

# db x-trackers II

Investment Company with Variable Capital  
Registered office: 49, avenue J.F. Kennedy, L-1855 Luxembourg  
R.C.S. Luxembourg B-124.284  
(the "**Company**")

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## IMPORTANT NOTICE TO SHAREHOLDERS OF

db x-trackers II IBOXX \$ TREASURIES UCITS ETF  
db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF  
db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF

(collectively referred to as the "**Sub-Funds**" and individually a "**Sub-Fund**")

Luxembourg, 18 February 2016

The board of directors of the Company (the "**Board of Directors**") hereby informs the shareholders of the Sub-Funds (the "**Shareholders**") that it has resolved to make the following changes to the Sub-Funds on 21 March 2016 (the "**Effective Date**"). Shareholders should note that (i) the change set out in section 2 of this notice is applicable to db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF only and (ii) the change set out in section 3 of this notice is applicable to db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF and db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF only. The changes set out in sections 1 and 4 of this notice are applicable to all Sub-Funds.

Capitalised terms not defined herein shall have the meaning given to them in the current prospectus of the Company (the "**Prospectus**").

## **A) OVERVIEW OF CHANGES**

### **1) Switch in Investment Policy of the Sub-Funds**

The Board of Directors has resolved to switch the investment policy of the Sub-Funds from their current Indirect Investment Policy to a Direct Investment Policy (collectively the "**Switches**" and in relation to a Sub-Fund a "**Switch**").

Currently each Sub-Fund is exposed to the performance of the relevant Reference Index by way of derivative transactions such as individually negotiated (OTC) swap transactions. Once the Switches are effective, the Sub-Funds will carry out their respective investment objective by directly investing in a portfolio of transferable securities or other eligible assets that may comprise either all (or, on an exceptional basis, a substantial number of) the constituents, or securities related to the constituents, of the relevant Reference Index (Full Index Replication), an optimised sample thereof, or unrelated transferable securities or other eligible assets (Optimised Index Replication). The extent to which a Sub-Fund utilises optimisation techniques will partly depend on the nature of the constituents of its Reference Index.

Further information regarding the Direct Investment Policy will be contained in the revised prospectus of the Company dated on or around the Effective Date or in any subsequent prospectus of the Company (the "**Revised Prospectus**").

The Sub-Funds will not bear the costs associated with the Switches.

Shareholders' attention is specifically drawn to:

- the "*Investment Objectives and Policies*" and "*Risk Factors*" sections (including "*Risks in relation to the tracking of indices*", "*Financial Transaction Taxes*" and "*Securities lending, sale with right of repurchase transactions and repurchase and reverse repurchase agreement transactions*") of the main part of the Prospectus as well as to the Product Annexes of the Sub-Funds in the Prospectus and Revised Prospectus;
- the fact that, depending on market conditions, for a short period of time (the "**Switch Period**") the portfolio of a Sub-Fund may be partially exposed to swap transactions as well as direct investments in fixed income securities relating to the Reference Index. The Investment Manager will seek to minimise the duration of the Switch Period whilst taking into account prevailing market conditions and acting in the best interests of investors;
- the fact that, following the Switches, the Sub-Funds may enter into securities lending transactions as more fully described in the Revised Prospectus. In this context, investors' attention is drawn to the fact that in cases where cash collateral is permitted and accepted, it may be reinvested subject to the Investment Restrictions;
- the fact that, following the Switches, in relation to subscriptions or redemptions on the primary market in respect of the Sub-Funds, the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount and the Minimum Redemption Amount (when applicable) may be changed or may be introduced (such terms defined in and as more fully described in the Revised Prospectus and relevant Product Annex);

