

db x-trackers

Investment Company with Variable Capital
Registered office: 49, avenue J.F. Kennedy, L-1855 Luxembourg
R.C.S. Luxembourg B-119.899
(the "**Company**")

IMPORTANT NOTICE TO THE SHAREHOLDERS OF

db x-trackers Portfolio Total Return UCITS ETF
ISIN: LU0397221945
(the "**Sub-Fund**")

28 July 2017

The board of directors of the Company (the "**Board of Directors**") hereby informs the shareholders of the Sub-Fund (the "**Shareholders**") that it has resolved to make certain changes to the Sub-Fund, as detailed below under *A) OVERVIEW OF THE CHANGES* (the "**Changes**").

The Changes will be carried out on a date between 29 August 2017 and 30 January 2018 (the "**Effective Date**"). Once the Changes have been implemented, a notice will be published on the website of the Company, www.Xtrackers.com (the "**Company's Website**"), confirming the Effective Date.

Capitalised terms not defined herein shall have the meaning given to them in the prospectus of the Company (the "**Prospectus**"). The attention of investors is drawn to the fact that the Sub-Fund is not an index-tracking sub-fund. As a result, all references to "Reference Index", "Index" and "index" in the main part of the Prospectus should be read, for the purpose of this Sub-Fund, as references to "Underlying Asset", as defined in the Product Annex of the Sub-Fund.

A) OVERVIEW OF THE CHANGES

1) Switch of Investment Policy

The Board of Directors has resolved to switch the investment policy of the Sub-Fund from its current Indirect Investment Policy to a Direct Investment Policy with Full Index Replication (the "**Switch**").

Currently the Sub-Fund is exposed to the performance of its Underlying Asset by way of derivative transactions such as individually negotiated (OTC) swap transactions. Once the Switch is effective, the Sub-Fund will carry out its investment objective by directly buying a portfolio of securities that comprises all (or, on an exceptional basis, a substantial number of) the constituents of the Underlying Asset, 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 "*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 Product Annex;
- the fact that, depending on market conditions, for a short period of time (the "**Switch Period**"), the portfolio of the Sub-Fund may be partially exposed to swap transactions as well as direct investments in securities relating to the Underlying Asset. The Investment Manager and the Sub-Portfolio 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 Switch, the Sub-Fund 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 Switch, in relation to subscriptions or redemptions on the primary market in respect of the Sub-Fund, the Minimum Initial Subscription Amount, the Minimum Subsequent Subscription Amount and the Minimum Redemption Amount may be changed (such terms defined in and as more fully described in the Prospectus and relevant Product Annex);
- the fact that, following the Switch, in relation to subscriptions or redemptions on the primary market in respect of the Sub-Fund, the applicable Significant Market will change from Indirect Replication Significant Market to Direct Replication Significant Market;
- the fact that, following the Switch, Transaction Costs, including any taxes, may be incurred by the Sub-Fund and Primary Market Transaction Costs may be charged to Authorised Participants;
- the fact that, following the Switch, the Specific Investment Restrictions shall be amended so that the restriction preventing the Sub-Fund from investing more than 10 percent. of its assets in units or shares of other UCITS or other UCIs shall be removed; and
- the fact that, following the Switch, the Sub-Fund will bear any financial transaction taxes that may be payable by it.

2) Change of Investment Manager

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

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 Effective Date, SSgA shall continue to carry out certain functions for the 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-Fund.

3) Reduction of Management Company Fee

The Board of Directors has resolved to reduce the Management Company Fee from "Up to 0.42% p.a." to "Up to 0.40% p.a." as from the Effective Date. As a result the All-In Fee will be reduced from "Up to 0.72% p.a." to "Up to 0.70% p.a.".

4) Changes to the Strategy Sponsor

The Board of Directors has resolved to change the Strategy Sponsor of the Sub-Fund (the "**Sponsor Change**"). Currently, Deutsche Bank AG ("**DB**") acts as Strategy Sponsor of the Sub-Fund. DB shall be replaced by DeAM (UK) in order to act as the new strategy sponsor of the Sub-Fund. Please see section 2) above for a description of DeAM (UK).

Investors should note that both on and after the Effective Date, DB may, where required, continue to carry out certain functions for the Sub-Fund in order to facilitate the Sponsor Change.

The Sponsor Change has been decided as a result of the upcoming intra-group transfer of the asset management business from Deutsche Bank AG, London Branch to Deutsche Asset Management (UK) Limited.

In addition, the Board of Directors has resolved to change the role of the Strategy Sponsor of the Sub-Fund. From the Effective Date, the Strategy Sponsor will no longer calculate and publish the Underlying Asset. For the avoidance of doubt, the Strategy Sponsor will continue to undertake all other aspects of its role, as set out in the Product Annex. From the Effective Date, the Underlying Asset will be calculated and published by Solactive AG (the "**Calculation Agent**").

Solactive AG was established in the Federal Republic of Germany and is a joint stock company (Aktiengesellschaft), having its registered office at Guiolettstr. 54, D-60325 Frankfurt am Main, Germany. It is registered with the commercial register of the local court of Frankfurt am Main under number HRB 79986.

The Change in role of the Strategy Sponsor has been decided in order to optimise and rationalise the calculation and publication set-up of the Strategy.

5) Change of Name

The Board of Directors has resolved to change the name of the Sub-Fund as detailed in the annex to this document.

B) GENERAL INFORMATION

Any costs or expenses associated with the implementation of the Changes, will not be borne by the Sub-Fund or its Shareholders.

Shareholders who subscribe or redeem Shares in the Sub-Fund on the primary market and who do not agree with the Changes applicable to the Sub-Fund in which they hold such Shares are entitled to redeem their Shares in the Sub-Fund 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 28 August 2017. 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, 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 the 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 Xtrackers@db.com.

db x-trackers

The board of directors

C) CONTACT INFORMATION

db x-trackers

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

Current Name	Share class / ISIN	Switch of Investment Policy	Change of Investment Manager	Change of Strategy Sponsor	New Name	Fee changes (All-In Fee)
db x-trackers Portfolio Total Return UCITS ETF	1C: LU0397221945	From Indirect Investment Policy to Direct Investment Policy (Full Underlying Asset Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management conducted by DeAM (UK))	From Deutsche Bank AG to Deutsche Asset Management (UK) Limited	db x-trackers Portfolio Total Return UCITS ETF (DR)	From “Up to 0.72% p.a.” to “Up to 0.70% p.a.”