company**

Ernst & Young S.A.  
35E, Avenue J.F. Kennedy

L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Hong Kong Legal Advisers to the Company**  
Simmons & Simmons  
30<sup>th</sup> Floor, One Taikoo Place  
979 King's Road  
Hong Kong

## DEFINITIONS

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

<b>“Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement”</b>	Means the agreement dated 20 October 2006 between the Company, the Management Company and the Administrative Agent;
<b>“Administrative Agent”</b>	Means State Street Bank International GmbH, Luxembourg Branch, with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
<b>“Administrative Agent Fee”</b>	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;
<b>“Agency Securities Lending and Repurchase Agreement(s)”</b>	Means the agreement(s) between the Securities Lending Agent, the Company in respect of the Sub-Funds concerned and, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager;
<b>“AIFM Law”</b>	Means the Luxembourg law of 12 July 2013 relating to alternative investment fund managers and implementing the AIFM Directive into Luxembourg legislation;
<b>“All-In Fee”</b>	Means an all-in fee comprising the Fixed Fee and the Management Company Fee;
<b>“Annual Report”</b>	Means the last available annual report of the Company including its audited accounts;
<b>“Approved Share Registrar”</b>	Means a share registrar who is a member of the Federation of Share Registrars Limited, an association approved by the SFC under section 12 of the Rules;
<b>“Articles of Incorporation”</b>	Means the articles of incorporation of the Company, as amended;
<b>“Authorised Participant”</b>	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;
<b>“Authorised Payment Currency”</b>	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. Unless otherwise specified in the Product Annex, the Authorised Payment Currency will be Euro;
<b>“Benchmark Regulation”</b>	Means Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;
<b>“Board of Directors”</b>	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;
<b>“Business Day”</b>	Means (unless otherwise provided in the Product Annex) a day which is:  (i) a Luxembourg Banking Day; and  (ii) a London Banking Day;
<b>“Capitalisation Shares”</b>	Means Shares not distributing dividends;

<b>“Cash Component”</b>	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;
<b>“CCASS”</b>	Means the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors;
<b>“CFTC”</b>	Means the United States Commodity Futures Trading Commission;
<b>“Class(-es)” or “Share Class(-es)”</b>	Means the class or classes of Shares relating to a Sub-Fund where specific features with respect to fee structures, minimum subscription amount, dividend policy, investor eligibility criteria or other specific features may be applicable. The details applicable to each Class which is offered in Hong Kong will be described in the relevant Product Annex;
<b>“Clearing Agent(s)”</b>	Means the clearing institution(s) selected in the countries where the Shares may be subscribed for;
<b>“Code”</b>	Means the Code on Unit Trusts and Mutual Funds dated June 2010 issued by the SFC (as amended from time to time);
<b>“Company”</b>	Means Xtrackers* (*This includes synthetic ETFs), an investment company incorporated under Luxembourg law in the form of a <i>société anonyme</i> qualifying as a <i>société d’investissement à capital variable</i> under the Law (SICAV);
<b>“Connected Person”</b>	in relation to a company means: <ul style="list-style-type: none"> <li>(a) any person or company beneficially owning, directly or indirectly, 20 percent or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20 percent or more of the total votes in that company; or</li> <li>(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or</li> <li>(c) any member of the group of which that company forms part; or</li> <li>(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c);</li> </ul>
<b>“Credit Institutions”</b>	Means institutions whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account, including rural banks, mortgage bonds issuing banks and electronic money institutions;
<b>“CRS”</b>	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;
<b>“CRS Law”</b>	Means the Luxembourg law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation;
<b>“CSSF”</b>	Means <i>The Commission de Surveillance du Secteur Financier</i> of Luxembourg;
<b>“Cut-off Time”</b>	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;
<b>“Dealing Form”</b>	Means such dealing form as the Directors may prescribe for the purposes of dealing in shares of the relevant Sub-Fund;
<b>“Denomination Currency”</b>	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;

<b>“Depository”</b>	Means State Street Bank International GmbH, Luxembourg Branch, with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
<b>“Depository Agreement”</b>	Means the agreement dated 12 October 2016 by which State Street Bank International GmbH, Luxembourg Branch, has been appointed as depository of the Company, as further described under “Management and Administration of the Company” and as may be amended from time to time;
<b>“Depository Fee”</b>	Means any fees payable by the Company to the Depository pursuant to the Depository Agreement;
<b>“Direct Investment Policy”</b>	Is as defined on page 17 of this Prospectus;
<b>“Direct Replication Fund”</b>	Is as defined on page 17 of this Prospectus;
<b>“Director”</b>	Means the directors of the Company for the time being;
<b>“Direct Replication Significant Market”</b>	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;
<b>“Distribution Fee”</b>	Means the fees which may be paid by the Management Company to the relevant Distributor out of the Management Company Fee;
<b>“Distribution Shares”</b>	Means Shares distributing dividends;
<b>“Distributor”</b>	Means any distributor or dealer for the distribution of Shares in certain jurisdictions, as appointed by the Management Company, or any sub-distributor thereof;
<b>“DWS Affiliates”</b>	Means entities within, and/or employees, agents, affiliates or subsidiaries of members of, DWS Group;
<b>“DWS Group”</b>	Means an affiliate or subsidiary of DWS Group GmbH & Co. KGaA which is part of the Deutsche Bank AG group;
<b>“EEA Member State”<sup>1</sup></b>	Means any of the member states of the European Economic Area including at the date of this Prospectus: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, the Grand Duchy of Luxembourg, Malta, Norway, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden;
<b>“Eligible State”</b>	Means any OECD Member State and any other country of Europe, North, Central & South America, Asia, Africa and the Pacific Basin;
<b>“EMIR”</b>	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;
<b>“ESMA”</b>	Means the European Securities and Markets Authority;
<b>“ETF”</b>	Means exchange traded fund(s);

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<sup>1</sup> Since 31 January 2020, the United Kingdom no longer is a EU Member State or an EEA Member State. During a transitional period ending on 31 December 2020, Union law (as defined in the agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community) shall be applicable to and in the United Kingdom, and, as a general rule, with the same effect as regards the EU Member States. Any provisions in this Prospectus, including references to “EU Member States” and “EEA Member States” shall be deemed to include the United Kingdom for the purpose of Union law.



<b>“EU”</b>	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;
<b>“EU Member State”<sup>2</sup></b>	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;
<b>“Euro-CRS Directive”</b>	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 EU Member States;
<b>“Extraordinary Expenses”</b>	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;
<b>“FATCA”</b>	Means the Foreign Account Tax Compliance Act as enacted by the United States Congress in March 2010;
<b>“FDI”</b>	Means financial derivative instrument;
<b>“First Class Institutions”</b>	Means first class financial institutions selected by the Board of Directors, subject to prudential supervision and belonging to the categories approved by CSSF for the purposes of the OTC derivative transactions and specialised in this type of transactions;
<b>“Fixed Fee”</b>	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;
<b>“Fixed Fee Agent”</b>	Means DWS Investments UK Limited;
<b>“G20”</b>	Means the countries represented in the Group of Twenty Finance Ministers and Central Bank Governors, representing 20 major global economies;
<b>“HKSCC”</b>	Means the Hong Kong Securities Clearing Company Limited or its successors;
<b>“Hong Kong Administrative Agent”</b>	Means DWS Investments Hong Kong Limited;
<b>“Hong Kong Authorised Participant”</b>	Means an Authorised Participant in Hong Kong. Any reference in this Prospectus to the “Hong Kong Authorised Participant” shall include a reference to any agent or delegate so appointed by a Hong Kong Authorised Participant;
<b>“Hong Kong Representative”</b>	Means DWS Investments Hong Kong Limited;
<b>“Hong Kong Share”</b>	Means the Shares to be listed and traded on SEHK;
<b>“Hong Kong Stock”</b>	Means stock the transfer of which is required to be registered in Hong Kong;
<b>“Index Administrator”</b>	Means the administrator of an Index as defined in the relevant Product Annex
<b>“Indirect Investment Policy”</b>	Is as defined on page 12 of this Prospectus;
<b>“Indirect Replication Fund”</b>	Is as defined on page 12 of this Prospectus;
<b>“Indirect Replication Significant Market”</b>	Means any market and/or exchange on which constituents of the Reference Index are traded, unless otherwise set out in the relevant Product Annex;

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<sup>2</sup> Since 31 January 2020, the United Kingdom no longer is a EU Member State or an EEA Member State. During a transitional period ending on 31 December 2020, Union law (as defined in the agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community) shall be applicable to and in the United Kingdom, and, as a general rule, with the same effect as regards the EU Member States. Any provisions in this Prospectus, including references to “EU Member States” and “EEA Member States” shall be deemed to include the United Kingdom for the purpose of Union law.

<b>“Initial Issue Price”</b>	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 <a href="http://www.Xtrackers.com">www.Xtrackers.com</a> ;
<b>“Initial Subscriptions”</b>	Means subscriptions for Shares made at the Initial Issue Price as described in detail under “Issue, Subscription and Purchase of Shares”;
<b>“Insolvency Event”</b>	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;
<b>“Invested Asset(s)”</b>	Means certain assets in which a Sub-Fund is invested, as further described in the relevant Product Annex;
<b>“Investment Management Agreement”</b>	Means the agreement between the Management Company and the relevant Investment Manager as further defined under “Management and Administration of the Company”;
<b>“Investment Management Fee”</b>	Means any fees payable by the Management Company to the relevant Investment Manager pursuant to the relevant Investment Management Agreement;
<b>“Investment Manager”</b>	Means the entities referred to under “MANAGEMENT & ADMINISTRATION” and “Management and Administration of the Company”;
<b>“Investment Objective”</b>	Means the predefined investment objective of the Sub-Funds as specified in the relevant Product Annex;
<b>“Investment Policy”</b>	Means the predefined investment policy of the Sub-Funds as specified in the relevant Product Annex;
<b>“Investment Restrictions”</b>	Means the investment restrictions set out in more detail under “Investment Restrictions”;
<b>“Investments”</b>	Means transferable securities and all other liquid financial assets referred to under section 1 of “Investment Restrictions”;
<b>“Late Trading”</b>	Is as defined on page 74 of this Prospectus;
<b>“Launch Date”</b>	Means the date on which the Company issues Shares relating to a Sub-Fund for the first time in exchange for the subscription proceeds;
<b>“Law”</b>	Means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended;
<b>“London Banking Day”</b>	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;
<b>“Luxembourg Banking Day”</b>	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;
<b>“Luxembourg IGA”</b>	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;
<b>“Management Company”</b>	Means DWS Investment S.A., with registered office at 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg. Any reference to the Management Company includes a reference to its duly authorised agents or delegates;

<b>“Management Company Agreement”</b>	Means the management company agreement dated 7 October 2015 between the Company and the Management Company as may be amended from time to time;
<b>“Management Company Fee”</b>	Means the annual fee, payable on a periodic basis by the Company to the Management Company, which will accrue daily on each calendar day and will be calculated on each Valuation Day on the basis of a percentage of (i) the last available Net Asset Value of each Sub-Fund or Class of Shares or (ii) the Initial Issue Price multiplied by the number of outstanding Shares of each Sub-Fund or Class of Shares (as indicated for each Sub-Fund or Class of Shares in the relevant Product Annex and further specified under section “Fees and Expenses”), pursuant to the Management Company Agreement;
<b>“Market Makers”</b>	Financial institutions that are members of the Relevant Stock Exchanges and have signed a market making contract with the Company or that are registered as such with the Relevant Stock Exchanges;
<b>“Maturity Date”</b>	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 “Redemption and Sale of Shares”. Unless a Maturity Date has been indicated in the relevant Product Annex, Sub-Funds will have no Maturity Date;
<b>“Minimum Holding Requirement”</b>	Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be held at any time by a Shareholder. Unless otherwise specified in the relevant Product Annex, the Minimum Holding Requirement will be 1 Share;
<b>“Minimum Initial Subscription Amount”</b>	Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be subscribed for by an investor during the Offering Period and up to but excluding the Launch Date (if applicable). Unless otherwise specified in the relevant Product Annex, the Minimum Initial Subscription Amount will be 1 Share;
<b>“Minimum Net Asset Value”</b>	Means an amount specified in the relevant Product Annex. Unless otherwise specified in the relevant Product Annex, the Minimum Net Asset Value per Sub-Fund will be Euro 50,000,000 (or the equivalent in the Reference Currency of the relevant Sub-Fund);
<b>“Minimum Redemption Amount”</b>	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;
<b>“Minimum Subsequent Subscription Amount”</b>	Means the minimum number of Shares or Net Asset Value per Share (as appropriate) which must be subscribed for on or after the Launch Date. Unless otherwise specified in the relevant Product Annex, the Minimum Subsequent Subscription Amount will be 1 Share;
<b>“Money Market Instruments”</b>	Means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time;
<b>“NAV Date”</b>	Means (unless otherwise provided in the Product Annex) a day which is a Business Day.  A NAV Date is the day as of which the assets and liabilities of the Sub-Fund are valued in accordance with the section “Determination of the Net Asset Value”. For the avoidance of doubt, each Transaction Day will be a NAV Date;
<b>“Net Assets”</b>	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;
<b>“Net Asset Value”</b>	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;
<b>“Net Asset Value per Share”</b>	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;

<b>“OECD”</b>	Means the Organisation for Economic Cooperation and Development, whose member states include all countries listed on the OECD website: <a href="http://www.oecd.org">http://www.oecd.org</a> ;
<b>“OECD Member State”</b>	Means any of the member states of the OECD;
<b>“Offering Period”</b>	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;
<b>“OTC Swap Transaction(s)”</b>	Is as defined on page 12 of this Prospectus;
<b>“Other Administrative Expenses”</b>	Means the expenses incurred in connection with the Company’s operations as described in more detail under “Fees and Expenses”;
<b>“Portfolio Composition File”</b>	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;
<b>“Primary Market Transaction Costs”</b>	Means in relation to subscriptions or redemptions on the primary market, costs which may be charged to Authorised Participants, which may include: part or all of any Transaction Costs; all stamp and other duties; taxes; governmental charges; brokerage; bank charges; foreign exchange spreads; interest; custodian charges (relating to sales and purchases); transfer fees; registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Sub-Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of Investments or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable. For the avoidance of doubt, this may include a provision for the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated or actual price at which such assets shall be bought as a result of a subscription or sold as a result of a redemption. It shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Sub-Fund;
<b>“Product Annex”</b>	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 this Prospectus;
<b>“Prohibited Persons”</b>	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 non-financial foreign entity, (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;
<b>“Prospectus”</b>	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;
<b>“Redemption Charge”</b>	Means the charge or fee to be paid out of the Redemption Price which Shares may be subject to, as described under “Redemption and Sale of Shares” and in the relevant Product Annex. No Redemption Charge will be applicable unless otherwise provided for in the relevant Product Annex;
<b>“Redemption Dividend”</b>	Means a dividend paid in respect of Shares which are the subject of a valid request for redemption;

<b>“Redemption Price”</b>	Means the price at which Shares are redeemed (before deduction of any charges, costs, expenses or taxes), as described under “Redemption and Sale of Shares”;
<b>“Redemption Proceeds”</b>	Means the Redemption Price less any charges, costs, expenses or taxes, as described under “Redemption and Sale of Shares”;
<b>“Reference Currency”</b>	Means the currency that is used by the Administrative Agent to calculate the Net Asset Value per Share of the relevant Sub-Fund. Unless otherwise specified in the relevant Product Annex, the Reference Currency will be Euro;
<b>“Reference Index”</b>	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;
<b>“Registrar and Transfer Agent”</b>	Means State Street Bank International GmbH, Luxembourg Branch, with registered office at 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
<b>“Registrar, Transfer Agent and Listing Agent Fee”</b>	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;
<b>“Regulated Market”</b>	Means a regulated market, which operates regularly and is recognised and open to the public;
<b>“Regulations”</b>	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;
<b>“Relevant Stock Exchanges”</b>	Means the Markets on which the Shares of the Sub-Funds may be listed such as SEHK, Luxembourg Stock Exchange, Deutsche Börse or other stock exchanges;
<b>“Rules”</b>	Means the Securities and Futures (Stock Market Listing) Rules (Cap. 571V) of Hong Kong;
<b>“Securities Lending Agent”</b>	Means Deutsche Bank AG, acting through its Frankfurt am Main head office and its London and New York branches, unless otherwise specified in the Product Annex;
<b>“SEHK”</b>	Means The Stock Exchange of Hong Kong Limited or its successor;
<b>“SEHK Market Maker”</b>	Means a financial institution that is member of SEHK and has signed a market making contract with the Company or the Management Company or that is registered as such with SEHK;
<b>“Semi-annual Report”</b>	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 this Prospectus;
<b>“Service Agreement”</b>	Means any service agreement entered into among the Company, the Management Company, the Depositary, the Registrar, the Hong Kong Administrative Agent, HKSCC, HK Conversion Services Agency Limited and a Hong Kong Authorised Participant. Where the Hong Kong Authorised Participant is a Non-Clearing Participant (as defined in the General Rules of CCASS), an agent of the Hong Kong Authorised Participant will also be a party to the relevant Service Agreement;
<b>“Settlement Day”</b>	Means a Business Day on which the relevant Clearing Agent is open or, if such Clearing Agent is not open, the next following Business Day on which the Clearing Agent is open;
<b>“SFC”</b>	Means the Securities and Futures Commission of Hong Kong or its successors;
<b>“SFO”</b>	Means the Securities and Futures Ordinance (Cap. 571) of Hong Kong;
<b>“Shareholder(s)”</b>	Means the shareholder(s) duly registered in the Company’s shareholders’ register or, where the context requires, the beneficial owner of Hong Kong Shares which are registered in the name of HKSCC Nominees Limited and held in CCASS;

<b>“Shares”</b>	Means the Shares with no par value in the Company, issued in such form as described in the relevant Product Annex;
<b>“Significant Market”</b>	Means either a Direct Replication Significant Market or an Indirect Replication Significant Market;
<b>“Sub-Fund”</b>	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 which is available to investors in Hong Kong will be described in the relevant Product Annex;
<b>“Subsequent Subscriptions”</b>	Means subscriptions for Shares made on or after the Launch Date, as described under “Issue, Subscription and Purchase of Shares”;
<b>“Sub-Portfolio Management Agreement”</b>	Means the agreement between the relevant Investment Manager and a Sub-Portfolio Manager;
<b>“Sub-Portfolio Manager”</b>	Means the entities referred to under “MANAGEMENT & ADMINISTRATION” and “Management and Administration of the Company”. No Sub-Portfolio Manager has been appointed in respect of the Indirect Replication Funds;
<b>“Swap Agreement”</b>	Means a 2002 ISDA Master Agreement entered into between the Company for and on behalf of one or more Sub-Funds and the relevant Swap Counterparty (as such agreement may be amended and supplemented from time to time) and references to a Swap Agreement in relation to a Sub-Fund shall be to each ISDA Master Agreement deemed to be entered into between the relevant Swap Counterparty and each Sub-Fund;
<b>“Swap Calculation Agent”</b>	Means, in respect of an OTC Swap Transaction, the relevant Swap Counterparty, unless otherwise specified in the relevant Product Annex;
<b>“Swap Counterparty”</b>	Means any entity 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”;
<b>“Total Return Swap” or “TRS”</b>	Means a bilateral derivative agreement in which each party agrees to exchange the total economic performance based on 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;
<b>“Trading Board Lot Size”</b>	Means in respect of each Sub-Fund to which this Prospectus relates, the board lot size of Hong Kong Shares of a particular Sub-Fund which are quoted and traded on SEHK as set out in the Product Annex;
<b>“Trading Currency”</b>	Means in respect of each Sub-Fund to which this Prospectus relates, the trading currency of Hong Kong Shares of a particular Sub-Fund which are quoted and traded on SEHK as set out in the Product Annex;
<b>“Transaction Costs”</b>	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;

<b>“Transaction Day”</b>	<p>Means a day for which subscriptions for and redemptions of Shares can be made in order to be dealt with by the Registrar and Transfer Agent, as described under “Issue, Subscription and Purchase of Shares” and “Redemption and Sale of Shares”.</p> <p>In general, each Business Day will be a Transaction Day.</p> <p>However, some Business Days will not be Transaction Days where Significant Markets are closed and/or such other days as the Management Company may from time to time determine provided that there is at least one Transaction Day per fortnight.</p> <p>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.</p> <p>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;</p>
<b>“UCI”</b>	Means an Undertaking for Collective Investment;
<b>“UCITS”</b>	Means an Undertaking for Collective Investment in Transferable Securities established pursuant to the Regulations;
<b>“UCITS Directive”</b>	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;
<b>“United States” or “U.S.”</b>	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;
<b>“Upfront Subscription Sales Charge”</b>	Means the sales charge which investors subscribing for Shares as described under “Fees and Expenses” and in the relevant Product Annex may be subject to. No Upfront Subscription Sales Charge will be applicable unless otherwise provided for in the relevant Product Annex;
<b>“U.S. Person”</b>	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
<b>“Valuation Day”</b>	<p>Means (unless otherwise defined in the Product Annex) the first Business Day following a NAV Date.</p> <p>A Valuation Day is the day on which the Net Asset Value in respect of a Sub-Fund is calculated and published.</p>

## STRUCTURE

### **The Sub-Funds**

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

### **The Classes of Shares**

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

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

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

If at any time it shall come to the Company’s attention that Shares are beneficially owned by one of the persons mentioned under (i) and (ii) above, either alone or in conjunction with any other person, and such person fails to comply with the instructions of the Company to sell his Shares and to provide the Company with evidence of such sale within 30 calendar days of being so instructed by the Company, the Company may in its discretion compulsorily redeem such Shares at the Redemption Price immediately after the close of business specified in the notice given by the Company to the Prohibited Person or the 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 “Issue, Subscription and Purchase of Shares” or in the relevant Product Annex, as the case may be.

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

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

The Hong Kong Shares will be listed for trading on SEHK.



## 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 the Sub-Funds 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 Company's website <http://www.Xtrackers.com>.

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

### Sub-Funds with an Indirect Investment Policy

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

Sub-Funds with an Indirect Investment Policy (also known as "synthetic replication") ("**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:

- (i) in Invested Assets and use one or more Derivative Transaction(s) 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**"); or
- (ii) in one or more Derivative Transaction(s) the purpose of which is to exchange all or part of the invested proceeds to gain exposure to the Reference Index (a "**Funded Swap**"). Although the Indirect Replication Fund may in such case be at any time fully or partially exposed to one or more Derivative Transaction(s), collateral arrangements will be taken in relation to these Derivative Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of "Investment Restrictions" of this Prospectus is reduced.

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

For Unfunded Swaps, the maximum proportion of the Net Asset Value that is subject to Derivatives Transactions in relation to the Reference Index is 110 percent, of the Net Asset Value excluding the impact of

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

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

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.

#### *Invested Assets*

For Indirect Replication Funds adopting investment strategy (i), the Invested Assets that can be held by the Indirect Replication Funds consist of equity securities of issuers listed or traded on an official stock exchange of an OECD Member State unless otherwise specified in the relevant Product Annex. These Invested Assets may also contain a limited amount of UCITS eligible securities that do not fall into this description which will be disclosed in the financial statements.

The Invested Assets must be sufficiently liquid so that they can be sold quickly at a robust price that is close to pre-sale valuation and traded in a deep and liquid marketplace with transparent pricing. The Invested Assets will not consist of (a) securities issued by any Swap Counterparty or any of its affiliates or subsidiaries, or (b) any structured products such as asset backed securities, mortgage backed securities, collateralised debt obligations, collateralised bond obligations, collateralised mortgage obligations, collateralised loan obligations and credit linked instruments.

Please refer to the website of the relevant Indirect Replication Fund for the composition of the Invested Assets (if any) which will be updated on a daily basis.

The valuation of the Invested Assets is marked-to-market on a daily basis. Such calculation is performed by the Administrative Agent on each Luxembourg Banking Day using the prices as of the immediately preceding Business Day.

#### *Counterparty exposure*

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.

For Indirect Replication Funds adopting investment strategy (i) and to which this Prospectus relate, the Management Company will manage these Indirect Replication Funds with the objective to reduce to nil their single counterparty net exposure on the basis that where any such Indirect Replication Fund's net exposure to a Swap Counterparty exceeds 0 percent at the end of a trading day T, by the end of trading day T+1 the Company, the relevant Investment Manager and/or the Sub-Portfolio Manager will generally require the relevant Swap Counterparty to deliver collateral to such an Indirect Replication Fund so that the net exposure of such an Indirect Replication Fund to the relevant Swap Counterparty is limited to no more than 0 percent of its Net Asset Value. The settlement of such collateral is expected to occur by the end of trading day T+1. The management of the counterparty net exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

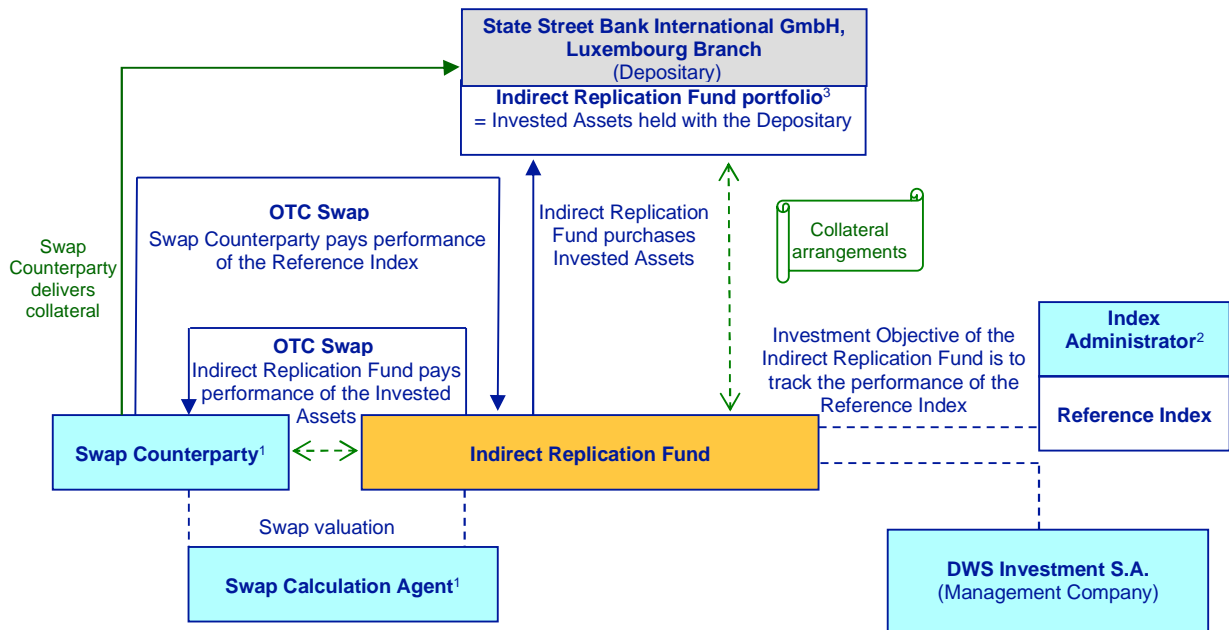
For Indirect Replication Funds adopting investment strategy (ii) and to which this Prospectus relate, the Management Company will manage these Indirect Replication Funds to ensure that the collateral held by each of these Indirect Replication Funds will represent at least 100 percent of the relevant Indirect Replication Funds' gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk). The valuation of the collateral and the

calculation of counterparty risk exposure in respect of any trading day T generally occur on the next trading day (i.e. on trading day T+1). If the collateral held by any such Indirect Replication Fund is not at least 100 percent of the Indirect Replication Fund's gross total counterparty risk exposure in respect of any trading day T, the Company and/or the Management Company will generally require that the relevant Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur by the end of trading day T+1. The management of gross total counterparty risk exposure in this manner, however, is subject to market risk and price movements prior to the end of trading day T+1 and settlement risk. *(All references in this paragraph to time are to London time unless otherwise indicated).*

*Diagrammatic illustration of the two Investment Strategies*

Please see below a diagram illustrating the operations of investment strategy (i) above:

**Investment strategy (i)**

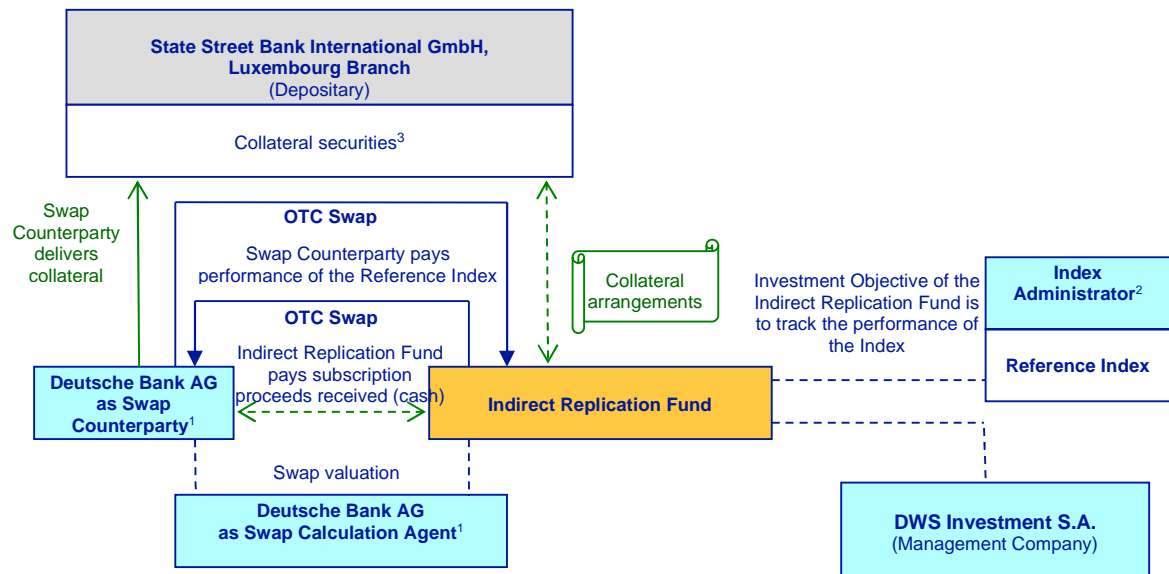


1. The list of the Swap Counterparties in respect of each Indirect Replication Fund is available on the website <http://www.Xtrackers.com>. The Swap Counterparties in respect of each Indirect Replication Fund may vary from time to time.
2. The Index Administrator in respect of the Reference Index may be an independent index provider or an entity belonging to the DWS Group.
3. Collateral arrangements are put in place to ensure the net counterparty risk exposure to a single Swap Counterparty is maintained at 0 percent at all times.

**For 1 and 2 above, please refer to the risk factor “Potential Conflicts of Interest” below.**

Please also see below a diagram illustrating the operations of investment strategy (ii) above:

## **Investment strategy (ii)**



1. Deutsche Bank AG acts as Swap Counterparty and Swap Calculation Agent unless otherwise described in the relevant Product Annex. The Company reserves the right to appoint any other party to be Swap Counterparty and/or Swap Calculation Agent.
2. The Index Administrator in respect of the Reference Index may be an independent index provider or an entity belonging to the DWS Group.
3. Collateral arrangements are put in place with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day.

**Please refer to the risk factor “Potential Conflicts of Interest” below.**

### *OTC Swap Transaction*

In adopting an Indirect Investment Policy, each Indirect Replication Fund relies on the relevant OTC Swap Transaction(s) to replicate the performance of the relevant Reference Index.

The duration of the OTC Swap Transaction(s) is perpetual with annual rollover. The OTC Swap Transaction(s) will be entered into pursuant to and subject to the relevant Swap Agreement.

The events of default and termination events as set out in the printed form of the 2002 ISDA Master Agreement published by the International Swaps and Derivatives Association, Inc apply to the Swap Agreement(s).

The Management Company has obtained satisfactory legal opinions on certain aspects of the Swap Agreement(s), including: (i) the relevant Swap Counterparty's capacity and authority to enter into the relevant Swap Agreement; and (ii) the enforceability of the relevant Swap Agreement in accordance with its terms against the relevant Swap Counterparty. The enforceability of the termination, bilateral close-out netting and multibranch netting provisions in the 2002 ISDA Master Agreement in the relevant jurisdictions in which enforcement action may be brought is covered by standard netting opinions commissioned by ISDA.

Each of the Company (on behalf of an Indirect Replication Fund) and the relevant Swap Counterparty may terminate the relevant OTC Swap Transaction(s) at fair value (which will be determined as of the date of the termination right is exercised) in accordance with the terms of the relevant Swap Agreement. In the event of insolvency or any other event of default of a Swap Counterparty, the relevant OTC Swap Transaction(s) may be terminated by the Company at any time (such termination may take effect immediately) and without any approval from the relevant Swap Counterparty. In the event of termination of the OTC Swap Transaction(s), the Company will take the necessary steps to determine whether the relevant Indirect Replication Fund can continue to operate with a replacement Swap Counterparty.

If a replacement swap counterparty is found, the Company may enter into new OTC Swap Transaction(s) with the replacement swap counterparty. If the Company fails to find a suitable replacement swap counterparty, the relevant Sub-Funds will be terminated.

*Adjustment to OTC Swap Transactions to reflect certain transaction 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 Indirect Replication Fund and each Swap Counterparty, the Sub-Funds shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s); and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. Please refer to the risk factor “Adjustment to OTC Swap Transactions to reflect OTC Swap Transaction 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.

For the avoidance of doubt, the Company and the Management Company have determined that no provision will be made in respect of any potential PRC capital gains tax at the level of each Indirect Replication Fund which tracks the performance of a Reference Index comprising A shares listed in the PRC as of the date of this Prospectus and the OTC Swap Transaction Costs will not include any provision made in respect of such potential tax liability.

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.

*Criteria for selection of Swap Counterparty*

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. In selecting a swap counterparty (or a replacement swap counterparty), the Board of Directors and the Management Company will have regard to a number of criteria, including but not limited to the fact that the prospective swap counterparty (or its credit support provider, where relevant) shall be a reputable and regulated First Class Institution headquartered in OECD Member States, which is also a major participant in derivative products having worldwide trading capabilities in local markets and in all asset classes and with paid-up capital of not less than HK\$150,000,000 or its equivalent. The prospective swap counterparty (or its credit support provider, where relevant) should also possess experience in handling sizeable business flows, enabling it to provide daily liquidity on the financial derivative transactions to be entered into with the Company. In addition, the prospective swap counterparty (or its credit support provider, where relevant) should be of good financial standing and should have, as a bare minimum, a long term investment grade 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.

Notwithstanding the generality of the foregoing, the Board of Directors and the Management Company may also, in their sole and absolute discretion, have regard to any other criteria they deem relevant in the selection of a swap counterparty in light of the then current market conditions, and having regard at all times to the best interest of Shareholders.

*Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure*

In order to reduce its exposure to any Swap Counterparty, each Sub-Fund with an Indirect Investment Policy may adopt a collateral arrangement which varies according to the investment strategy.

