Collateral Securities Selection Criteria in respect of db x-trackers ETFs* (*This includes synthetic ETFs) adopting investment strategy (ii) as of 31 January 2018

IMPORTANT:

— db x-trackers* (*This includes synthetic ETFs) is an umbrella fund with a series of different sub-funds (each a "Sub-Fund") which are exchange-traded funds ("ETFs") tracking different underlying indices with different risk profiles.

— The shares of the Sub-Funds which invest in a single country or sector are likely to be more volatile than a broad-based fund as it is more susceptible to fluctuations in value resulting from adverse conditions in that single country or sector.

— The shares of the Sub-Funds may trade at a discount or premium to their net asset value ("NAV").

— An investment in the shares of the Sub-Funds may directly or indirectly involve exchange rate risk.

— Investment involves risks. The Sub-Funds may not be suitable for all investors. Prospective investors should carefully read the Hong Kong Prospectus for further details on product features and risks, and should consider seeking independent professional advice in making their assessment.

Indirect Replication Funds

— Certain Sub-Funds adopt an indirect investment policy (also known as "synthetic replication") (each an "Indirect Replication Fund") by investing in swap transaction(s), which is a financial derivative instrument, linked to an underlying index. Currently, Deutsche Bank AG ("DB") is the only swap counterparty of all Indirect Replication Funds. Investors in an Indirect Replication Fund are therefore subject to the counterparty and credit risk of DB.

— Each Indirect Replication Fund either puts in place a collateral arrangement where collateral securities are pledged in favour of such Indirect Replication Fund or invests in a portfolio of securities ("invested assets"), both with a view to ensure that the net exposure of such Indirect Replication Fund to DB is limited to no more than 0% of its NAV at the end of a trading day. The collateral securities and invested assets generally are not constituents of the underlying index. These arrangements are subject to risks, including failure on the part of DB to fulfil its obligations under the swap or collateral arrangements, a substantial drop in market value of the invested assets or collateral securities, settlement risk, or the insolvency or default of DB.

— Insolvency or default of DB may lead to dealing in the shares of the Indirect Replication Funds being suspended, and the Indirect Replication Funds may suffer significant losses and may even be terminated.

— Both the management company and the swap counterparty of the Indirect Replication Funds belong to DB Group. Furthermore, DB acts as swap counterparty and swap calculation agent in respect of all the Indirect Replication Funds to which the Hong Kong Prospectus relates. DB is also the Index Sponsor for the underlying indices of some of the Indirect Replication Funds. All of these may give rise to potential conflicts of interest.

Direct Replication Funds

— Certain Sub-Funds adopt a direct investment policy (each a "Direct Replication Fund") by directly investing in a portfolio of transferable securities that may comprise all or a substantial number of the constituents of the relevant underlying index broadly in proportion to the respective weightings of the constituents, or other eligible assets.

— A Direct Replication Fund may utilise financial derivative instruments ("FDIs") for investment and/or hedging purposes. The use of derivatives exposes a Direct Replication Fund to additional risks, including volatility risk, leverage risk, liquidity risk, correlation risk, counterparty risk, legal risks and settlement risks.

— Due to various factors, including fees, legal or regulatory restrictions and certain securities being illiquid, it may not be practicable to purchase all of the constituents in proportion to their weighting in the underlying index. A Direct Replication Fund will be subject to a greater tracking error in such circumstances.

— A Direct Replication Fund entering into a securities lending transaction is subject to counterparty risk, collateral risk, limited nature of indemnity from securities lending agent risk, operational risk and conflicts of interests risk.

Emerging market ETFs

- The investment objective of certain Sub-Funds is to track the performance of certain emerging markets and as such, the Sub-Funds are subject to a greater risk of loss than investments in a developed market due to, among other factors, greater political, economic, foreign exchange, liquidity and regulatory risks.

A-Share ETFs

- The investment objective of certain Indirect Replication Funds ("A Shares Sub-Funds") is to track the performance of an index comprising A shares listed in the PRC. Each A Shares Sub-Fund seeks exposure to the relevant index by entering into swap transaction(s) with DB, which is a qualified foreign institutional investor ("QFII").
- 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 the shares of the A Shares Sub-Funds may also be disrupted.
- 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 the swap transaction(s) may be negatively impacted to reflect PRC capital gains tax payable by DB in relation to the swap transaction(s).
- Any changes to the QFII regulation may have a detrimental impact on the ability of the A Shares Sub-Fund to achieve its investment objective. In the worst case scenario, this could lead to the A Shares Sub-Fund being terminated.
- **Each A Shares Sub-Fund is subject to emerging market risk as a result of tracking the performance of the PRC market.**
- **Each A Shares Sub-Fund is also subject to concentration risk as a result of tracking the performance of a single country (the PRC) and sector (except for db x-trackers CSI300 UCITS ETF* (*This is a synthetic ETF)).** A Sub-Fund which invests in a single country or sector is likely to be more volatile than a broad-based fund as it is more susceptible to fluctuations in value resulting from adverse conditions in that single country or sector.

