



Questions regarding those db X-trackers UCITS ETFs switching to direct replication

1. Why is this switch taking place?

Our direct replication ETF platform is now well established, delivering good quality physical replication ETFs in terms of tracking and transparency. Meanwhile, certain client segments are showing a preference for direct, physical replication and we aim to meet that demand. We expect that many investors will therefore welcome this change.

2. Which ETFs are switching replication technique and when exactly is this happening?

A list of those ETFs switching replication technique is provided below. This will take place starting from January 2014.

3. What does this mean for investors?

It means investors will be able to access a large range of direct, physical replication ETFs from Deutsche Asset & Wealth Management, which will become one of the largest providers of physical ETFs in Europe.

4. Is there anything investors have to do?

No action is required by investors, and investors should note that their exposures, listing locations as well as the jurisdiction where the ETFs are registered for sale remain unchanged. The relevant ETF will track the same index, with the change being to the strategy deployed by the ETF to passively track the index, i.e. the ETFs will buy index constituents or related securities rather than using swaps to track their underlying indices.

Any investor who does wish to exit their fund investment can do so in the usual way via contacting their broker.

5. Will legal or administrative costs involved in making the switch impact the ETF?

Switching costs will not impact fund performance as these will be met by Deutsche Bank AG.

Note however that direct replication ETFs and mutual funds can be impacted by stamp duties or financial transaction taxes associated with trading the physical securities that indirect replication ETFs or mutual funds may not be subject to.

6. Will the switch lead to changes in fee levels?

Fee levels will remain the same for all funds switching, with the exception of the db x-trackers Euro Stoxx 50 UCITS ETF, where the annual fee, or total expense ratio (TER), will move to 0.09% per annum (the indirect replication version had a 0% per annum TER).

7. How transparent will the physical ETFs be?

db X-trackers ETFs are highly transparent funds and this will remain the case. Our current direct replication ETFs publish, on a daily basis, full breakdowns of current holdings, while for those ETFs that use securities lending, full breakdowns of securities held as collateral, the current percentage of securities on loan, the list of potential borrowers as well as the revenues received by the ETFs and other important details are also available online and updated daily. This same high level of transparency will apply to all our direct replication ETFs.

8. Will db X-trackers direct replication funds engage in securities lending?

Where the underlying market permits securities lending may be used by the ETF to improve performance. db X-trackers direct replication ETFs comply with the latest regulatory guidelines on securities lending. This means that all securities lending revenues after costs are retained by the ETF. For the majority of db X-trackers' direct replication ETFs this means 70% of the gross securities lending revenues are retained by the fund.





List of ETFs switching to direct replication

db X-trackers ETF	Share Class	Asset Class
db x-trackers ATX UCITS ETF	1C	Equity, Austria
db x-trackers CAC 40 [®] UCITS ETF	1D	Equity, France
db x-trackers DAX [®] UCITS ETF	1C	Equity, Germany
db x-trackers Euro Stoxx 50 [®] UCITS ETF	1C, 1D	Equity, Eurozone
db x-trackers Euro Stoxx [®] Select Dividend 30 UCITS ETF	1D	Equity, Eurozone
db x-trackers FTSE 100 UCITS ETF	1D	Equity, UK
db x-trackers FTSE 250 UCITS ETF	1D	Equity, UK
db x-trackers FTSE All-Share UCITS ETF	1D	Equity, UK
db x-trackers FTSE EPRA/NAREIT Developed Europe Real Estate UCITS ETF	1C, 2C	Equity, Europe Real Estate
db x-trackers FTSE MIB UCITS ETF	1D	Equity, Italy
db x-trackers IBEX 35 [®] UCITS ETF	1C	Equity, Spain
db x-trackers MSCI Europe Index UCITS ETF	1C	Equity, Europe
db x-trackers MSCI Europe Mid Cap Index UCITS ETF	1C	Equity, Europe Mid-cap
db x-trackers MSCI Europe Small Cap Index UCITS ETF	1C, 2C	Equity, Europe Small-cap
db x-trackers MSCI Mexico Index UCITS ETF	1C	Equity, Mexico
db x-trackers MSCI Pan-Euro Index UCITS ETF	1C	Equity, Europe
db x-trackers SMI [®] UCITS ETF	1C, 1D	Equity, Switzerland
db x-trackers Stoxx [®] Europe 600 UCITS ETF	1C	Equity, Europe

For more information please contact us on +44 (0) 207 547 1747, or +49 (69) 910 30549

www.dbxtrackers.com

db X-trackers ETFs risk factors

Investors should note that the db X-trackers ETFs are not capital protected or guaranteed and investors in each db X-trackers ETF should be prepared and able to sustain losses of the capital invested up to a total loss.

The value of an investment in a db X-trackers ETF may go down as well as up and past performance is not a reliable indicator of future performance.

Investment in db X-trackers ETFs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the db X-trackers ETFs, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks.

The db X-trackers ETFs are mainly synthetically replicated and use Deutsche Bank as the counterparty for OTC derivative transactions. In the event of a default under the terms of the OTC derivative transaction by Deutsche Bank, the db X-trackers ETFs would be liquidated and investors could lose up to 10% of the NAV of the ETF. The NAV at the time of default also may be considerably less than the amount an investor originally invested depending on the performance of the relevant underlying index. You should therefore understand and evaluate the counterparty credit risk prior to making any investment.

Please consult your financial advisor before you invest in a db X-trackers ETF since not all db X-trackers ETFs are suitable for all investors.

ETFs shares may be denominated in a currency different to that of the traded currency on the stock exchange in which case exchange rate fluctuations may have a negative effect on the returns of the ETF. The value of any investment involving exposure to foreign currencies can be affected by exchange rate movements.

Tax treatment of the db X-trackers ETFs depends on the individual circumstances of each investor. The levels and bases of, and any applicable relief from, taxation can change.

An investment in a db X-trackers ETF is dependent on the performance of the underlying index less costs but an investment is not expected to match that performance precisely. There may be tracking difference between the ETF and the underlying index due to the impact of annual fund management fees. The returns on the ETF may not be directly comparable to the returns achieved by direct investment in the underlying assets of the ETF or the underlying index. Investors' income is not fixed and may fluctuate.





The OTC derivative transaction which may be used to gain exposure to the relevant index may be adjusted to reflect certain expenses in relation to taxes and/or buying, selling, borrowing, financing or custody costs associated with the counterparty's hedging position. These index replication costs may have a negative impact on the performance of the ETF.

The price of any db X-trackers ETFs traded on the secondary market will depend, on market supply and demand, movements in the value of the db X-trackers ETFs as well as other factors such as prevailing financial market, corporate, economic and political conditions. In accordance with the requirements of the relevant stock exchanges, market makers are expected to provide liquidity and two way prices to facilitate the secondary market trading of the relevant ETF. However, in certain abnormal market conditions liquidity may be affected.

An investment in a db X-trackers ETF tracking a daily leveraged or daily short index is intended for financially sophisticated investors only who wish to take a very short term view on the underlying index, e.g. for day trading purposes. Therefore the db X-trackers ETFs on daily leveraged, long or daily short indices are appropriate only for financially sophisticated investors who understand the strategy, characteristics and risks. The db X-trackers ETFs on daily leveraged long or daily short indices are not intended to be a buy and hold investment.

For further information regarding risk factors, please refer to the risk factors section of the prospectus, or the Key Investor Information Document.

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