In respect of investment strategy (i) referred to under the sub-section “Sub-Fund with an Indirect Investment Policy” above, collateral arrangements are put in place to ensure the net counterparty risk exposure to a single Swap Counterparty is maintained at 0 percent of the net assets of a Sub-Fund at all times. Please refer to the sub-section “Counterparty exposure” on page 13 of this Prospectus for further information in this regard.

Following the occurrence of an event of default (as defined in the relevant Swap Agreement) the Company may use such collateral to offset its exposure to the Swap Counterparty. The amount of collateral to be delivered is intended to be at least equal to the value by which the net counterparty exposure limit, as determined pursuant to the Regulations and EMIR, has been exceeded and will be marked-to-market on a daily basis. In addition, the Company, the relevant Investment Manager and/or the Sub-Portfolio Manager may require that the Swap Counterparty proceed to a restrike of existing swap transactions, as explained in more detail under "Risk Management Policy for FDI" below.

#### *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 may impact on the 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).

The amount of Enhancements paid to any Sub-Fund will be disclosed in the Annual Report and Semi-annual Report. If the Board of Directors is of the view that the Enhancements paid to any Sub-Fund are material (i.e. the payment of Enhancements results in an increase of 0.5 percent or more of the Sub-Fund's Net Asset Value per Share), (i) a notice will be issued and published on the website <http://www.Xtrackers.com> as soon as practicable; and (ii) the amount of Enhancements paid to the Sub-Fund will be disclosed in the monthly factsheet of the relevant Sub-Fund and other publication where the performance of the relevant Sub-Fund is being referred to.

#### **Sub-Funds with a Direct Investment Policy**

Sub-Funds with a Direct Investment Policy ("**Direct Replication Funds**") may invest in a portfolio of transferable securities that may comprise either:

- (i) all, or a substantial number of, the constituents of the relevant Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets (such Sub-Fund being 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 being an "**Optimised Replication Fund**").

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.

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 by (iii) 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.

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

The types of securities in which Direct Replication Funds may invest include American depositary receipts ("**ADRs**"), global depositary receipts ("**GDRs**"), and/or non-voting depositary receipts ("**NVDRs**"). Direct Replication Funds may 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 may invest in financial derivative instruments (“**FDIs**”) for efficient portfolio management purposes. Direct Replication Funds may use FDIs which relate to the Reference Index or constituents of the Reference Index. Direct Replication Funds may from time to time invest temporary cash balances (such as subscription proceeds which are pending investment or any other temporary cash balances) in FDIs to gain market exposure and to seek to reduce Tracking Error. Direct Replication Funds may use FDIs as an alternative to direct investment in the constituents of the Reference Index in order to avail themselves of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Reference Index.

Currency forwards and non-deliverable forwards may also be used to hedge currency exposures.

Direct Replication Funds will not use FDIs extensively for non-hedging purposes.

In addition, the Investment Manager reserve the right to exclude from the portfolios of the Sub-Funds any securities which do not comply with the Investment Manager’s policies. This will include those securities which have been identified as parties involved in the production or manufacturing of controversial conventional weapons, production of delivery devices and the deliberate and knowing production of primary key components of controversial conventional weapons, each as determined by the DWS Controversial Conventional Weapons identification methodology.

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 Investment Strategies**

The investment strategy adopted by the Management Company from time to time for a particular Sub-Fund will be published on the following website: <http://www.Xtrackers.com>.

Subject to the prior approval of the SFC, any of the Indirect Replication Funds may change from one of the investment strategies described under the “Sub-Funds with an Indirect Investment Policy” sub-section to the other investment strategy described under the “Sub-Funds with an Indirect Investment Policy” sub-section and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks’ prior notice will be given to the relevant Shareholders before the change becomes effective; and (c) (where a Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the relevant Sub-Fund to each Swap Counterparty is within the applicable limit.

Shareholders should note that an Indirect Replication Fund may be subject to counterparty risk regardless of the investment strategy adopted by the relevant Indirect Replication Fund at any time. 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 the sub-section “Counterparty exposure” on page 13 of this Prospectus for further information in this regard.

### **Change of Investment Policy**

Subject to the prior approval of the SFC, any of the Indirect Replication Funds may change totally from an Indirect Investment Policy to a Direct Investment Policy and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than one month’s prior notice will be given to the relevant Shareholders before the change becomes effective; and (c) (where a Direct Replication Fund changes totally from a Direct Investment Policy to investment strategy (i) or (ii) under the “Sub-Funds with an Indirect Investment Policy” sub-section) appropriate collateral or other counterparty risk mitigation arrangements will be put in place to ensure the exposure of the relevant Sub-Fund to each Swap Counterparty is within the applicable limit.

Subject to the prior approval of the SFC and not less than one month’s prior notice to the relevant Shareholders, the Sub-Funds may change from an Indirect Investment Policy or Direct Investment Policy (as the case may be) to any other investment policy not set out in this Prospectus.

### **Material Changes to the Reference Index**

The SFC should be consulted on any events that may affect the acceptability of any Reference Index. Significant events relating to a Reference Index will be notified to the Shareholders as soon as practicable. These may include a change in the methodology/rules for compiling or calculating any Reference Index, or a change in the objective or characteristics of a Reference Index.

## 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 (but subject to the prior approval of the SFC), 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 any OTC Swap Transactions 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 licence 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 at least one month before such change becomes effective. This Prospectus will be updated in case of substitution of the existing Reference Index of a Sub-Fund for another Reference Index.

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

## Efficient Portfolio Management

The Company may, on behalf of each Sub-Fund, under the conditions and within the meaning and the limits laid down by law and Regulations (including the 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 the “Sub-Funds with a Direct Investment Policy” section and “Risk Management Policy for FDI” sub-section in the “Investment Restrictions” section of the Prospectus. For the avoidance of doubt, Direct Replication Funds may use FDIs and/or transferable securities which relate to the Reference Index or constituents of the Reference Index, which may include FDIs which are expected to generate a risk and return profile similar to that of the Reference Index, a constituent of the Reference Index or a sub-set of constituents of the Reference Index. The FDIs which each Direct Replication Fund may invest in include futures, options, swaps, Credit Default Swaps (“**CDSS**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). A Direct Replication Fund to which this Prospectus relates may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. Direct Replication Funds will not use FDIs extensively for non-hedging purposes.



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.

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

Under EMIR, both parties to OTC derivative contracts not subject to central clearing obligations and not cleared through a central counterparty (“**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 be 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 in the section “Investment Restrictions” of this Prospectus.

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.

### **Securities Lending Transactions**

A Direct Replication Fund to which this Prospectus relates may enter into temporary sale and transfer transactions in regard to securities in its portfolio (i.e. securities lending) for up to 30 percent of its Net Asset Value at any one time and without distinction per asset classes (“**Securities Lending Transactions**”) to generate additional income and therewith offset part or all of its costs. The expected portion of assets of Direct Replication Funds which should be subject to Securities Lending Transactions is specified in the relevant Product Annex. Such transactions will only be carried out in the best interests of the Direct Replication Fund and in accordance with market practices as expected by the relevant regulators. They are strictly regulated and must, amongst other things, be able to be terminated at any time at the initiative of the Direct Replication Fund. The Direct Replication Fund is able to recall the securities lent out at any time, which must be returned by the borrower within the standard settlement period as set out in the relevant securities lending agreement.

While all net assets of a Direct Replication Fund which engages in Securities Lending Transactions will be eligible for such transactions (with no distinction per asset classes in which the Direct Replication Fund may invest), the proportion of a Direct Replication Fund's net assets subject to Securities Lending Transactions may typically vary within the range specified in the relevant Product Annex. Such variations may be dependent on factors such as, but not limited to, total net assets of the Direct Replication Fund, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market. The Company's counterparties for Securities Lending Transactions are regulated financial institutions headquartered in OECD Member States 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.

Securities Lending Transactions nonetheless give rise to certain risks including valuation risks, operational risks, market risks and counterparty risks. Please refer to the risk factors “Securities Lending Transaction Risk” for further information in this regard.

Depending on the value of the Securities Lending Transactions and its chosen Investment Policy, a Direct Replication Fund may be at any time fully or partially exposed to one or more borrowers, 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.

As part of its Securities Lending Transactions, a Direct Replication Fund to which this Prospectus relates must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent (interests, dividends and other eventual rights included) and will be marked-to-market on a daily basis. The Company will disclose the global valuation of the securities lent in the Annual and Semi-annual Reports and on the Company's website at <http://www.Xtrackers.com>.

Having considered a number of criteria, including but not limited to the revenue split between the Direct Replication Fund, the Securities Lending Agent and/or, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager, as well as the provision of indemnity and other services (such as operational services and reporting capabilities), the Company and/or, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager have appointed Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches as the Securities Lending Agent for the Direct Replication Funds.

The Securities Lending Agent is authorised to enter into Securities Lending Transactions on behalf of the Company in accordance with and within the limits set forth in the Agency Securities Lending and Repurchase Agreement, the rules set out in this Prospectus and the Regulations. The Securities Lending Agent will perform certain risk management and mitigation tasks, including monitoring the credit quality of the borrowers on an ongoing basis, maintaining securities lending agreements with the borrowers, negotiating fees with the borrowers and facilitating the receipt of collateral. The Securities Lending Agent is permitted to lend only to those entities that have been pre-approved by the relevant Investment Manager and/or Sub-Portfolio Manager. The Securities Lending Agent may be connected to or an affiliate of the Management Company's group of companies, and may be the same entity as the custodian or sub-custodian of the collateral. It may also be a borrower, in which case the division within Deutsche Bank AG which acts as the borrower will be different from the division which acts as the Securities Lending Agent.

The Securities Lending Agent provides the Direct Replication Funds which engage in securities lending with an indemnity under the Agency Securities Lending and Repurchase Agreement, which indemnity ensures that if an act of insolvency (as defined in the relevant securities lending agreement entered into by the Securities Lending Agent as agent for the Company on behalf of a Direct Replication Fund) occurs in respect of a borrower and there is any shortfall in the value of the collateral held for the Company on behalf of the Direct Replication Fund, the Securities Lending Agent will compensate the Direct Replication Fund for the difference between collateral value realised by the Securities Lending Agent and the market value of the securities on loan.

Any income generated by Securities Lending Transactions (reduced by any applicable direct or indirect operational costs and fees arising therefrom and paid to the Securities Lending Agent and/or, as the case may be, to the relevant Investment Manager and/or Sub-Portfolio Manager) will be payable to the relevant Direct Replication Fund. As these direct and indirect operational costs do not increase the costs of running the Direct Replication Fund, they have been excluded from the All-In Fee.

Unless otherwise specified in the relevant Product Annex and to the extent a Direct Replication Fund undertakes Securities Lending Transactions, the relevant Direct Replication Fund will receive 70 percent of the associated revenue generated and the remaining 30 percent will be split between the Securities Lending Agent and/or, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager.

Information on Securities Lending Transactions, including:

- (a) summary of the securities lending policy of the Company and risk management policy in relation to securities lending;
- (b) information on securities lending counterparties and their exposure (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that a Direct Replication Fund has exposure to in the preceding month, and (iii) the number of securities lending counterparties that a Direct Replication Fund has exposure to which exceeds 3 percent of its Net Asset Value);
- (c) amount of securities on loan and level of collateralisation;
- (d) net return from securities lending to the relevant Direct Replication Fund since commencement of the securities lending or over the past 12 months whichever period is shorter;
- (e) certain collateral information; and
- (f) percentage of fee split between the relevant Direct Replication Fund, the Securities Lending Agent and/or, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager on the income derived from the securities lending transactions, will be available from the Company's website at <http://www.Xtrackers.com>.

Please also refer to “Collateral Arrangements in respect of Securities Lending Transaction(s) by Direct Replication Funds”, sections 10 and 11 of “Investment Restrictions” and the risk factor “Securities Lending Transaction Risk” in this Prospectus for further information on Securities Lending Transactions.

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

The Company may enter into arm’s length securities broker transactions with Deutsche Bank AG, acting through its London branch or other broker institutions. The execution of such transactions must be consistent with applicable best execution standards.

#### **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.

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

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

#### **Tracking Error and Tracking Difference**

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

The tracking error is defined as the volatility (as measured by the standard deviation) of the difference between the return of the Sub-Fund and the return of its Reference Index, 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**”).

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. Hence, while the Tracking Difference shows how a Sub-Fund's performance compares with that of its Reference Index annually or over another given period of time, the Tracking Error indicates the consistency of the difference of return annually. The anticipated level of Tracking Error, in normal market conditions, will be disclosed for each Share Class in the Product Annexes (please see the "Description of the Shares available to Hong Kong investors" section of the relevant Product Annex). Investors' attention is drawn to the fact that these figures are only estimates of the Tracking Error level in normal market conditions and should not be understood as strict limits.

The anticipated Tracking Error disclosed in each Product Annex is calculated by measuring the performance of the adjusted Net Asset Value 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 Net Asset Value 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 Net Asset Value 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 the section "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.

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.

<p><b>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 section "Risk Factors" below.</b></p>
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## COLLATERAL ARRANGEMENTS IN RESPECT OF SECURITIES LENDING TRANSACTION(S) BY DIRECT REPLICATION FUNDS

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

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

The Collateral will be safekept by State Street Bank International GmbH, Luxembourg Branch, the Depositary of the Company, or any sub-custodian appointed.

All diversification limits set out below shall apply on a Sub-Fund level. Therefore, where Collateral is held by both the Securities Lending Agent and The Bank of New York Mellon SA/NV, Luxembourg branch (“**BoNY**”) as sub-custodian, such Collateral shall be aggregated at the level of the relevant Direct Replication Fund and the diversification limits shall apply to the aggregated Collateral amounts.

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

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

### **DB Eligible Collateral**

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

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

#### **(i) Equity**

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

<b>Country</b>	<b>Eligible Indices</b>
Australia	Australian All Ordinaries Index, S&P/ASX20 Index, S&P/ASX200 Index
Austria	Austrian Traded ATX Index, Austrian ATX Prime Index
Belgium	BEL20 Index
Canada	S&P/TSX Composite Index, S&P/TSX60 Index
Czech Republic	Prague Stock Exchange Index
Denmark	OMX Cop ex OMX Cop20 (KFMX Index), OMX Copenhagen Midcap PR
Finland	OMX Helsinki Index, OMX Helsinki 25 Index
France	CAC40 Index, SBF120 Index, CAC All-Tradable (SBF250 Index), CAC All-Share Index
Germany	DAX Index, HDAX Index, Germ CDAX Performance
Hungary	Budapest Stock Exchange Index
Ireland	Irish Overall Index

Italy	FTSE MIB Index, FTSE Italia All-Share
Japan	Nikkei 225, Nikkei 300 Index, TOPIX Index (Tokyo)
Luxembourg	Luxembourg LuxX Index
Netherlands	Amsterdam Exchanges Index, Amsterdam Midcap Index
New Zealand	NZX 50 Gross Index
Norway	OBX Stock Index, OSE All-Share Index
Poland	WSE WIG Index
Portugal	PSI All-Share Index GR
Spain	IBEX 35 Index, Spain Madrid Index
Sweden	OMX Stockholm 30 Index, OMX Stockholm All-Share
Switzerland	Swiss Market Index
UK	FTSE100 Index, FTSE250 Index, FTSE350 Index, FTSE All-Share Index
European Others	EuroStoxx50, FTSEurofirst 300 Index
USA	S&P100 Index, S&P500 Index, Russell 1000 Index, Russell 2000 Index, Dow Jones Indus. AVG, NASDAQ 100 Stock Index, Russell 3000 Index, NASDAQ Composite Index, NYSE Composite Index

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

The market value of any DB Collateral comprising common stock of one or more entities within the same corporate group (as identified by their having the same ultimate parent identifier on Bloomberg) shall not in the aggregate exceed 15 percent. of the Net Asset Value of the relevant Sub-Fund.

Type of Assets	Margin	Concentration Limits
<b>Common stock</b> (For the avoidance of doubt, any security listed as "REITS" on Bloomberg's pages (or any alternative vendor used by DB) will be treated as common stock and hence as DB Eligible Collateral provided such security is one of the constituents of any of the Eligible Indices.)	105%	- The market value of any DB Collateral comprising common stock identified by the same security identifier shall not exceed 3 percent. of the market capitalisation of all outstanding securities identified by this same security identifier.  - The number of securities identified by the same security identifier and which are common stock comprising DB Collateral cannot be greater than five (5) times the 90 business days average daily trading volume of the common stock with such security identifier.

**(ii) Fixed income bonds**

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

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

Type of Assets	Margin Percentage	Concentration Limits
<b>Government bonds and supranational bonds</b> <i>Type of Issuer:</i> Bonds issued by	105%	- The nominal (at par) of any DB Collateral comprising Government Bonds or Supranational Bonds identified by the same security identifier

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

**(iii) Cash**

Appropriate haircut is applied on DB Eligible Collateral in the form of cash denominated in foreign currencies.

**(iv) General Principles**

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

*Concentration limits*

1. Unless otherwise stated, all concentration limits are applicable per relevant Sub-Fund.
2. The market value of any DB Collateral comprising securities issued by issuers, which are incorporated in or the government or sovereign of any of the countries listed below, or which are issuers of Supranational Bonds, at any time shall not exceed the applicable percentage (as set out

below) of the Net Asset Value of the relevant Sub-Fund.

United States of America:	45%
Germany:	45%
United Kingdom:	35%
Japan:	35%
Canada:	35%
Switzerland:	35%
France:	35%
Australia:	35%
All other countries (including Supranational Bonds):	25%

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

#### *General exclusion principles*

6. Structured securities in respect of which the principal and interest payments are contingent on the performance or payment flows of one or more specified entities or assets shall not be DB Eligible Collateral. Structured securities shall include (but not be limited to) credit linked notes, CDOs, CLOs, collateralised mortgage obligations (CMOs), asset-backed securities (ABS) and mortgage-backed securities (MBS). For purposes of this paragraph, classification of a security as ABS, MBS, CMO, CLO and CDO will be determined according to the Securities Lending Agent's internal classification.
7. DB Eligible Collateral may not consist of any securities issued by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG or any entity promoted or sponsored by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG.
8. DB Eligible Collateral in relation to a Securities Lending Transaction shall not consist of securities issued by the counterparty to such Securities Lending Transaction, or any securities issued by any affiliate or subsidiary of such counterparty.
9. Certain corporate bonds and supranational bonds may be excluded from the DB Eligible Collateral, if their credit risk as represented by the respective (i) the Z-spread (for fixed rate and zero coupon bonds) or (ii) the discount margin (for floating rate notes) (each the Z-spread and the discount margin being a "Credit Spread") exceeds certain thresholds (the "Maximum Credit Spread"). The Credit Spreads are determined by the Securities Lending Agent in their sole discretion.

The applicable Maximum Credit Spreads are:

Supranational Bonds:	2% (or 200 basis points)
Corporate Bonds:	5% (or 500 basis points)

#### **BoNY Eligible Collateral**

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

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



**(i) Equity**

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

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

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

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

Type of Assets	Margin Percentage	Concentration Limits
<p><b>Common stock</b></p> <p>(For the avoidance of doubt, any security listed as “REITS” on Bloomberg’s pages (or any alternative vendor used by BoNY) will be treated as common stock and hence as BoNY Eligible Collateral provided such security is one of the constituents of any of the Eligible Indices.)</p>	105%	<p>- The market value of any BoNY Collateral comprising common stock identified by the same security identifier shall not exceed 3 percent of the market capitalisation of all outstanding securities identified by this same security identifier.</p> <p>- The number of securities identified by the same security identifier and which are common stock comprising BoNY Collateral cannot be greater than five (5) times the 90 business days average daily trading volume of the common stock with such security identifier.</p>

**(ii) Fixed income bonds**

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

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

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

Type of Assets	Margin Percentage	Concentration Limits
<p>Germany, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom or United States of America.</p> <p><i>Security Rating:</i> Only Corporate Bonds that have a long-term issuer rating of S&amp;P, Fitch or Moody's will be acceptable provided that the relevant rating of S&amp;P and Fitch is above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's is above Baa1 (i.e. provided that the minimum rating is A3). In the case of different rating agencies issuing different credit ratings, the lower rating will apply.</p>		<p>same security identifier).</p> <p>- The market value of BoNY Collateral comprising Corporate Bonds in respect of a single issuer shall not exceed 4 percent of the Net Asset Value of the relevant Direct Replication Fund.</p>

### (iii) Cash

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

### General Principles

For the purposes of this section "General Principles", DB Eligible Collateral and BoNY Eligible Collateral shall collectively be referred to as "**SL Eligible Collateral**".

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

#### Concentration limits

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

United States of America:	45%
Germany:	45%
United Kingdom:	35%
Japan:	35%
Canada:	35%
Switzerland:	35%
France:	35%
Australia:	35%
All other countries (including Supranational Bonds):	25%

4. Subject to general principle 6, the market value of any Collateral (excluding Government Bonds and Supranational Bonds) comprising securities in respect of a single sector (as represented by the Global Industry Classification Standard) at any time shall not exceed 25 percent of the Net Asset Value of the relevant Direct Replication Fund at that time.
5. The market value of the Collateral (excluding Government Bonds and Supranational Bonds) comprising securities in the banking, insurance and financial sectors (represented by the Sector 40

Financials of the Global Industry Classification Standard) taken in aggregate at any time shall not exceed 15 percent of the Net Asset Value of the relevant Direct Replication Fund at that time.

6. Any determination or calculation in respect of diversification requirements (including compliance with concentration limits) will be performed (where necessary) based on the market value of Collateral before taking into account any margin percentage applicable to such Collateral.

*General exclusion principles*

7. Structured securities in respect of which the principal and interest payments are contingent on the performance or payment flows of one or more specified entities or assets shall not be SL Eligible Collateral. Structured securities shall include (but not be limited to) credit linked notes, credit linked instruments, collateralised bond obligations, CDOs, CLOs, collateralised mortgage obligations (CMOs), asset-backed securities (ABS) and mortgage-backed securities (MBS). For purposes of this paragraph, classification of a security as ABS, MBS, CMO, CLO and CDO will be determined according to the Securities Lending Agent's internal classification.
8. SL Eligible Collateral may not consist of any securities issued by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG or any entity promoted or sponsored by Deutsche Bank AG or any affiliate or subsidiary of Deutsche Bank AG.
9. SL Eligible Collateral in relation to a Securities Lending Transaction shall not consist of securities issued by the counterparty to such Securities Lending Transaction, or any securities issued by any affiliate or subsidiary of such counterparty.
10. In respect of common stock issued in, or by entities which are incorporated in Portugal, some specific criteria apply in particular with respect to tax documentation. In respect of Corporate Bonds, Government Bonds and/or Supranational Bonds issued in, by or by entities which are incorporated in Portugal, Italy and Japan, some specific criteria may apply in particular with respect to tax documentation.
11. Certain corporate bonds and supranational bonds may be excluded from the SL Eligible Collateral, if their credit risk as represented by the respective (i) the Z-spread (for fixed rate and zero coupon bonds) or (ii) the discount margin (for floating rate notes) (each the Z-spread and the discount margin being a "Credit Spread") exceeds certain thresholds (the "**Maximum Credit Spread**"). The Credit Spreads are determined by the Securities Lending Agent in their sole discretion.

The applicable Maximum Credit Spreads are:

Supranational Bonds: 2% (or 200 basis points)

Corporate Bonds: 5% (or 500 basis points)

## Typology of Risk Profiles

The Sub-Funds are complex products where typical investors are expected to be informed investors and to especially 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 class(es) 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 class(es) 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 class(es) 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. 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.

## 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 to which this Prospectus relates 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 CSSF to be equivalent to that laid down in EU 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 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 this 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 issuer 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 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 CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which (i) represents and publishes its annual accounts in accordance with Directive 2013/34/EU, (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 1.2** Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Regulations (i) create a Sub-Fund qualifying either as a feeder UCITS (a "**Feeder UCITS**") or as a master UCITS (a "**Master UCITS**"), (ii) convert any existing Sub-Fund into a Feeder UCITS (or vice versa), or (iii) change the Master UCITS of any of its Feeder UCITS.
- a) A Feeder UCITS shall invest at least 85 percent of its assets in the units of another Master UCITS;
- b) A Feeder UCITS may hold up to 15 percent of its assets in one or more of the following:
- ancillary liquid assets in accordance with paragraph 1.3 (b) below;
  - financial derivative instruments, which may be used only for hedging purposes;
- c) For the purposes of compliance with paragraph 7.2 below, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under (b) with either:
- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
  - the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.
- 1.3** Contrary to the investment restrictions laid down in paragraph 1.1 above, each Sub-Fund may:
- a) invest up to 10 percent of its net assets in transferable securities and Money Market Instruments other than those referred to under paragraph 1.1 above; and
- b) hold liquid assets on an ancillary basis.
- 1.4** A Sub-Fund (the "**Investing Sub-Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company (each, a "**Target Sub-Fund**"), without the Company being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
- the Target Sub-Fund(s) does(do) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund(s); and

- no more than 10 percent of the assets of the Target Sub-Fund(s) whose acquisition is contemplated may, according to its (their) investment policy, be invested in units of other UCITS or other UCIs; and
- voting rights, if any, attaching to the Shares of the Target Sub-Fund(s) are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund(s), and this (these) Target Sub-Fund(s).

## **2 Risk Diversification**

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

**2.2** The Company is not permitted to invest more than 20 percent of the net assets of a Sub-Fund in deposits made with the same body.

**2.3** The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction and/or efficient portfolio management transaction may not exceed:

- 10 percent of its net assets when the counterparty is a Credit Institution referred to in paragraph 1.1(f), or
- 5 percent of its net assets, in other cases.

Please also refer to the sub-section “Counterparty exposure” on page 13 of this Prospectus for further information in this regard.

**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 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. The Management Company may also not obtain a rebate on any fees or charges levied by such UCITS and/or collective investment undertakings or its management company.

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 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;

- 6.8 investing in structured products whose payouts rely on embedded derivatives or synthetic instruments or securities issued by special purpose vehicles, special investment vehicles or similar entities.

## 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).

The Company will not engage in any reinvestment of collateral in respect of Sub-Funds to which this Prospectus relates.

**8.3** 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 thresholds; and
- d) mitigation actions to reduce loss including haircut policy and gap risk protection.

**8.4** 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 Transactions**

The Company will not engage in any securities lending, repurchase transactions or other similar over-the-counter transactions in respect of Indirect Replication Funds to which this Prospectus relates.

The Company will not engage in any repurchase transactions or other similar over-the-counter transactions in respect of Direct Replication Funds to which this Prospectus relates.

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 Direct Replication Fund may, for the purpose of generating additional capital or income or for reducing its costs or risks, engage in securities lending transactions.

These transactions may be carried out for up to 30 percent of the Net Asset Value of the relevant Direct Replication Fund provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and (ii) that these transactions do not jeopardise the management of the

Company's assets in accordance with the investment policy of the relevant Direct Replication 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 transactions, (i) the Company's or Sub-Fund's policy regarding direct and indirect operational costs/fees arising from securities lending 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. In selecting a borrower, the Securities Lending Agent will have regard to a number of criteria, including but not limited to the borrower's company history, reputation, management, business type, total capital, earnings, asset quality, liquidity, funding, capitalisation, public credit ratings and material regulatory actions (if any);
- 10.1.4** as part of its securities 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 securities lending agreement, must be equal to at least 100 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 an 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 an 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;
- 10.1.9** 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;
- 10.1.10** 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;
- 10.1.11** during the duration of the securities lending agreement, the collateral cannot be sold or given as a security or pledged;
- 10.1.12** the Company shall disclose the global valuation of the securities lent in the Annual and Semi-annual Reports; and
- 10.1.13** all collateral shall be safekept by the Depository or any sub-custodian appointed.

## **10.2 Reinvestment of collateral**

The Company will not engage in any reinvestment of collateral in respect of Sub-Funds to which this Prospectus relates.

## **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 in accordance with UCITS laws and regulations. Further information in relation to the policy and procedures is available from the Hong Kong Representative in the form of a Key Information Document (“**KID**”) which sets out, *inter alia*, a typology of FDIs and the specific risks associated to each of them. Shareholders are invited to refer to the sections “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 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.

For the avoidance of doubt, the risk management of all the Sub-Funds will be conducted in accordance with the commitment approach.

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

The Gross CRE to a single Swap Counterparty is calculated by the Management Company as the sum of the marked-to-market value of all the FDIs entered into by the Sub-Fund with such 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 a Swap Counterparty, the leverage ratio will always be 1.

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

The Net CRE to a single Swap Counterparty is defined as the Gross CRE to such Swap Counterparty after deductions for provision of collateral by such Swap Counterparty. The Net CRE to a single Swap Counterparty must be maintained below 10 percent at all times, in accordance with the Regulations. Please also refer to the sub-section "Counterparty exposure" on page 13 of this Prospectus for further information in this regard. The Company will require a reduction of the Gross CRE to a single Swap Counterparty related to the Indirect Replication Fund's FDIs by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations. The amount of collateral to be delivered is intended to be at least equal to the value by which the net counterparty exposure limit, as determined pursuant to the Regulations and EMIR, has been exceeded and will be marked-to-market on a daily basis. Alternatively, the relevant Investment Manager and/or the Sub-Portfolio Manager may require that the relevant Swap Counterparty proceed to a restrike of relevant existing swap transactions to the current level of the Reference Index and/or foreign exchange rate which, by fully resetting the marked-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 Fund which, at the discretion of the relevant Investment Manager and/or the Sub-Portfolio Manager, will be used in the general cash management of the relevant Indirect Replication Fund (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 under “Investment Restrictions” in this Prospectus to the OTC Swap Transaction(s), 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 techniques used will depend in part on the type of investment strategy used. Please see “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section.

## **13 Investment in FDIs and Structured Products**

None of the Indirect Replication Funds to which this Prospectus relates will invest in any FDIs or structured products, other than the OTC Swap Transaction(s) as entered into by Indirect Replication Funds as referred to under the section “Investment Objectives and Policies”.

The Direct Replication Funds to which this Prospectus relates will not invest in any structured products, but may invest in FDIs including futures, options, swaps, Credit Default Swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”) for hedging and/or investment purposes. Direct Replication Funds will not use FDIs extensively for non-hedging purposes.



## EXEMPTIONS GRANTED BY THE SFC

The following exemptions have been granted by the SFC with respect to the Company:

### Approved Share Registrar

Under section 13 of the Rules, any corporation (including collective investment scheme in the form of corporation like the Company) listed on SEHK is required to employ an Approved Share Registrar as its share registrar.

State Street Bank International GmbH, Luxembourg Branch, the share registrar of the Company, is not an Approved Share Registrar. The Company has applied for, and has been granted, an exemption from section 13 of the Rules, subject to the following conditions:

- (i) the Company is and remains authorised by the SFC under section 104 of the SFO;
- (ii) the Shares are not listed on SEHK by way of initial public offering; and
- (iii) the transfer of Shares in Hong Kong are effected within CCASS with no physical transfer of certificates outside of CCASS in Hong Kong.

### Disclosure of Interests under Part XV of the SFO

Under Part XV of the SFO, corporate insiders such as directors and chief executives and substantial shareholders of a listed corporation are under a duty to disclose their notifiable interests and short positions in the relevant share capital of corporations whose securities are listed on SEHK. The term “*corporation*” is defined in the SFO as “*a company or other body corporate incorporated either in Hong Kong or elsewhere...*”. Accordingly the Company, which is a *société d'investissement à capital variable* (SICAV) i.e. an open-ended investment company registered in Luxembourg, is within the definition of corporation and its corporate insiders which hold a notifiable interest would be subject to disclosure of interests requirements under Part XV of the SFO - unless an exemption is granted by the SFC.

The Company has applied for, and has been granted, a full exemption from the disclosure of interests requirements under Part XV of the SFO by the SFC with respect to the Sub-Funds to which this Prospectus relates, subject to the conditions that such Sub-Funds are and remain authorised by the SFC under section 104 of the SFO and Shares in such Sub-Funds are and remain listed on SEHK.

## 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 "Additional Risk Factors relating to the Sub-Fund" (if any) for a discussion of additional risks particular to a specific issue of Shares of each Sub-Fund. 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.

### Introduction

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 this 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.

### General Risks

*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.

*Risk of Swap Transactions:* Swap transactions are subject to the risk that the Swap Counterparty may default on its obligations or become insolvent. In the event of any material credit rating downgrade or other material adverse change concerning a Swap Counterparty, the Management Company will take such measures and actions as reasonably and practicably available to it. This may include, negotiating with other entities with a view to entering into replacement OTC Swap Transaction(s) with a new Swap Counterparty should a default occur in respect of a Swap Counterparty. However, there can be no assurance that such measures will be effective. In the event of insolvency or such other event of default of a Swap Counterparty, the relevant OTC Swap Transaction(s) may be terminated at any time (such termination may take effect immediately) and without any approval from the relevant Swap Counterparty. In particular the OTC Swap Transaction provides that a termination amount will be determined and such amount may be payable by the relevant Swap Counterparty to the Company or by the Company to the relevant Swap Counterparty, as the case may be. However, such remedies may be subject to bankruptcy and insolvency laws which could affect an Indirect Replication Fund's rights as a creditor. For example, an Indirect Replication Fund may not receive the net amount of payments that it contractually is entitled to receive on termination of the relevant OTC Swap Transaction where the relevant Swap Counterparty is insolvent or otherwise unable to pay the termination amount. Nevertheless this risk is limited as collateral arrangements are put in place to ensure the net counterparty risk exposure to a single Swap Counterparty is maintained at 0 percent at all times, unless there is an intra-day decline in the value of the collateral assets combined with the insolvency or default of a Swap Counterparty as further explained under the risk factor "Collateral Risk" below. Please refer to the sub-section "Counterparty exposure" on page 13 of this Prospectus for further information in this regard. Please also refer to the section "Risk Management Policy for FDI" for further information on the risk management policy 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.

*Risk of investing in FDIs:* Direct Replication Funds may from time to time utilise FDIs for investment and/or hedging purposes. The use of derivatives exposes a Direct Replication Fund to additional risks, including:

- Volatility risk: derivatives can be highly volatile and may expose investors to a high risk of loss;
- Leverage risk: as it may be possible to establish a position in derivatives with a low initial margin deposits there is risk that a relatively small movement in the price of a contract could result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin;
- Liquidity risk: daily limits on price fluctuations and position limits on exchanges may affect the liquidity of derivatives. Transactions in over-the-counter FDIs may involve additional risk as there is no exchange market on which to close out an open position;
- Correlation risk: when FDIs are used for hedging purposes there may be an imperfect correlation between the FDIs and the investments or positions being hedged;
- Counterparty risk: a Direct Replication Fund is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations;
- Legal risks: the characterisation of a transaction or a party's legal capacity to enter into it could render the FDI contract unenforceable. The insolvency or bankruptcy of a counterparty may also affect the enforceability of contractual rights; and
- Settlement risk: if a counterparty to an FDI transaction fails to perform its payment or delivery obligations at the time of settlement or at all, this may lead to losses for the relevant Direct Replication Fund.

