

# 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**")

---

## IMPORTANT NOTICE TO THE SHAREHOLDERS OF

db x-trackers II IBOXX EUR Liquid Corporate UCITS ETF  
db x-trackers II IBOXX EUR Liquid Corporate Financials UCITS ETF  
db x-trackers II IBOXX EUR Liquid Corporate Non-Financials UCITS ETF

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

---

27 September 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 certain changes to the Sub-Funds, as detailed below under *A) OVERVIEW OF THE CHANGES* (such changes in relation to each Sub-Fund collectively referred to as the "**Changes**").

The Changes in relation to each Sub-Fund will be carried out on a date between 28 October 2016 and 30 April 2017 (the "**Effective Date**"). Once the Changes in relation to a Sub-Fund have been implemented, a notice will be published on the website of the Company, <http://www.etf.db.com> (the "**Company's Website**"), confirming the relevant Effective Date.

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

### **A) OVERVIEW OF THE CHANGES**

#### **1) Switch of Investment Policy**

The Board of Directors has resolved to switch the investment policy of each of the Sub-Funds from their current Indirect Investment Policy to a Direct Investment Policy with Optimised Index Replication (the "**DR Switches**").

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 DR Switches are effective, the Sub-Funds will carry out their respective investment objective by directly buying a portfolio of securities that may comprise the constituents of the relevant index, or unrelated transferable securities or other eligible assets, as determined by the Investment Manager and Sub-Portfolio Manager.

Shareholders' attention is specifically drawn to:

- the "*Investment Objectives and Policies*" and "*Risk Factors*" sections (including "*Risks in relation to the tracking of indices*", "*Taxes on transactions (financial transaction tax)*" 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 relevant Product Annex;
- 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 DR Switches, the Sub-Funds may enter into securities lending transactions as more fully described in the 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 DR 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 Prospectus and relevant Product Annex);
- the fact that, following the DR 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, as detailed in the revised Prospectus and relevant Product Annex, and the applicable deadline to consider applications for subscriptions and/or redemptions received on the same day, will be amended from 5.00 p.m. to 3.00 p.m. Luxembourg time on the relevant Transaction Day;
- the fact that, following the DR Switches, Transaction Costs, including any taxes, may be incurred by the Sub-Funds and Primary Market Transaction Costs may be charged to Authorised Participants; and
- the fact that, following the DR Switches, the Sub-Funds will bear any financial transaction taxes that may be payable by them.

## **2) Change of Investment Manager**

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

DeAM 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, DeAM 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. DeAM (UK) is a limited liability company incorporated on 16 September 2004 under the laws of England and Wales, having its registered office at Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom and is authorised and regulated by the Financial Conduct Authority in the conduct of its designated investment business (as defined in the FCA Handbook).

Investors should note that both on and after the respective Effective Date, SSgA shall continue to carry out certain functions for the relevant Sub-Fund in order to facilitate the IM Change. Such functions would, for example, include the oversight of settlement of trades initiated before the Effective Date.

The IM Changes have been decided in order to optimise and rationalise the portfolio management set-up of the Sub-Funds.

### **3) Change of Reference Indices**

The Board of Directors has resolved to change the investment objectives of the Sub-Funds as follows (in relation to each Sub-Fund, the "**IO Change**").

#### a) db x-trackers II IBOXX EUR Liquid Corporate UCITS ETF

Currently, the investment objective of each of the Share Classes of this Sub-Fund is to reflect the performance of the IBOXX EUR LIQUID CORPORATE 100 INDEX<sup>®</sup> (for the purpose of this section a), the "**Current Index**") or of an interest rate hedged index linked to the Current Index. Once the IO Change is effective, the investment objective of each of the Share Classes of this Sub-Fund will be to reflect the performance of the Barclays Euro Corporate Bond Index (for the purpose of this section a), the "**New Index**") (for share classes 1C and 1D) or of an interest rate hedged index linked to the New Index (the Barclays Euro Corporate Bond Interest Rate Hedged Index) (for share class 2C).

Similar to the Current Index, the New Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market. A difference between the Current Index and the New Index is that the New Index is a broader measure of this segment of the corporate bond market.

#### b) db x-trackers II IBOXX EUR Liquid Corporate Financials UCITS ETF

Currently, the investment objective of this Sub-Fund is to reflect the performance of the IBOXX EUR LIQUID CORPORATE 100 FINANCIALS SUB-INDEX<sup>®</sup> (for the purpose of this section b), the "**Current Index**"). Once the IO Change is effective, the investment objective of this Sub-Fund will be to reflect the performance of the Barclays MSCI Euro Corporate Sustainable and SRI Index (for the purpose of this section b), the "**New Index**").