ETFs which offer Share Class "D" Distribution Shares

- db x-trackers* (*This includes synthetic ETFs) 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 a Sub-Fund.
- Alternatively, db x-trackers* (*This includes synthetic ETFs) may pay a dividend out of gross income while charging all or part of a Sub-Fund's fees **and expenses** to the capital of that Sub-Fund, resulting in an increase in the distributable income for the payment of dividends by that Sub-Fund. **In other words, such dividend may be treated as being effectively paid out of the capital of that 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 a Sub-Fund's capital or payment of dividends effectively out of a Sub-Fund's capital may result in an immediate reduction of the NAV.

Investors should not make investment decisions based only on this document.

COLLATERAL ARRANGEMENTS IN RESPECT OF INDIRECT REPLICATION FUNDS

Deutsche Bank AG in its capacity as swap counterparty, has an account (the "Pooled Account") in its name with State Street Bank Luxembourg S.A. (the "Custodian") in which cash and securities (together the "Collateral Securities") are pledged in favour of db x-trackers (the "Company") acting on behalf of each sub-fund pursuant to a pledge agreement.

The portfolio of Collateral Securities held in the Pooled Account, and hence the portfolio of Collateral Securities pledged in favour of the sub-funds will consist of "Eligible Collateral".

Eligible Collateral

The following is a summary of the types of assets (with their respective margins and concentration limits set out below) which may qualify as Eligible Collateral.

(i) Equity

The value of any SSBL Collateral Securities comprising common stock or preference shares, identified with a single security identifier, may not be larger than 5 times the 90 day average daily trading volume of the security with such security identifier.

The equity-related SSBL Eligible Collateral can comprise constituents of indices from the countries listed below and with the related indices being set out alongside each such country.

Country	Index
Australia	Australian All Ordinaries Index, ASX20, ASX200
Austria	Austrian Traded ATX Index, ATX Prime
Belgium	BEL20 Index
Canada	S&P Toronto Stock Exchange Composite Index, S&P TSX60 Index
Czech Republic	Prague Stock Exchange Index
Denmark	KFMX Index, Copenhagen Mid Cap Index
European Others	EuroStoxx50, FTSE Europe Top 300 Index
Finland	HEX General Index, OMXH 25
France	CAC40 Index, SBF 80, SBF 120, SBF 250, CAC all share - PAX
Germany	DAX30 Index, HDAX, CDAX Performance
Hungary	Budapest Stock Exchange Index
Ireland	Irish Overall Index
Italy	FTSE MIB, FTSE Italia ALL Share
Japan	NIKKEI 225, Nikkei 300, TOPIX
Luxembourg	LuxX Index
Netherlands	Amsterdam Exchanges Index, Amsterdam Midcap Index
New Zealand	NZX 50 Index
Norway	OBX Stock Index, OSE All Share Index
Poland	WSE WIG Index
Portugal	PSI GLOBAL
Sweden	OMXS30 Index, Stockholmsborsen Stock Index
Switzerland	Swiss Market Index
UK	FTSE100, FTSE 250 Index, FTSE 350 Index, FTSE ALL SHARE
USA	S&P 100, 500, Russell 1000, Russell 2000 Index, DJIA, NASDAQ 100, Russell 3000, NASDAQ COMP, S&P ADR

The aggregate value of any SSBL Collateral Securities comprising common stock and preference shares of a single entity, shall not exceed 4% of the SSBL Collateral Securities.

Type of Assets	Margin	Concentration Limits
Common Stocks	120%	— The value of any SSBL Collateral Securities comprising the common stock of a single entity, when aggregated with the value of any SSBL Collateral Securities comprising preference shares of that entity, shall not exceed 3% of the market capitalisation of that entity.
Preference Shares	120%	— The value of any SSBL Collateral Securities comprising preference shares of an entity, when aggregated with the value of any SSBL Collateral Securities comprising common stock of that entity, shall not exceed 3% of the market capitalisation of that entity.

(ii) Fixed Income Bonds

Bond accruals will not be included in the value of the securities when calculating the value of the relevant SSBL Collateral Securities.