- the fact that, following the Switches, in relation to subscriptions or redemptions on the primary market in respect of the Sub-Funds, the definition of "Transaction Day" will be amended, and the applicable deadline to consider applications for subscriptions and/or redemptions received on the same day will be amended to 5.30 p.m. Luxembourg time on the relevant Transaction Day. Such deadline may differ for cash subscriptions and/or redemptions and for in kind subscription and/or redemption, as detailed in the Revised Prospectus and the relevant Product Annex;
- the fact that, following the Switches, Transaction Costs, including any taxes, may be incurred by the Sub-Funds;
- the fact that, following the Switches, the Sub-Funds will bear any financial transaction taxes that may be payable by them;
- the fact that, following the Switches, the names of the Sub-Funds will be changed and the index replication method will be as follows:

Current name	Name following the Switch	ISIN	Index Replication
db x-trackers II IBOXX \$ TREASURIES UCITS ETF	db x-trackers II IBOXX \$ TREASURIES UCITS ETF (DR)	LU0429459356	Optimised Index Replication
db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF	db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF (DR)	LU0429458895	Optimised Index Replication
db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF	db x-trackers II IBOXX \$ TREASURIES INFLATION-LINKED UCITS ETF (DR) <sup>1</sup>	LU0429459513	Optimised Index Replication

## **2) Change in Investment Objective of db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF**

The Board of Directors has resolved to amend the investment objective of db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF (the "**Changing Sub-Fund**"). The current investment objective of the Changing Sub-Fund is to reflect the performance of the USD IG INFLATION LINKED SOVEREIGN<sup>®</sup> Index, developed and maintained by Deutsche Bank, which is designed to reflect all the tradable debt (bonds) issued in U.S. dollars by the U.S. government which meet certain criteria.

As of the Effective Date, the investment objective of the Changing Sub-Fund will be to reflect the performance of the Markit iBoxx TIPS Inflation-Linked Index (the "**New Reference Index**") which, similar to the current reference index of the Changing Sub-Fund is designed to reflect the performance of tradable debts (bonds) in U.S. dollars by the U.S. government which meet certain criteria.

As a consequence of this change of investment objective, the name of the Changing Sub-Fund will be changed to db x-trackers II IBOXX \$ TREASURIES INFLATION-LINKED UCITS ETF (DR).

The rationale for this change of investment objective is to allow consistency across the Sub-Funds in terms of index provider / sponsor.

No costs or expenses relating to the change in investment objective or its implementation will be borne by Shareholders.

The Product Annex of the Changing Sub-Fund will be updated to reflect the abovementioned change and will contain a more detailed overview of the New Reference Index. Further information on the New Reference Index can be found at <http://www.indexco.com/>. The amendments to the Product Annex of the Changing Sub-Fund will be set out more fully in the Revised Prospectus.

For the avoidance of doubt, Shareholders should note that the investment objective and the relevant Reference Index of db x-trackers II IBOXX \$ TREASURIES UCITS ETF and db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF will remain unchanged.

## **3) Change in Distribution Policy of db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF and db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF**

The shares of the share classes 1C of db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF and db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF (the "**Share Classes**") are currently Capitalisation Shares, in relation to which income and capital gains arising in the Share Classes are reinvested in the relevant Sub-Fund, meaning that the Company does not intend in principle to declare dividends in respect of the Share Classes.

The Board of Directors has resolved to amend the distribution policy of each Share Class such that they become Distribution Shares, meaning that the Company intends in principle to declare dividends in relation to the Share Classes. Due to this change of the distribution policy, each of the Share Classes will be renamed "1D".

<sup>1</sup> Please refer to section 2 for further details.

#### **4) Change in Investment Manager of the Sub-Funds**

The Board of Directors has resolved to change the investment manager of the Sub-Funds. Currently, State Street Global Advisors Limited ("**SSgA**") acts as investment manager of the Sub-Funds. SSgA shall be replaced by Deutsche Asset & Wealth Management Investment GmbH ("**DeAWM GmbH**") in order to act as the new investment manager of the Sub-Funds.

DeAWM GmbH, was established in the Federal Republic of Germany as a private limited liability company (Gesellschaft mit beschränkter Haftung), having its registered office at Mainzer Landstraße 11-17, D-60329 Frankfurt am Main, Germany and is authorized and regulated by the Federal Financial Supervisory Authority in Germany (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). It is registered with the commercial register of the local court of Frankfurt am Main under number HRB 9135.