Similar to the Current Index, the New Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market. Some differences between the Current Index and the New Index are that the New Index is a broader measure of this segment of the corporate bond market and excludes bonds which do not fulfil specific ESG

(environmental, social, and governance) criteria, while the Current Index aims to include only securities within the financial services sector.

c) db x-trackers II IBOXX EUR Liquid Corporate Non-Financials UCITS ETF

Currently, the investment objective of this Sub-Fund is to reflect the performance of the IBOXX EUR LIQUID CORPORATE 100 NON-FINANCIALS SUB-INDEX<sup>®</sup> (for the purpose of this section c), the “**Current Index**”). Once the IO Change is effective, the investment objective of this Sub-Fund will be to reflect the performance of the Barclays Euro Corporate ex Financial Bond Index (for the purpose of this section c), the “**New Index**”).

Similar to the Current Index, the New Index is designed to reflect the performance of the investment grade, euro-denominated, fixed-rate corporate bond market, excluding bonds which are issued by financial institutions. A difference between the Current Index and the New Index is that the New Index is a broader measure of this segment of the non-financials corporate bond market.

#### **4) Change of Names**

The Board of Directors has resolved to change the names of the Sub-Funds as detailed in the annex to this document as from the relevant Effective Date.

#### **5) Increase of Management Company Fee**

a) db x-trackers II IBOXX EUR LIQUID CORPORATE UCITS ETF, share class 2C (ISIN: LU0967438234)

The Board of Directors has resolved to increase the Management Company Fee for share class 2C of this Sub-Fund (ISIN: LU0967438234) with effect from the Effective Date from “up to 0.10% p.a.” to “up to 0.15% p.a.”. As a result, the All-In Fee applicable to this share class will increase from “up to 0.20% p.a.” to “up to 0.25% p.a.”.

b) db x-trackers II IBOXX EUR LIQUID CORPORATE FINANCIALS UCITS ETF

The Board of Directors has resolved to increase the Management Company Fee for this Sub-Fund (share classes 1C (ISIN: LU0484968812) and 1D (ISIN: LU0484968903)) with effect from the Effective Date from “up to 0.10% p.a.” to “up to 0.15% p.a.”. As a result, the All-In Fee applicable to the share classes of this Sub-Fund will increase from “up to 0.20% p.a.” to “up to 0.25% p.a.”.

The fee increases as explained under 5)a) and 5)b) are considered necessary due to the additional operational processes that will apply to the relevant Sub-Funds and share classes as a result of the Changes.

***For the avoidance of doubt, the fee increases only apply to the Sub-Funds and share classes explicitly mentioned above. The fees in relation to the other share classes of those Sub-Funds and the fees in relation to db x-trackers II IBOXX EUR Liquid Corporate Non-Financials UCITS ETF will remain unchanged.***

## **B) GENERAL INFORMATION**

Any costs or expenses associated with the implementation of the Changes, will not be borne by the Sub-Funds or their Shareholders. However, for the avoidance of doubt, all re-balancing costs will continue to apply in the form of index level deductions until such time as the Changes have been completed.

Shareholders who subscribe or redeem Shares in the Sub-Funds on the primary market and who do not agree with the Changes that are applicable to the Sub-Funds in which they hold such Shares, 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 27 October 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 Charge does not apply.

Further information regarding the Changes, including more detailed information regarding the Direct Investment Policy, the new Investment Manager and Sub-Portfolio Manager and the New Index in relation to each of the Sub-Funds, will be contained in the revised Prospectus, which will be available on the Company's Website on or around the date of this document, 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 Company's Website on or around the relevant Effective Date, and a copy of which may be obtained free of charge at the Company's registered office or at the foreign representatives' offices.

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 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 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).

### **db x-trackers II**

The board of directors

## **C) CONTACT INFORMATION**

### **db x-trackers II**

49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### **Deutsche Asset Management S.A.**

2, boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg

**Annex – Summary of changes**

<b>Current name</b>	<b>Switch of Investment Policy</b>	<b>Change of Investment Manager</b>	<b>New name</b>	<b>Share class / ISIN</b>	<b>Fee changes (All-In Fee)</b>	<b>New Reference Index</b>
db x-trackers II IBOXX EUR LIQUID CORPORATE UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II EUR Corporate Bond UCITS ETF (DR)	1C: LU0478205379	None	1C and 1D: Barclays Euro Corporate Bond Index
				1D: LU0478205965		
				2C: LU0967438234	2C: From up to 0.20% p.a. to up to 0.25% p.a	2C: Barclays Euro Corporate Bond Interest Rate Hedged Index
db x-trackers II IBOXX EUR LIQUID CORPORATE FINANCIALS UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II ESG EUR Corporate Bond UCITS ETF (DR)	1C: LU0484968812	1C and 1D: From up to 0.20% p.a. to up to 0.25% p.a	Barclays MSCI Euro Corporate Sustainable and SRI Index
				1D: LU0484968903		
db x-trackers II IBOXX EUR LIQUID CORPORATE NON-FINANCIALS UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	db x-trackers II EUR Corporate Bond ex Financials UCITS ETF (DR)	1C: LU0484968655	None	Barclays Euro Corporate ex Financial Bond Index
				1D: LU0484968739		