Type of Assets	Margin	Concentration Limits
Government bonds and supranational bonds Type of Issuer: Bonds issued by governments and sovereigns ("**Government Bonds**") and bonds issued by supranational organizations ("**Supranational Bonds**"), in each case, stripped and unstripped. *Eligible Issuers:* — Government Bonds issued by governments and sovereigns of those countries listed under the heading "Equity" above will be eligible, save that the reference to "European Others" and "Japan" shall not be applicable in this regard. — Supranational Bonds will be eligible if included on the list of eligible Supranational Bonds provided, from time to time, by the Management Company. *Issuer Rating:* Only Government Bonds and Supranational Bonds with a relevant long term issuer rating of S&P and Fitch above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's above Baa1 (i.e. provided that the minimum rating is A3) will be SSBL Eligible Collateral. In the case of different rating agencies issuing different credit ratings, the lower rating will apply.	100%	— The nominal (at par) of any SSBL Collateral Securities comprising Government Bonds or Supranational Bonds identified by the same security identifier shall not exceed 3% of the total outstanding issue size (by nominal at par) of such issuance (identified by the same security identifier). — The market value of any SSBL Collateral Securities that comprises Government Bonds issued by the government or sovereign of the same country shall not exceed 15% of the market value of the SSBL Collateral Securities. — The market value of any SSBL Collateral Securities comprising Supranational Bonds in respect of a single issuer shall not exceed 15% of the market value of the SSBL Collateral Securities.
Corporate Bonds *Country of Issue:* Corporate bonds ("**Corporate Bonds**") issued by corporates whose country of incorporation is in one of the countries listed under the heading "Equity" above will be eligible, save that the reference to "European Others" shall not be applicable in this regard. *Security Rating:* Only Corporate Bonds that have a long-term issuer rating of S&P, Fitch or Moody's will be acceptable provided that the relevant rating of S&P and Fitch is above BBB+ (i.e. provided that the minimum rating is A-) and of Moody's is above Baa1 (i.e. provided that the minimum rating is A3). In the case of different rating agencies issuing different credit ratings, the lower rating will apply.	110%	— The nominal (at par) of any SSBL Collateral Securities comprising Corporate Bonds identified by the same security identifier shall not exceed 3% of the total outstanding issue size (by nominal at par) of such issuance (identified by the same security identifier). — The market value of SSBL Collateral Securities comprising Corporate Bonds in respect of a single issuer shall not exceed 4% of the market value of the SSBL Collateral Securities.

(iii) Cash

Cash in any eligible currency shall comprise SSBL Eligible Collateral, with a margin percentage of 100 per cent.

(iv) General Principles

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

Concentration limits

1. The SSBL Collateral Securities will comprise a minimum of 30 collateral securities.
2. No individual security comprising the SSBL Collateral Securities will have a value of more than 4% of the value of the SSBL Collateral Securities.
3. The Management Company (but not, for the avoidance of doubt, State Street Global Advisors Limited), in its sole and absolute discretion, may for and on behalf of the Company, instruct by notice to the Swap Counterparty, the exclusion of any securities as SSBL Eligible Collateral or SSBL Collateral Securities (as the case may be), or a reduction in the amount of any such securities that comprise SSBL Collateral Securities or that would otherwise be SSBL Eligible Collateral.
4. The value of any SSBL Collateral Securities comprising securities issued by issuers in any one country at any time shall not exceed the following percentage of the total value of the SSBL Collateral Securities at that time:

United States of America:	45%	Germany:	45%
United Kingdom:	35%	Japan:	35%
Canada:	35%	Switzerland:	35%
France:	35%	Australia:	35%
All other countries:	25%		

5. Securities whose long-term rating or whose issuer's long-term rating is D by either S&P or Fitch or C by Moody's shall not be SSBL Eligible Collateral.
6. Subject to general principle 7 below, the value of any SSBL Collateral Securities (excluding government bonds) comprising securities in respect of a single sector at any time shall not exceed 25% of the total value of SSBL Collateral Securities at that time.
7. The value of the SSBL Collateral Securities (excluding government bonds) comprising securities in the banking, insurance and financial sectors taken in aggregate at any time shall not exceed 15% of the total value of the SSBL Collateral Securities at that time.
8. 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 SSBL Eligible Collateral before taking into account any margin applicable to such SSBL Eligible Collateral.

Pricing

9. Securities will only be accepted as SSBL Eligible Collateral if there are at least two independent daily pricing sources for such securities with such daily pricing sources being valid only as long as they consist of "live" daily quotes which are publicly available on Bloomberg, Reuters or any other data source and may be updated on an intraday basis in accordance with the actual trading levels of the securities of reference.

