

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 SHAREHOLDERS OF db x-trackers MSCI PAKISTAN IM INDEX UCITS ETF

1C LU0659579147
2C LU0755278701

(the "Sub-Fund")

Luxembourg, 3 July 2017

Dear Shareholder,

The Board of Directors of the Company hereby informs the shareholders of the Sub-Fund (the "**Shareholders**") of certain changes in Pakistan taxation which became applicable on 1 July 2017 (the "**Effective Date**"), as described in further detail below.

Unless otherwise defined in this announcement, capitalised terms used in this announcement shall, unless otherwise required, have the same meaning as defined in the prospectus of the Company (the "**Prospectus**").

The below indicated tax rates apply to taxpayers who are classified as "Filers" under Pakistan tax statute (i.e. a taxpayer whose name appears in the active taxpayers' list issued by the Pakistan Federal Board of Revenue from time to time, or is a holder of a taxpayer's card). (Different tax rates may apply to taxpayers who are not classified as "Filers").

A. Withholding Income Tax on Dividends

Before the Effective Date, dividends on securities were subject to a withholding income tax at a rate of 12.5%. However, dividends which are distributed by certain power generation companies were subject to withholding income tax at a reduced rate of 7.5%.

After the Effective Date, the withholding income tax rate mentioned above has been increased from 12.5% to 15%. The reduced rate mentioned above in respect of certain power generation companies remains at 7.5%.

B. Capital Gains Tax

Before the Effective Date, capital gains arising on the disposal of shares which are listed in Pakistan and which were acquired before 1 July 2012 were exempt from tax. Capital gains arising on the disposal of shares which are listed in Pakistan and which were acquired on or after 1 July 2012 were taxed at different rates based on the holding period.

After the Effective Date, capital gains arising on the disposal of shares which are listed in Pakistan and which were acquired before 1 July 2013 are exempt from tax. Capital gains arising on the disposal of shares acquired on or after 1 July 2016 shall be subject to tax at a flat rate of 15%. In respect of the

capital gains arising on the disposal of shares acquired before 1 July 2016, the different tax rates based on the holding period remain the same.

The following capital gains tax rates apply to Filers for the tax year 2018 (i.e. 1 July 2017 - 30 June 2018).

Where the holding period of a listed security is:	Rate of Tax for Tax Year 2018 (i.e. 1 July 2017 - 30 June 2018)	
	where the listed security was acquired before 1 July 2016	where the listed security was acquired on or after 1 July 2016
Less than 12 months	15%	15%
12 months or more but less than 24 months	12.5%	
24 months or more but the listed security was acquired on or after 1 July 2013	7.5%	

C. Impact on the Sub-Fund

The investment objective of the Sub-Fund is to reflect the performance of the MSCI Pakistan Investable Market Total Return Net Index (the "**Reference Index**") which is designed to reflect the performance of the shares of certain companies in Pakistan.

As disclosed in the Prospectus, the Sub-Fund shall receive the performance of the Reference Index adjusted downward to reflect OTC Swap Transaction Costs, including certain index replication costs associated with, amongst others, taxes or other duties imposed on the buying or selling of the constituents of the Reference Index or taxes imposed on any income derived from the constituents of the Reference Index. As a result, the Net Asset Value of the Sub-Fund may be indirectly impacted by the changes in Pakistan taxation described above.

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. Shareholders should also consult their own professional advisers as to the specific tax implications under the laws of the countries of their nationality, residence, domicile or incorporation.

Further information in relation to the above change may also be obtained from the legal entities mentioned under 'Contact information' below or by sending an email to Xtrackers@db.com.

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The board of directors

Contact information

db x-trackers

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