The eventuation of any of the above risks could have an adverse effect on the Net Asset Value of a Direct Replication Fund which uses FDIs.

*Collateral Risk:* With regard to Indirect Replication Funds, the collateral arrangements are subject to the following risks including:

- In relation to certain collateral arrangements the insolvency of the Depositary may affect the ability of the Indirect Replication Fund to take delivery of the collateral assets. Please refer to the risk factor "Counterparty Risk of the Depositary" below for more details;
- The value of the collateral assets may be affected by market events. The valuation of the collateral assets and the calculation of an Indirect Replication Fund's exposure to the relevant Swap Counterparty in respect of any trading day T generally occur on the next trading day (i.e. on trading day T+1). If the value of the collateral assets is not at least 100 percent of the Indirect Replication Fund's gross total counterparty risk exposure to the relevant Swap Counterparty in respect of any trading day T, the Company and/or the Management Company will generally require that such Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur by the end of trading day T+1. An intra-day decline in the value of the collateral assets (as a percentage of the Net Asset Value) due to market risk and price movements or a delay in collateral delivery prior to the end of the relevant trading day may cause an Indirect Replication Fund's exposure to such Swap Counterparty to be larger than zero from time to time. This may result in significant losses for such Indirect Replication Fund in the event of the insolvency or default of the relevant Swap Counterparty;
- The ability of the Indirect Replication Fund to take delivery of the collateral assets relies upon the collateral arrangements in the form of a pledge being enforceable in accordance with their terms. The enforceability of the pledges may be limited by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws of general application relating to or affecting the rights of creditors and to general equitable principles.
- The right of enforcement by the Company is principally linked to the occurrence of an event of default (as defined in the relevant Swap Agreement). Therefore any uncertainty as to the validity of the relevant Swap Agreement may affect the ability to enforce the collateral arrangements.
- In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets;
- In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets and a Swap Counterparty are both insolvent, the value of the collateral assets will be reduced substantially and may cause the Indirect Replication Fund's exposure to such Swap Counterparty to be under-collateralised.

*Concentration Risk:* The constituents of a Reference Index may be concentrated in securities issued by issuers of a particular country, market or sector. This could cause a Reference Index (and consequently a Sub-Fund) to be more volatile than a fund adopting a more diversified strategy. Furthermore, a Reference Index may only have a limited number of index constituents, in which case the relevant Reference Index (and consequently a Sub-Fund) would be more easily affected by price movements of any one index constituent

than an index which has a large number of index constituents. For Indirect Replication Funds adopting investment strategy (i) and to which this Prospectus relate, for the purpose of determining whether the Invested Assets (if any) held by such Indirect Replication Fund consist of a diversified portfolio of securities, securities issued or guaranteed by sovereign states that are OECD Member States or Singapore and/or supranational organisations/entities and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise. As such, investors should note that the Invested Assets (if any) may be concentrated in securities issued by a limited number of such issuers or even a single such issuer. The Invested Assets may also be concentrated in securities issued by issuers of a particular country, market or sector.

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

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

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

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

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

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

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

*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 the constituents of the Reference Index. 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.

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

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

*Liquidity Risk:* Certain types of securities invested in by a Sub-Fund or provided as collateral to a 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 Hong Kong Shares are listed on SEHK is not an assurance of liquidity in Hong Kong Shares.

*Counterparty Risk of the Depositary:* A Sub-Fund will be exposed to the credit risk of the Depositary or any depository used by the Depositary where cash is held by the Depositary or other depositories. In the event of

the insolvency of the Depositary or other depositaries, the Sub-Fund will be treated as a general creditor of the Depositary or other depositaries in relation to cash holdings of the Sub-Fund. The Sub-Fund's securities deposited with the Depositary are however maintained by the Depositary or other depositaries in segregated accounts and would be protected in the event of insolvency of the Depositary or other depositaries.

*Depositary Risk:* 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.

*Certain Hedging Considerations:* Investors intending to purchase the Shares for the purpose of hedging their exposure to the Reference Index should be aware of the risks of utilising the Shares in such manner. No assurance is or can be given that the value of the Shares will correlate with movements in the value of the Reference Index. Furthermore, it may not be possible to liquidate the Shares at a price which directly reflects the value of the Reference Index. Therefore, it is possible that investors could suffer substantial losses in the Shares notwithstanding losses suffered with respect to any exposure to the Reference Index for which they had purchased the Shares for the purpose of hedging.

*Shortfall Risk:* Shortfall risk of a portfolio refers to the risk of a portfolio's net assets suffering from an accelerated decrease in value due to (i) the income generated from the investments made with borrowed funds being lower than the cost of the borrowed capital; and (ii) the value of such investments decreasing and becoming less than the value of the borrowed capital. This may in extreme circumstances result in such a portfolio incurring losses greater than the value of its assets. If this happens to a Sub-Fund's portfolio, investors in such a Sub-Fund may suffer losses as a result.

*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.

*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.

*Minimum Subscription Amount and Minimum Redemption Amount:* Subscriptions and redemptions are subject to the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount and the Minimum Redemption Amount respectively.

*Reliance on Authorised Participant(s):* An Authorised Participant may charge a fee for providing subscription and redemptions services. Authorised Participant(s) will not be able to issue or redeem Shares if some other event occurs which impedes the calculation of the Net Asset Value of a Sub-Fund or of a Class of Shares. Since the number of Authorised Participants at any given time will be limited, and there may only be one Authorised Participant at any given time, there is a risk that investors may not always be able to create or redeem Shares freely. To the extent that Authorised Participant(s) are unable or do not desire to proceed with

subscription or redemption orders with respect to the Company and no other Authorised Participant(s) are able or willing to do so, Shares may trade at a premium or discount to Net Asset Value and this may lead to liquidity issues or delisting.

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

*Listing:* There can be no certainty that a listing on SEHK applied for by the Company will be achieved and/or maintained or that the conditions of listing will not be varied by SEHK. Further, trading in Hong Kong Shares on SEHK may be halted pursuant to the rules of SEHK due to market conditions or other reasons and investors may not be able to sell their Hong Kong Shares until trading resumes.

*Delisting of Hong Kong Shares from SEHK:* The Hong Kong Shares of a Sub-Fund may cease to be listed on SEHK if determined by the Board of Directors, taking into account the interests of Shareholders in the relevant Sub-Fund as a whole. In considering any proposal that the Hong Kong Shares of a Sub-Fund should cease to be listed on SEHK the Board of Directors will take into consideration a range of factors which may include, but which shall not be limited to, current levels of assets under management and the trading volumes of the relevant Sub-Fund in Hong Kong. In such event, the relevant Sub-Fund may (where no other Class of Shares of such Sub-Fund is listed on SEHK) cease to be authorised by the SFC and it is possible that the only way for investors to dispose of their Shares is to apply for redemption of such Shares in accordance with the dealing procedures and other details as set out in the latest Luxembourg prospectus and the relevant product annex from time to time at a price which takes into account the Net Asset Value per Share of the relevant Sub-Fund or Class of Shares or in such other manner as the Company may consider appropriate, in all cases subject to all applicable regulatory requirements. In such circumstances, investors should note that they may experience difficulties or delay in disposing of their Shares and in receiving the relevant proceeds, and it is possible that they may suffer a loss to their investment. Although any delisting from SEHK and, if applicable, deauthorisation by the SFC, will require prior SFC and SEHK approval and will be subject to its conditions, including the provision of not less than three months' notice to Shareholders in Hong Kong, investors should note that in such circumstances the relevant Class of Shares would no longer be tradeable on SEHK and the relevant Sub-Fund may cease to be regulated by the SFC.

*Possible Early Termination of the Sub-Fund:* Although the investment in Shares should be viewed as medium to long term in nature, investors should note that a Sub-Fund may be terminated early under certain circumstances, as described in the section "Termination of Sub-Funds". Upon a Sub-Fund being terminated, the net cash proceeds (if any) derived from the realisation of the investments comprised in the Sub-Fund will be distributed to the Shareholders in accordance with the Articles. Any such amount distributed may be more or less than the capital invested by the Shareholder.

*Reliance on Market Makers:* Investors should note that liquidity in the market for the Shares may be adversely affected if there is no Market Maker for a Sub-Fund. The Management Company will use its best endeavours to put in place arrangements so that there will always be at least one SEHK Market Maker for each Sub-Fund to which this Prospectus relates. Please refer to the website <http://www.Xtrackers.com> for the latest list of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company. In respect of a Sub-Fund to which this Prospectus relates, in the event that the last SEHK Market Maker ceases to be an SEHK Market Maker, the Management Company will seek to appoint a replacement SEHK Market Maker. If the Management Company fails to find a suitable replacement SEHK Market Maker, there is a risk that market making activities may stop or cease to be effective. In the event that such risk materialises and affects market making activities, the subscription and redemption of Shares in the Company may still be effected through a Hong Kong Authorised Participant as further described in the sections "Subscription via a Hong Kong Authorised Participant" and "Redemption via a Hong Kong Authorised Participant".

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

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

*Use of Derivatives:* As a Sub-Fund whose performance is linked to a Reference Index may 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.

*Indirect Investment Policy / Synthetic Replication Investment Strategy:* The Investment Objective of the Sub-Funds is to provide the investors with a return linked to a Reference Index. The Indirect Replication Funds' exposure to the performance of the Reference Index will be achieved by way of derivative instruments and/or transferable securities which will comply with the limits set out under "Investment Restrictions". In particular, the Indirect Replication Funds will conclude OTC Swap Transactions negotiated at arm's length and executed at the applicable best execution standards with one or more Swap Counterparties. The Indirect Replication Funds may at any time invest part or all of the net proceeds of any issue of Shares in one or more OTC Swap Transaction(s) with one or more Swap Counterparties all in accordance with the Investment Restrictions. Accordingly, the Indirect Replication Fund may be at any time fully or partially exposed to one or more OTC Swap Transaction(s). The return that the investor will receive will be dependent on the performance of the Reference Index and the performance of the derivative instruments used to link the net proceeds from the issue of Shares to the Reference Index. As explained in the section "Investment Objectives and Policies", each of the Company (on behalf of an Indirect Replication Fund) and the relevant Swap Counterparty may terminate the relevant OTC Swap Transaction(s) at fair value in accordance with the terms of the relevant Swap Agreement. In the event such a notice of termination is served on the Company in respect of each OTC Swap Transaction entered into in relation to an Indirect Replication Fund, and the Company fails to find a suitable replacement swap counterparty, the relevant Indirect Replication Fund will be terminated.

*Direct Investment Policy and its Potential Impact on Tracking Error:* Due to various factors, including the Direct Replication 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. The Direct Replication Fund will be subject to a greater tracking error in such circumstances.

*Higher Primary Market Transaction Costs and Transaction Costs:* Given the portfolio of a Direct Replication Fund will be exposed to direct investments in the securities comprising the relevant Reference Index, the adoption of the Direct Investment Policy by a Direct Replication Fund may lead to the Authorised Participants (and consequently the investors) being exposed to higher Primary Market Transaction Costs and the Direct Replication Funds being exposed to higher Transaction Costs.

*Market Interventions by Governments and Regulators:* Government and regulators around the world may intervene in the financial markets at any time, and such market interventions may include the imposition of trading restrictions (such as a ban on "naked" short selling or the suspension of short selling for certain securities). The operation and market making activities in respect of a Sub-Fund may be affected by such market interventions. Furthermore, such market interventions may have an impact on the market sentiment which may in turn affect the performance of the relevant Reference Index and as a result the performance of a Sub-Fund. It is impossible to predict whether the impact of any such market interventions will be positive or negative for any Sub-Fund. In the worst case scenario, a Shareholder may lose all his investments in the 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 the discretionary Enhancements received from each Swap Counterparty 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 key investor information document or in any marketing documentation, is not a guarantee of, and should not be used as a guide to, future returns.

*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 "Management and Administration". 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.

*Invested Assets Risk:* The value of the Invested Assets may be affected by market events. The valuation of the Invested Assets and the calculation of an Indirect Replication Fund's exposure to each Swap Counterparty in

respect of any trading day T generally occur on the next trading day (i.e. on trading day T+1). If an Indirect Replication Fund's net exposure to a Swap Counterparty exceeds 0 percent in respect of any trading day T, by the end of trading day T+1 the Company, the relevant Investment Manager and/or the Sub-Portfolio Manager will generally require that such Swap Counterparty proceed to restrike the existing swap transaction and deliver collateral to the Indirect Replication Fund, with the settlement of such collateral expected to occur by the end of trading day T+1. An intra-day decline in the value of the Invested Assets (as a percentage of the Net Asset Value) due to market risk and price movements or a delay in the delivery of collateral prior to the end of the relevant trading day may cause an Indirect Replication Fund's exposure to such Swap Counterparty to be larger than zero from time to time. This may result in significant losses for such Indirect Replication Fund in the event of the insolvency or default of the relevant Swap Counterparty.

*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.

*Securities Lending Transaction Risk:* Direct Replication Funds may engage in securities lending, which is subject to risks including:

- Counterparty risk: Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a Direct Replication Fund engaged in securities lending transactions may suffer a loss and there may be a delay in recovering the lent securities. Any delay in the return of securities on loans may restrict the ability of a Direct Replication Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Collateral risk: As part of its securities lending transactions, a Direct Replication Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent. The valuation of the collateral assets in respect of any trading day T generally occur on the next trading day (i.e. on trading day T+1). If the value of the collateral assets is not at least 100 percent of the global valuation of the securities lent on any trading day T, by 4:00 p.m. (London time) on trading day T+1 the Securities Lending Agent will generally require that the borrower deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur in the evening (London time) of trading day T+1. There is a risk that the collateral received may be realised at a value lower than the value of the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, or the illiquidity of the market in which the collateral is traded. This may result in significant losses for a Direct Replication Fund if the borrower fails to return the securities lent by the Direct Replication Fund.
- Limited nature of indemnity from Securities Lending Agent: Although the Securities Lending Agent provides the Direct Replication Funds with an indemnity under the Agency Securities Lending and Repurchase Agreement, such indemnity does not fully cover the borrower's default because the Securities Lending Agent's contractual obligation to indemnify the Company for shortfalls is limited to the event of an act of insolvency in respect of a borrower. In the event of a borrower's default that is not covered by such indemnity and a simultaneous shortfall of collateral value, the Direct Replication Fund will suffer a loss.
- Operational risk: Securities lending entails operational risks such as settlement failures or delays in the settlement of instructions. Such failures or delays may restrict the ability of a Direct Replication Fund to meet delivery or payment obligations arising from redemption requests and may trigger claims.
- Conflict of interests: Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches, will be the Securities Lending Agent for a Direct Replication Fund. The Securities Lending Agent, the relevant Investment Manager, the Sub-Portfolio Manager and the Management Company all belong to DWS Group. The functions which the Securities Lending Agent, the relevant Investment Manager, the Sub-Portfolio Manager and the Management Company will perform in connection with the Company may give rise to potential conflicts of interest. The Management Company, the relevant Investment Manager and/or the Sub-Portfolio Manager (as applicable) will vigorously manage any such conflicts in the best interest of investors. Please refer to the risk factor "Potential Conflicts of Interest" below for further information in this regard.

*Regulatory Reforms:* This 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, a Sub-Fund to invest in certain instruments or to engage in certain transactions. They may also prevent a 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 the expenses of all or some of the Sub-Funds 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 European Securities and Markets Authority 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 the setting up of 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.

*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 is 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 a Reference Index may have an adverse effect on the value of such Reference Index and hence the Net Asset Value of any Sub-Fund that references such Reference Index;
- 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 “Adjustment to OTC Swap Transactions to reflect OTC Swap Transaction Costs” below); and
- subscriptions, transfers and redemptions of Shares may be affected by 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:* Congress in the United States of America, the SEC, the CFTC and other lawmakers and 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.

*Risk Relating to Compliance with U.S. Reporting and Withholding Requirements:* The Company will endeavour to satisfy the relevant requirements imposed by the Foreign Account Tax Compliance Act (“**FATCA**”) to reduce the risk of FATCA withholding tax being imposed on the Company. However, there can be no guarantee or assurance that the Company will be able to comply with all the requirements imposed by FATCA. In the event that the Company is not able to comply with the requirements imposed by FATCA and the Company does suffer U.S. withholding tax on certain withholdable payments as a result of non-compliance, the Net Asset Value per Share may be adversely affected and the Shareholders may suffer material loss as a result. Shareholders and prospective investors should consult their own tax advisers regarding the possible implications of FATCA on an investment in the Sub-Funds. Please refer to sub-section “FATCA” on page 80 of this Prospectus for further information.

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

## Index Risks

*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 a discontinuance in the calculation or in the publication of the Reference Index, or a suspension in the trading of any constituents of the Reference Indices, the trading of Hong Kong Shares may be suspended, or an SEHK Market Maker may cease to provide two way prices on SEHK.

*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 Direct Replication 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 OTC Swap Transaction Costs;
- 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"); and/or
- 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.

Although the relevant Investment Manager and/or the Sub-Portfolio Manager (as applicable) will regularly monitor the tracking accuracy of the relevant Sub-Fund, there can be no assurance as to the accuracy with which any Sub-Fund will track the performance of its Reference Index.

*Adjustment to OTC Swap Transactions to Reflect 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 Indirect Replication Fund and a Swap Counterparty, the Indirect Replication Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s); and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. For the avoidance of doubt, the Company and the Management Company have determined that no provision will be made in respect of any potential PRC capital gains tax at the level of each Indirect Replication Fund which tracks the performance of a Reference Index comprising A shares listed in the PRC as of the date of this Prospectus and the OTC Swap Transaction Costs will not include any provision made in respect of such potential tax liability. These OTC Swap Transaction Costs may affect the ability of the Indirect Replication Fund to achieve its Investment Objective. As a result, the attention of investors is drawn to the fact that (x) the Net Asset Value of the Indirect Replication Fund may be adversely

impacted by any such adjustments to the valuation of the OTC Swap Transaction(s); (y) the potential negative impact on the Indirect Replication Fund's 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 Indirect Replication Fund; and (z) the magnitude of such potential negative impact on the performance of the Indirect Replication Fund may not correspond to an investor's profit or loss arising out of such investor's holding in the Indirect Replication Fund as a result of the potential retroactive effect of any such costs, including those arising from changes in taxation in certain jurisdictions.

*No Investigation or Review of the Reference Index(s):* 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.

*Composition of the Reference Index May Change:* The composition of the constituents constituting the relevant Reference Index may change in accordance with the index rules of the Index Administrator, for example, the constituents of the Reference Index may be delisted, or the constituents of the Reference Index may mature or be redeemed, or new securities may be included in the relevant Reference Index. When this happens, the weightings or composition of the securities owned by a Sub-Fund may change as considered appropriate by the Management Company in order to achieve the investment objective. Thus, an investment in Shares will generally reflect the relevant Reference Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Shares.

*Reliance on Index Administrators:* The Management Company, the relevant Investment Manager and/or the Sub-Portfolio Manager will rely solely on the Index Administrator for information as to the composition and/or weighting of the constituents within the Reference Index. If the Management Company, the relevant 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 relevant Investment Manager's and/or the Sub-Portfolio Manager's overall discretion, be used by the Sub-Fund for the purpose of all adjustments.

*Licence to Use the Relevant Reference Index May be Terminated:* Certain Sub-Funds have been granted a licence by the Index Administrator to use the relevant Reference Index in order to create those Sub-Funds based on the relevant Reference Index and to use certain trademarks and any copyright in the relevant Reference Index. These Sub-Funds may not be able to fulfil their 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 Reference 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 certain 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. 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 <http://www.Xtrackers.com> or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.

*Right of the SFC to Withdraw Authorisation of a Sub-Fund:* Each Sub-Fund aims to track the performance of the relevant Reference Index. Each Sub-Fund to which this Prospectus relates has been authorised as a collective investment scheme by the SFC pursuant to section 104 of the SFO. Any authorisation by the SFC of a Sub-Fund is not a recommendation or endorsement of the Sub-Fund or the relevant Reference Index, nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC reserves the right to withdraw the authorisation of any Sub-Fund to which this Prospectus relates if the relevant Reference Index is no longer considered acceptable to the SFC or for any other reasons.

*Differences in trading hours:* As the stock exchange(s) on which constituent securities of a Reference Index are listed may be open when shares of the relevant Sub-Fund are not priced, the value of the Sub-Fund's portfolio may change on days when investors will not be able to purchase or sell Shares of the Sub-Fund. Differences in trading hours between relevant stock exchange(s) and the SEHK may also increase the level of premium or discount of the price of the Shares of the Sub-Fund to its net asset value.

Certain risks associated with investment in particular indices or any 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. Equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Net Asset Value. When equity markets are extremely volatile, the Net Asset Value may fluctuate substantially. The constituent securities of a Reference Index may include shares of small or mid-capitalisation companies which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

- 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 and credit 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.

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

Below are some examples of potential divergences and conflicts of interest:

- Each Sub-Fund 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 Sub-Fund 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 Sub-Fund 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 the Management Company, any Investment Manager, Sub-Portfolio Manager 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 Sub-Fund 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 Sub-Fund Connected Person. Banking or similar transactions may also be undertaken with or through a Sub-Fund 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, securities lending agent, market maker, management company, investment manager, sub-portfolio manager, investment adviser and provide sub-custodian services to the Company, all in accordance with the relevant agreements which are in place. In addition, in many cases the Counterparty may be required to provide valuations of such derivative transactions or contracts. These valuations may form the basis upon which the value of certain assets of the Company is calculated.
- Specifically, Deutsche Bank AG may act as Swap Counterparty, Distributor, Index Administrator, Securities Lending Agent and/or Market Maker to the Company. Deutsche Bank AG, acting in any such role, and the Directors, the Depositary, the Administrative Agent, any Investment Manager, Sub-Portfolio Manager, Index Administrator, Securities Lending Agent, Swap Counterparty or Distributor, and any Market Maker may undertake activities which may give rise to potential conflicts of interest including those set out above. In addition, both the Management Company and Deutsche Bank AG in its capacity as swap counterparty belong to DWS Group and, in respect of an OTC Swap Transaction where Deutsche Bank AG is the Swap Counterparty, Deutsche Bank AG also acts as the Swap Calculation Agent.

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 they deem 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.

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. 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.

This is because the compliance procedures of DWS Group require effective segregation of duties and responsibilities between the relevant divisions within DWS Group. If any conflicts of interest arise in respect of the Sub-Fund, 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. Please also refer to “Valuation of OTC Swap Transaction” under “Administration of the Company” to see the measures adopted by the Company to mitigate the potential conflicts of interest which may arise from having the same party act as the Swap Counterparty and the Swap Calculation Agent.

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

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

*Allocation of Shortfalls Among Classes of a Sub-Fund:* The right of holders of any Class of Shares to participate in the assets of the Company is limited to the assets (if any) of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes (as set out in the relevant Product Annex). For example, if (i) on a winding-up of the Company or (ii) as of 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.

*Distribution Shares:* Dividend payments do not guarantee a return. Upon the payment of dividends to the Shareholders in any Share Class "D", the Net Asset Value of such Share Class will be reduced by the gross amount of such dividends.

In addition, investors should note the following:

- (a) The Company may pay a dividend even where there is no net distributable income (defined as investment income (i.e. dividend income and interest income) minus fees and expenses) attributable to the relevant share class. In other words, such dividend may be treated as being paid out of the capital of the Sub-Fund.
- (b) Alternatively, the Company may pay a dividend out of gross income while charging all or part of the Sub-Fund's fees and expenses to the capital of the Sub-Fund, resulting in an increase in the distributable income for the payment of dividends by the Sub-Fund. In other words, such dividend may be treated as being effectively paid out of the capital of the Sub-Fund.
- (c) Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment.
- (d) Any distributions involving payment of dividends out of the Sub-Fund's capital or payment of dividends effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Share of the relevant Share Class.
- (e) Information relating to the composition of any dividends paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months on or after 8 November 2012 will be available from the Hong Kong Representative on request and on the following website: <http://www.Xtrackers.com>.

*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 of 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.

*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.

## ADMINISTRATION OF THE COMPANY

### Determination of the Net Asset Value

#### *General Valuation Rules*

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

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

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

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

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

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

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

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

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

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

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

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

#### *Specific Valuation Rules*

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

- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in



which case the value thereof shall be determined after making such discount as may be considered appropriate in such case to reflect the true value thereof;

- (ii) the value of all securities which are listed or traded on an official stock exchange or traded on any other Regulated Market will be valued on the basis of the last available prices on the Business Day immediately preceding the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Funds are principally traded. The Board of Directors will approve a pricing service which will supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities will be determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate;
- (iii) securities not listed or traded on a stock exchange or a Regulated Market will be valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors;
- (iv) securities issued by open-ended investment funds shall be valued at their last available net asset value or in accordance with item (ii) above where such securities are listed;
- (v) the liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets shall be determined pursuant to the policies established by the Board of Directors, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;
- (vi) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or using an amortised cost method; this amortised cost method may result in periods during which the value deviates from the price the relevant Sub-Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Board of Directors. If the Board of Directors believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to Shareholders, the Board of Directors shall take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;
- (vii) the 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; and
- (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 and with due skill, care and diligence by the Management Company in consultation with the Depositary pursuant to procedures established by the Board of Directors.

#### *Valuation of an OTC Swap Transaction*

The value of an OTC Swap Transaction is calculated by the relevant Swap Calculation Agent, which is the same entity as the Swap Counterparty unless otherwise specified in the relevant Product Annex. To avoid potential conflicts of interests that may arise from such dual capacity, the Administrative Agent is required to perform tolerance checks on the valuation provided by a Swap Calculation Agent before relying on such data in calculating the Net Asset Value of a Sub-Fund. In addition, the relevant Investment Manager and/or the Sub-Portfolio Manager also perform daily checks on the valuation of an OTC Swap Transaction provided by a Swap Calculation Agent.

#### **Temporary Suspension of Calculation of Net Asset Value and of Issues and Redemptions**

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 and redemption 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 and redemption of Shares of any other Sub-Fund.

Any suspension of the calculation of the Net Asset Value of a Sub-Fund or of a Class of Shares and the issue and redemption of Shares shall terminate in any event on the Business Day following the first Business Day on which (a) the condition giving rise to the suspension shall have ceased to exist and (b) no other condition under which suspension is authorised shall then exist.

The Company shall notify the SFC and publish the fact that dealings in and/or valuation of Shares is suspended immediately following such suspension, and at least once a month during the period of such suspension in at least one English language and one Chinese language newspaper in Hong Kong, as the Board of Directors may from time to time determine.

#### **Publication of the Net Asset Value**

The estimated Net Asset Value per Share of the relevant Sub-Fund will be available on a real time or near real time basis, and the last available closing Net Asset Value per Share of the relevant Sub-Fund should be available at 10:00 p.m. (HK time) on the Valuation Day (on which such value is calculated) immediately following the relevant Transaction Day under normal circumstances, from the following website: <http://www.Xtrackers.com>.

The estimated Net Asset Value per Share of a Sub-Fund is calculated based upon the level of the Reference Index at the time of calculating the estimated Net Asset Value per Share, and if the real time level of the Reference Index is not available at such time, the estimated Net Asset Value per Share of a Sub-Fund will be calculated based on the value of proxies (e.g. futures) and/or correlation analysis with markets that are open for trading at such time. The last available closing Net Asset Value per Share of a Sub-Fund is based on the closing level of the Reference Index on the relevant Business Day immediately preceding such Valuation Day. As such, the estimated Net Asset Value per Share of a Sub-Fund may differ from its last available closing Net Asset Value per Share.

The estimated Net Asset Value per Share and the last available closing Net Asset Value per Share of a Sub-Fund will be made available in the relevant Trading Currency (as described in the Product Annex of the relevant Sub-Fund). Where the Trading Currency and the Reference Currency of a Sub-Fund differs, the estimated Net Asset Value per Share and the last available closing Net Asset Value per Share of the relevant Sub-Fund will also be calculated based on the relevant exchange rate available from Reuters at the time of calculation.

The access to the publication of the estimated Net Asset Value per Share and last available closing Net Asset Value per Share on the website is not to be considered as an invitation to subscribe for, purchase, sell or redeem Shares.

The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices which are beyond its control.

#### **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” (being an estimated Net Asset Value per Share) 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 relevant Reference Index in effect on such Business Day, together with any cash amount in the Sub-Fund as of the previous Business Day. The Company or its designee will make available an iNAV if this is required by the SFC or the SEHK.

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

Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the relevant Reference Index or the iNAV of other exchange traded funds based on the same relevant Reference Index. Investors interested in subscribing for or redeeming Shares on SEHK 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 relevant Reference Index, the relevant constituent securities and financial instruments based on the relevant Reference Index corresponding to the relevant Sub-Fund).

#### **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 deducted 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.

## ISSUE, SUBSCRIPTION AND PURCHASE OF SHARES

Shares can be acquired by investors in Hong Kong in two ways: (1) subscription via a Hong Kong Authorised Participant, or (2) purchase on SEHK.

Investors should note that no money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

### ***Subscription via a Hong Kong Authorised Participant***

#### **Issuing of Shares**

The Board of Directors is authorised to issue Shares of any Class of Shares without limitation at any time.

Furthermore, the Board of Directors reserves the right to discontinue at any time and without notice the issue and sale of Shares. The Board of Directors also reserves the right to authorise at any time and without notice the issue and sale of Shares for Sub-Funds that were previously closed for further subscriptions. Such decision will be taken by the Board of Directors with due regard to the interest of the existing Shareholders.

The Launch Date and the Offering Period (if any) for each newly created or activated Sub-Fund to which this Prospectus relates will be determined by the Board of Directors and disclosed in the relevant Product Annex.

The Board of Directors may in its discretion decide, prior to the Launch Date, to cancel the offering of a Sub-Fund. The Board of Directors may also decide to cancel the offering of a new Class of Shares. In such case, investors having made an application for subscription will be duly informed and any subscription monies already paid will be returned. For the avoidance of doubt, no interest will be payable on such amount prior to their return to the investors.

The Company will issue no Shares during any period in which the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended.

Any fractions of Shares can be allotted and issued except that Hong Kong Shares which are listed on SEHK must not be allotted or issued in fractions.

#### **Subscription in Cash or in Kind**

The Company may accept subscriptions either in kind or in cash (or a combination of both cash and in kind).

Each Product Annex will confirm whether a particular Sub-Fund may issue Shares as consideration for in kind contributions of securities.

Investors may make in kind subscription by contributing constituents comprising within the relevant Reference Index to a Hong Kong Authorised Participant in accordance with the procedures set out in the section "Subscription Procedure with a Hong Kong Authorised Participant" below.

The Company will publish the Portfolio Composition File for the Direct Replication Funds setting out the form of Investments and/or the Cash Component to be delivered by Authorised Participants in the case of subscriptions in return for Shares. Only Investments which form part of the investment objective and policy of a Direct Replication Fund will be included in the Portfolio Composition File.

The Portfolio Composition File for the Direct Replication Funds for each Transaction Day will be available upon request from the Registrar and Transfer Agent and available via the website: <http://www.Xtrackers.com>.

#### **Initial Issue Price of Shares**

Applications for Initial Subscriptions will be accepted at the Initial Issue Price plus any applicable Upfront Subscription Sales Charge and Primary Market Transaction Costs (if applicable) as described in the section dealing with "Fees and Expenses" and/or in the relevant Product Annex. Applications for Shares of a new Class will be accepted at a price, which will be determined in the relevant Product Annex.

Subsequent Subscriptions will be accepted at a price corresponding to the Net Asset Value per Share as determined on the Valuation Day immediately following the relevant Transaction Day, plus any applicable Upfront Subscription Sales Charge and Primary Market Transaction Costs (if applicable) as described in the section dealing with "Fees and Expenses" and/or in the relevant Product Annex.

For Indirect Replication Funds, the Net Asset Value per Share is calculated on each Valuation Day by dividing (a) the value of such Indirect Replication Fund's Invested Assets and the OTC Swap Transaction(s) on the last Business Day to occur prior to such Valuation Day less the liabilities attributable to such Indirect Replication Fund by (b) the total number of Shares of such Indirect Replication Fund outstanding on the relevant Transaction Day. The value of the OTC Swap Transaction(s) in turn depends on, amongst others, the level of the relevant Reference Index on the last Business Day to occur prior to such Valuation Day. For further information regarding the calculation of the Net Asset Value per Share of a Sub-Fund, please see the section "Determination of the Net Asset Value" of "Administration of the Company" above.

For Direct Replication Funds, the Net Asset Value per Share is calculated on each Valuation Day by dividing (a) the value of the total assets of the relevant Direct Replication Fund on the last Business Day to occur prior to such Valuation Day less the liabilities attributable to such Direct Replication Fund by (b) the total number of Shares of such Direct Replication Fund outstanding on the relevant Transaction Day. For further information regarding the calculation of the Net Asset Value per Share of a Sub-Fund, please see the section "Determination of the Net Asset Value" of "Administration of the Company" above.

#### **Minimum Initial and Subsequent Subscriptions and Minimum Holding Requirements**

The Minimum Initial Subscription Amount and the Minimum Subsequent Subscription Amount that can be applied for may vary according to the Sub-Fund and the Class of Shares. The Board of Directors reserves the right from time to time to waive any requirements relating to a Minimum Initial Subscription Amount and a Minimum Subsequent Subscription Amount as and when it determines in its reasonable discretion and by taking into consideration the equal treatment of Shareholders.

Minimum Initial Subscription Amounts and Minimum Subsequent Subscription Amounts are unrelated to the sizes of the Portfolio Composition Files ("PCFs"). Minimum PCF sizes, Minimum Initial Subscription Amounts and Minimum Subsequent Subscription Amounts will be available upon request from the Registrar and Transfer Agent and available via the website: <http://www.Xtrackers.com>. For the avoidance of doubt, for investors subscribing via a Hong Kong Authorised Participant, the Minimum Initial Subscription Amounts and Minimum Subsequent Subscription Amounts will remain as stated in each relevant Product Annex, together with any applicable Upfront Subscription Sales Charge.

The Board of Directors may, at any time, decide to compulsorily redeem all 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 within 10 Luxembourg Banking Days after receipt of such notice.

#### **Subscriptions via a Hong Kong Authorised Participant**

Initial or Subsequent Subscriptions for Shares can be made indirectly, that is through a Hong Kong Authorised Participant. Such subscription requests will then be forwarded to the Registrar and Transfer Agent for processing.

In such case, the Company may reduce the usual identification requirements within the limits permitted by the current Luxembourg money laundering rules.

A Hong Kong Authorised Participant may provide a nominee service for investors purchasing Shares through them. Such investors may, at their discretion, elect to make use of such service pursuant to which the nominee will hold Shares in its name for and on behalf of the investors who shall nevertheless be entitled, at any time, to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Notwithstanding the above, the investors retain the ability to invest directly in the Company, without using such nominee services.

#### **Refusal of Subscription**

The Company has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason thereto. The Company also has absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for Shares prior to the issue of Shares to an Authorised Participant in the event that an Insolvency Event occurs to the Authorised Participant and/or to minimise the exposure of the Company to an Authorised Participant's Insolvency Event. In addition, the Company may impose such restrictions as it believes necessary to ensure that no Shares are acquired by Authorised Participants who are Prohibited Persons.