General exclusion principles

10. The SSBL Collateral Securities will satisfy the requirements applicable to collateral pursuant to (i) Part I of the Law, as may be amended; (ii) the UCITS Directive, (iii) any amendment or replacement legislation thereto for the time being in force; (iv) any regulation of any type in pursuant of (i), (ii) or (iii), as well as (v) any rule, guideline and general or specific position from time to time adopted by the CSSF pursuant thereto.
11. The Swap Counterparty may instruct the exclusion of any securities as SSBL Eligible Collateral or SSBL Collateral Securities, as the case may be, in its sole and absolute discretion.
12. SSBL Eligible Collateral may not consist of securities issued by Deutsche Bank AG, any DB Affiliate or any entity promoted or sponsored by any DB Affiliate.
13. SSBL Eligible Collateral may not consist of convertible bonds or convertible preferred stocks.
14. 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 SSBL Eligible Collateral. Structured securities shall include (but not be limited to) credit linked instruments, credit linked notes, collateralised bond obligations, collateralised debt obligations (CDOs), collateralised loan obligations (CLOs), collateralised mortgage obligations (CMOs), asset-backed securities (ABS) and mortgage backed securities (MBS).

Important Information

This document has not been reviewed by the Securities and Futures Commission of Hong Kong.

This document is issued by Deutsche Bank AG acting through its Hong Kong Branch and may not be reproduced, distributed or transmitted to any person without express prior permission.

This document and the information contained herein may not be distributed and published in jurisdictions in which such distribution and publication is not permitted. Without limitation to the foregoing, any direct or indirect distribution of this document into the United States, the United Kingdom, Canada or Japan, or to U.S. persons or U.S. residents, is prohibited. No person selling or purchasing, soliciting any sale or purchase of, or purporting to sell or purchase, any share in the funds is authorised to act or make any representation express or implied for and on behalf of the funds, db x-trackers*(*This includes synthetic ETFs) or its manager or Deutsche Bank AG and/ or its affiliates ("DB").

This document contains a short summary description of the above-mentioned db x-trackers* ETFs (*This includes synthetic ETFs) and is provided for information purposes only and shall not be relied upon for any investment or divestment decision. It does not create any legally binding obligations on the part of DB. All figures are subject to auditors' approval on the reporting dates. Data and information used in this publication have been taken from international information vendors which are believed to be accurate. DB accepts responsibility for accurately reproducing such data and information but makes no warranty or representation as to the correctness, completeness and accuracy of data and information sourced from such information vendors. Net asset value or valuation information does not represent DB's economic assessment of the value of the funds or shares, are neither bid nor offer prices for shares and may not be prices at which the shares may be purchased or sold by any investors. Past performance is not indicative of future performance and the price of shares may go down as well as up. The listing of the shares of db x-trackers* ETFs (*This includes synthetic ETFs) does not guarantee a liquid market for the shares.

db x-trackers* ETFs (*This includes synthetic ETFs) may not be appropriate for all investors. Any investment in the relevant funds involves numerous risks including, among others, market, counterparty default and illiquidity risk. An investor could lose its entire investment. We have prepared this document without consideration of the investment objectives, financial situation or particular needs of any retail investor. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. Before entering into any transaction you should take steps to ensure that you fully understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking independent professional advice in making this assessment. When making an investment decision, you should rely solely on the final documentation and any prospectus relating to the transaction and not this summary. DB is not acting as your financial adviser or in any other fiduciary capacity.

DB may engage in transactions in a manner inconsistent with the views discussed herein. DB trades or may trade as principal in the instruments (or related derivatives), and may have proprietary positions in the instruments (or related derivatives) discussed herein. DB may maintain a long or short position in the securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation.

This document was prepared by a sales or structuring function within DB, and was not produced, reviewed or edited by the DB Research Department. Any opinions expressed herein may differ from the opinions expressed by other DB departments including the Research Department. Sales and structuring functions are subject to additional potential conflicts of interest which the Research Department does not face.

A complete description of each db x-trackers* ETF (*This includes synthetic ETFs) listed on The Stock Exchange of Hong Kong Limited is included in the latest version of the Hong Kong Prospectus issued by db x-trackers*(*This includes synthetic ETFs). Copies of the Hong Kong Prospectus and the semi-annual and annual reports are available at etf.deutscheam.com/hk and may be obtained from the registered office of db x-trackers*(*This includes synthetic ETFs), located at 49, avenue J.F. Kennedy, L-1855 Luxembourg, R.C.S. Luxembourg B-119899, or at the registered office of the Hong Kong Representative (RBC Investor Services Trust Hong Kong Limited) located at 51/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. Alternatively, prospective investors may contact Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West Kowloon, Hong Kong SAR – China (Hotline: +852 2203 6886, e-mail: info.dbX-trackers@db.com).

© 2018 Deutsche Bank AG