In addition, DeAWM GmbH will sub-delegate certain of its portfolio management functions to Deutsche Asset Management (UK) Limited ("**DeAM (UK)**") under the terms of a Sub-Portfolio Management Agreement as more fully described in the prospectus of the Company. DeAM (UK) was incorporated in the United Kingdom on 16 September 2004 and is regulated by the Financial Conduct Authority.

Investors should note that both on and after the Effective Date, SSgA shall continue to carry out certain functions in order to facilitate the changes described in this document. Such functions would, for example, include the oversight of settlement of trades initiated before the Effective Date.

The above described changes have been decided in order to optimise and rationalise the portfolio management set-up of the Sub-Funds. There will be no increase in the fees levied on the Sub-Funds as a result of this replacement. In addition, no costs or expenses relating to the above mentioned change and its implementation will be borne by Shareholders.

This change will be reflected in the Revised Prospectus.

#### **B) SUMMARY OF CHANGES**

<b>Current name</b>	<b>ISIN</b>	<b>Change of Investment Policy</b>	<b>Change of Investment Objective</b>	<b>Change of Distribution Policy</b>	<b>Change of Investment Manager</b>	<b>New name with effect from 21 March 2016</b>
db x-trackers II IBOXX \$ TREASURIES UCITS ETF	LU0429459356	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	Remains unchanged	Remains unchanged	From SSgA to DeAWM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II IBOXX \$ TREASURIES UCITS ETF (DR)
db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF	LU0429458895	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	Remains unchanged	From 1C to 1D	From SSgA to DeAWM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II IBOXX \$ TREASURIES 1-3 UCITS ETF (DR)
db x-trackers II US TREASURIES INFLATION-LINKED UCITS ETF	LU0429459513	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	New Reference Index: Markit iBoxx TIPS Inflation-Linked Index	From 1C to 1D	From SSgA to DeAWM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II IBOXX \$ TREASURIES INFLATION-LINKED UCITS ETF (DR)

Shareholders who subscribe or redeem Shares in the Sub-Funds on the primary market and who do not agree with the changes applicable to the Sub-Funds in which they hold such Shares as set out under sections 1-4 above are entitled to redeem their Shares in the applicable Sub-Fund(s) in accordance with the Prospectus. Such redemptions shall be free of any Redemption Charge from the date of this notice until 5:00 p.m. (Luxembourg time) on 18 March 2016. Please note that the Company does not charge any redemption fee for the sale of Shares in the secondary market. Orders to sell Shares through a stock exchange can be placed via an authorised intermediary or stockbroker. Shareholders should note that orders in the secondary market may incur costs over which the Company has no control and to which the above exemption of redemption charges does not apply.

Further information regarding the abovementioned changes will be contained in the Revised Prospectus which will be available on the website of the Company, <http://www.etf.db.com>, and a copy of which may be obtained free of charge at the Company's registered office or at the foreign representatives' offices.

The updated key investor information document for each Sub-Fund will be available on the website of the Company, <http://www.etf.db.com>, and a copy of which may be obtained free of charge at the Company's registered office or at the foreign representatives' offices as from the Effective Date.

If you have any queries or if any of the above is not clear, you should seek advice from your stockbroker, bank manager, legal adviser, accountant or other independent financial advisor. **All shareholders are strongly advised to consult their tax advisor to assess (1) the impact of the above changes and any potential tax consequences thereof and (2) any potential changes between the current and / or future taxation of their investment under the laws of the countries of their nationality, residence, domicile or incorporation.**

Further information in relation to the abovementioned changes may also be obtained from the legal entities mentioned under 'Contact information' below, the offices of foreign representatives or by sending an email to [info.dbx-trackers@db.com](mailto:info.dbx-trackers@db.com).

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db x-trackers II

The board of directors

#### **Contact information**

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##### **Deutsche Asset & Wealth Management Investment S.A.**

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