#### **Deferral of Subscriptions**

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

Any applicable Upfront Subscription Sales Charge and Primary Market Transaction Costs will be deducted from the subscription monies before the investment of the subscription monies commences.

#### **Subscription Procedure with a Hong Kong Authorised Participant**

The subscription procedures and the subscription Cut-off Times may be different if applications for Shares are made via a Hong Kong Authorised Participant, although the ultimate Cut-off Time and procedures of the Registrar and Transfer Agent referred to in the section "Processing of Subscriptions by the Registrar and

Transfer Agent” below will remain unaffected. All subscription requests accepted by a Hong Kong Authorised Participant will then be forwarded to the Registrar and Transfer Agent for processing. The Shareholders may obtain information on the subscription procedure directly from the relevant Hong Kong Authorised Participant. Subject to normal market conditions, subscription requests from third parties will generally be accepted by a Hong Kong Authorised Participant if made in accordance with its subscription procedure.

In addition to any applicable Upfront Subscription Sales Charge and Primary Market Transaction Costs (if applicable) imposed on handling any subscription request, a Hong Kong Authorised Participant may impose other fees and charges which would increase the cost of investment. Investors are advised to check with the relevant Hong Kong Authorised Participant as to relevant fees and charges.

Investors should note that although the Company and the Management Company will closely monitor the Company’s operations, neither of them is empowered to compel any Hong Kong Authorised Participant to accept subscription requests. Any rejection of subscription requests by any Hong Kong Authorised Participant may have an impact on the trading price of the Shares on SEHK.

Investors should note that they may be unable to purchase Shares via a Hong Kong Authorised Participant on days that it is not open for business.

The standard settlement period for subscribing to Shares via a Hong Kong Authorised Participant will be no later than 5 Business Days following the relevant Transaction Day, unless otherwise specified in the relevant Product Annex.

The subscription proceeds relating to Initial Subscriptions submitted via a Hong Kong Authorised Participant must be received by the Registrar and Transfer Agent on or prior to the Launch Date during normal business hours.

Investors for Shares must make payment in the Reference Currency or the Denomination Currency of the relevant Class of Shares. In addition, investors for these Classes of Shares may subscribe in another Authorised Payment Currency. Depending on 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. The relevant agent will arrange for any necessary currency transaction to convert the subscription monies into the Reference Currency or the Denomination Currency of the relevant Class of Shares. Any such currency transaction will be effected with the relevant agent at the investor’s risk and cost. Such currency exchange transactions may delay any transaction in Shares.

In circumstances in which the subscription proceeds are not received in a timely manner, the relevant allotment of Shares may be cancelled and the investor and/or the relevant Hong Kong Authorised Participant may be required to compensate the Company for any costs and expenses thereby created.

No Shares will be issued by the Company during any period in which the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Company as discussed under “Temporary Suspension of Calculation of Net Asset Value and of Issues and Redemptions”.

Investors have to contact the relevant Hong Kong Authorised Participant directly for arrangements regarding applications to be made or pending during such suspension period. Applications made or pending during such suspension period may be withdrawn by notice in writing received by the Registrar and Transfer Agent prior to the end of such suspension period. Applications that are not withdrawn will be considered on the first Valuation Day in respect of the first Business Day immediately following the end of such suspension period.

#### **Processing of Subscriptions by the Registrar and Transfer Agent**

The Company has entered into agreements with the Authorised Participants, determining the conditions under which the Authorised Participants may subscribe for Shares. An Authorised Participant may submit a dealing request to subscribe for 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 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 orders placed electronically may be subject to the Cut-off Time. Dealing Forms may be obtained from the Registrar and Transfer Agent.

All applications are at the Authorised Participants’ 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 in the absence of fraud, negligence or wilful misconduct.

Unless otherwise specified in the relevant Product Annex, subscription orders for Shares received by the Registrar and Transfer Agent on a Transaction Day prior to the relevant Cut-off Time for such Shares, will be processed on the Valuation Day relating to such Transaction Day on the basis of the Net Asset Value per Share calculated on such Valuation Day.

Any applications received by the Registrar and Transfer Agent after the Cut-off Time on a Transaction Day 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.

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

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.

#### **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 in the absence of fraud, negligence or wilful misconduct.

If any Authorised Participant submitting a cash subscription 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, 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 to take into account the default and the changes to the terms.

#### **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 compensate the Company for any loss suffered by the Company as a result of a failure by the Shareholder to deliver the required Investments and Cash Component or cash in a timely fashion. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances.

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

Portfolio Managers will have the right to sell all or part of the applicant's holdings of Shares in the Sub-Fund or any other Sub-Fund of the Company in order to meet those charges.

**Form of the Shares and Register**

Hong Kong Shares will be issued in registered form only and the Shareholders' register is conclusive evidence of the ownership of such Shares.

No certificates in respect of Hong Kong Shares will be issued. The uncertified form enables the Company to effect redemption instructions without undue delay.

***Purchase of Shares on SEHK***

Certain Shares may be acquired or purchased through SEHK. It is expected that such Shares will be listed on SEHK to facilitate the secondary market trading in the Shares (and such Shares are defined as "**Hong Kong Shares**" in this Prospectus). The purpose of the listing of Hong Kong Shares on SEHK is to enable investors to buy shares in smaller quantities than would be possible via subscription through a Hong Kong Authorised Participant. Unless otherwise provided in the relevant Product Annex, such purchases will take place in cash.

The Company does not charge any subscription fee for purchases of Hong Kong Shares on SEHK.

Hong Kong Shares will be deposited, cleared and settled by CCASS. HKSCC Nominees Limited is the registered owner (i.e. the sole holder of record) of all outstanding Hong Kong Shares deposited with CCASS and is therefore recognised as the legal owner of such Hong Kong Shares. Investors owning Hong Kong Shares in CCASS are beneficial owners as shown on the records of the participating brokers or the relevant Authorised Participant(s) (as the case may be).

Orders to buy Hong Kong Shares through SEHK can be placed via a stockbroker. Such orders to buy Hong Kong Shares may incur costs over which the Company has no control.

The price of any Hong Kong Shares traded on SEHK will depend, inter alia, on market supply and demand, movements in the value of the Reference Index as well as other factors such as prevailing financial market, corporate, economic and political conditions. In accordance with the requirements of SEHK, SEHK Market Makers are expected to provide liquidity and two way prices to facilitate the trading of Hong Kong Shares on SEHK.



## REDEMPTION AND SALE OF SHARES

Shares can be disposed of by investors in Hong Kong in two ways: (1) redemption via a Hong Kong Authorised Participant, or (2) sale on SEHK.

### ***Redemption via a Hong Kong Authorised Participant***

#### **Redemption in Cash or in Kind**

The Company may pay redemptions either in kind or in cash (or a combination of both cash and in kind).

Each Product Annex will confirm whether a particular Sub-Fund may allow in kind redemption.

With respect to in kind redemption of Shares, the Company may, subject to the Shareholder's request or acceptance, satisfy the redemption request by allocating to such Shareholder assets from the relevant Sub-Fund equal in value to the value of the Shares to be redeemed. The nature and type of such assets shall be determined on a fair and reasonable basis and will take into account the interests of the remaining Shareholders of the relevant Sub-Fund. Such assets may or may not be the constituents of the relevant Reference Index. To the extent constituents of the relevant Reference Index are received by such Shareholder, these are unlikely to be of the same weightings as in the relevant Reference Index. The value of such assets used will be confirmed by a report of the Company's auditor when required by and in accordance with applicable laws and regulation. Investors requesting in kind redemption should approach a Hong Kong Authorised Participant in accordance with the procedures set out in this section "Redemption Procedure with a Hong Kong Authorised Participant".

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

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

The Company may also accept redemption requests which consist wholly of cash.

Authorised Participants wishing to make a cash redemption should notify the Company, care of the Registrar and Transfer Agent in writing and make arrangements for the transfer of their Shares into the Company's account at the Clearing Agent by the relevant redemption settlement time.

Cash redemption payments will be made 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 on whether a multi-currency net asset value is published or not, the Administrative Agent or the Registrar and Transfer Agent, respectively, will proceed with the currency conversion. If necessary, the relevant agent will effect a currency transaction at the Shareholder's cost, to convert the Redemption Proceeds from the Reference Currency of the relevant Sub-Fund into the relevant Authorised Payment Currency. Any such currency transaction will be effected with the relevant agent at the investor's risk and cost. Such currency exchange transactions may delay any transaction in Shares.

#### **Directed Cash Dealings**

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

If any Authorised Participant submitting a cash 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 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 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 an Authorised Participant in satisfaction of a valid in kind redemption request. Such a dividend will become due immediately prior to the redemption of the Shares and paid to the Authorised Participant as part of the cash amount in the case of a cash redemption or as part of the Cash Component in the case of an in kind redemption.

### **Refusal of Redemption**

The Company has the right to determine whether it will only accept redemptions from an Authorised Participant in kind or in cash (or a combination of both cash and in kind) on a case by case basis: (i) upon notification to the relevant Authorised Participant where an Insolvency Event occurs to the relevant Authorised Participant, or the Company reasonably believes that the relevant Authorised Participant poses a credit risk, or (ii) in all other cases, with the relevant Authorised Participant's consent (where relevant). Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record. In addition, the Company may impose such restrictions as it believes necessary to ensure that no Shares are acquired by Authorised Participants who are Prohibited Persons.

Investors should note that although the Company and the Management Company will closely monitor the Company's operations, neither of them is empowered to compel any Hong Kong Authorised Participant to accept redemption requests. Any rejection of redemption requests by any Hong Kong Authorised Participant may have an impact on the trading price of the Shares on SEHK.

### **Redemption Price**

Shares may be redeemed on any Transaction Day. However, investors should note that a redemption of Shares via a Hong Kong Authorised Participant will be subject to it being open for business.

The Redemption Proceeds of the Shares will correspond to the Net Asset Value of such Shares as determined on the Valuation Day immediately following the relevant Transaction Day, less any applicable Redemption Charges or fees and Primary Market Transaction Costs as described in more detail under "Fees and Expenses". 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.

No fractions of Shares can be redeemed unless otherwise specified in the relevant Product Annex. Shareholders are reminded that the Redemption Proceeds can be higher or lower than the subscription amount.

For Indirect Replication Funds, the Net Asset Value per Share is calculated on each Valuation Day by dividing (a) the value of such Indirect Replication Fund's Invested Assets and the OTC Swap Transaction(s) on the last Business Day to occur prior to such Valuation Day less the liabilities attributable to such Indirect Replication Fund by (b) the total number of Shares of such Indirect Replication Fund outstanding on the relevant Transaction Day. The value of the OTC Swap Transaction(s) in turn depends on, amongst others, the level of the relevant Reference Index on the last Business Day to occur prior to such Valuation Day. For further information regarding the calculation of the Net Asset Value per Share of a Sub-Fund, please see the section "Determination of the Net Asset Value" of "Administration of the Company" above.

For Direct Replication Funds, the Net Asset Value per Share is calculated on each Valuation Day by dividing (a) the value of the total assets of the relevant Direct Replication Fund on the last Business Day to occur prior to such Valuation Day less the liabilities attributable to such Direct Replication Fund by (b) the total number of Shares of such Direct Replication Fund outstanding on the relevant Transaction Day. For further information regarding the calculation of the Net Asset Value per Share of a Sub-Fund, please see the section "Determination of the Net Asset Value" of "Administration of the Company" above.

### **Redemption Size**

Shareholders may ask for the redemption of all or part of their Shares of any Class.

The minimum number of Shares subject to redemption and/or the Minimum Redemption Amount may vary according to the Sub-Fund or the Class of Shares.

Minimum Redemption Amounts are unrelated to the sizes of the Portfolio Composition Files ("PCFs"). Minimum PCF sizes and Minimum Redemption Amounts will be available upon request from the Registrar and Transfer Agent and available via the website: <http://www.Xtrackers.com>. For the avoidance of doubt, for investors redeeming via a Hong Kong Authorised Participant, the Minimum Redemption Amounts will remain as stated in each relevant Product Annex, together with the Redemption Charge.

The Company is not bound to execute a request for redemption of Shares if such request relates to Shares having a value greater than 10 percent of the Net Asset Value of any Sub-Fund, unless otherwise defined in the relevant Product Annex. Please refer to the section "Special Procedure for Redemptions Representing 10

percent or more of the Net Asset Value of any Sub-Fund” below for further information in this regard. The Board of Directors reserves the right from time to time to waive any Minimum Redemption Amount by taking into consideration the equal treatment of Shareholders.

The Board of Directors may, at any time, decide to compulsorily redeem all 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 within 10 Luxembourg Banking Days after receipt of such notice.

Furthermore, if the Net Asset Value of any Sub-Fund or Class of Shares on a given Valuation Day shall become less than the Minimum Net Asset Value, the Company may in its discretion, redeem all of the relevant Shares then outstanding (as described in full detail under “General Information on the Company and the Shares”).

For Sub-Funds having a Maturity Date, all Shares for which no redemption request has been made in respect of this Maturity Date, will be compulsorily redeemed on such Maturity Date at the Net Asset Value per Share calculated on the Maturity Date. Such Sub-Fund shall be closed at least 10 Luxembourg Banking Days after the Maturity Date.

The Sub-Funds will in principle have no Maturity Date unless otherwise determined in the Product Annex. Sub-Funds for which no Maturity Date has been designated may be closed in accordance with the procedures laid down in the Articles of Incorporation by a decision of the Board of Directors and will be redeemed at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. Such Sub-Fund shall be closed at least 10 Luxembourg Banking Days after the date at which such decision shall take effect.

Any proceeds the Company is unable to redeem to the relevant Shareholders on the Maturity Date will be deposited with the Caisse de Consignation on behalf of the persons entitled thereto.

#### **Redemption Procedure with a Hong Kong Authorised Participant**

Shareholders wishing to have all or part of their Shares redeemed by the Company may apply for such redemption via a Hong Kong Authorised Participant. Such redemption requests will then be forwarded to the Registrar and Transfer Agent for processing.

The redemption procedures and the redemption Cut-off Times may be different if applications for redemption are made via a Hong Kong Authorised Participant, although the ultimate Cut-off Time and procedures of the Registrar and Transfer Agent referred to in the section “Processing of Redemptions by the Registrar and Transfer Agent” below will remain unaffected. The Shareholders may obtain information on the redemption procedure directly from the relevant Hong Kong Authorised Participant. Subject to normal market conditions, redemption requests from third parties will generally be accepted by a Hong Kong Authorised Participant if made in accordance with its redemption procedure.

In addition to the Redemption Charge and Primary Market Transaction Costs (if applicable) imposed on handling any redemption request, a Hong Kong Authorised Participant may impose other fees and charges which would increase the cost of investment and/or reduce the Redemption Proceeds. Investors are advised to check with the relevant Hong Kong Authorised Participant as to relevant fees and charges.

Investors should note that although the Company and the Management Company will closely monitor the Company’s operations, neither of them is empowered to compel any Hong Kong Authorised Participant to accept redemption requests. Any rejection of redemption requests by any Hong Kong Authorised Participant may have an impact on the trading price of the Shares on SEHK.

Where Shareholders are registered as joint Shareholders in the Shareholders’ register, the Company will consider each such Shareholder as having sole signing authority with respect to the joint ownership of such Shares and may bind the respective holders of such Shares for the purposes of any confirmations made.

All applications for redemption will be considered as binding and irrevocable.

An application for redemption of Shares must include (i) the number of Shares the Shareholder wishes to redeem (for each (sub)-Class of Shares), (ii) the Shareholder’s personal details and (iii) the Shareholder’s account number.

Failure to provide any of the above information may result in delays for the application for redemption being dealt with.

Any Shareholder 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 the U.S. Person, as the case may be, 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 should note that in these circumstances a Redemption Charge may be levied on the basis of the Redemption Price.

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

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

In any event, the interval between the receipt of a properly documented request for redemption of Shares and payment of Redemption Proceeds to the relevant Shareholder may not exceed one calendar month provided that there is no delay in submitting all duly completed redemption documentation and the determination of the Net Asset Value or dealing in Shares is not suspended.

Where one or several redemption requests result in the termination of a Sub-Fund (as the Board of Directors may decide from time to time in such case), the Registrar and Transfer Agent shall (i) inform the relevant Shareholders with respect to the termination of the Sub-Fund and the payment or settlement period and (ii) issue instructions for payment or settlement to be effected no later than 10 Luxembourg Banking Days following the date at which the Sub-Fund is closed.

Where a Sub-Fund has a Maturity Date and no request for redemption is made before such Maturity Date, the Registrar and Transfer Agent shall issue instructions for payment or settlement to be effected no later than 10 Luxembourg Banking Days following such Maturity Date. Where the Sub-Fund has no Maturity Date and no request for redemption is made prior to the date at which the Sub-Fund is closed, the Registrar and Transfer Agent shall issue instructions for payment or settlement to be effected no later than 10 Luxembourg Banking Days following the date at which the Sub-Fund is closed.

#### **Processing of Redemptions by the Registrar and Transfer Agent**

The Company has entered into agreements with the Authorised Participants, determining the conditions under which the Authorised Participants may redeem Shares. An Authorised Participant may submit a dealing request to redeem Shares in a Sub-Fund by an electronic order entry facility or by submitting a Dealing Form via facsimile to the Registrar and Transfer Agent. The 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. Redemption placed electronically may be subject to the Cut-off Time. 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 in the absence of fraud, negligence or wilful misconduct.

Unless otherwise specified in the relevant Product Annex, redemption orders for Shares received by the Registrar and Transfer Agent on a Transaction Day prior to the relevant Cut-off Time for such Shares, will be processed on the Valuation Day relating to such Transaction Day on the basis of the Net Asset Value per Share calculated on such Valuation Day.

Any applications received by the Registrar and Transfer Agent after the Cut-off Time on a Transaction Day 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.

#### **Temporary Suspension of Redemption**

The Company will not redeem any Shares during any period in which the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended. Redemption requests will be considered on the first Valuation Day in respect of the first Business Day following the end of the suspension period.

If a period of suspension lasts for more than 30 calendar days after the date on which the application for redemption has been received by a Hong Kong Authorised Participant or the Registrar and Transfer Agent as the case may be, such application may be cancelled by the Shareholder by way of a written notice to the relevant Hong Kong Authorised Participant or the Registrar and Transfer Agent as the case may be, provided that the notice is received on a Luxembourg Banking Day prior to the end of the suspension period.

### **Special Procedure for Redemptions Representing 10 percent or more of the Net Asset Value of any Sub-Fund**

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 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.

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

### ***Sale of Shares on SEHK***

Certain Shares may be sold through SEHK. It is expected that such Shares will be listed on SEHK to facilitate the secondary market trading in the Shares (and such Shares are defined as “**Hong Kong Shares**” in this Prospectus). The purpose of the listing of Hong Kong Shares on SEHK is to enable investors to sell shares in smaller quantities than would be possible via redemption through a Hong Kong Authorised Participant.

The Company does not charge any redemption fee for sales of Hong Kong Shares on SEHK.

Orders to sell Hong Kong Shares through SEHK can be placed via a stockbroker. Such orders to sell Shares may incur costs over which the Company has no control.

The price of any Hong Kong Shares traded on SEHK will depend, inter alia, on market supply and demand, movements in the value of the Reference Index as well as other factors such as prevailing financial market, corporate, economic and political conditions. In accordance with the requirements of SEHK, SEHK Market Makers are expected to provide liquidity and two way prices to facilitate the trading of Hong Kong Shares on SEHK.

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

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

If on a Business Day the stock exchange value of the Shares significantly varies from the Net Asset Value due to, for example market disruption caused by the absence of market makers (as described in the sub-section “Reliance on Market Makers”), investors who are not Authorised Participants may apply directly to the Company for the redemption of their Shares via the custodian or financial intermediary through which they hold the Shares, such that the Administrative Agent is able to confirm the identity of such investor, the number of Shares and the details of the relevant Sub-Fund and Share Class held by such investors wishing to redeem. In such situations, information shall be communicated to the Relevant Stock Exchange indicating that such direct

redemption procedure is available to investors on the secondary market. Applications for redemption shall be made in accordance with the procedure described in the "Redemption and Sale of Shares" section of this Prospectus, and the redemption fees disclosed in the Product Annex in respect of the relevant Sub-Fund shall apply.

#### **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 1 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, including through bearer shareholders, 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](mailto:dws-lux-compliance@list.db.com).

## **PROHIBITION OF LATE TRADING AND MARKET TIMING**

Late Trading is to be understood as the acceptance of a subscription (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 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 a price based on forward pricing and neither the Company, nor a Distributor will accept orders received after the relevant Cut-off Time.

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

## FEES AND EXPENSES

### Dealing Fees Payable by Investors

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

#### *Upfront Subscription Sales Charge*

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

#### *Redemption Charge*

The Board of Directors of the Company may decide that Shares will be subject to a Redemption Charge which will be calculated on the basis of the Net Asset Value per Share as determined on the Valuation Day immediately following the relevant Transaction Day 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.

#### *Primary Market Transaction Costs*

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

#### *Fees relating to trading on SEHK*

The following fees and charges are payable by an investor selling or buying Hong Kong Shares on SEHK:

Brokerage	Market rate
Transaction levy	0.0027% <sup>3</sup>
Trading fee	0.005% <sup>4</sup>
Stamp duty	Nil

### Fees and Expenses Payable by the Company

#### *Management Company Fee*

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

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

<sup>3</sup> Transaction levy of 0.0027% of the total consideration for the Hong Kong Shares, payable by each of the buyer and the seller.

<sup>4</sup> Trading fee of 0.005% of the total consideration for the Hong Kong Shares, payable by each of the buyer and the seller.



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).

#### *Investment Management Fee / Sub-Portfolio Management Fee*

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.

#### *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.

#### *Fixed Fee*

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

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

##### *(i) 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.

##### *(ii) 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.

##### *(iii) 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.

##### *(iv) Other Administrative Expenses*

The Fixed Fee covers certain “Other Administrative Expenses”, which include but are not limited to, the costs and expenses relating to the establishment of the Company; organisation and registration costs; licence fees payable to licence holders of an index; taxes, such as *Taxe d’Abonnement* (if any); expenses for legal and auditing services; cost of any proposed listings; maintaining such listings; printing Share certificates (if any), Shareholders’ reports; prospectuses; preparation, maintenance, translation and updating of investors fact-sheets for the Sub-Funds; monitoring the performance of the Sub-Funds including the costs of any software associated with such monitoring; maintenance of the website in respect of the Company and the Sub-Funds which provides investors with information on the Company and the Sub-Funds, including but not limited to, provision of Net Asset Values, secondary market prices and updated prospectuses; all reasonable out-of-pocket expenses of the Board of Directors and any remuneration to be paid to the Directors (as may be applicable); foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives’ remunerations in foreign jurisdictions; insurance; brokerage costs which are applicable to the Sub-Fund generally and not those which can be attributed to a specific investment transaction and the costs of publication of the Net Asset Value and such other information which is required to be published in the different jurisdictions; and all costs relating to the distribution of the Sub-Funds in the different jurisdictions. The costs relating to the distribution of the Sub-Funds should not exceed 0.30 percent of the Net Assets per Sub-Fund. Such costs 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 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;
- the Management Company Fee (including the applicable Investment Management Fee and Distribution Fee);
- any taxes or fiscal charges which the Company may be required to pay, except the *Taxe d’Abonnement* (if any) or, if it should be payable, any value added tax or similar sales or services tax payable by the Company (VAT) (all such taxes or fiscal charges), unless otherwise specified in the relevant Product Annex;
- expenses arising out of any advertising or promotional activities in connection with the Company; nor
- any costs and expenses incurred outside of the Company’s ordinary course of business such as Extraordinary Expenses (e.g. legal fees incurred in prosecuting or defending, a claim or allegation, by or against, the Company).

#### **All-In Fee**

The All-In Fee of a Sub-Fund comprises the Fixed Fee and the Management Company Fee, but excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Indirect Replication Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs”. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.

#### **Increase in Fees**

The current Management Company Fee may be increased on one month’s notice to the Shareholders (or such shorter period as approved by the SFC), subject to the maximum rate set out in the relevant Product Annex. In the event that the Management Company Fee is to be increased beyond the maximum rates set out in the relevant Product Annex, such increase will be subject to the Shareholders’ and the SFC’s approval.

#### **Costs and Charges Disclosure**

This Prospectus 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 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 and Hong Kong tax laws and Luxembourg and Hong Kong 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 and Hong Kong.

### Luxembourg

#### *The Company*

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

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

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

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

#### *The Shareholders*

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

#### Luxembourg resident individuals

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

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

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

#### Luxembourg resident institutional investors

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

Luxembourg institutional resident investors who benefit from a special tax regime, such as, for example, (i) an UCI subject to the Law, (ii) specialized investment funds subject to the amended law of 13 February 2007

related to specialised investment funds, (iii) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident institutional investors except if the holder of the Shares is (i) an UCI subject to the Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitization, (iii) an investment company governed by the amended law of 15 June 2004 on the investment company in risk capital, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds, (v) reserved alternative investment funds subject to the law of 23 July 2016 on reserved alternative investment funds or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5 percent.

### **EU Tax Considerations**

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

The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**").

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holders to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

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

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

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

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

### **FATCA**

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified U.S. Persons", directly or indirectly, to the U.S. tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30 percent withholding tax is imposed on certain U.S. source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into the Luxembourg IGA. The Company would hence have to comply with the Luxembourg IGA, as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the U.S. Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified U.S. Persons for FATCA purposes ("**reportable accounts**"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the

Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be treated as complying with FATCA and will thus not be subject to the 30 percent. withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. In particular, the Company has registered with the IRS as a FFI under FATCA and has obtained a Global Intermediary Identification Number. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

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

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

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

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

## **Hong Kong**

### *The Company*

During such period as the Company is authorised under Section 104 of the SFO, under present Hong Kong law and practice, the Company is not expected to be subject to Hong Kong profits tax in respect of its profits.

Pursuant to a remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty on the transfer of shares to the Sub-Funds by an investor pursuant to an application in kind will be remitted or refunded. Similarly, Hong Kong stamp duty on the transfer of shares by the Sub-Funds to an investor upon in kind redemption of Shares will also be remitted or refunded.

No Hong Kong stamp duty is payable by the Sub-Funds on an issue or redemption of Shares pursuant to an application in cash.

The sale and purchase of any Hong Kong Stock by the Sub-Funds will be subject to stamp duty in Hong Kong at the current rate of 0.2 percent of the value of the consideration for the shares being sold and purchased. The Sub-Funds will be liable to one half of such Hong Kong stamp duty.

### *The Shareholders*

No tax will be payable by Shareholders in Hong Kong in respect of any capital gains arising on a sale, realisation, redemption or other disposal of Shares in the Company, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

No tax should generally be payable by Shareholders in Hong Kong in respect of dividends or other income distributions of the Company.

The register of Shareholders of the Company shall be maintained outside Hong Kong. Accordingly, the Shares will not constitute Hong Kong Stock for the purposes of the Stamp Duty Ordinance of Hong Kong and a charge to Hong Kong stamp duty should not arise on any redemption or transfer of any Shares in the Company.

## 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.

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

#### *I.b: Listing of the Shares*

Certain Shares of the Sub-Funds are also listed on the Luxembourg Stock Exchange, the Frankfurt Stock Exchange and/or other stock exchanges but subscription and redemption of such Shares will be settled separately from Hong Kong Shares listed on SEHK.

There is no minimum investment save that Hong Kong Shares are quoted and traded on SEHK in Trading Board Lot Size. When buying or selling Hong Kong Shares through a broker, investors will incur customary brokerage commissions and charges and, if applicable, stamp duty. Investors may also pay some or all of the spread between the bid and the offer price on a purchase and sale transaction. Although the Shares (including Hong Kong Shares) are denominated in USD (unless otherwise specified in the Product Annex), prices of Hong Kong Shares are quoted and traded on SEHK in HKD and Hong Kong cents per Share.

#### *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. Please refer to sub-section "Distribution Shares" on page 57 of this Prospectus for risk factors relating to distribution of dividends. Such dividends, if any, will be declared on the dates, which will be determined in the relevant Product Annex. In such a case, Shareholders will be informed in accordance with the procedure set out in sub-section "Publication of the Net Asset Value" of the section "Administration of the Company" of this Prospectus. Dividends which should have been declared on a day which is not a Luxembourg Banking Day, will be accrued and declared on the next succeeding Luxembourg Banking Day. Dividends will generally be paid within 10 Luxembourg Banking Days of the date of declaration.

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

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

The Management Company may amend the Sub-Fund's distribution policy with respect to the distribution out of capital of the Sub-Fund and/or distribution out of gross income while charging all or part of the Sub-Fund's fees and expenses to the capital of the Sub-Fund, subject to the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

## 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" on 2 October 2006 for an unlimited period. It changed its name to Xtrackers 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 16 October 2006. 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 *Recueil Electronique des Sociétés et Associations (Luxembourg)* (the "**RESA**") on 11 May 2020. The Company is registered with the Luxembourg Trade and Companies' Register under number B-119 899.

### *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 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 or exchange 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:



- 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;
- if a redemption request is received that would cause any Sub-Fund's or Classes assets to fall under the Minimum Net Asset Value;
- if a change in the economic, regulatory or political situation relating to the Sub-Fund or Class concerned would justify such liquidation;
- if the Board of Directors deems it appropriate, to rationalise the Sub-Fund or Classes offered to investors; and
- 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 reasonably 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 Swap Agreement or any other relevant agreement entered into with such counterparty) 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 the section “Investment Objectives and Policies” and provided that no replacement Reference Index which is considered as suitable by the Board of Directors and the SFC can be found.

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, sent to the Shareholders, published on the Company's website <http://www.Xtrackers.com> 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.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the annual general meeting of Shareholders may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors. Shareholders of any Class of Shares or Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or to such Class of Shares.

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

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

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

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

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

The Company's financial year ends on 31 December.

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, and Semi-annual Reports will be available from the website <http://www.Xtrackers.com> within four months after 31 December and two months after 30 June respectively. Hard copies of these financial reports may also be obtained from the Hong Kong Representative free of charge. Shareholders will be notified of the means of getting access to the financial reports as and when the financial reports are issued and available. Hong Kong Shareholders will be given at least one month's prior notice of any change to the mode of delivery of the Audited Annual Reports and Semi-annual Reports.

Investors should note that only the English version of the Annual Reports and Semi-annual Reports will be available.

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: Transactions with Connected Persons*

- (a) Cash forming part of the property of the Company may be placed as deposits with the Depositary, the Management Company, the Investment Manager, the Sub-Portfolio Manager or with any Connected Persons of these companies (being an institution licensed to accept deposits) so long as such cash deposit is maintained in a manner that is in the best interests of the Shareholders, having regard to prevailing commercial rate for a deposit of similar type, size and term, and negotiated at arm's length in accordance with ordinary and normal course of business.
- (b) Money can be borrowed from the Depositary, the Management Company, the Investment Manager, the Sub-Portfolio Manager or with any Connected Persons of these companies (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with normal banking practice, the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length.
- (c) Any transactions between the Company and the Management Company, the Investment Manager, the Sub-Portfolio Manager, directors of the Company or any Connected Persons of these companies as principal may only be made with the prior written consent of the Depositary. All such transactions must be disclosed in the Annual Report.
- (d) All transactions carried out by or on behalf of the Company must be at arm's length, executed on the best available terms and in the best interest of the Shareholders. Transactions with persons connected to the Management Company, the Investment Manager, the Sub-Portfolio Manager or directors of the Company may not account for more than 50 percent of the Company's transactions in value in any one financial year of the Company.
- (e) In transacting with brokers or dealers connected to the Management Company, the Investment Manager, the Sub-Portfolio Manager, directors of the Company or any of their Connected Persons, the Management Company must ensure that it complies with the following obligations:
  - (i) such transactions should be on arm's length terms;
  - (ii) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
  - (iii) transaction execution must be consistent with applicable best execution standards;
  - (iv) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
  - (v) the management company must monitor such transactions to ensure compliance with its obligations; and
  - (vi) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Company's Annual Report.
- (f) Where the Securities Lending Agent is connected to or an affiliate of the Management Company's group of companies, the details of the Securities Lending Transactions including the securities lending fee should be disclosed in the connected party transaction section of the Company's Annual Report.

*II.h: Information on the Internet*

The Company will publish information with respect to the Sub-Funds which are offered to Hong Kong investors, both in the English and in the Chinese languages, on the website <http://www.Xtrackers.com> including:

- this Prospectus and the Product Key Facts Statements of each Sub-Fund (as revised from time to time);
- the latest Annual Report and Semi-annual Report (English language only);
- any notices and any announcements issued by any Sub-Funds which are offered to Hong Kong investors, including information with regard to the relevant Reference Index, notices of the suspension of the calculation of the Net Asset Value, changes in fees and the suspension and resumption of trading;
- the estimated Net Asset Value per Share updated every 15 seconds throughout each Valuation Day during trading hours of the SEHK (on a real time or near real time basis);

- the last Net Asset Value and Net Asset Value per Share updated on a daily basis on each Valuation Day;
- the investment strategy adopted by the Management Company from time to time for a particular Sub-Fund;
- the last closing level of the Reference Index of each Sub-Fund;
- the list of approved Swap Counterparties of each Indirect Replication Fund;
- in respect of each Indirect Replication Fund entering into Unfunded Swaps, the details of the Invested Assets;
- in respect of each Indirect Replication Fund, the details of collateral arrangements (if any);
- in respect of each Indirect Replication Fund, the gross and net counterparty exposures to each Swap Counterparty;
- in respect of each Direct Replication Fund, the details of the securities portfolio;
- the composition of any dividends paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months (if any);
- in respect of each Sub-Fund, the list of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company and Hong Kong Authorised Participant(s); and
- the ongoing charges figure, the past performance information, the annual Tracking Difference and Tracking Error of each Sub-Fund.

The near real time estimated Net Asset Value per Share in HKD referred to above is indicative and for reference only.

The Net Asset Value per Share in HKD is calculated by converting the last Net Asset Value per Share in the Reference Currency using the relevant foreign exchange rate (quoted by a third-party financial data vendor as further disclosed on the Company's website at <http://www.Xtrackers.com> in respect of each Sub-Fund).

The following information on securities lending will also be available from the Company's website at <http://www.Xtrackers.com> in respect of any Direct Replication Fund:

- summary of the securities lending policy of the Company and the risk management policy in relation to securities lending;
- information on securities lending counterparties and their exposures (specifically (i) a list of all eligible securities lending counterparties, (ii) a list of securities lending counterparties that a Direct Replication Fund has exposure to in the preceding month, and (iii) the number of securities lending counterparties that a Direct Replication Fund has exposure to which exceeds 3 percent of its Net Asset Value);
- amount of securities on loan and level of collateralisation;
- net return from securities lending to the Direct Replication Funds since commencement of the securities lending or over the past 12 months, whichever period is shorter;
- certain collateral information; and
- percentage of fee split between the Direct Replication Funds, the Securities Lending Agent and/or, as the case may be, the relevant Investment Manager and/or Sub-Portfolio Manager on the income derived from the Securities Lending Transaction.

