

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 THE FOLLOWING SUB-FUND:

db x-trackers db Hedge Fund Index UCITS ETF

1C (EUR) LU0328476337

2C (USD) LU0434446117

3C (GBP) LU0434446208

5C (CHF) LU0434446976

(the “Sub-Fund”)

Luxembourg, 13 January 2017

Dear Shareholder,

This notice is to inform you on behalf of the board of directors of the Company (the “**Board of Directors**”) about recent developments in respect of the Sub-Fund in which you hold Shares.

Capitalised terms used in this notice shall have the same meaning ascribed to them in the latest version of the prospectus of the Company (the “**Prospectus**”) unless the context otherwise requires.

The Board of Directors has resolved to terminate the Sub-Fund with effect from 28 February 2017 (the “**Termination Date**”) and to proceed with the compulsory redemption of all outstanding shares of the Sub-Fund in accordance with the applicable provisions of the Articles of Incorporation and Prospectus (the “**Termination**”).

The Board of Directors deems it appropriate to close the Sub-Fund due to expected material changes to the exposure provided by the underlying benchmark. As certain underlying assets are expected to become non-investable, the Board of Directors foresees future concentration risk with regards to the benchmark’s UCITS eligibility from a diversification perspective. Given this is a unique exposure to this underlying market in a UCITS compliant format and in the absence of a comparable benchmark for the Sub-Fund to get exposure to the underlying market, the Board of Directors has concluded that it would be necessary to close the Sub-Fund. This will allow the Board of Directors to secure the interests of Shareholders and prevent a future breach of UCITS regulation.

Trading on all relevant stock exchanges will cease with effect from close of trading on 15 February 2017 (the “**Last Trading Day**”). Therefore, sale or purchase of Shares in the Sub-Fund in the secondary market may only be made until close of trading on the relevant stock exchange on the Last Trading Day. For the avoidance of doubt the secondary market includes both trades on the relevant stock exchanges and any over-the-counter trades.

Requests for subscription and redemption for Shares in the Sub-Fund in the primary market, where applicable, may be made in the usual manner for processing in accordance with the Prospectus until the applicable cut-off on 16 February 2017. However, the liquidation costs will be taken into account in the Redemption Price. After the applicable cut-off on 16 February 2017, no further redemptions or subscriptions will be accepted.

The following terms and conditions of the compulsory redemptions have been determined in accordance with article 21 of the Articles of Incorporation and shall apply as of the Termination Date:

1. the Sub-Fund shall be liquidated and the Redemption Price for each Class of Shares of the Sub-Fund will be determined by reference to the Net Asset Value of the respective Class of Shares of the Sub-Fund as of the Termination Date (the “**Reference NAV**”). The Reference NAV will take into account, amongst other expenses, all costs resulting from the anticipated realisation and liquidation of the remaining investments of the Sub-Fund;
2. no Redemption Charge will be applied;
3. the Redemption Proceeds will be paid in the relevant Reference Currency;
4. the payment of the Redemption Proceeds to the Registered Shareholders and the clearing agents, resulting from the compulsory redemption, will take place at the latest 10 Luxembourg Business Days after the Termination Date (the “**Payment Date**”); **It should be noted that payment of the Redemption Proceeds to Shareholders who hold shares via intermediaries may take longer than 10 Luxembourg Business Days;** and
5. the Redemption Proceeds relating to Shares for which payment to Shareholders could not be made, will be deposited with the *Caisse de Consignation* in Luxembourg on behalf of the persons entitled thereto as soon as possible after the Payment Date and in any event before the closure of the liquidation procedure.

Shareholders who subscribe or redeem Shares in the Sub-Fund on the primary market, where applicable, are entitled to redeem their Shares in the Sub-Fund in accordance with the Prospectus as indicated above. 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. However, Shareholders should note that orders in the secondary market may incur costs over which the Company has no control and to which the above disapplication of the Redemption Charge does not apply.

Any further information in relation to the Termination may 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.

If, after reading this notice, you have further questions then please do not hesitate to contact the db X-trackers ETF hotline on +44 (20) 7547 1747 or +49 (69) 910 30549.

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

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.

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The Board of Directors

Contact information

db x-trackers

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