#### *II.i: Documents Available for Inspection*

Copies of the following documents may be inspected free of charge during usual business hours on any business day in Hong Kong at the registered office of the Hong Kong Representative and for making of copies thereof upon the payment of a reasonable fee:

- (a) the Articles of Incorporation;
- (b) the Management Company Agreement;
- (c) the Investment Management Agreement(s);
- (d) the Sub-Portfolio Management Agreement(s);
- (e) the Depositary Agreement;
- (f) the Administration Agency, Domiciliary and Corporate Agency, Paying Agency, Registrar, Transfer Agency and Listing Agency Agreement;

- (g) the ETF Primary Market Subscription and Redemption Agreement and Primary Market Operating Manual;
- (h) the Hong Kong Representative Agreement;
- (i) the Swap Agreement(s);
- (j) the Agency Securities Lending and Repurchase Agreement;
- (k) the KID referred to in the section "Risk Management Policy for FDI"; and
- (l) the financial reports of the Company.

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

#### *II.j: Queries and Complaints*

Investors may contact the Hong Kong Representative at its address as set out on page vii of this Prospectus, or by phone at its telephone number: (852) 2203 6886 to seek any clarification regarding the Company or any Sub-Fund or to file a complaint. The Hong Kong Representative will respond to the query or complaint in writing. Under normal circumstances the Hong Kong Representative will respond to any query or complaint as soon as practicable and in any event within 21 days.

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

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

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

#### *II.k: Liquidity Risk Management*

The Management Company has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the sub-funds of the Company (including the Sub-Funds) and to ensure that the liquidity profile of the investments of the sub-funds of the Company will facilitate compliance with their respective obligations to meet redemption requests. Such policy, combined with the liquidity management tools available (as mentioned below), also seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizeable redemptions.

The Management Company's liquidity risk management policy takes into account the investment strategy and the liquidity profile of each of the sub-funds of the Company, the redemption policy and the dealing frequency of the Company and the Company's ability to enforce redemption limitations. These measures seek to ensure fair treatment and transparency for all investors.

The Management Company's liquidity risk management policy involves monitoring the profile of investments held by the sub-funds of the Company on an on-going basis to ensure that such investments are appropriate to the redemption policy. Further, the Management Company's liquidity risk management policy includes details on periodic stress testing carried out by the Management Company to manage the liquidity risk of the sub-funds of the Company under normal and exceptional market conditions.

The liquidity risk management of the sub-funds of the Company is performed by the Management Company's investment risk team which is functionally independent from the portfolio investment function of the Management Company. The investment risk team will work with the relevant Investment Manager and/or the Sub-Portfolio Manager (if applicable) to address any exceptions on liquidity risk related issues, or escalate such issues to the relevant board member of the Management Company responsible for risk management, where appropriate.

### **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 "Important Information" on the website [www.Xtrackers.com](http://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. Investors should note that one or more of the Directors of the Company may act as a director for the Management Company, the Investment Manager, the Sub-Portfolio Manager, or any other service provider.

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

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

**Freddy 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.

### The Management Company

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

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

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

The Management Company provides investment management services to other investment funds. Further information may be obtained upon request from the Hong Kong Representative or 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 including the SFC.

The following functions have been delegated by the Management Company:

- Investment management services including compliance with the investment restrictions and certain risk management services of the Sub-Funds to the Investment Manager specified in the relevant Product Annex;
- Provision of certain services as agreed from time to time, including but not limited to legal, regulatory and tax advice, relationship management, marketing, assistance in relation to structuring and restructuring and assistance in relation to the registrations of the Company to DWS Investments UK Limited;
- Position reporting services to Deutsche Bank AG, acting through its London branch;
- Administration, registrar and transfer agency services, accounting and valuations of the Sub-Funds to State Street Bank 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;
- Securities lending agency services, either directly or via the relevant Investment Manager and/or Sub-Portfolio Manager, (including checking the eligibility and allocation of collateral) to:
  - Deutsche Bank AG, acting through its Frankfurt am Main head office;
  - Deutsche Bank AG, acting through its New York branch;
  - Deutsche Bank AG, acting through its London branch; 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, Frankfurt branch.

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

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

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

## **The Investment Managers and Sub-Portfolio Managers**

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

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

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

### **(i) Direct Replication Funds**

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

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

DWS Investment GmbH is 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 as a management company by the Federal Financial Supervisory Authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) in accordance with the German Investment Code to manage investments funds.

DWS Investment GmbH may, from time to time 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**").

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

DWS Investments Hong Kong Limited is a limited liability company incorporated under the laws of Hong Kong on 13 September 1994 and having its principal place of business at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. It is licensed to conduct, among others, type 9 (asset management) regulated activity by the SFC with the CE number ACJ870.

### **(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.

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

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

may sustain or suffer as a result of, or in the course of the discharge of its duties under the Investment Management Agreement.

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

Neither the Investment Manager nor the Management Company is liable for any consequential, incidental, indirect or similar loss or damage, which are losses or damages a Sub-Fund may suffer which does not result directly from a breach of the relevant Investment Management Agreement.

#### **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.

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

#### **The Securities Lending Agent**

The Securities Lending Agent is Deutsche Bank AG, acting through its Frankfurt head office and its London and New York branches, unless otherwise specified in the Product Annex. Please refer to the section "Deutsche Bank Aktiengesellschaft" below for further information.

#### **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 from the Hong Kong Representative or at the registered office of the Company, which is located at, 49, avenue J.F. Kennedy, L-1855 Luxembourg and will be disclosed in the Annual and Semi-annual Reports of the Company. The list of the Swap Counterparties in respect of each Indirect Replication Fund is available on the website [www.Xtrackers.com](http://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 49, avenue J.F. Kennedy, L-1855 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;
- 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 and to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

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

### **Delegation**

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

The Depositary has delegated those safekeeping duties set out in Article 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 Depository 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 Depository or its affiliates engage in activities under the Depository 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 Depository 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 Depository 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 Depository or its affiliates.

Potential conflicts that may arise in the Depository'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 Depository 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 Depository as its counterparty, which might create incentive for the Depository 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 Depository has functionally and hierarchically separated the performance of its depository 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 Depository's use of sub-custodians, the Depository 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 Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depository 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 shall, in compliance with the Code, issue a report to Shareholders to be included in the Annual Report on whether, in its opinion, the Management Company has in all material respects managed the Company in accordance with the provisions of the Articles of Incorporation and if the Management Company has not done so, the respects in which it has not done so and the steps which the Depositary has taken in respect thereof.

The Depositary may not be removed by the Company (subject to the approval by the SFC) 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 CSSF, in which case this 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 49, avenue J.F. Kennedy, L-1855 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 as its registrar, transfer agent and listing agent to administer the issue 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, written confirmations issued against payment of the corresponding asset value; and
- receive and carry out redemption requests complying with the Articles of Incorporation and cancel written confirmations issued in respect of Shares redeemed.

The Registrar and Transfer Agent will maintain the register of the Company in Luxembourg.

### **Authorised Participant**

The role of an Authorised Participant is to subscribe and redeem Shares in the Sub-Funds from time to time. In its absolute discretion, an Authorised Participant may also subscribe Shares on behalf of its clients from time to time.

Please refer to the website <http://www.Xtrackers.com> for the latest list of Hong Kong Authorised Participant(s) of each Sub-Fund to which this Prospectus relates. Other Authorised Participants may be appointed.

### **Hong Kong Administrative Agent**

DWS Investments Hong Kong Limited has been appointed by the Management Company as the Hong Kong Administrative Agent for the Company.

The Hong Kong Administrative Agent will perform Hong Kong Share subscription and redemption confirmation and daily reconciliation for each Sub-Fund to which this Prospectus relates pursuant to the Service Agreement.

Following the listing of the Hong Kong Shares on SEHK, such Hong Kong Shares will be accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from the date of commencement of dealings in the Hong Kong Shares on SEHK or such other date as may be determined by HKSCC, and will thereafter be registered in the name of HKSCC Nominees Limited by the Hong Kong Administrative Agent. Any beneficial interest in the Hong Kong Shares of the Sub-Funds will be shown on the relevant account with an Authorised Participant or by or through any participant in CCASS.

### **Hong Kong Representative**

DWS Investments Hong Kong Limited has been appointed by the Company as the Hong Kong Representative for the Sub-Funds in Hong Kong in accordance with the requirements of the Code.

### **Hong Kong Listing Agent**

Deutsche Bank AG, Hong Kong Branch has been appointed by the Company as the Hong Kong Listing Agent for the Company in accordance with The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

**SEHK Market Maker**

An SEHK Market Maker is a broker or a dealer permitted by SEHK to act as such by making a market for Hong Kong Shares in the secondary market on SEHK. The obligations of an SEHK Market Maker include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for Hong Kong Shares on SEHK. Such SEHK Market Makers accordingly facilitate the efficient trading of Hong Kong Shares by providing liquidity in the secondary market when it is required in accordance with the market making requirements of SEHK. Subject to applicable regulatory requirements, the Management Company will use its best endeavours to put in place arrangements so that there is at least one SEHK Market Maker for each Sub-Fund to which this Prospectus relates to facilitate efficient trading and that at least one SEHK Market Maker for each Sub-Fund to which this Prospectus relates will give not less than three months' notice prior to terminating the market making arrangement.

Please refer to the website <http://www.Xtrackers.com> for the latest list of SEHK Market Maker(s) which has signed a market making contract with the Company or the Management Company. The list of SEHK Market Maker(s) in respect of each Sub-Fund from time to time will be displayed on [www.hkex.com.hk](http://www.hkex.com.hk).

**Hong Kong Service Agent**

HK Conversion Agency Services Limited is the Hong Kong Service Agent of the Sub-Funds under the terms of the Service Agreement entered into among the Company, the Management Company, the Depositary, the Registrar, the Hong Kong Administrative Agent, HKSCC, the Hong Kong Service Agent and each Hong Kong Authorised Participant, and where the Hong Kong Authorised Participant is a Non-Clearing Participant (as defined in the General Rules of CCASS) an agent of the Hong Kong Authorised Participant will also be a party to the relevant Service Agreement. The Hong Kong Service Agent will perform, in respect of each Sub-Fund, certain services in connection with the creation and redemption of Shares by Authorised Participant(s).



**PRODUCT ANNEX 1: Xtrackers MSCI USA Swap UCITS ETF\***  
**(\*This is a synthetic ETF)**

**1 December 2020**

The information contained in this Product Annex relates to Xtrackers MSCI USA Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors – Index Risks*”.

**Investment Objective and Policy**

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Total Return Net USA Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of the United States. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
Goldman Sachs International	United Kingdom	A1	A+	A+

Morgan Stanley Capital Services LLC (credit support provider: Morgan Stanley)	United States	A2	BBB+	A
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+
HSBC Bank plc	United Kingdom	A1	A+	AA-
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty

Risk Exposure” under the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund's Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI USA Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 8 July 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 8 July 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

#### **General Information relating to the Sub-Fund**

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the relevant Transaction Day

<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

**Description of the Shares available to Hong Kong investors**

<b>Class(es)</b>	
	<b>“1C”</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3020
<b>Listing Date (SEHK)</b>	8 July 2009
<b>Trading Board Lot Size</b>	15 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>1</sup></b>	Up to 0.20% annually, and with effect from 2 December 2020, up to 0.05% annually
<b>Fixed Fee</b>	0.00833% <i>per month</i> (0.10% p.a.)
<b>All-In Fee</b>	Up to 0.30% p.a., and with effect from 2 December 2020, up to 0.15% p.a. The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs” in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 1%

**General Description of the Reference Index**

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. Once becoming aware of such*

<sup>1</sup> 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.

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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.

### **General Information on the Reference Index**

The MSCI Total Return Net USA Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the United States market by targeting all companies with a market capitalisation within the top 85 percent of the United States investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “United States investable equity universe” refers to the United States companies that are available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

##### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 December 1969.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.

- Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
- Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 19 December 2006 and continued until 19 December 2007 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .dMIUS00000NUS and the Bloomberg code is NDDUUS<Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING

OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.



## PRODUCT ANNEX 2: Xtrackers MSCI Taiwan UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Taiwan 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Taiwan 20/35 Custom Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Taiwan, subject to a maximum weight applicable to the constituents based on the free float-adjusted market capitalization. The maximum weighting cap is applied as of each quarterly index rebalance date. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

In between the quarterly index rebalancing dates of the Reference Index, index constituent movements may cause one or more index constituents (at group entity level) to exceed the applicable concentration limits as in the main part of the Prospectus under “Investment Restrictions” (the “**Diversification Limits**”). In such cases, the Management Company will monitor the Sub-Fund’s portfolio in accordance with internal DWS guidelines and, where possible and after taking into account of the best interests of the Shareholders, seek to adjust the Sub-Fund’s exposure to each relevant index constituent that has exceeded the Diversification Limits with a view to ensure that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. Such portfolio weighting adjustments will normally only be made during instances where the Management Company is engaging with the Sub-Fund’s portfolio management activities (such as primary market creations / redemptions, dividend adjustment activities, index rebalancing etc). Such adjustments in the Sub-Fund’s exposure are not expected to result in the actual annualised tracking error of the Sub-Fund exceeding the anticipated level of tracking error as disclosed below under “Description of the Shares available to Hong Kong investors”.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

Because the market which the Reference Index seeks to represent is concentrated on a particular country, 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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".

#### **Use of derivatives / investment in derivatives**

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI Taiwan UCITS ETF 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".

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 30 June 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 30 June 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

#### *Additional Risk Factors relating to the Sub-Fund*

Investors in the Sub-Fund should be aware of the following risks associated with investment in Taiwan:

(a) *Political Risks:* There is a lower level of government supervision and enforcement activity in the regulation of the Taiwan securities market compared to those in more developed markets. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the Sub-Fund. The performance of the Sub-Fund may be affected by uncertainties such as changes in the government in Taiwan or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Taiwan. Each of the government in Taiwan and in the People's Republic of China claims to be the only

legitimate government for Taiwan. There can be no guarantee that the People's Republic of China will not use forcible means, which it has refused to forego, to gain control of Taiwan. The Sub-Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability, higher inflation and other considerations.

(b) *Government Intervention:* There may be substantial government intervention in the economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests. Foreign investment made directly into Taiwan is permitted under the "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals" and relevant foreign exchange settlement procedures. Foreign institutional investors are required to register with the Taiwan Stock Exchange and obtain an investment ID as Foreign Institutional Investors ("FINI"). So far, except for certain investment threshold limitation in the restricted industries, there should be no more investment quotas applicable to FINI.

(c) *Taiwan Exchange Controls:* The repatriation of capital may be hampered by changes in Taiwan regulations concerning exchange controls or political circumstances. Any amendments to the Taiwan exchange control regulations may impact adversely on the performance of the Sub-Fund.

(d) *Past performance risk:* As a result of the change in the Reference Index effective from 1 December 2020, past performance of the Sub-Fund prior to 1 December 2020 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 1 December 2020.

(e) *Tracking error risk:* The weighting of one of the constituents in the Reference Index may exceed 35%, or the weighting of two or more constituents in the Reference Index may exceed 20%, between the rebalancing dates of the Reference Index. On such occasions, in accordance with the concentration limits as described under "Investment Restrictions" in the main part of the Prospectus, the Sub-Fund may rebalance its portfolio such that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. In such circumstances the Sub-Fund may be subject to greater tracking error.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>“1C”</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	55,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	55,000 Shares
<b>Minimum Redemption Amount</b>	55,000 Shares
<b>Stock Code</b>	3036
<b>Listing Date (SEHK)</b>	30 June 2009
<b>Trading Board Lot Size</b>	25 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

<sup>2</sup> 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 Information on the Reference Index

The MSCI Taiwan 20/35 Custom Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Taiwanese market by targeting all companies with a market capitalisation within the top 85 percent of the Taiwan investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Taiwan investable equity universe” refers to the Taiwan companies that are available to the investors worldwide.

The Reference Index is constructed from the MSCI Total Return Net Taiwan Index (the “**Parent Reference Index**”). Capping rules are then applied to the Parent Reference Index to construct the Reference Index in accordance with the MSCI Capped Indexes Methodology. At each quarterly index rebalancing, the weight of the largest group entity is capped at 31.5% and the weights of all other entities are capped at 18% (that is 35% and 20% respectively, with a buffer of 10% applied on these limits at each index rebalancing), and the weight of the remaining securities will be increased in proportion to their weight prior to such capping.

The Parent Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Parent Reference Index (and hence the Reference Index) is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

### Investability Screens

The investability screens used to determine the market investable equity universe of the Parent Reference Index (and hence the Reference Index) are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

#### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

#### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

#### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

*(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70%  $\pm$  5%
- Standard Index: 85%  $\pm$  5%
- Investable Market Index: 99%+1% or -0.5%

Each of the Parent Reference Index and the Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 May 2013.

The Reference Index is calculated in USD and MSCI Local Currency on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance in respect of the Parent Reference Index and the Reference Index involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.

- Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
- Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

**Index Licence**

The initial term of the licence of the Reference Index commences on 31 January 2020 and will continue until 30 January 2021 on which date the licence will be automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

**Further Information**

The Reuters code is .dMITW000C3NUS and the Bloomberg code is NU728263. You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>. Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

**IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. (“MSCI”), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE “MSCI PARTIES”). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION,

MARKETING OR OFFERING OF THIS SUB-FUND.

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NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCl TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCl TO DETERMINE WHETHER MSCl'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCl WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCl.



**PRODUCT ANNEX 3: Xtrackers Nifty 50 Swap UCITS ETF\***  
**(\*This is a synthetic ETF)**

**1 December 2020**

The information contained in this Product Annex relates to Xtrackers Nifty 50 Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors – Index Risks*”.

**Investment Objective and Policy**

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the Nifty 50 Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a well diversified 50 stock index accounting for various sectors of the Indian economy. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
HSBC Bank plc	United Kingdom	A1	A+	AA-
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+

Goldman Sachs International	United Kingdom	A1	A+	A+
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure" under the "Investment Objectives and Policies" section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to "Collateral Arrangements

Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund’s Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers Nifty 50 Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 8 July 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 8 July 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

#### *Additional Risk Factors relating to the Sub-Fund*

Investors in the Sub-Fund should be aware of the following risks associated with investment in Indian market:

(a) *Indian Exchange Controls:* There can be no assurance that the Indian Government will not, in future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Sub-Fund.

(b) *Corporate Disclosure, Accounting and Regulatory Standards:* Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD (Organisation for Economic Co-operation and Development) countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Management Company experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Sub-Fund has

indirectly invested. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

(c) *Economic, Political and Taxation Considerations:* The Sub-Fund, the market price and liquidity of the underlying securities may be affected generally by exchange rates and controls, interest rates, changes in Indian governmental policy, taxation, social and religious instability and other political, economic or other developments in or affecting India.

(d) *Clearing, Settlement and Registration Systems:* Although the Indian primary and secondary equity markets have grown rapidly over the last few years and the clearing, settlement and registration systems available to effect trades on the Indian stock markets have significantly improved with mandatory dematerialisation of shares, these processes may still not be on a par with those in more mature markets. Problems of settlement in India may impact on the value of the Shares and the liquidity of the Sub-Fund.

(e) *Fraudulent Practices:* SEBI (the Securities and Exchange Board of India) was set up by the Government in April 1992, and performs the function of “promoting the development of and regulation of the Indian securities market, the protection of the interest of shareholders as well as matters connected therewith and incidental thereto”. The Securities and Exchange Board of India Act of 1992 has entrusted the SEBI with much wider powers and duties, which inter alia, include prohibition of fraudulent and unfair trade practices relating to the stock markets including insider trading and regulation of substantial acquisitions of shares and takeovers of companies. The Indian stock exchanges have been subject to broker defaults, failed trades and settlement delays in the past and such events may have adverse impact on the value of Shares of the Sub-Fund. In addition, in the event of occurrence of any of the above events, or in the event of SEBI having reasonable ground to believe that the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market, SEBI can impose restrictions on trading in certain securities, limitations on price movements and margin requirements, which could adversely impact the liquidity of the Sub-Fund.

(f) *Taxation in India:* According to the OTC Swap Transaction(s) entered into between the Sub-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect certain index replication costs associated with, amongst others, taxes or other duties imposed on the buying or selling of the constituents of the Reference Index. Investors should note that capital gains on the sale of constituents of the Reference Index may be subject to capital gains tax in India which may be included in the index replication costs. The applicability of capital gains tax depends on various factors, including but not limited to the length of the relevant holding period and the applicability and conditions of any relevant double tax treaties, and these factors may change from time to time. As a result, the attention of investors is drawn to the fact that the Net Asset Value of the Sub-Fund may be adversely impacted by any such index replication costs, which would lead to a tracking error between the performance of the Sub-Fund and the Reference Index. Investors should also refer to “Investment Objective and Policy” above and the risk factor “Adjustment to OTC Swap Transactions to Reflect OTC Swap Transaction Costs” in the main part of the Prospectus.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	NSE Indices Limited

#### Description of the Shares available to Hong Kong investors

Class(es)	
	“1C”
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3015
<b>Listing Date (SEHK)</b>	8 July 2009

Class(es)	
	"1C"
Trading Board Lot Size	5 Hong Kong Shares
Trading Currency	HKD
Management Company Fee <sup>1</sup>	Up to 0.65% annually
Fixed Fee	0.016667% per month (0.20% p.a.)
All-In Fee	Up to 0.85% p.a.  The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section "Adjustment to OTC Swap Transactions to reflect certain transaction costs" in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
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 2%

#### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

#### General Information on the Reference Index

Nifty 50 Index (the "Reference Index") is a well diversified 50 stock index accounting for various sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds.

The Reference Index is owned and administered by NSE Indices Limited (NSE).

#### Method of Computation

The Reference Index is computed using a free float market capitalisation weighted method, wherein the level of the Reference Index reflects the free float market capitalisation value of all the stocks in the Reference Index. The free float factor for each company in the Reference Index will be determined based on the public

<sup>1</sup> 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.

shareholding of the companies as disclosed in the shareholding pattern submitted to the stock exchanges by these companies on a quarterly basis. The method also takes into account constituent changes in the Reference Index and importantly corporate actions such as stock splits, rights, etc. without affecting the Reference Index value.

The index is calculated in Indian Rupees.

The Reference Index is reviewed semi-annually, and a six-week notice is given to the market before making any changes to the index constituents.

### Base Date and Value

The base period selected for Reference Index is the close of prices on 3 November 1995, which marks the completion of one year of operations of NSE's Capital Market Segment. The base value of the Reference Index has been set at 1000 and a base capital of Rs.2.06 trillion.

### Criteria for Selection of Constituent Stocks

The constituents and the criteria for the selection judge the effectiveness of the Reference Index. Selection of the Reference Index set is based on 4 criteria:

- 1) Liquidity (Impact Cost)
- 2) Market Capitalisation
- 3) Floating Stock
- 4) Others

#### 1) Liquidity (Impact Cost)

For inclusion in the Reference Index, the security should have traded at an average impact cost of 0.50 percent or less during the last six months for 90 percent of the observations for a basket size of Rs. 2 crores. 1 Crore is equal to 10,000,000.

Impact cost is cost of executing a transaction in a security in proportion to the weighting of its market capitalisation as against the Reference Index market capitalisation at any point of time. This is the percentage mark up suffered while buying / selling the desired quantity of a security compared to its ideal price (best buy + best sell) / 2

For example, for the below order book:

Buy (Qty.)	Buy (Price)	Sell (Qty.)	Sell (Price)
1000	98	1000	99
2000	97	1500	100
1000	96	1000	101

To Buy 1500 Shares:

$$\text{Ideal Price} = (99 + 98)/2 = 98.5$$

$$\text{Actual Buy Price} = (1000 \times 99 + 500 \times 100)/1500 = 99.33$$

$$\text{(For 1500 shares) Impact Cost} = [(99.33 - 98.5)/98.5] \times 100 = 0.84\%$$

#### 2) Market Capitalisation

Companies eligible for inclusion in the Reference Index must have a six monthly average market capitalisation of Rs.500 crores or more during the last six months.

#### 3) Floating Stock

Companies eligible for inclusion in the Reference Index should have at least 10 percent floating stock. For this purpose, floating stock shall mean stocks which are not held by the promoters and associated entities (where identifiable) of such companies.

#### 4) Others

A company which comes out with an IPO (Initial Public Offering) will be eligible for inclusion in the Reference Index, if it fulfils the normal eligibility criteria for the Reference Index like impact cost, market capitalisation and floating stock, for a 3 month period instead of a 6 month period.

#### Index Licence

The initial term of the licence agreement of the Reference Index commenced on 11 June 2007. The licence agreement has since been renewed and the current licence agreement will expire on 31 March 2018 on which date the licence shall be automatically renewed for successive terms of 12 months unless either party terminates the licence agreement by giving the other party 90 days prior written notice. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### Further Information

The Reuters code is .NSEI=U and the Bloomberg code is BXTRNIFT <Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <http://www.niftyindices.com/reports/monthly-reports>.

Further information on the Reference Index is available on the NSE website [www.nseindia.com](http://www.nseindia.com).

### IMPORTANT

XTRACKERS NIFTY 50 SWAP UCITS ETF\* (\*THIS IS A SYNTHETIC ETF) (THE "PRODUCT(S)") IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY NSE INDICES LIMITED ("NSE"). NSE DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE OWNERS OF THE PRODUCT(S) OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN SECURITIES GENERALLY OR IN THE PRODUCT(S) PARTICULARLY OR THE ABILITY OF THE NIFTY 50 INDEX TO TRACK GENERAL STOCK MARKET PERFORMANCE IN INDIA. THE RELATIONSHIP OF NSE TO THE COMPANY IS ONLY IN RESPECT OF THE LICENSING OF THE NIFTY 50 INDEX AND CERTAIN TRADEMARKS AND TRADE NAMES ASSOCIATED WITH THE NIFTY 50 INDEX WHICH IS DETERMINED, COMPOSED AND CALCULATED BY NSE WITHOUT REGARD TO THE COMPANY OR THE PRODUCT(S). NSE DOES NOT HAVE ANY OBLIGATION TO TAKE THE NEEDS OF THE COMPANY OR THE OWNERS OF THE PRODUCT(S) INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE NIFTY 50 INDEX. NSE IS NOT RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THE PRODUCT(S) TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY WHICH THE PRODUCT(S) IS TO BE CONVERTED INTO CASH. NSE HAS NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF THE PRODUCT(S).

NSE DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE NIFTY 50 INDEX OR ANY DATA INCLUDED THEREIN AND THEY SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NSE DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE COMPANY, OWNERS OF THE PRODUCT(S), OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NIFTY 50 INDEX OR ANY DATA INCLUDED THEREIN. NSE MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NIFTY 50 INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, NSE EXPRESSLY DISCLAIM ANY

AND ALL LIABILITY FOR ANY CLAIMS, DAMAGES OR LOSSES ARISING OUT OF OR RELATED TO THE PRODUCTS, INCLUDING ANY AND ALL DIRECT, SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

AN INVESTOR, BY SUBSCRIBING OR PURCHASING AN INTEREST IN THE PRODUCT(S), WILL BE REGARDED AS HAVING ACKNOWLEDGED, UNDERSTOOD AND ACCEPTED THE DISCLAIMER REFERRED TO ABOVE AND WILL BE BOUND BY IT.

### ***Selling Restrictions Due to SEBI FII Regulations***

*The Sub-Fund's Shares and any beneficial interests therein may not be acquired or held by any Person Resident in India or any Non-resident Indian. The Securities and Exchange Board of India (SEBI) FII (Foreign Institutional Investor) Regulations defines such terms as set forth below.*

"Person Resident in India" means:

- i. a Person residing in India for more than one hundred and eighty two (182) days during the course of the preceding financial year but does not include:
  - (A) a person who has gone out of India or who stays outside India in either case:
    1. for taking up employment outside India;
    2. for carrying on outside India a business or vocation outside India; or
    3. for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period; or
  - (B) a person who has come to or stays in India, in either case, otherwise than:
    1. for or on taking up employment in India;
    2. for carrying on in India a business or vocation in India; or
    3. for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;
- ii. any Person or body corporate registered or incorporated in India;
- iii. an office, branch or agency in India owned or controlled by a Person Resident Outside India; or
- iv. an office, branch or agency outside India owned or controlled by a person resident in India.

A "Non-resident Indian" means a person resident outside India who is a citizen of India or is a Person of Indian Origin.

"Person of Indian Origin" means a citizen of any country other than Bangladesh or Pakistan, if:

- i. he at any time held an Indian passport; or
- ii. he or either of his parents or any of his grand-parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- iii. the person is a spouse of an Indian citizen or a person referred to in sub-clause (i) or (ii).

Any Shareholder 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 a Person Resident in India or any Non-resident Indian.

If at any time it shall come to the Company's attention that Shares are legally or beneficially owned directly or indirectly by one of the persons mentioned above, either alone or in conjunction with any other person, and such person fails to comply with the instructions of the Company to dispose his Shares and to provide the Company with evidence of such disposition 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 persons mentioned above of



such compulsory redemption, the Shares will be redeemed in accordance with their respective terms and such investors will cease to be the legal or beneficial owners of such Shares.

Shareholders hereby acknowledge that the Company at the request of the Swap Counterparty may, from time to time, request certain information corresponding to requests made by, or in accordance with the applicable rules or regulations of, Securities and Exchange Board of India or other Indian governmental or regulatory authority (each, an "Indian Authority") regarding a Shareholder. The Shareholders hereby consent to the provision by the Sub-Fund to any Indian Authority or the Swap Counterparty any information regarding the investors as required under applicable Indian regulations and/or as requested by any Indian Authority.

## PRODUCT ANNEX 4: Xtrackers MSCI Korea UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Korea 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Korea 20/35 Custom Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Korea, subject to a maximum weight applicable to the constituents based on the free float-adjusted market capitalization. The maximum weighting cap is applied as of each quarterly index rebalance date. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

In between the quarterly index rebalancing dates of the Reference Index, index constituent movements may cause one or more index constituents (at group entity level) to exceed the applicable concentration limits as in the main part of the Prospectus under “Investment Restrictions” (the “**Diversification Limits**”). In such cases, the Management Company will monitor the Sub-Fund’s portfolio in accordance with internal DWS guidelines and, where possible and after taking into account of the best interests of the Shareholders, seek to adjust the Sub-Fund’s exposure to each relevant index constituent that has exceeded the Diversification Limits with a view to ensure that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. Such portfolio weighting adjustments will normally only be made during instances where the Management Company is engaging with the Sub-Fund’s portfolio management activities (such as primary market creations / redemptions, dividend adjustment activities, index rebalancing etc). Such adjustments in the Sub-Fund’s exposure are not expected to result in the actual annualised tracking error of the Sub-Fund exceeding the anticipated level of tracking error as disclosed below under “Description of the Shares available to Hong Kong investors”.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

Because the market which the Reference Index seeks to represent is concentrated on a particular country, 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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".

#### **Use of derivatives / investment in derivatives**

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI Korea UCITS ETF 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".

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 8 July 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 8 July 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

#### *Additional Risk Factors relating to the Sub-Fund*

Investors in the Sub-Fund should be aware of the following risks associated with investment in South Korea:

(a) *Political Risks:* Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the Sub-Fund. In particular, investors should note that North and South Korea each have substantial military capabilities and historical tensions between the two countries present an ongoing risk of military action. Lack of available information

regarding North Korea is also a significant risk factor. There is a lower level of government supervision and enforcement activity in the regulation of the South Korean securities market compared to those in more developed markets. The performance of the Sub-Fund may be affected by uncertainties such as changes in the government in South Korea or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of South Korea. The Sub-Fund's assets may be affected by other political or diplomatic uncertainty or developments including potential for increasing militarisation in North Korea, social and religious instability, higher inflation and other considerations.

(b) *Structural risks and government Intervention:* Investors should be aware there may be substantial economic and structural risks affecting investment in South Korea, including (i) substantial government intervention in the economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests; (ii) a general lack of regulatory transparency; and (iii) a higher prevalence of corruption and insider trading in the South Korean economic systems compared with those in more developed markets. These structural risks might have an impact of the performance of the Sub-Fund.

(c) *Korean Exchange Controls:* There can be no assurance that the Korean Government will not, in future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Korean regulations concerning exchange controls or political circumstances. Any amendments to the Korean exchange control regulations may impact adversely on the performance of the Sub-Fund.

(d) *Past performance risk:* As a result of the change in the Reference Index effective from 1 December 2020, past performance of the Sub-Fund prior to 1 December 2020 was achieved under circumstances which no longer apply. Investors should exercise caution when considering the past performance of the Sub-Fund prior to 1 December 2020.

(e) *Tracking error risk:* The weighting of one of the constituents in the Reference Index may exceed 35%, or the weighting of two or more constituents in the Reference Index may exceed 20%, between the rebalancing dates of the Reference Index. On such occasions, in accordance with the concentration limits as described under "Investment Restrictions" in the main part of the Prospectus, the Sub-Fund may rebalance its portfolio such that no constituent in the portfolio represents more than 35% of the portfolio and no two or more constituents represent more than 20% of the portfolio. In such circumstances the Sub-Fund may be subject to greater tracking error.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70 percent of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15 percent, and the Securities Lending Agent will be allocated 15 percent. To facilitate this, the Sub-Fund will initially receive 85 percent of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)
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### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>“1C”</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	20,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	20,000 Shares
<b>Minimum Redemption Amount</b>	20,000 Shares
<b>Stock Code</b>	2848
<b>Listing Date (SEHK)</b>	8 July 2009
<b>Trading Board Lot Size</b>	10 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.016667% per month (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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*

<sup>2</sup> 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.

of the relevant Reference Index.

### **General Information on the Reference Index**

The MSCI Korea 20/35 Custom Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Korean market by targeting all companies with a market capitalisation within the top 85 percent of the Korean investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Korean investable equity universe” refers to the Korean companies that are available to the investors worldwide.

The Reference Index is constructed from the MSCI Total Return Net Korea Index (the “**Parent Reference Index**”). Capping rules are then applied to the Parent Reference Index to construct the Reference Index in accordance with the MSCI Capped Indexes Methodology. At each quarterly index rebalancing, the weight of the largest group entity is capped at 31.5% and the weights of all other entities are capped at 18% (that is 35% and 20% respectively, with a buffer of 10% applied on these limits at each index rebalancing), and the weight of the remaining securities will be increased in proportion to their weight prior to such capping.

The Parent Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Parent Reference Index (and hence the Reference Index) is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Parent Reference Index (and hence the Reference Index) are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

*(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70%  $\pm$  5%
- Standard Index: 85%  $\pm$  5%
- Investable Market Index: 99%+1% or -0.5%

Each of the Parent Reference Index and the Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 May 2013.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance in respect of the Parent Reference Index and the Reference Index involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).

- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commences on 31 January 2020 and will continue until 30 January 2021 on which date the licence will be automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .dMIKR00003NUS and the Bloomberg code is NU728832.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS



ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 5: Xtrackers FTSE China 50 UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers FTSE China 50 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the FTSE CHINA 50 Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is designed to represent the performance of the stocks of the mainland Chinese market that are available to international investors. The Reference Index includes 50 companies that trade on the SEHK. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

### Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

### Profile of Typical Investor

An investment in the Xtrackers FTSE China 50 UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 8 July 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 8 July 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

#### *Additional Risk Factors relating to the Sub-Fund*

Investors in the Sub-Fund should be aware of the following risks associated with investment in mainland China (the "PRC"):

(a) *Political, Economic and Social Risks:* Any political changes, social instability and unfavourable diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some of the constituents of the Reference Index. Investors should also note that any change in the policies of the PRC may impose an adverse impact on the securities markets in such place as well as the performance of the Sub-Fund.

(b) *PRC Economic Risks:* 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 a transformation will be continued or be successful. All these may have an adverse impact upon the performance of the Sub-Fund.

(c) *Legal System of the PRC:* The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in the PRC are relatively new and their application is uncertain. Such regulations also empower the China Securities Regulatory Commission ("CSRC") and the State Administration of Foreign Exchange ("SAFE") to exercise discretion in their respective interpretation of the regulations, which may result in uncertainties in their application.

(d) *Taxation in the PRC:* Various tax reforms and policies have been implemented by the PRC government authorities in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the companies in the PRC and detrimentally impact the performance of the Reference Index, to which the Sub-Fund is linked.

(e) *Accounting and Reporting Standards:* Accounting, auditing and financial reporting standards and practices applicable to companies in some parts of 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.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to ten Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	FTSE International Limited

#### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>"1C"</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	40,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	40,000 Shares
<b>Minimum Redemption Amount</b>	40,000 Shares
<b>Stock Code</b>	3007
<b>Listing Date (SEHK)</b>	8 July 2009
<b>Trading Board Lot Size</b>	10 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.40% annually

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<sup>2</sup> 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.

Class(es)	
	<b>“1C”</b>
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.60% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### **General Description of the Reference Index**

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### **General Information on the Reference Index**

The FTSE China 50 Index is designed to represent the performance of mainland China that are available to international investors. The Reference Index includes 50 companies that trade on the SEHK.

#### **Index Administrator**

The Index Administrator is FTSE International Limited. The Management Company (and each of its Connected Persons) is independent of FTSE International Limited.

#### **Criteria for inclusion in the index**

##### *Eligible Securities*

The constituents of the Reference Index are derived from the FTSE All-World Index universe and shall be current constituents of such index.

##### *Liquidity of the Reference Index*

Each security is tested for liquidity on a semi-annual basis in March and September by calculation of its median daily trading per month as part of the FTSE All-World Index review. The median trade is calculated by ranking each daily trade total and selecting the middle ranking day. Daily totals with zero trades are included in the ranking. Therefore a security that fails to trade for more than half of the days in a month will have a zero median trade.

A non-constituent which does not turnover at least 0.05 percent of their shares in issue (after the application of any free float weightings) based on their median daily trading per month in ten of the twelve months prior to a full market review, will not be eligible for inclusion in the Reference Index.

An existing constituent which does not turnover at least 0.04 percent of its shares in issue (after the application of any free float weightings) based on its median daily trading per month for at least eight of the twelve months prior to a full market review will be removed from the Reference Index.

New issues which do not have a twelve month trading record must have a minimum three month trading record when reviewed. They must turnover at least 0.05 percent of their free float adjusted shares based on their median daily trade per month in each month since their listing. This rule will not apply to new issues added under the fast entry rule.

#### *Free Float of the Reference Index*

For securities which have been admitted to the Reference Index that have a free float greater than 5 percent, the actual free float will be rounded up to the next highest whole percentage number. Companies with a free float of 5 percent or below are not eligible for inclusion in the Reference Index.

The Reference Index is reviewed and rebalanced on a quarterly basis in March, June, September and December and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisition.

#### **Review of Constituents**

New issues of companies which do not qualify for early entry (but which meet the criteria for eligible securities) will be eligible for inclusion at the next quarterly review, if large enough to become a constituent of the Reference Index at that time. The company may also qualify for inclusion to the index reserve list.

The quarterly review of the Reference Index constituents takes place in March, June, September and December. The constituents will be reviewed using data from the close of business on the next trading day following the third Friday in February, May, August and November. Any constituent changes will be implemented after the close of business on the third Friday of March, June, September and December. The constituents of the Reference Index are capped using prices adjusted for corporate actions as at the close of business on the second Friday in March, June, September and December. The capping is implemented after close of business on the third Friday in March, June, September and December based on the constituents, shares in issue and free float on the next trading day following the third Friday of the review month.

A company will be inserted into the Reference Index at the periodic review if it rises to 40th position or above when the eligible companies are ranked by full market capitalisation (before the application of any investability weightings).

A company in the Reference Index will be deleted at the periodic review if it falls to 61st position or below when the eligible companies are ranked by full market value (before the application of any investability weightings).

#### **New Issues**

If a new issue is so large, a fast entry will normally be included as a constituent of the Reference Index. To qualify, the company must be a fast entry into the FTSE All-World Index and have a full market capitalisation which would ensure the company joins the Reference Index in 20th position or higher, before the application of individual constituent investability weightings. In such a case, FTSE will normally include the company after the close of business on the fifth day of official trading and advance notification will be given accordingly. The security which is the lowest ranking constituent by full market capitalisation of the Reference Index will be selected for removal.

For the purposes of computing the Reference Index and to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the Reference Index system changes by more than 1 percent on a cumulative basis.

Changes of shares in issue not arising from corporate actions, amounting to less than 10 percent of the number of shares in issue but more than 1 percent will be made quarterly after the close of trading on the third Friday of March, June, September and December. The cut-off for these changes will be the close of business on the third Wednesday of the month prior to the review month.

If the cumulative unapplied changes in the number of shares in issue is 10 percent or greater of the total Reference Index shares in issue or it represents at least USD 2 billion of a company's total market capitalisation, the change is implemented between quarters. A minimum of 4 days notice will be given to users of the index. WM/Reuters Spot Rates are used to convert the market capitalisation into USD. The USD 2 billion threshold may be adjusted annually in December.

#### **Share Descriptions**

The following types of shares are eligible for inclusion in the Reference Index:

- (i) H shares, which are securities of companies incorporated in mainland China and nominated by the Central Government for listing and trading on the SEHK. They are quoted and traded in Hong Kong dollars. Like other securities trading on the SEHK, there are no restrictions on who can trade H shares.
- (ii) Red Chip shares, which are securities of companies incorporated outside mainland China that trade on the SEHK. Red Chips are companies that are substantially owned, directly or indirectly, by mainland Chinese state entities with the majority of revenue or assets derived from mainland China.
- (iii) P Chip shares, which are securities of companies incorporated outside the mainland China that trade on the SEHK. P Chips are companies that are controlled by mainland Chinese individuals, with a majority of their revenue or assets derived from mainland China.

#### **Index Licence**

The licence of the Reference Index was granted as of 10 October 2008 and continued until 13 June 2010. Upon the expiration of the initial term, the licence has been automatically renewed and should be continually renewed for successive terms of three years unless six months' notice is given by either party prior to the end of any three-year term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reference Index is calculated in HKD.

The Bloomberg code is GPDEU3TR <Index><GO> and the Reuters code is . TFTGPDEU003U.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights>.

Further information on the Reference Index is available on the Index Administrator website: [www.ftserussell.com](http://www.ftserussell.com).

### **IMPORTANT**

THE SUB-FUND HAS BEEN DEVELOPED SOLELY BY THE COMPANY. THE SUB-FUND IS/ARE NOT IN ANY WAY CONNECTED TO OR SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE LONDON STOCK EXCHANGE GROUP PLC AND ITS GROUP UNDERTAKINGS (COLLECTIVELY, THE "LSE GROUP"). FTSE RUSSELL IS A TRADING NAME OF CERTAIN OF THE LSE GROUP COMPANIES. ALL RIGHTS IN THE FTSE CHINA 50 INDEX VEST IN THE RELEVANT LSE GROUP COMPANY WHICH OWNS THE INDEX. "FTSE®" IS A TRADE MARK OF THE RELEVANT LSE GROUP COMPANY AND IS USED BY ANY OTHER LSE GROUP COMPANY UNDER LICENSE.

THE INDEX IS CALCULATED BY OR ON BEHALF OF FTSE INTERNATIONAL LIMITED OR ITS AFFILIATE, AGENT OR PARTNER. THE LSE GROUP DOES NOT ACCEPT ANY LIABILITY WHATSOEVER TO ANY PERSON ARISING OUT OF (A) THE USE OF, RELIANCE ON OR ANY ERROR IN THE INDEX OR (B) INVESTMENT IN OR OPERATION OF THE SUB-FUND. THE LSE GROUP MAKES NO CLAIM, PREDICTION, WARRANTY OR REPRESENTATION EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE SUB-FUND OR THE SUITABILITY OF THE INDEX FOR THE PURPOSE TO WHICH IT IS BEING PUT BY THE COMPANY.

## PRODUCT ANNEX 6: Xtrackers FTSE Vietnam Swap UCITS ETF\*

(\*This is a synthetic ETF)

1 December 2020

The information contained in this Product Annex relates to Xtrackers FTSE Vietnam Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the FTSE Vietnam Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 1C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index comprises those companies (roughly 20) of the FTSE Vietnam All-Share Index that have sufficient foreign ownership availability. The FTSE Vietnam Index provides a broad coverage of the Vietnamese equity market.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
HSBC Bank plc	United Kingdom	A1	A+	AA-
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+



Goldman Sachs International	United Kingdom	A1	A+	A+
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

Because the market which the Reference Index seeks to represent is concentrated on a particular country, 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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty

Risk Exposure” under the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

### **Use of derivatives / investment in derivatives**

The Sub-Fund's net derivative exposure may be more than 50% but up to 100% of the Sub-Fund's Net Asset Value.

### **Profile of Typical Investor**

An investment in the Xtrackers FTSE Vietnam Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 8 July 2009. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 8 July 2009. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange, Singapore Exchange Securities Trading Limited and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

### ***Additional Risk Factors relating to the Sub-Fund***

Investors in the Sub-Fund should be aware of the following risks associated with investment in Vietnam:

(a) *Vietnam Market Risk:* Investments in Vietnam are currently exposed to risks pertaining to the Vietnamese market. These include risks brought about by current investment ceiling limits where foreign investors are subject to certain holding limits; potential change of the current market mechanism which may involve the conversion of the existing two securities trading centres and the depository centre from a state agency to a business-oriented legal entity; and constraints currently imposed on trading of listed securities where a registered foreign investor may only maintain a trading account with one licensed securities company

in Vietnam. These may contribute to the illiquidity of the Vietnamese securities market, create inflexibility and uncertainty on the trading environment.

(b) *Legal Risk:* The economy of Vietnam is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in a relatively early stage of development and are not as well established as the laws and regulations of developed countries. Vietnamese securities laws and regulations are still in their development stage 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 Vietnam shall apply (unless an applicable international treaty provides otherwise). The Vietnamese court system is not as transparent and effective as court systems in more developed countries and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Vietnam and generally the judgements of foreign courts are not recognised.

(c) *Regulatory Risk:* Foreign investment in Vietnam's primary and secondary securities markets is still relatively new and much of Vietnam's existing securities laws are 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 are in the early stages of development, and remain untested. The regulatory framework of the Vietnam primary and secondary securities markets is still in the development stage compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the Vietnam primary and secondary securities markets.

(d) *Foreign Exchange Risk:* The Vietnamese Dong ("VND") is a controlled currency, with an official US\$/VND reference exchange rate set by the State Bank of Vietnam ("SBV") on a daily basis. Interbank rates are allowed to fluctuate within a specified band which may be higher or lower than the SBV's published official rate. Investors should note the risks of limited liquidity in the Vietnam foreign exchange market.

(e) *Trading Volumes and Volatility:* The Ho Chi Minh Stock Exchange has lower trading volumes and shorter trading hours than most OECD exchanges and the market capitalisations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in Vietnam are accordingly materially less liquid, subject to greater dealer spreads and experience materially greater volatility than those of OECD countries. The Ho Chi Minh Stock Exchange has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Net Asset Value of the Sub-Fund.

(f) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Vietnamese Dong, the differences in trading hours between the Ho Chi Minh Stock Exchange and SEHK and the differences in the settlement cycles between the Ho Chi Minh Stock Exchange and SEHK. Another factor increasing the premium/discount is that the Sub-Fund's investment exposure to Vietnam is subject to some specific market restrictions, including but not limited to the trading limit imposed by the Ho Chi Minh Stock Exchange (please refer to the section headed "Trading limit imposed by the Ho Chi Minh Stock Exchange" below for further details), sub-optimal market liquidity and foreign ownership limits.

(g) *Trading limit imposed by the Ho Chi Minh Stock Exchange:* The Ho Chi Minh Stock Exchange imposes certain daily up/down trading limits from the previous closing price of each listed share. Over the course of the previous 12 months, the daily trading limit was normally 5 percent, although from 27 March 2008 to 4 April 2008, the trading limit was temporarily lowered to 1 percent. As of 29 May 2009, the trading limit was 5 percent. Such trading limits may increase the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	FTSE International Limited

### Description of the Shares available to Hong Kong investors

Class(es)	
	“1C”
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3087
<b>Listing Date (SEHK)</b>	8 July 2009
<b>Trading Board Lot Size</b>	10 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>1</sup></b>	Up to 0.65% annually
<b>Fixed Fee</b>	0.016667% per month (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.85% p.a.  The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs” in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

#### The Reference Index

<sup>1</sup> 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.

The Reference Index is part of the FTSE Vietnam Index Series and is a subset of the FTSE Vietnam All-Share Index and comprises those companies that have sufficient foreign ownership availability.

The Reference Index is a gross total return index. A gross total return index calculates the performance of the index constituents assuming that all dividends and distributions are reinvested on a gross basis.

FTSE International Limited (FTSE) is the Index Administrator for the Reference Index. The Management Company (and each of its Connected Persons) is independent of FTSE.

#### **General Information on the FTSE Vietnam Index Series**

The FTSE Vietnam Index Series is designed to represent the performance of the Vietnamese market, providing investors with a comprehensive and complementary set of indices.

The FTSE Vietnam Index Series contains the following indices:

- The Reference Index

The Reference Index is a subset of the FTSE Vietnam All-Share Index and comprises of those companies (roughly 20) that have sufficient foreign ownership availability.

- FTSE Vietnam All-Share Index

Provides a broader coverage of the Vietnamese equity market and comprises of the top 90 percent of the eligible universe ranked by full market capitalisation (roughly 27 companies).

#### **Monitoring of Eligible Companies**

All classes of ordinary shares in issue that have a full listing on the Ho Chi Minh Stock Exchange are eligible for inclusion in the FTSE Vietnam Index Series, subject to confirming with all other rules of eligibility.

#### **Index Reviews**

The FTSE Vietnam Index Series will be reviewed on a monthly basis based on data from the close of business on the first Friday of each month. Changes arising from the monthly reviews will be implemented after the close of business on the third Friday of each month.

#### **Review Process**

The FTSE Vietnam Index Series eligible universe is ranked by full market capitalisation, i.e. before the application of any investability weightings.

A company will be inserted into the FTSE Vietnam All-Share Index at the periodic review if it rises to 88 percent of full market capitalisation or above.

A company will be deleted at the periodic review if it falls to the position 92 percent of full market capitalisation or below.

The Reference Index is based on the constituents of the FTSE Vietnam All-Share Index and will exclude companies with a foreign ownership restriction of 5 percent or below. However, those stocks will be considered for inclusion at the periodic reviews when their foreign ownership availability increases to more than 10 percent.

At review the Reference Index constituents' are capped if their weight within the Reference Index is greater than 15 percent.

A constant number of constituents will not be maintained for each index in the FTSE Vietnam Index Series.

#### **Foreign Ownership Restriction**

The FTSE Vietnam Index Series is adjusted for foreign ownership restrictions (shares that are available to international investors) and free float (shares that are available after strategic shareholders such as government and trade investments have been removed). Changes in foreign ownership restrictions and free float will be implemented at the periodic reviews.

A security that has a foreign ownership restriction of 5 percent or less will be ineligible for inclusion in the FTSE Vietnam Index Series.

#### **Foreign Ownership Availability**

In addition to foreign ownership restrictions the Reference Index uses foreign ownership availability to determine the index constituents. Foreign ownership availability is calculated by removing the current shares held by international investors from the existing company foreign ownership restriction. For example, if

international investors own 32 percent of a company with a 49 percent foreign ownership restriction, then the foreign ownership availability is 17 percent (49 percent - 32 percent = 17 percent). Foreign ownership availability will be rounded up to the next highest integer.

A security that has a foreign ownership availability of 2 percent or less will be ineligible for inclusion in the Reference Index. A company already included in the Reference Index will be excluded if the foreign ownership availability drops to 2 percent or below.

Changes in foreign ownership availability will be implemented at the periodic reviews.

#### **Intra-review Additions and Deletions**

To qualify as a Fast Entry, a company must after the close of business on their 5th trading day, have a full market capitalisation that would ensure the company joins the FTSE Vietnam Index Series in 5th position or higher and a foreign ownership availability of greater than 10 percent. Where the foreign ownership availability is 10 percent or less the new issue will only be added to the FTSE Vietnam All-Share Index.

If a constituent is de-listed from the Ho Chi Minh Stock Exchange, ceases to have a firm quotation, is subject to a takeover or has, in the opinion of FTSE, ceased to be a viable constituent as defined by these rules, it will be removed from the FTSE Vietnam Index Series and will not be replaced until the next respective review.

#### **Liquidity**

Companies that do not trade more than USD 100,000 on an average daily basis over a three month period prior to the index review will be excluded from the FTSE Vietnam Index Series. A minimum trading record of at least 20 trading days prior to the date of the review is required.

#### *Free Float*

The Reference Index is an actual free float-adjusted market capitalisation index. Actual free float (rounded up to the next 1 percent) will be used.

The Reference Index is reviewed and rebalanced on a quarterly basis in March, June, September and December and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisitions.

#### **Index Licence**

The licence of the Reference Index was granted as of 22 August 2007 and continued until 13 June 2010. Upon the expiration of the initial term, the licence has been automatically renewed and should be continually renewed for successive terms of three years unless six months' notice is given by either party prior to the end of any three-year term. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reference Index is calculated in Vietnamese Dong.

The Bloomberg code is: TFVTTU <INDEX><GO> and the Reuters code is .TFTFVTTU.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.ftserussell.com/analytics/factsheets/home/constituentsweights>.

Full index rules are published and available on the Index Administrator website, [www.ftserussell.com](http://www.ftserussell.com).

### **IMPORTANT**

THE SUB-FUND HAS BEEN DEVELOPED SOLELY BY THE COMPANY. THE SUB-FUND IS/ARE NOT IN ANY WAY CONNECTED TO OR SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE LONDON STOCK EXCHANGE GROUP PLC AND ITS GROUP UNDERTAKINGS (COLLECTIVELY, THE "LSE GROUP"). FTSE RUSSELL IS A TRADING NAME OF CERTAIN OF THE LSE GROUP COMPANIES.

ALL RIGHTS IN THE FTSE VIETNAM INDEX VEST IN THE RELEVANT LSE GROUP COMPANY WHICH OWNS THE INDEX. "FTSE®" IS A TRADE MARK OF THE RELEVANT LSE GROUP COMPANY AND IS USED BY ANY OTHER LSE GROUP COMPANY UNDER LICENSE.

THE INDEX IS CALCULATED BY OR ON BEHALF OF FTSE INTERNATIONAL LIMITED OR ITS AFFILIATE, AGENT OR PARTNER. THE LSE GROUP DOES NOT ACCEPT ANY LIABILITY WHATSOEVER TO ANY PERSON ARISING OUT OF (A) THE USE OF, RELIANCE ON OR ANY ERROR IN THE INDEX OR (B) INVESTMENT IN OR OPERATION OF THE SUB-FUND. THE LSE GROUP MAKES NO CLAIM, PREDICTION, WARRANTY OR REPRESENTATION EITHER AS TO THE RESULTS TO BE OBTAINED FROM THE SUB-FUND OR THE SUITABILITY OF THE INDEX FOR THE PURPOSE TO WHICH IT IS BEING PUT BY THE COMPANY.

## PRODUCT ANNEX 7: Xtrackers MSCI Brazil UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Brazil 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors – Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Total Return Net Brazil Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Brazil. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### Use of derivatives / investment in derivatives

The Sub-Fund’s net derivative exposure may be up to 50% of the Sub-Fund’s Net Asset Value.



### Profile of Typical Investor

An investment in the Xtrackers MSCI Brazil UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 24 February 2010. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 24 February 2010. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risks associated with investment in emerging markets and in Brazil:

(a) *Emerging Market Risk:* Brazil is considered as an emerging market country. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of expropriation of assets and the risk of war.

(b) *Legal Risk:* The economy of Brazil is slightly less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. In the event of a securities related dispute involving a foreign party, the laws of Brazil may apply. The Brazilian court system is arguably not as effective as court systems in more developed countries and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Brazil.

(c) *Regulatory Risk:* Whilst foreign investment in Brazil's primary and secondary securities markets is not new and Brazil's stock exchange, the BM&F Bovespa, was founded in 1890, certain of Brazil's securities laws are ambiguous. The regulatory framework of the Brazilian primary and secondary securities markets is still evolving compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the Brazilian primary and secondary securities markets.

(d) *Foreign Exchange Risk:* As a general rule, the Central Bank of Brazil and the International Capital and Foreign Exchange Market Regulation allows purchases, sales and transfers of Brazilian Reais by foreigners. However there are certain procedural requirements applicable to, for example, remittances and foreign exchange transaction.

(e) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Brazilian Real and the differences in trading hours between the BM&F Bovespa and SEHK. The differences in trading hours may increase the level of premium/discount because if the BM&F Bovespa is closed while the SEHK is open, the Reference Index level may not be available. The prices quoted by the SEHK 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.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	3:30 p.m. Luxembourg time on the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to ten Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70 percent of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15 percent, and the Securities Lending Agent will be allocated 15 percent. To facilitate this, the Sub-Fund will initially receive 85 percent of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>"2C"</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	230,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	230,000 Shares
<b>Minimum Redemption Amount</b>	230,000 Shares
<b>Stock Code</b>	3048
<b>Listing Date (SEHK)</b>	24 February 2010
<b>Trading Board Lot Size</b>	50 Hong Kong Shares
<b>Trading Currency</b>	HKD

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

Class(es)	
	<b>“2C”</b>
<b>Management Company Fee<sup>2</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### General Information on the Reference Index

The MSCI Total Return Net Brazil Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Brazilian market by targeting all companies with a market capitalisation within the top 85 percent of the Brazilian investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Brazilian investable equity universe” refers to the Brazilian companies that are available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

<sup>2</sup> 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.

### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

#### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

#### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

#### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

#### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security’s foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

#### *(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

#### *(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 December 1987.

The Reference Index is calculated in USD and MSCI Local Currency on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

### **Index Licence**

The initial term of the licence of the Reference Index commenced on 1 September 2008 and continued until 19 December 2008 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Further Information**

The Reuters code is .dMIBR00000NUS and the Bloomberg code is NDUEBRAFF <Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN.

WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 8: Xtrackers MSCI Russia Capped Swap UCITS ETF\*

(\*This is a synthetic ETF)

1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Russia Capped Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Russia Issuers Capped 25% Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company may make dividend payments up to four times per year in respect of Class 2D Shares which is the only Class of Shares available to Hong Kong investors. 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 section “General Information on the Company and the Shares” in the main part of the Prospectus.

The Reference Index is a custom market capitalisation weighted index and is a sub-set index of Russia's standard index, the MSCI Russia Index (the “**Parent Reference Index**”). It contains the same constituents as the Parent Reference Index (currently includes Russia only) except that the weightings of the issuers in the Reference Index are capped. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Reference Index is reviewed and rebalanced on a quarterly basis (at the Quarterly Index Review, the “**QIR**”) and may also be rebalanced at other times in order to reflect corporate activity such as mergers and acquisitions. At each quarterly rebalancing date, the weight of any issuer in the Parent Reference Index which is greater than 25 percent will be capped to 20 percent. The remaining non-capped weight will be redistributed proportionally to all remaining issuers in the Reference Index. Additionally, on a daily basis, if an issuer's weight in the Reference Index is above 25 percent, it will be capped at 20 percent by redistributing the excess weight proportionally to all remaining issuers in the Reference Index. If no issuers have weights exceeding the daily limits or the QIR limits, then all issuers are weighted according to their free float-adjusted market capitalisation applicable to foreign investors.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm's length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.



As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody's	Standard & Poor's	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
HSBC Bank plc	United Kingdom	A1	A+	AA-
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+
Goldman Sachs International	United Kingdom	A1	A+	A+
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

Because the market which the Reference Index seeks to represent is concentrated on a particular country, 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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depository collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure" under the "Investment Objectives and Policies" section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure" in the "Investment Objectives and Policies" section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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".

#### **Use of derivatives / investment in derivatives**

The Sub-Fund's net derivative exposure may be more than 50% but up to 100% of the Sub-Fund's Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI Russia Capped Swap UCITS ETF\* (\*This is a synthetic ETF) 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".

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 24 February 2010. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 24 February 2010. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange and London Stock Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

#### ***Additional Risk Factors relating to the Sub-Fund***

Investors in the Sub-Fund should be aware of the following risks associated with investment in Russia:

(a) *Currency Risk:* The constituent securities of the Reference Index are denominated in Roubles (Russia’s currency). It is possible that the convertibility or transferability of the Rouble may be interrupted or limited and therefore not freely convertible. In the event of an adoption of a moratorium on the payments due under the exchange transactions, calculation of the Reference Index, and consequently the calculation of the Net Asset Value and dealing of Shares on the SEHK, will be suspended.

(b) *Country Risk:* The value of the constituent securities may be affected by political, legal, economic and fiscal uncertainties, and existing laws and regulations may not be consistently applied. The Russian government may also impose restrictions on foreign investment.

(c) *Russian Market Risk:* Investments in Russia are currently exposed to risks pertaining to the Russian market. These include risks brought about by current investment ceiling limits where foreign investors are subject to certain holding limits and constraints currently imposed on trading of listed securities by foreign investors. These may contribute to the illiquidity of the Russian securities market, create inflexibility and uncertainty on the trading environment.

(d) *Legal Risk:* The economy of Russia is substantially less developed than those of other geographic regions such as the United States and Western Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. Russian securities laws and regulations are still in their development stage 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 Russia are likely to apply. The Russian court system is not transparent and is less effective than court systems in more developed countries and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Russia and generally the judgements of foreign courts are not recognised.

(e) *Regulatory Risk:* Foreign investment in Russia’s primary and secondary securities markets is still relatively new and much of Russia’s existing securities laws are ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that due to state hostility to foreign ownership, Russia’s securities market laws and the regulatory environment for primary and secondary market investments by foreign investors are unreliable. The regulatory framework of the Russian primary and secondary securities markets is still backward compared to many of the world’s leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the Russian primary and secondary securities markets.

(f) *Trading Volumes and Volatility:* The Russia Trading System Stock Exchange has lower trading volumes than most OECD exchanges and the market capitalisations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in Russia are accordingly materially less liquid, subject to greater dealer spreads and experience materially greater volatility than those of OECD countries. The Russia Trading System Stock Exchange has in the recent past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Net Asset Value of the Sub-Fund.

(g) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Rouble and the differences in trading hours between the Russia Trading System Stock Exchange and SEHK. The differences in trading hours may increase the level of premium/discount because if the Russia Trading System Stock Exchange is closed while the SEHK is open, the Reference Index level may not be available. The prices quoted by the SEHK 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.

(h) *Cap on Issuers’ Weights:* The Reference Index is a capped version of the Parent Reference Index, as further described under “General Description of the Reference Index”. Accordingly, the weightings of such issuers within the Reference Index may not always be in direct proportion to their free-float adjusted market capitalisation in the Parent Reference Index. This may cause the performance of the Reference Index to diverge from that of the Parent Reference Index by reducing gains or losses on the price of the capped Reference Index issuers.

(i) *Distribution Risk:* There is no assurance that dividends will be declared and paid in respect of the securities comprising the Reference Index. Dividend payment rates in respect of such securities will depend on the performance of the companies of the constituent securities of the Reference Index as well as factors beyond the control of the Company including but not limited to, the dividend distribution policy of these companies. In addition, whether or not distributions will be made by the Company is at the discretion of the Board of Directors taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the Sub-Fund is the same as that of the Reference Index.

(j) *Distribution Out of Capital Risk:* The Company may pay a dividend even where there is no net distributable income (defined as investment income (i.e. dividend income and interest income)) attributable to the relevant share class. In other words, such dividend may be treated as being paid out of the capital of the Sub-Fund. Alternatively, the Company may pay a dividend out of gross income while charging all or part of the Sub-Fund's fees and expenses to the capital of the Sub-Fund, resulting in an increase in the distributable income for the payment of dividends by the Sub-Fund. In other words, such dividend may be treated as being effectively paid out of the capital of the Sub-Fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or payment of dividends effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	3:00 p.m. Luxembourg time on the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	"2D"
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3027
<b>Listing Date (SEHK)</b>	24 February 2010
<b>Trading Board Lot Size</b>	125 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>1</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.016667% per month (0.20% p.a.)

<sup>1</sup> 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.

Class(es)	
	“2D”
<b>All-In Fee</b>	Up to 0.65% p.a.  The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs” in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
<b>Primary Market Transaction Costs</b>	Applicable
<b>Dividends</b>	Subject to the provisions under “Investment Objective and Policy” above, a dividend may be paid up to four times per year.
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### General Information on the Reference Index

The Reference Index is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a custom market capitalisation weighted index and is a sub-set index of Russia’s standard index, the MSCI Russia Index (the “**Parent Reference Index**”). It contains the same constituents as the Parent Reference Index (currently includes Russia only) except that the weightings of the issuers in the Reference Index are capped. The Parent Reference Index represents about 85% (+/- 5%) of Russia’s investable equity universe.

Whenever MSCI changes the country constituents of the Parent Reference Index, the constituent countries of the Reference Index will change accordingly. Changes in the constituent companies of the MSCI standard country indices that comprise this Reference Index will also be reflected in this Reference Index.

Effective at the open of each Quarterly Index Review (the “**QIR**”), which in general coincides with the first business day of March, June, September and December, the weight of any issuer in the Parent Reference Index which is greater than 25 percent will be capped to 20 percent. The remaining non-capped weight will be redistributed proportionally to all remaining issuers in the Reference Index. Additionally, on a daily basis, if an issuer’s weight in the Reference Index is above 25 percent, it will be capped at 20 percent by redistributing the excess weight proportionally to all remaining issuers in the Reference Index.

IPOs or similar intra-quarter events, with no link to an existing constituent, will trigger the same rebalance outcome as the above mentioned “QIR” driven rebalance.

MSCI defines “free float” as total shares excluding shares held by strategic investors and shares subject to foreign ownership restrictions.

The Reference Index has a base date of 5 September 2007.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Index construction**

The Parent Reference Index is constructed in accordance with the MSCI Global Investable Market Indices methodology and is part of the MSCI Global Investable Market Indices which is a family of broad and global investable equity indices, segmented by size, style and industry.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

##### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size-segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 1 September 2008 and continued until 19 December 2008 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Bloomberg code is MSRC25NU<INDEX><GO>. The Reuters code is .dMIRU000P7NUS.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Parent Reference Index and the Reference Index and the general methodology behind the MSCI indices can be found on <https://www.msci.com/www/index-factsheets/msci-russia-issuers-capped-25/016652158>.

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. (“MSCI”), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE “MSCI PARTIES”). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT



MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 9: Xtrackers MSCI World Swap UCITS ETF\*

(\*This is a synthetic ETF)

1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI World Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors – Index Risks*”.

### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Total Return Net World Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of global developed market. The Reference Index is a total return net index. A total return net index calculates the performance of the Reference Index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
Goldman Sachs International	United Kingdom	A1	A+	A+

Morgan Stanley Capital Services LLC (credit support provider: Morgan Stanley)	United States	A2	BBB+	A
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+
HSBC Bank plc	United Kingdom	A1	A+	AA-
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty

Risk Exposure” under the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund's Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI World Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 24 February 2010. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 24 February 2010. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, BX Berne eXchange, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

#### **General Information relating to the Sub-Fund**

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available

<b>Index Administrator</b>	MSCI inc. and its subsidiaries (which include MSCI Limited)
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#### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>“2C”</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3019
<b>Listing Date (SEHK)</b>	24 February 2010
<b>Trading Board Lot Size</b>	125 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>1</sup></b>	Up to 0.35% annually
<b>Fixed Fee</b>	0.00833% <i>per month</i> (0.10% p.a.)
<b>All-In Fee</b>	Up to 0.45% p.a.  The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs” in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 1%

#### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

<sup>1</sup> 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 Information on the Reference Index

The MSCI Total Return World Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the global developed markets by targeting all companies with a market capitalisation within the top 85 percent of the investable equity universe, subject to a global minimum size requirement. The Reference Index is based on the MSCI Global Investable Market Indices Methodology. Each of the individual country indices comprised in the Reference Index follows the methodology described below.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

#### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

#### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

#### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

#### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security’s foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

#### *(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 December 1969.

The Underlying Securities of the Reference Index are listed in multiple currencies.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

#### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company’s tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

### **Index Licence**

The initial term of the licence of the Reference Index commenced on 19 December 2006 and continued until 19 December 2007 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

### **Further Information**

The Reuters code is .DMIWO0000NUS and the Bloomberg code is NDDUWI<Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

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NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 10: Xtrackers MSCI Pacific ex Japan UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Pacific ex Japan 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Pacific ex Japan Total Return Net Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Pacific developed markets excluding Japan. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

### Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

### Profile of Typical Investor

An investment in the Xtrackers MSCI Pacific ex Japan UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 24 February 2010. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 24 February 2010. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Börse Stuttgart, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* 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.

### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>"2C"</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	200,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	200,000 Shares
<b>Minimum Redemption Amount</b>	200,000 Shares
<b>Stock Code</b>	3043
<b>Listing Date (SEHK)</b>	24 February 2010
<b>Trading Board Lot Size</b>	100 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.30% annually, and with effect from 2 December 2020, up to 0.10% annually
<b>Fixed Fee</b>	0.0125% <i>per</i> month (0.15% p.a.)
<b>All-In Fee</b>	Up to 0.45% p.a., and with effect from 2 December 2020, up to 0.25% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 1%

#### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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*

<sup>2</sup> 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.

licence holders who use the relevant Reference Index (including the Company) with adequate prior notice of certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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..

#### **General Information on the Reference Index**

The MSCI Pacific ex Japan Total Return Net Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of the developed countries of the Pacific Region, excluding Japan. The geographical coverage of the Pacific Region excluding Japan is the Pacific portion of the MSCI World Index excluding Japan, namely Australia, Hong Kong, New Zealand and Singapore.

The Reference Index is a free float-adjusted market capitalisation index that is designed to measure the performance of the developed countries of the Pacific region, excluding Japan by targeting all companies with a market capitalisation within the top 85 percent of their respective home market’s investable equity universe on a total return basis with net dividends reinvested, subject to a global minimum size requirement. The Reference Index is based on the MSCI Global Investable Market Indices Methodology. Each of the individual country indices comprised in the Reference Index follows the methodology described below.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

#### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

#### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

*(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

*(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 December 1969.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).

- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 20 January 2009 and continued until 19 December 2009 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .dMIPCJ0000NUS and the Bloomberg code is NDDUPXJ<INDEX><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

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QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

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NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.



**PRODUCT ANNEX 11: Xtrackers CSI300 Swap UCITS ETF\***  
**(\*This is a synthetic ETF)**

**1 December 2020**

The information contained in this Product Annex relates to Xtrackers CSI300 Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “Risk Factors – Index Risks”.

**Investment Objective and Policy**

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the CSI300 Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company may make dividend payments up to four times per year in respect of Class 2D Shares which is the only Class of Shares available to Hong Kong investors. 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 section “General Information on the Company and the Shares” in the main part of the Prospectus.

The Reference Index is a free float market capitalisation-weighted index which measures the performance of A shares traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The Reference Index consists of the 300 stocks with the largest market capitalisation and liquidity from the entire universe of listed A share companies in the People’s Republic of China (the “**PRC**”). The Reference Index is quoted in renminbi (“**RMB**”).

The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch

Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
Société Générale	France	A1	A	A-
Barclays Bank PLC	United Kingdom	A1	A	A+
Goldman Sachs International	United Kingdom	A1	A+	A+
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
HSBC Bank plc	United Kingdom	A1	A+	AA-
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. For the avoidance of doubt, the Company and the Management Company have determined that the OTC Swap Transaction Costs will not include any PRC tax-related liability attributable to gross realised capital gains derived from the trading of A shares since the date of inception of the Sub-Fund up to and including 14 November 2014. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by

causing such Swap Counterparty to deliver to the Depository collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” under the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund’s OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value of these transactions to zero (or partially reset it to a lower value). Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund’s Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers CSI300 Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund on the SEHK commenced on 25 March 2010. The Hong Kong Shares of the Sub-Fund have been accepted as eligible securities by HKSCC for deposit, clearing and settlement in CCASS with effect from 25 March 2010. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Frankfurt Stock Exchange, London Stock Exchange and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

#### ***Additional Risk Factors relating to the Sub-Fund***

Investors in the Sub-Fund should be aware of the following risks associated with an investment in the PRC:

(a) *Political, Economic and Social Risks:* Any political changes, social instability and unfavourable diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of

some of the constituents of the Reference Index. Investors should also note that any change in the policies of the PRC may adversely impact on the securities markets in the PRC as well as the performance of the Sub-Fund.

(b) *PRC Economic Risks:* 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.

(c) *Legal System of the PRC:* 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.

(d) *Investors of the Sub-fund have no Rights in the Underlying A shares:* An OTC Swap Transaction does not provide any beneficial or equitable entitlement or interest in the relevant A shares to which such OTC Swap Transaction is linked. Investors should therefore note that an investment in the Sub-Fund is not the same as owning the constituent A shares of the Reference Index. Investors will not have any proprietary or beneficial interest in such A shares. Because an OTC Swap Transaction represents an obligation of the relevant Swap Counterparty, rather than a direct investment in A shares, the Sub-Fund may suffer losses potentially equal to the full value of an OTC Swap Transaction if the relevant Swap Counterparty fails to perform its obligations under such OTC Swap Transaction.

(e) *Investment Quota:* Changes to the foreign investment regulation in the PRC may be made at any time by the CSRC and the SAFE, and such changes may have a detrimental impact on the ability of the Sub-Fund to achieve its investment objective. Any restriction in the amount of investment quota made available by the CSRC and the SAFE may hinder the ability of a Swap Counterparty to increase the size of the relevant OTC Swap Transaction(s). If this happens in respect of all the Swap Counterparties, the Board of Directors may elect to close the Sub-Fund for further subscriptions if no alternative swap counterparty can be appointed in respect of the Sub-Fund. As a result, such restriction may also cause the Shares to trade at a premium to their Net Asset Value.

(f) *Government Control of Currency Conversion and Future Movements in Exchange Rates:* Since 1994, the conversion of RMB 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 RMB 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 RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. Any appreciation of RMB against USD will increase the value of the Reference Index performance that the Sub-Fund tracks under the OTC Swap Transactions and therefore its Net Asset Value, which will be quoted in USD, and vice versa.

(g) *Dependence upon Trading Market for A shares:* The existence of a liquid trading market for the A shares may depend on whether there is supply of, and demand for, A shares. Investors should note that the Shanghai Stock Exchange and Shenzhen Stock Exchange on which A shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the A share 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.

(h) *Taxation in the PRC:* Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the companies in the PRC to which the performance of the Sub-Fund is linked, and may have a negative impact on the performance of the Sub-Fund.

Currently "qualified foreign institutional investors" (QFIIs) and "renminbi qualified foreign institutional investors" (RQFIIs) are temporarily exempt from PRC capital gains tax with respect to gains derived from the trading of A shares. When such exemption expires, the valuation of a swap may be negatively impacted to reflect PRC capital gains tax payable by the relevant Swap Counterparty in relation to such swap.

Investors should also note that the dividends (if any) paid by the Sub-Fund to Shareholders will result from corresponding amounts being received under the OTC Swap Transaction(s), and any such amounts will be net of the applicable PRC tax on dividends, bonuses and interest.

*The above summary of PRC taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of the Sub-Fund. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own independent professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of the Sub-Fund both under the laws and practice of the PRC and the laws and practice of their respective jurisdictions. The relevant laws, rules and practice relating to tax are subject to change and amendment. As such, there can be no guarantee that the summary provided above will continue to be applicable after the date of this Prospectus.*

(i) *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.

(j) *A-share market suspension risk:* A-shares may only be bought or sold when the relevant A-shares are traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock and/or the whole market, whether as a result of government intervention or otherwise), the subscription and redemption of Shares may also be disrupted. An Authorised Participant is unlikely to redeem or subscribe Shares if it considers that A-shares may not be available.

(k) *Distribution Risk:* There is no assurance that dividends will be declared and paid in respect of the securities comprising the Reference Index. Dividend payment rates in respect of such securities will depend on the performance of the companies of the constituent securities of the Reference Index as well as factors beyond the control of the Company including but not limited to, the dividend distribution policy of these companies. In addition, whether or not distributions will be made by the Company is at the discretion of the Board of Directors taking into account various factors and its own distribution policy. There can be no assurance that the distribution yield of the Sub-Fund is the same as that of the Reference Index.

(l) *Distribution Out of Capital Risk:* The Company may pay a dividend even where there is no net distributable income (defined as investment income (i.e. dividend income and interest income)) attributable to the relevant share class. In other words, such dividend may be treated as being paid out of the capital of the Sub-Fund. Alternatively, the Company may pay a dividend out of gross income while charging all or part of the Sub-Fund's fees and expenses to the capital of the Sub-Fund, resulting in an increase in the distributable income for the payment of dividends by the Sub-Fund. In other words, such dividend may be treated as being effectively paid out of the capital of the Sub-Fund. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or payment of dividends effectively out of the Sub-Fund's capital may result in an immediate reduction of the Net Asset Value.

## **PRC Taxation**

*The following summary of PRC taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own independent professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of the PRC and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in the PRC at the date of this Product Annex. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Product Annex.*

### Introduction

The Sub-Fund will gain an economic exposure to A shares (which are the constituent securities of the Reference Index) through the OTC Swap Transaction(s).

### Types of Tax

The types of tax liabilities that may arise include but is not limited to the following:

(a) *Corporate Income Tax*: The State Administration of Taxation of the PRC confirmed the applicability of tax to dividends and interest paid to QFIs. According to the Notice on the issues of temporary exemption from the imposition of capital gains tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by QFII and RQFII" ["關於QFII和 RQFII取得中國境內的股票等權益性投資資產轉讓所得暫免徵收企業所得稅問題的通知"] Caishui [2014] No.79, QFIs and RQFIs are temporarily exempt from Corporate Income Tax ("CIT") with respect to gains derived from the disposal of equity investments including shares in PRC enterprises, effective from 17 November 2014. With respect to gains derived prior to 17 November 2014, QFIs and RQFIs are subject to CIT in accordance with the relevant laws. The tax treatment of gains derived by a QFII investing in A shares is governed by the general taxing provisions of the corporate income tax law (the "CIT Law").

Under the general taxation provisions of the CIT Law, a foreign investor (including a QFII, and assuming it is not a tax resident enterprise in the PRC and not otherwise have a permanent establishment in the PRC to which any PRC-sourced investment gains or income are directly attributed to) would be subject to a 10 percent PRC CIT on interest income, dividends and capital gains derived from investments in stock of PRC listed companies. A double tax treaty (if any) between the PRC and the country in which the foreign investor (including a QFII) is a tax resident may reduce the 10 percent CIT rate depending on the foreign investors' ability to meet the relevant requirements under such double tax treaty and any applicable anti-avoidance provisions under a relevant domestic tax regime.

(b) *Business Tax (BT), Value-added Tax (VAT) and Stamp Duty*: VAT has replaced BT regime in China. Under the relevant PRC laws and regulations, foreign investors are specifically exempt from PRC VAT on gains arising from trading in A shares. There is no VAT on dividend income or profit distributions on equity investment in the PRC. Interest paid by a PRC tax resident issuer is technically subject to PRC VAT. From 19 September 2009 onwards, only the seller of the shares is taxable to stamp duty at the rate of 0.1 percent on the sale of PRC listed shares and the buyer is not liable to any stamp duty.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	China Securities Index Co., Ltd

#### Description of the Shares available to Hong Kong investors

Class(es)	
	"2D"
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3049
<b>Listing Date (SEHK)</b>	25 March 2010
<b>Trading Board Lot Size</b>	300 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>1</sup></b>	Up to 0.30% annually
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)

<sup>1</sup> 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.

Class(es)	
	<b>“2D”</b>
<b>All-In Fee</b>	Up to 0.50% p.a.  The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section “Adjustment to OTC Swap Transactions to reflect certain transaction costs” in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
<b>Potential Impact of Tax in relation to dealing in A Shares</b>	According to the terms of each OTC Swap Transaction, any OTC Swap Transaction Costs incurred by the relevant Swap Counterparty may be passed on to the Sub-Fund as more detailed under “Investment Objective and Policy” above.
<b>Primary Market Transaction Costs</b>	Applicable
<b>Dividends</b>	Subject to the provisions under “Investment Objective and Policy” above, a dividend may be paid up to four times per year.
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### General Information on the Reference Index

The Reference Index is a free float market capitalisation-weighted index which measures the performance of A shares traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The Reference Index consists of the 300 stocks with the largest market capitalisation and liquidity from the entire universe of listed A share companies in the PRC. The Reference Index is calculated and disseminated in RMB on a real-time basis and is administered by China Securities Index Co., Ltd. The Reference Index is quoted in RMB.

The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

### Index calculation

The Reference Index is calculated and disseminated in RMB on a real-time basis and is administered by China Securities Index Co., Ltd (“**CSI**” or the “**Index Provider**”), a joint-venture established on 25 August 2005 between the Shanghai Stock Exchange and the Shenzhen Stock Exchange, which specialises in the management of securities indices and the provision of related services. The Management Company (and each of its Connected Persons) is independent of CSI.

The Reference Index was launched on 8 April 2005 and had a base level of RMB 1,000 on 31 December 2004.

#### Index Advisory Committee

CSI has established an index advisory committee (the “**Index Advisory Committee**”), which is responsible for the evaluation, consulting and examination of CSI index methodologies.

#### Index selection universe

The selection universe of the Reference Index (the “**Selection Universe**”) includes all the A shares (each a “**Stock**”) listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange satisfying the following conditions:

1. (a) If the Stock is not listed on the ChiNext, such Stock has been listed for more than three months at the time it is considered for inclusion in the Reference Index. If it has been listed for less than three months, it will be considered for inclusion in the Selection Universe if its daily average total market value since its initial listing has ranked within the top 30 companies in all the A shares;  
(b) If the Stock is listed on the ChiNext, such Stock has been listed for more than three years at the time it is considered for inclusion in the Reference Index;
2. The Stock is not designated for special treatment or potential delisting by any of the CSRC, the Shanghai Stock Exchange or the Shenzhen Stock Exchange as a result of continuous financial losses;
3. The company issuing the Stock has good performance without serious financial problems or any history of breach of laws and/or regulations in the most recent year.

#### Index periodical review

The constituents of the Reference Index (each a “**Index Constituent**”) are reviewed every 6 months by the Index Advisory Committee, which usually meets in the end of May and November every year. The Index Constituents are adjusted according to the periodical review and any consequent changes to the composition of the Reference Index are implemented on the first trading day after the second Friday in June and December in each year.

The number of constituents adjusted at each periodical review will not exceed 10 percent and CSI has adopted buffer zone rules in order to minimize the Reference Index turnover. The top 240 Stocks (by decreasing order of free float market capitalisation) within the Selection Universe will be given priority to be selected as Index Constituents. Index Constituents ranking within the top 360 Stocks (by decreasing order of free float market capitalisation) will be given priority to remain in the Reference Index.

#### Index adjustments

Necessary adjustments are made by CSI when some corporate events happen so as to maintain the representativeness and investability of the Reference Index. Such events include without limitation the bankruptcy, restructuring, merger, acquisition and spin-off, of an Index Constituent issuer and the delisting, temporary suspension from trading and re-issuance, of an Index Constituent.

In general, CSI will publicise Index Constituent adjustments lists as soon as practicable after the adjustments are decided and before their implementation.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 12 February 2010 and continued until 12 February 2015 on which date the licence has been automatically renewed and should be continually renewed for successive terms of three years, subject to the terms of the licence agreement. The licence agreement may be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .CSIN00300 and the Bloomberg code is CSIN0300 <INDEX>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <http://www.csindex.com.cn/en/downloads/indices?lb=All&xl=1>.



Further information on the Reference Index can be found on the CSI website (<http://www.csindex.com.cn>), the Shanghai Stock Exchange website (<http://www.sse.com.cn>) and the Shenzhen Stock Exchange website (<http://www.szse.cn>).

### **IMPORTANT**

CSI INDICES ARE COMPILED AND CALCULATED BY CHINA SECURITIES INDEX CO., LTD (“**CSI**”). CSI WILL APPLY ALL NECESSARY MEANS TO ENSURE THE ACCURACY OF THE CSI300 INDEX (THE “**REFERENCE INDEX**”). HOWEVER, NEITHER CSI NOR THE SHANGHAI STOCK EXCHANGE NOR THE SHENZHEN STOCK EXCHANGE SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE REFERENCE INDEX AND NEITHER CSI NOR THE SHANGHAI STOCK EXCHANGE NOR THE SHENZHEN STOCK EXCHANGE SHALL BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN. ALL COPYRIGHT IN THE REFERENCE INDEX VALUES AND CONSTITUENTS LIST VESTS IN CSI. EITHER CSI OR THE SHANGHAI STOCK EXCHANGE OR THE SHENZHEN STOCK EXCHANGE WILL APPLY ALL NECESSARY MEANS TO ENSURE THE ACCURACY OF THE REFERENCE INDEX. HOWEVER, NEITHER CSI NOR THE SHANGHAI STOCK EXCHANGE NOR THE SHENZHEN STOCK EXCHANGE WILL GUARANTEE TO INSTANTANEITY, COMPLETENESS AND ACCURACY OF THE CONTENT OF THE REFERENCE INDEX, AND SHALL NOT BE LIABLE FOR ANY FAULT OR LOSS SUFFERED BY THE XTRACKERS CSI300 SWAP UCITS ETF\* (\*THIS IS A SYNTHETIC ETF) AS A RESULT OF ANY DELAY, OMISSION, ERROR OR OTHER FAULTS IN THE CONTENT OF THE REFERENCE INDEX.

**PRODUCT ANNEX 12: Xtrackers MSCI Indonesia Swap UCITS ETF\***  
**(\*This is a synthetic ETF)**

**1 December 2020**

The information contained in this Product Annex relates to Xtrackers MSCI Indonesia Swap UCITS ETF\* (\*This is a synthetic 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

**Investment Objective and Policy**

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Indonesia TRN Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Indonesia. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with an Indirect Investment Policy (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund may:

- (i) invest in transferable securities (the “**Invested Assets**”) and use derivative techniques such as one or more index swap transaction(s) negotiated at arm’s length with one or more Swap Counterparties (the “**OTC Swap Transaction(s)**”), all in accordance with the Investment Restrictions. The purpose of the OTC Swap Transaction(s) is to exchange the performance of the Invested Assets against the performance of the Reference Index. The investors do not bear any performance or currency risk of the Invested Assets; or
- (ii) invest part or all of the net proceeds of any issue of its Shares in one or more OTC Swap Transaction(s) and exchange the invested proceeds against the performance of the Reference Index. Although the Sub-Fund may in such case be at any time fully or partially exposed to one or more OTC Swap Transaction(s), collateral arrangements will be taken in relation to these OTC Swap Transaction(s) with a view that the percentage of the counterparty risk exposure to a Swap Counterparty (expressed as a percentage of net assets) referred to under section 2.3 of “Investment Restrictions” in the main part of the Prospectus is reduced.

Currently the Sub-Fund adopts investment strategy (i).

Subject to the prior approval of the SFC, the Sub-Fund may change totally from one of the investment strategies described above to the other and vice versa provided that: (a) the cost of such a change (if any) will not be borne by the Shareholders; (b) not less than two weeks prior notice will be given to the Shareholders before the change becomes effective; and (c) (where the Sub-Fund changes totally from investment strategy (i) to investment strategy (ii)) collateral arrangement will be put in place to ensure the exposure of the Sub-Fund to each Swap Counterparty is within the applicable limit.

As of the date of this Product Annex, each of the following is an approved Swap Counterparty of the Sub-Fund:

Approved Swap Counterparty	Place of incorporation of Approved Swap Counterparty or its credit support provider (where relevant)	Long term issuer rating of Approved Swap Counterparty or its credit support provider (where relevant)		
		Moody’s	Standard & Poor’s	Fitch
Deutsche Bank AG, London Branch	Germany	A3	BBB+	BBB
HSBC Bank plc	United Kingdom	A1	A+	AA-
Société Générale	France	A1	A	A-

Barclays Bank PLC	United Kingdom	A1	A	A+
Goldman Sachs International	United Kingdom	A1	A+	A+
J.P. Morgan Securities plc	United Kingdom	Aa3	A+	AA
BNP Paribas	France	Aa3	A+	A+
Citigroup Global Markets Limited	United Kingdom	A1	A+	A+
Merrill Lynch International	United Kingdom	N.A.	A+	AA-

The Sub-Fund may enter into Unfunded Swaps with one or more approved Swap Counterparties. The list of the approved Swap Counterparties to the Sub-Fund is available on the website [www.Xtrackers.com](http://www.Xtrackers.com). The approved Swap Counterparties to the Sub-Fund may vary from time to time.

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-Fund and each Swap Counterparty, the Sub-Fund shall receive the performance of the Reference Index adjusted to reflect (a) certain index replication costs 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; (b) taxes that may be payable by the Swap Counterparty in relation to such OTC Swap Transaction(s) and (c) any other transaction costs or charges incurred by the Swap Counterparty in relation to the OTC Swap Transaction(s). 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 Transaction(s) and/or collateral. These OTC Swap Transaction Costs may affect the ability of the Sub-Fund to achieve its Investment Objective and adversely impact on the Net Asset Value of the Sub-Fund.

Without prejudice to the above, 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 exposure of the Sub-Fund to the Reference Index is achieved through the OTC Swap Transaction(s). The valuation of the OTC Swap Transaction(s) will aim to reflect either the relative movements in the performance of the Reference Index and the Invested Assets or the performance of the Reference Index.

Depending on the value of the relevant OTC Swap Transaction and the chosen policy the Sub-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 Swap Counterparties so that the percentage of the counterparty risk exposure remains within the limits set out in the Regulations and EMIR.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

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.

When applying the limits specified in sections 2.3 and 2.4 of the section "Investment Restrictions" in the main part of the Prospectus to the OTC Swap Transaction(s), reference must be made to the net counterparty risk exposure as determined pursuant to the Regulations and EMIR. The Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by causing such Swap Counterparty to deliver to the Depositary collateral in the form of cash or liquid securities given in accordance with the Regulations and EMIR. 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 net counterparty exposure limit, as determined in the main part of the Prospectus, has been exceeded. Please refer to "Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure" under the "Investment Objectives and Policies" section in the main part of the Prospectus for more details on the collateral and haircut policy. In addition, the Company may reduce the gross counterparty exposure to a single Swap Counterparty related to the Sub-Fund's OTC Swap Transaction(s) by requiring the relevant Swap Counterparty proceed to a restrike of the relevant existing OTC Swap Transaction(s) to the current level of the Reference Index and/or foreign exchange rate and fully reset the marked-to-market value

of these transactions to zero (or partially reset it to a lower value). Please refer to “Collateral Arrangements Adopted to Mitigate Counterparty Risk Exposure” in the “Investment Objectives and Policies” section in the main part of the Prospectus for more details on these mitigation techniques.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be more than 50% but up to 100% of the Sub-Fund’s Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI Indonesia Swap UCITS ETF\* (\*This is a synthetic ETF) 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 12 January 2012. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 12 January 2012. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Frankfurt Stock Exchange, London Stock Exchange and Singapore Exchange Securities Trading Limited. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

#### **Specific Risk Warning**

**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” on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic changes may have an adverse impact on the performance of the Reference Index and the Net Asset Value of the Sub-Fund.

#### **Additional Risk Factors relating to the Sub-Fund**

Investors in the Sub-Fund should be aware of the following risks associated with investment in Indonesia:

(a) *Emerging Market Risk:* Indonesia is considered as an emerging market country. Emerging markets risks include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of listed securities where a registered foreign investor may only maintain a trading account with one licensed securities company in the relevant market. These may contribute to the illiquidity of certain of the relevant securities markets, as well as create inflexibility and uncertainty as to the trading environment.

(b) *Legal Risk:* The economy of Indonesia is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. Indonesian securities laws and regulations are relatively more recent than that of more developed

markets and may be subject to interpretation. In the event of a securities related dispute involving a local party and a foreign party, the laws of Indonesia are likely to apply. The Indonesian court system is not as transparent and effective as court systems in more developed jurisdictions such as Hong Kong and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Indonesia and generally the judgements of foreign courts are not recognised.

(c) *Regulatory Risk:* Foreign investment in Indonesia's primary and secondary securities markets is still relatively new and much of Indonesia's existing securities laws may still be subject to different interpretations and/or have been developed to regulate direct investment by foreigners rather than portfolio investment in listed securities. The regulatory framework of the Indonesian primary and secondary securities markets is not as well established as many of the world's leading stock markets, and may therefore be subject to a lower level of regulatory oversight.

(d) *Foreign Exchange Risk:* As a general rule, the Central Bank of the Republic of Indonesia allows purchases, sales and transfers of Indonesian Rupiah by foreigners. However there are certain procedural and reporting requirements applicable to, for example, purchases of foreign currency against the Rupiah exceeding a certain amount.

(e) *Trading Volumes and Volatility:* The Indonesia Stock Exchange has relatively lower trading volumes than exchanges in most developed countries and the market capitalisations of listed companies are relatively smaller than those of companies listed on exchanges in developed markets. The listed common stock of many companies in Indonesia may consequently be significantly less liquid and subject to greater bid and offer spreads and may experience significantly greater volatility than those of companies listed on exchanges in developed markets. The Indonesia Stock Exchange has in the recent past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors may adversely affect the Net Asset Value of the Sub-Fund.

(f) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Rupiah.

(g) *Political, Economic and Social Risk:* Investors should note that the political issues and the diplomatic situations, as well as social factors of the country might have an impact on the performance of the Sub-Fund. The performance of the Sub-Fund may be affected by uncertainties such as changes in the government in Indonesia or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Indonesia. The Sub-Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability, higher inflation and other considerations.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Indirect Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Not available
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	"2C"
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	USD 100,000
<b>Minimum Subsequent Subscription Amount</b>	USD 100,000
<b>Stock Code</b>	3099

Class(es)	
	"2C"
Listing Date (SEHK)	12 January 2012
Trading Board Lot Size	25 Hong Kong Shares
Trading Currency	HKD
Management Company Fee <sup>1</sup>	Up to 0.45% annually
Fixed Fee	0.01666% per month (0.20% p.a.)
All-In Fee	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses and any OTC Swap Transaction Costs that may be indirectly borne by the Sub-Fund, as described under the section "Adjustment to OTC Swap Transactions to reflect certain transaction costs" in the main part of the Prospectus. Such OTC Swap Transaction Costs may have a substantial adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in higher tracking error.
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 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### General Information on the Reference Index

The MSCI Indonesia TRN Index (the "Reference Index") is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) ("MSCI"). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Indonesian market by targeting all companies with a market capitalisation within the top 85 percent of the Indonesian investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, "Indonesian investable equity universe" refers to the Indonesian companies that are

<sup>1</sup> 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.

available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

##### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security’s foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

##### *(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

##### *(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 December 1998.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

### **Index Licence**

The initial term of the licence of the Reference Index commenced on 30 July 2010 and continued until 19 December 2010 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.



### Further Information

The Reuters code is .dmIID0000NUS and the Bloomberg code is NDEUINF <INDEX> <GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### IMPORTANT

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA

INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 13: Xtrackers MSCI China UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI China 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI China TRN Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors. The Sub-Fund will gain economic exposure to A-shares, B-shares, H-shares and other overseas listed shares.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of China. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets. The Sub-Fund may directly trade A-shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the “**Stock Connect**”).

Under Stock Connect, overseas investors (including the Sub-Fund) may be allowed, subject to rules and regulations issued/amended from time to time, to directly trade certain eligible A-shares through the Northbound Trading Links (see below).

Stock Connect currently comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (“**HKEx**”), China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) and the Shanghai Stock Exchange (“**SSE**”), which provides mutual stock market access between Shanghai and Hong Kong. Similarly, the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEx, ChinaClear and the Shenzhen Stock Exchange (“**SZSE**”), which provides mutual stock market access between Shenzhen and Hong Kong.

Stock Connect comprises two Northbound Trading Links (for investment in A-shares), one between SSE and The Stock Exchange of Hong Kong Limited (“**SEHK**”), and the other between SZSE and SEHK. Investors may place orders to trade eligible A-shares listed on SSE (such securities, “**SSE Securities**”) or on SZSE (such securities, “**SZSE Securities**”, and SSE Securities and SZSE Securities collectively, “**Stock Connect Securities**”) through their Hong Kong brokers, and such orders will be routed by the relevant securities trading service company established by the SEHK to the relevant trading platform of SSE or SZSE, as the case may be, for matching and execution on SSE or SZSE, as the case may be.

The SSE Securities include all the constituent stocks of the SSE 180 Index and the SSE 380 Index, and all the SSE-listed A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except (i) those SSE-listed shares which are not traded in Renminbi (“**RMB**”) and (ii) those SSE-listed shares which are under “risk alert”.

The SZSE Securities include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion and all the SZSE-listed A-shares which have corresponding H-Shares listed on SEHK, except (i) those SZSE-listed shares which are not traded in Renminbi and (ii) those SZSE-listed shares which are under “risk alert”.

The list of eligible securities may be changed subject to the review and approval by the relevant regulators in the People's Republic of China (“**PRC**”) from time to time.

Further information about Stock Connect is available online at the website: [https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc\\_lang=en](https://www.hkex.com.hk/Mutual-Market/Stock-Connect?sc_lang=en).

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable

forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

Because the market which the Reference Index seeks to represent is concentrated on a particular country, 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### **Use of derivatives / investment in derivatives**

The Sub-Fund’s net derivative exposure may be up to 50% of the Sub-Fund’s Net Asset Value.

#### **Profile of Typical Investor**

An investment in the Xtrackers MSCI China UCITS ETF 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”.

#### **Exchange Traded Fund**

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 12 January 2012. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 12 January 2012. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Borsa Italiana, Frankfurt Stock Exchange, London Stock Exchange, Singapore Exchange Securities Trading Limited and SIX Swiss Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risks associated with investment in the PRC:

(a) *Political, Economic and Social Risks:* Any political changes, social instability and unfavourable diplomatic developments which may take place in or in relation to the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some of the constituents of the Reference Index. Investors should also note that any change in the policies of the PRC may impose an adverse impact on the securities markets in such place as well as the performance of the Sub-Fund.

(b) *PRC Economic Risks:* 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 a transformation will be continued or be successful. All these may have an adverse impact upon the performance of the Sub-Fund.

(c) *Legal System of the PRC:* 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 China Securities Regulatory Commission ("**CSRC**") and the State Administration of Foreign Exchange ("**SAFE**") to exercise discretion in their respective interpretation of the regulations, which may result in uncertainties in their application.

(d) *Taxation in the PRC:* Various tax reforms and policies have been implemented by the PRC government authorities in recent years, and existing tax laws and regulations may be revised or amended in the future. Any changes in tax policies may reduce the after-taxation profits of the companies in the PRC and detrimentally impact the performance of the Reference Index, to which the Sub-Fund is linked.

The Sub-Fund will gain economic exposure to A-shares, B-shares, H-shares and other overseas listed shares. The Sub-Fund shall bear any costs and liabilities including transaction costs, taxes or liabilities relating to the purchase or sale of A-shares, B-shares, H-shares and other overseas listed shares. Such costs, taxes or liabilities (which may be imposed presently or in the future) may affect the Net Asset Value of the Sub-Fund.

(e) *PRC taxation on capital gains*

B-shares, H-shares and other overseas listed shares: In the absence of any specific PRC tax laws, capital gains derived by non-PRC resident enterprise investors from the disposal of B-shares, H-shares and other overseas listed shares issued by PRC companies are subject to withholding income tax at the rate of 10 percent based on the general principles of the PRC Enterprise Income Tax Law and its Implementation Rules, unless such tax is reduced or eliminated by an applicable double taxation treaty or special tax rules to be issued by the PRC Ministry of Finance ("**MOF**") and/or the State Taxation Administration ("**STA**") in the future. There are uncertainties as to the interpretation and application of such general principles of PRC tax laws. These uncertainties include whether and how withholding income tax on capital gains realized by non-PRC resident enterprise investors upon the disposal of such equity interests shall be collected by the PRC tax authorities and to date, such withholding income tax has not been enforced by the PRC tax authorities on capital gains realized by non-PRC resident enterprise investors where the purchase and subsequent disposal

have been concluded on an exchange. If there is any such withholding income tax liability arising from the sale or other disposal of B-shares, H-shares and other overseas listed shares, the Sub-Fund shall be exposed to the economic risks of such tax.

A-shares: On 14 November 2014, MOF, STA and CSRC jointly issued the "Notice on relevant tax treatment for the Shanghai-Hong Kong Stock Connect pilot program" (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) Caishui [2014] No.81 ("**Notice No.81**"). Moreover, on 23 March, 2016, MOF and STA jointly issued a notice in relation to levying value-added tax to replace business tax under Caishui [2016] No.36 ("Notice No. 36"). In addition, on 1 December 2016, MOF, STA and CSRC jointly issued the "Notice on relevant tax treatment for the Shenzhen-Hong Kong Stock Connect pilot program" [(關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) Caishui [2016] No.127 ("**Notice No. 127**"). Under Notice No.81, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of A-shares through Shanghai-Hong Kong Stock Connect with effect from 17 November 2014. Under Notice No. 36, all business tax taxpayers shall be required to pay value-added tax instead of business tax, and value-added tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of A-shares through Shanghai-Hong Kong Stock Connect with effect from 1 May 2016. Under Notice No.127, corporate income tax, individual income tax and value-added tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of A-shares under the Shenzhen Hong Kong Stock Connect Program with effect from 5 December 2016.

The Company and the Management Company have determined that no provision will be made in respect of any potential PRC capital gains tax at the Sub-Fund level as of the date of this Product Annex.

(f) *PRC withholding income tax on dividends and bonuses*

B-shares, H-shares and other overseas listed shares: PRC issuers of B-shares, H-shares and other overseas listed shares are currently required to withhold income tax at a rate of 10 percent on dividend and bonus payments distributed to non-PRC resident enterprise investors. If non-PRC resident enterprise investors are eligible to a lower withholding income tax rate according to the applicable double tax treaty, they may apply for a refund of the overpaid withholding income tax with the PRC tax authority.

A-shares: However, under both Notice No.81 and Notice No.127, Hong Kong and overseas investors are required to pay income tax on dividends and/or bonus shares at the rate of 10 percent which will be withheld and paid to the relevant tax authority by the listed companies. If the Hong Kong and overseas investors such as the Sub-Fund are eligible for treaty relief on dividends, the Hong Kong and overseas investors can apply for the entitlement of treaty relief and refund of the overpaid tax with the PRC tax authority having jurisdiction over the A-share issuing company.

The Board of Directors intends to 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. There is a possibility of the 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. If the actual applicable tax rate levied by STA is higher or more widely applicable than that provided for by the Board of Directors so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Sub-Fund may suffer more than the tax provision amount as the Sub-Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged.

On the other hand, if the actual applicable tax rate levied by STA is lower or less widely applicable than that provided for by the Board of Directors so that there is an excess in the tax provision amount, Shareholders who have redeemed their Shares before STA's ruling, decision or guidance (or before any such ruling, decision or guidance is considered final) in this respect will be disadvantaged as they would have borne the loss from the Board of Directors' overprovision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Sub-Fund as assets thereof. Notwithstanding the above provisions, Shareholders who have already redeemed their Shares in the Sub-Fund before the return of any overprovision to the account of the Sub-Fund will not be entitled or have any right to claim any part of such overprovision.

(g) *Business Tax (BT), Value-added Tax (VAT) and Stamp Duty*: VAT has replaced BT regime in China. Under the relevant PRC laws and regulations, foreign investors are specifically exempt from PRC VAT on gains arising from trading in A shares. There is no VAT on dividend income or profit distributions on equity investment in the PRC. Interest paid by a PRC tax resident issuer is technically subject to PRC VAT.

From 19 September 2009 onwards, only the seller of the shares is taxable to stamp duty at the rate of 0.1 percent on the sale of PRC listed shares and the buyer is not liable to any stamp duty.

*The above summary of PRC taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own independent professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of the PRC and the laws and practice of their respective jurisdictions. The relevant laws, rules and practice relating to tax are subject to change and amendment. As such, there can be no guarantee that the summary provided above will continue to be applicable after the date of this Product Annex.*

(h) *Accounting and Reporting Standards:* Accounting, auditing and financial reporting standards and practices applicable to companies in some parts of 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.

(i) *Trading Volumes and Volatility:* The stock exchanges in the PRC may have relatively lower trading volumes than exchanges in most developed countries and the market capitalisations of listed companies may be relatively smaller than those of companies listed on exchanges in developed markets. The listed common stock of many companies in the PRC may consequently be significantly less liquid and subject to greater bid and offer spreads and may experience significantly greater volatility than those of companies listed on exchanges in developed markets. The limited liquidity in certain B-shares may magnify such risks. The stock exchanges in the PRC have, in the past, experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors may adversely affect the Net Asset Value of the Sub-Fund.

(j) *Stock Connect risks:*  
*Quota limitations risk*

Stock Connect is subject to daily quota limitations on investment, which may restrict the Sub-Fund's ability to invest in A-shares through Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment objective. The quota limits the maximum net buy value of cross-boundary trades under Stock Connect each day. The quota does not belong to the Sub-Fund and is utilized on a first-come-first-served basis.

*Suspension risk*

SEHK, SSE and SZSE reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which would adversely affect the Sub-Fund's ability to access the PRC market.

*Differences in trading day*

Stock Connect operates on days when both the relevant PRC market and the Hong Kong market are open for trading and when banks in the relevant PRC market and the Hong Kong market are open on the corresponding settlement days. It is possible that there are occasions when it is a normal trading day for the relevant PRC market but Hong Kong and overseas investors (such as the Sub-Fund) cannot carry out any A-shares trading via Stock Connect. As a result, the Sub-Fund may be subject to a risk of price fluctuations in A-shares during the time when Stock Connect is not trading.

*Restrictions on selling imposed by front-end monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on A-shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

*Clearing, settlement and custody risks*

The Hong Kong Securities Clearing Company Limited (the "**HKSCC**", which is a wholly-owned subsidiary of HKEx) and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of a ChinaClear default are considered to be remote.

Should the remote event of a ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

A-shares are issued in scripless form, so there will be no physical certificates of title representing the interests of the Sub-Fund in any A-shares. Hong Kong and overseas investors, such as the Sub-Fund, who have acquired Stock Connect Securities through Northbound Trading Links should maintain Stock Connect Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to Stock Connect is available upon request at the registered office of the Management Company.

#### *Operational risk*

Stock Connect provides a channel for investors from Hong Kong and overseas, such as the Sub-Fund, to access the China stock market directly. The securities regimes and legal systems of the two markets differ significantly and in order for the platform to operate, market participants may need to address issues arising from the differences on an on-going basis.

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Further, the "connectivity" in Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. an order routing system ("**China Stock Connect System**") set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK 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. The Sub-Fund's ability to access the A-share market (and hence to pursue its investment objective) will be adversely affected.

#### *Nominee arrangements in holding A-shares*

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by overseas investors (including the Sub-Fund) through Stock Connect. The CSRC Stock Connect Rules expressly provide that investors enjoy the rights and benefits of the Stock Connect Securities acquired through Stock Connect in accordance with applicable laws. CSRC has also made statements dated 15 May 2015 and 30 September 2016 that overseas investors that hold Stock Connect Securities through HKSCC are entitled to proprietary interests in such securities as shareholders. However, it is still possible that the courts in the PRC may consider that any nominee or custodian as registered holder of Stock Connect Securities would have full ownership thereof, and that even if the concept of beneficial ownership is recognized under PRC law those Stock Connect Securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Sub-Fund and the Depositary cannot ensure that the Sub-Fund's ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the CCASS, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the Stock Connect Securities in the PRC or elsewhere. Therefore, although the relevant Sub-Fund's ownership may be ultimately recognised, the Sub-Fund may suffer difficulties or delays in enforcing their rights in A-shares.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC.

#### *Recalling of eligible stocks*

If a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold and cannot be bought. This may affect the Sub-Fund's ability to invest in A-shares through Stock Connect.

#### *Investor compensation*

Investments of the Sub-Fund through Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to



investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since Northbound trading via Stock Connect does not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, such trading will not be covered by the Investor Compensation Fund. On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

#### *Trading costs*

In addition to paying trading fees and stamp duties in connection with A-share trading, the Sub-Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock trades which are yet to be determined by the relevant authorities.

#### *Regulatory risk*

Stock Connect is relatively novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

The regulations are subject to change, which may have potential retrospective effect. There can be no assurance that Stock Connect will not be abolished. The Sub-Fund which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

(k) *Government Control of Currency Conversion and Future Movements in Exchange Rates:* Trading and settlement of Stock Connect Securities is in RMB. Since 1994, the conversion of RMB 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 RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. Nevertheless, RMB is not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Such government policies and restrictions are subject to change, and there can be no assurance that the RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. The Sub-Fund is therefore exposed to foreign exchange risk and there is no guarantee that the value of RMB will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the Sub-Fund, and vice versa.

(l) *Dependence upon Trading Market for A-shares:* The existence of a liquid trading market for the A-shares may depend on whether there is supply of, and demand for, A-shares. Investors should note that SSE and SZSE on which A-shares are traded are undergoing development and the market capitalisation of, and trading volumes on, those exchanges may be lower than those in more developed financial markets. Market volatility and settlement difficulties in the A-share 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.

(m) *Restricted markets risk:* 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.

(n) *A-share market trading hours difference risk:* Differences in trading hours between foreign stock exchanges (e.g. SSE and SZSE) and the relevant stock exchange may increase the level of premium/discount of the Share price to its Net Asset Value because if a PRC stock 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 relevant Share Class to its Net Asset Value may be higher.

(o) *A-share market suspension risk:* A-shares may only be bought or sold when the relevant A-shares are traded on SSE or SZSE, as appropriate. Given that the A-share market is considered volatile and unstable (with the risk of suspension of a particular stock and/or the whole market, whether as a result of government intervention or otherwise), the subscription and redemption of Shares may also be disrupted. An Authorised Participant may be less likely to redeem or subscribe Shares if it considers that A-shares may not be available.

### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to ten Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>"2C"</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	85,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	85,000 Shares
<b>Minimum Redemption Amount</b>	85,000 Shares
<b>Minimum Holding Requirement</b>	USD 100,000
<b>Stock Code</b>	3055
<b>Listing Date (SEHK)</b>	12 January 2012
<b>Trading Board Lot Size</b>	50 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.01666% <i>per month</i> (0.20% p.a.)

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<sup>2</sup> 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.

Class(es)	
	<b>“2C”</b>
<b>All-In Fee</b>	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

#### General Information on the Reference Index

The MSCI China TRN Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the China market by targeting all companies with a market capitalisation within the top 85 percent of the Chinese investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Chinese investable equity universe” refers to the Chinese companies that are available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

China has a number of large companies incorporated within it but with securities listed only outside of it. MSCI considers such companies for inclusion in the index universe. The MSCI China universe includes companies incorporated in the People’s Republic of China (“**PRC**”) and listed on certain eligible stock exchanges and companies not incorporated in the PRC but listed on the SEHK provided that they meet the following definitions:

- Red-Chip: the company is (directly or indirectly) controlled by organisations or enterprises that are owned by the state, provinces, or municipalities of the PRC;
- P-Chip: the company satisfies the majority of the following conditions:
  - The company is controlled by PRC individuals
  - The company derives more than 80 percent of its revenue from PRC China

- The company allocates more than 60 percent of its assets in PRC China

The MSCI China universe excludes companies which satisfy the above conditions but derive more than 80 percent of their revenues and profits from the Hong Kong Special Administrative Region.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

##### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security’s foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

##### *(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

##### *(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of

shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 29 December 2000.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company’s tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

### **Index Licence**

The initial term of the licence of the Reference Index commenced on 30 July 2010 and continued until 19 December 2010 on which date the licence has been automatically renewed for one year and should be

continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .dMICN00000NUS and the Bloomberg code is NDEUCHF <Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. (“MSCI”), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE “MSCI PARTIES”). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND,

AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 14: Xtrackers MSCI Malaysia UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Malaysia 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Malaysia TRN Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Malaysia. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.

#### Use of derivatives / investment in derivatives

The Sub-Fund’s net derivative exposure may be up to 50% of the Sub-Fund’s Net Asset Value.



### Profile of Typical Investor

An investment in the Xtrackers MSCI Malaysia UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 12 January 2012. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 12 January 2012. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Frankfurt Stock Exchange and London Stock Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risks associated with investment in Malaysia:

(a) *Emerging Market Risk:* Malaysia is considered as an emerging market country. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of expropriation of assets and the risk of war.

(b) *Legal Risk:* The economy of Malaysia is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. Malaysian securities laws and regulations are relatively more recent than that of more developed markets and may be subject to interpretation. In the event of a securities related dispute involving a local party and a foreign party, the laws of Malaysia are likely to apply. The Malaysian court system is not as transparent and effective as court systems in more developed jurisdictions such as Hong Kong and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Malaysia and generally the judgements of foreign courts are not recognised.

(c) *Regulatory Risk:* Foreign investment in Malaysia's primary and secondary securities markets is still relatively new and much of Malaysia's existing securities laws may still be subject to different interpretations and/or have been developed to regulate direct investment by foreigners rather than portfolio investment in listed securities. The regulatory framework of the Malaysian primary and secondary securities markets is not as well established as many of the world's leading stock markets, and may therefore be subject to a lower level of regulatory oversight.

(d) *Foreign Exchange Risk:* As a general rule, the Central Bank of Malaysia allows purchases, sales and transfers of Malaysian Ringgit by foreigners. However transactions exceeding a certain size must be registered.

(e) *Trading Volumes and Volatility:* Bursa Malaysia, the stock exchange in Malaysia, has relatively lower trading volumes than exchanges in most developed countries and the market capitalisations of listed companies are relatively smaller than those of companies listed on exchanges in developed markets. The listed common stock of many companies in Malaysia may consequently be significantly less liquid and subject to greater bid and offer spreads and may experience significantly greater volatility than those of companies listed on exchanges in developed markets. Bursa Malaysia has in the recent past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors may adversely affect the Net Asset Value of the Sub-Fund.

(f) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Ringgit.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	"2C"
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	70,000 Shares

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

Class(es)	
	<b>“2C”</b>
<b>Minimum Subsequent Subscription Amount</b>	70,000 Shares
<b>Minimum Redemption Amount</b>	70,000 Shares
<b>Minimum Holding Requirement</b>	USD 100,000
<b>Stock Code</b>	3082
<b>Listing Date (SEHK)</b>	12 January 2012
<b>Trading Board Lot Size</b>	30 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.30% annually
<b>Fixed Fee</b>	0.01666% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.50% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.*

### General Information on the Reference Index

The MSCI Malaysia TRN Index (the “**Reference Index**”) is administered by MSCI Inc. and its subsidiaries

<sup>2</sup> 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.

(which include MSCI Limited) (“**MSCI**”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Malaysian market by targeting all companies with a market capitalisation within the top 85 percent of the Malaysian investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Malaysian investable equity universe” refers to the Malaysian companies that are available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

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#### Investability Screens

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- equity universe minimum size requirement;
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- minimum length of trading requirement; and
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##### *(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

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This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

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The Reference Index is calculated in USD on an end of day basis.

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In particular, the index maintenance involves:

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  - o Updating the indices on the basis of a fully refreshed Equity Universe.
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Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

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FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 15: Xtrackers MSCI Thailand UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Thailand 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section “*Risk Factors - Index Risks*”.

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Thailand TRN Index (the “**Reference Index**” as described below under “General Description of the Reference Index”). The Company does not intend to make dividend payments in respect of Class 2C Shares which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large and mid capitalisation companies of Thailand. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section “Investment Objectives and Policies” in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments (“**FDIs**”) including futures, options, swaps, credit default swaps (“**CDSs**”), contracts for differences (“**CFDs**”) and forwards including non-deliverable forwards (“**NDFs**”). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month’s prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section “Risk Factors” in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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”.



### Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

### Profile of Typical Investor

An investment in the Xtrackers MSCI Thailand UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 12 January 2012. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 12 January 2012. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Frankfurt Stock Exchange and London Stock Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

*Concentration of the Reference Index:* The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risks associated with investment in Thailand:

(a) *Emerging Market Risk:* Thailand is considered as an emerging market country. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed market and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of expropriation of assets and the risk of war.

(b) *Legal Risk:* The economy of Thailand is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. Thai securities laws and regulations are relatively more recent than that of more developed markets and may be subject to interpretation. In the event of a securities related dispute involving a local party and a foreign party, the laws of Thailand are likely to apply. The Thai court system is not as transparent and effective as court systems in more developed jurisdictions such as Hong Kong and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in Thailand and generally the judgements of foreign courts are not recognised.

(c) *Regulatory Risk:* Foreign investment in Thailand's primary and secondary securities markets is still relatively new and much of Thailand's existing securities laws may still be subject to different interpretations and/or have been developed to regulate direct investment by foreigners rather than portfolio investment in listed securities. The regulatory framework of Thailand's primary and secondary securities markets is not as

well established as many of the world's leading stock markets, and may therefore be subject to a lower level of regulatory oversight.

(d) *Political Risk:* Investors should note that the political, diplomatic and social situation of Thailand may have an impact on the performance of the Sub-Fund. The performance of the Sub-Fund may be affected by uncertainties such as changes and/or instability in the government in Thailand or changes in its policies regarding inward investment, taxation and restrictions on currency repatriation and other developments in the laws and regulations of Thailand. In April 2010, widespread political protests and general social unrest in Thailand resulted in a significant slowdown of the Thai economy. Even if the country's social and political situation has normalised as of the date of this Product Annex, there can be no certainty that such events will not occur again in the future and result in political instability, which may generally harm the Thai economy and therefore the performance of Thai companies included in the Reference Index, and ultimately have a detrimental impact on the performance of the Sub-Fund. The Sub-Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability, higher inflation and other considerations.

(e) *Trading Volumes and Volatility:* The Stock Exchange of Thailand has relatively lower trading volumes than exchanges in most developed countries and the market capitalisations of listed companies are relatively smaller than those of companies listed on exchanges in developed markets. The listed common stock of many companies in Thailand may consequently be significantly less liquid and subject to greater bid and offer spreads and may experience significantly greater volatility than those of companies listed on exchanges in developed markets. The Stock Exchange of Thailand has in the recent past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors may adversely affect the Net Asset Value of the Sub-Fund.

(f) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Baht.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In-Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes
<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>“2C”</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	60,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	60,000 Shares
<b>Minimum Redemption Amount</b>	60,000 Shares
<b>Minimum Holding Requirement</b>	USD 100,000
<b>Stock Code</b>	3092
<b>Listing Date (SEHK)</b>	12 January 2012
<b>Trading Board Lot Size</b>	25 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.30% annually
<b>Fixed Fee</b>	0.01666% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.50% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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;*

<sup>2</sup> 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.

however, this will not necessarily take place prior to the effective date of those changes made to the features of the relevant Reference Index.

## **General Information on the Reference Index**

The MSCI Thailand TRN Index (the “Reference Index”) is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) (“MSCI”). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation index reflecting the performance of the Thai market by targeting all companies with a market capitalisation within the top 85 percent of the Thai investable equity universe, subject to a global minimum size requirement. For the purpose of the Reference Index, “Thai investable equity universe” refers to the Thai companies that are available to the investors worldwide. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. “local listing”) and/or in a different country (i.e. “foreign listing”). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security’s foreign listing is traded on an eligible stock exchange.

### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

#### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

#### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

#### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

#### *(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security’s foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as “foreign room”) must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as a Standard Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 29 December 2000.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

**Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.

- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 30 July 2010 and continued until 19 December 2010 on which date the licence has been automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .dMITH0000NUS and the Bloomberg code is NDEUTHF <Index><GO>.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

### **IMPORTANT**

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR

USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

## PRODUCT ANNEX 16: Xtrackers MSCI Philippines UCITS ETF

1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Philippines 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section "*Risk Factors - Index Risks*".

### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Philippines Investable Market Total Return Net Index (the "**Reference Index**" as described below under "General Description of the Reference Index"). The Company does not intend to make dividend payments in respect of Class 2C Shares, which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid and small capitalisation companies of the Philippines. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section "Investment Objectives and Policies" in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments ("**FDIs**") including futures, options, swaps, credit default swaps ("**CDSs**"), contracts for differences ("**CFDs**") and forwards including non-deliverable forwards ("**NDFs**"). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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".



### Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

### Profile of Typical Investor

An investment in the Xtrackers MSCI Philippines UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 11 April 2013. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 11 April 2013. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Frankfurt Stock Exchange and London Stock Exchange. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

Concentration of the Reference Index: The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risks associated with investment in the Philippines:

(a) *Emerging Market Risk:* Philippines is considered as an emerging market country. Emerging markets risks include risks brought about by investment ceiling limits where foreign investors are subject to certain holding limits and constraints imposed on trading of listed securities where a registered foreign investor may only maintain a trading account with one licensed securities company in the relevant market. These may contribute to the illiquidity of certain of the relevant securities markets, as well as create inflexibility and uncertainty as to the trading environment.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; the risk of nationalisation and expropriation of assets and the risk of war.

(b) *Legal Risk:* The economy of the Philippines is substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulations affecting the economy are also in an earlier stage of development and are not as well established as the laws and regulations of developed countries. Securities laws and regulations in the Philippines are relatively more recent than that of more developed markets and may be subject to interpretation. In the event of a securities related dispute involving a local party and a foreign party, the laws of the Philippines are likely to apply. The Philippines law enforcement is being hampered by corruption and the lack of resources available. As such, the court system in the Philippines is not as transparent and effective as court systems in more developed jurisdictions such as Hong Kong and there can be no assurance of obtaining effective enforcement of rights through legal proceedings in the Philippines and generally the judgements of foreign courts are not recognised.

(c) *Regulatory Risk:* Foreign investment in the Philippines' primary and secondary securities markets is still relatively new and much of the Philippines' existing securities laws may still be subject to different interpretations and/or have been developed to regulate direct investment by foreigners rather than portfolio investment in listed securities. The regulatory framework of the primary and secondary securities markets in the Philippines is not as well established as many of the world's leading stock markets, and may therefore be subject to a lower level of regulatory oversight. There is a lower level of regulatory supervision and enforcement activity in the regulation of the Philippines securities market compared to those in more developed markets.

(d) *Political and Social Risk:* Investors should note that the political issues and the diplomatic situations, as well as social factors of the country might have an impact on the performance of the Sub-Fund. Philippines has at times been destabilized by frequent government turnover and significant political changes, including military coups. The Philippines law enforcement is being hampered by corruption, lack of resources and availability of firearms on the street. Governmental reforms may have been perceived as lacking in drive. Recurrence of these conditions, unanticipated or sudden changes in the political structure or other Philippines political events may result in sudden and significant investment losses. The performance of the Sub-Fund may be affected by uncertainties such as changes in the government in the Philippines or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of the Philippines. The Sub-Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

(e) *Economic Risk:* The Philippines economy has experienced periods of substantial inflation, currency devaluations and economic recessions, any of which may have a negative effect on the Philippines economy and securities markets. The Philippines economy is dependent on trading relations with the economies of Asia and the United States. Reduction in spending by these economies on Philippines products and services or negative changes in any of these economies may cause an adverse impact on the Philippines economy.

(f) *Geographical Risk:* Philippines is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and typhoons, and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Philippines' economy, and hence the performance of the Sub-Fund.

(g) *Trading Volumes and Volatility:* The stock exchanges in the Philippines have relatively lower trading volumes than exchanges in most developed countries and the market capitalisations of listed companies are relatively smaller than those of companies listed on exchanges in developed markets. The listed common stock of many companies in the Philippines may consequently be significantly less liquid and subject to greater bid and offer spreads and may experience significantly greater volatility than those of companies listed on exchanges in developed markets. The stock exchanges in the Philippines have in the recent past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors may adversely affect the Net Asset Value of the Sub-Fund.

(h) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Philippine Peso.

#### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70 percent of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15 percent, and the Securities Lending Agent will be allocated 15 percent. To facilitate this, the Sub-Fund will initially receive 85 percent of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
	<b>"2C"</b>
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	600,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	600,000 Shares
<b>Minimum Redemption Amount</b>	600,000 Shares
<b>Stock Code</b>	3016
<b>Listing Date (SEHK)</b>	11 April 2013
<b>Trading Board Lot Size</b>	200 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.45% annually
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.65% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 2%

#### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

<sup>2</sup> 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.

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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.

### **General Information on the Reference Index**

The MSCI Philippines Investable Market Total Return Net Index (the "**Reference Index**") is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) ("**MSCI**"). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid and small capitalisation companies of the Philippines, subject to a global minimum size requirement. For the purpose of the Reference Index, "Philippines investable equity universe" refers to the companies in the Philippines that fulfil standard MSCI investability requirements and are available to the investors worldwide. According to the MSCI index methodology the Reference Index is designed to measure the performance of equity securities in the top 99 percent of the free float-adjusted market capitalisation of the equity securities in the Philippines. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security's foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity

universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

*(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

*(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70%  $\pm$  5%
- Standard Index: 85%  $\pm$  5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as an Investable Market Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 May 2007.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.

- Taking buffer rules into consideration for migration of securities across size and style segments.
- Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).
- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 10 June 2011 and continued until 19 December 2011 on which date the licence was automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is .MIPH000I0NUS and the Bloomberg code is MIMUPHIN.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

## IMPORTANT

THIS SUB-FUND IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY DEUTSCHE BANK AG. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THIS SUB-FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THIS SUB-FUND OR THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THIS SUB-FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THIS SUB-FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THIS SUB-FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THIS SUB-FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE SUB-FUND, OWNERS OF THE SUB-FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR SUB-FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY

ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.



## PRODUCT ANNEX 17: Xtrackers MSCI Singapore UCITS ETF

### 1 December 2020

The information contained in this Product Annex relates to Xtrackers MSCI Singapore 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. In particular, investors should refer to the special risk considerations associated with an investment in this Sub-Fund in the main part of the Prospectus, under the section "*Risk Factors - Index Risks*".

#### Investment Objective and Policy

The Investment Objective of the Sub-Fund is to track the performance of the Reference Index, which is the MSCI Singapore Investable Market Total Return Net Index (the "**Reference Index**" as described below under "General Description of the Reference Index"). The Company does not intend to make dividend payments in respect of Class 2C Shares, which is the only Class of Shares available to Hong Kong investors.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid and small capitalisation companies of Singapore. The Reference Index is a total return net index. A total return net index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The Sub-Fund is passively managed in accordance with a Direct Investment Policy and is a Full Replication Fund (please refer to the section "Investment Objectives and Policies" in the main part of the Prospectus). In order to achieve the Investment Objective, the Sub-Fund will attempt to replicate the Reference Index by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the Reference Index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

The Sub-Fund may also invest in financial derivative instruments ("**FDIs**") including futures, options, swaps, credit default swaps ("**CDSs**"), contracts for differences ("**CFDs**") and forwards including non-deliverable forwards ("**NDFs**"). The Sub-Fund will not use financial derivative instruments extensively for non-hedging purposes.

Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event that the Management Company wishes to adopt an investment strategy other than the current Direct Investment Policy.

The investments and liquid assets (such as deposits) the Sub-Fund may hold on an ancillary basis will, together with any derivative techniques and any fees and expenses, be valued by the Administrative Agent on each Valuation Day in order to determine the Net Asset Value of the Sub-Fund in accordance with the rules set out in the main part of the Prospectus.

The Sub-Fund may also invest in depositary receipts, certificates, ETFs, UCITS or other eligible collective investment undertakings or P-notes, and money market instruments. 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.

The Sub-Fund may enter into Securities Lending Transactions for up to 30 percent of its Net Asset Value at any one time to generate additional income and therewith offset part or all of its costs. As part of its securities lending transactions, the Sub-Fund must receive collateral, the value of which, during the duration of the securities lending agreement, must be equal to at least 100 percent of the global valuation of the securities lent, marked to market on a daily basis. The Sub-Fund will not engage in any reinvestment of collateral received as part of its Securities Lending Transactions.

The Company may borrow, for the account of the Sub-Fund, (i) up to 10 percent of the Net Asset Value of the Sub-Fund provided that such borrowing is on a temporary basis, or (ii) if such borrowing is in the form of a back-to-back loan for the purchase of foreign currency. The Company may borrow for investment purposes. The Sub-Fund may therefore be subject to shortfall risk, as this term is further detailed under the section "Risk Factors" in the main part of the Prospectus.

The Sub-Fund will have no Maturity Date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the main part of the Prospectus and the Articles of Incorporation.

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".

### Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

### Profile of Typical Investor

An investment in the Xtrackers MSCI Singapore UCITS ETF 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".

### Exchange Traded Fund

The Sub-Fund is an ETF. The Shares of this Sub-Fund are fully transferable to investors.

Dealings in the Hong Kong Shares of the Sub-Fund commenced on 11 April 2013. The Hong Kong Shares of the Sub-Fund have been accepted by HKSCC as eligible securities for deposit, clearing and settlement in CCASS with effect from 11 April 2013. The Hong Kong Shares are bought and sold by investors in the secondary market in the same way as the ordinary shares of a listed trading company.

Certain Shares of the Sub-Fund are listed on the Frankfurt Stock Exchange and Singapore Exchange Securities Trading Limited. Application may be made in the future for a listing of other shares of the Sub-Fund on other stock exchanges.

### Specific Risk Warning

**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" on pages 45 to 57 of the Prospectus.**

Concentration of the Reference Index: The Reference Index is concentrated in securities from a single country. As a result, any country-specific political or economic 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.

### Additional Risk Factors relating to the Sub-Fund

Investors in the Sub-Fund should be aware of the following risk associated with investment in Singapore:

(a) *Level of Premium/Discount of the Share Price of the Sub-Fund to its Net Asset Value:* Similar to other ETFs with overseas investment exposure, it is expected that the level of premium or discount of the Share price of the Sub-Fund to its Net Asset Value may be higher than average, primarily because of exchange rate fluctuations relating to the Singapore Dollar.

### General Information relating to the Sub-Fund

<b>Minimum Net Asset Value</b>	USD 50,000,000
<b>Reference Currency</b>	USD
<b>Cut-off Time</b>	5:00 p.m. Luxembourg time on the Business Day prior to the relevant Transaction Day
<b>Significant Market</b>	Direct Replication Significant Market
<b>In Kind Subscription / Redemption</b>	Available
<b>Settlement Period</b>	Means up to nine Business Days following the Transaction Day. <sup>1</sup>
<b>Securities Lending</b>	Yes

<sup>1</sup> In the case that a Significant Market is closed for trading or settlement on any Business 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](http://www.Xtrackers.com).

<b>Securities Lending Limit</b>	The proportion of the Sub-Fund's Net Asset Value subject to Securities Lending Transactions may vary between 0% and 30%.
<b>Securities Lending Revenue/Costs Policy</b>	Direct Investment Policy: To the extent that the Sub-Fund undertakes securities lending to reduce costs, the Sub-Fund will ultimately be allocated 70% of the associated revenue generated, the Sub-Portfolio Manager will be allocated 15%, and the Securities Lending Agent will be allocated 15%. To facilitate this, the Sub-Fund will initially receive 85% of the associated revenue generated from which the Sub-Portfolio Manager will receive its allocation. As securities lending revenue sharing does not increase the costs of running the Sub-Fund, this has been excluded from the ongoing charges.
<b>Index Administrator</b>	MSCI Inc. and its subsidiaries (which include MSCI Limited)

#### Description of the Shares available to Hong Kong investors

Class(es)	
"2C"	
<b>Denomination Currency</b>	USD
<b>Minimum Initial Subscription Amount</b>	810,000 Shares
<b>Minimum Subsequent Subscription Amount</b>	810,000 Shares
<b>Minimum Redemption Amount</b>	810,000 Shares
<b>Stock Code</b>	3065
<b>Listing Date (SEHK)</b>	11 April 2013
<b>Trading Board Lot Size</b>	500 Hong Kong Shares
<b>Trading Currency</b>	HKD
<b>Management Company Fee<sup>2</sup></b>	Up to 0.30% annually
<b>Fixed Fee</b>	0.016667% <i>per month</i> (0.20% p.a.)
<b>All-In Fee</b>	Up to 0.50% p.a. The All-In Fee excludes any Extraordinary Expenses.
<b>Transaction Costs</b>	Applicable
<b>Primary Market Transaction Costs</b>	Applicable
<b>Financial Transaction Taxes</b>	The Sub-Fund will bear any financial transaction taxes that may be payable by it.
<b>Anticipated level of Tracking Error</b>	Up to 1%

#### General Description of the Reference Index

*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. As of the date of this Product Annex, the summary of the Reference Index in this section is consistent with the complete description of the Reference Index. Information on the Reference Index appears in 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.*

*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*

<sup>2</sup> 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.

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 certain 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. 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](http://www.Xtrackers.com) or any successors thereto. The SFC will be consulted on any events that may affect the acceptability 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.

### **General Information on the Reference Index**

The MSCI Singapore Investable Market Total Return Net Index (the "**Reference Index**") is administered by MSCI Inc. and its subsidiaries (which include MSCI Limited) ("**MSCI**"). The Management Company (and each of its Connected Persons) is independent of MSCI.

The Reference Index is a free float-adjusted market capitalisation weighted index reflecting the performance of listed equity securities of large, mid, and small capitalisation companies of Singapore, subject to a global minimum size requirement. For the purpose of the Reference Index, "Singapore investable equity universe" refers to the Singaporean companies that fulfil standard MSCI investability requirements and are available to the investors worldwide. According to the MSCI index methodology the Reference Index is designed to measure the performance of equity securities in the top 99 percent of the free float-adjusted market capitalisation of the equity securities in Singapore. The Reference Index is based on the MSCI Global Investable Market Indices Methodology.

A market investable equity universe of the Reference Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

#### Identifying Eligible Listings

A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- The security is classified in a country that meets certain foreign listing materiality requirement, and
- The security's foreign listing is traded on an eligible stock exchange.

#### Investability Screens

The investability screens used to determine the market investable equity universe of the Reference Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement; and
- minimum foreign room requirement.

##### *(i) Equity universe minimum size requirement*

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

##### *(ii) Equity universe minimum free float-adjusted market capitalisation requirement*

The equity universe minimum free float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50 percent of the equity universe minimum size requirement.

##### *(iii) Minimum liquidity requirement*

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. Liquidity is measured using 12- and 3-month annual traded value ratios and a three month frequency of trading.

*(iv) Global minimum foreign inclusion factor requirement*

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors.

*(v) Minimum length of trading requirement*

The minimum length of trading requirement is the minimum period an individual security must have been trading to be part of a market investable equity universe. Large IPOs are not subject to this requirement, and may be included in a market investable equity universe outside of regular index reviews.

*(vi) Minimum foreign room requirement*

This investability screen is applied at the individual security level. For a security that is subject to a Foreign Ownership Limit (FOL) to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15 percent.

To define the size-segment indices for a market, the following free float-adjusted market capitalisation Market Coverage Target Ranges are applied to the market investable equity universe:

- Large Cap Index: 70% ± 5%
- Standard Index: 85% ± 5%
- Investable Market Index: 99%+1% or -0.5%

The Reference Index is classified as an Investable Market Index.

The MSCI Global Investable Market Indices exhaustively cover the investable opportunity set with non-overlapping size (large, mid, small cap market) and style segmentation. The market capitalisation size segmentation is designed to achieve an effective balance between the objectives of global size integrity and country diversification.

The Reference Index has a base date of 31 May 2007.

The Reference Index is calculated in USD on an end of day basis.

The prices used to calculate the Reference Index are the official exchange closing prices or those figures accepted as such. The Index Administrator reserves the right to use an alternative pricing source on any given day.

### **Maintaining the MSCI Indices**

The MSCI Global Investable Market Indices are maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve:

- Index continuity;
- Continuous investability of constituents and replicability of the indices; and
- Index stability and low index turnover.

In particular, the index maintenance involves:

- Semi-Annual Index Reviews (SAIRs) in May and November of the Size-Segment and Global Value and Growth Indices which include:
  - o Updating the indices on the basis of a fully refreshed Equity Universe.
  - o Taking buffer rules into consideration for migration of securities across size and style segments.
  - o Updating Foreign Inclusion factors (FIFs) and Number of Shares (NOS).

- Quarterly Index Reviews (QIRs) in February and August of the size-segment indices aimed at:
  - o Including significant new eligible securities (such as IPOs which were not eligible for earlier inclusion) in the index.
  - o Allowing for significant moves of companies with the size-segment indices, using wider buffers than in the SAIR.
  - o Reflecting the impact of significant market events on FIFs and updating NOS.
- Ongoing event-related changes. Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indices methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the SAIR/QIR process.

#### **Index Licence**

The initial term of the licence of the Reference Index commenced on 10 June 2011 and continued until 19 December 2011 on which date the licence was automatically renewed for one year and should be continually renewed for successive terms of one year unless either party to the licence agreement serves a written notice of termination of at least 30 days prior to the end of the then current term to the other party. The licence agreement may otherwise be terminated in accordance with the provisions of the licence agreement.

#### **Further Information**

The Reuters code is MISG000I0NUS and the Bloomberg code is M1SGIM.

You can obtain the list of constituents of the Reference Index with their respective weightings from <https://www.msci.com/constituents>.

Additional information on the Reference Index and the general methodology behind the MSCI indices can be found on [www.msci.com](http://www.msci.com).

## IMPORTANT

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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:

<b>Index Administrator</b>	<b>Reference Index</b>	<b>Sub-Fund</b>	<b>Supervising Authority</b>
MSCI Limited	MSCI Total Return Net USA Index	Xtrackers MSCI USA Swap UCITS ETF*	UK - Financial Conduct Authority (FCA)
	MSCI Taiwan 20/35 Custom Index	Xtrackers MSCI Taiwan UCITS ETF	
	MSCI Korea 20/35 Custom Index	Xtrackers MSCI Korea UCITS ETF	
	MSCI Total Return Net Brazil Index	Xtrackers MSCI Brazil UCITS ETF	
	MSCI Russia Issuers Capped 25% Index	Xtrackers MSCI Russia Capped Swap UCITS ETF*	
	MSCI Total Return Net World Index	Xtrackers MSCI World Swap UCITS ETF*	
	MSCI Pacific ex Japan TRN Index	Xtrackers MSCI Pacific ex Japan UCITS ETF	
	MSCI Indonesia TRN Index	Xtrackers MSCI Indonesia Swap UCITS ETF*	
	MSCI China TRN Index	Xtrackers MSCI China UCITS ETF	
	MSCI Malaysia TRN Index	Xtrackers MSCI Malaysia UCITS ETF	
	MSCI Thailand TRN Index	Xtrackers MSCI Thailand UCITS ETF	
	MSCI Philippines Investable Market Total Return Net Index	Xtrackers MSCI Philippines UCITS ETF	
	MSCI Singapore Investable Market Total Return Net Index	Xtrackers MSCI Singapore UCITS ETF	
FTSE International Limited	FTSE CHINA 50 Index	Xtrackers FTSE China 50 UCITS ETF	UK – Financial Conduct Authority (FCA)
	FTSE Vietnam Index	Xtrackers FTSE Vietnam Swap UCITS ETF*	
China Securities Index Co., Ltd.	CSI300 Index	Xtrackers CSI300 Swap UCITS ETF*	Non Applicable – NOAP (Relevant Authority: Financial Conduct Authority (FCA) – GBFC)

(\*This is a synthetic ETF)