

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 GLOBAL INFLATION-LINKED UCITS ETF
db x-trackers II IBOXX EURO INFLATION-LINKED UCITS ETF
db x-trackers II GLOBAL SOVEREIGN UCITS ETF

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

11 January 2017

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 14 February 2017 and 15 August 2017 (each an "**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.deutscheam.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 its relevant Current Reference Index (as defined under 3) below) by way of derivative transactions such as individually negotiated (OTC) swap transactions. Once the DR Switches are effective, each of the Sub-Funds will carry out their respective investment objective by directly buying a portfolio of debt securities that may comprise the constituents of its relevant New Reference Index (as defined under 3) below), 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 Sub-Fund's 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 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 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 the relevant Sub-Fund's 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 applicable Significant Market will change from Indirect Replication Significant Market to Direct Replication Significant Market, and the applicable Cut-off Time of db x-trackers II IBOXX EURO INFLATION-LINKED UCITS ETF will be amended from 5.00 p.m. to 3.30 p.m. Luxembourg time on the relevant Transaction Day; and
- 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.

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**") as the 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.

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 Change has 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 objective of each of the Sub-Funds as follows (in relation to each Sub-Fund, the "**IO Change**").

a) db x-trackers II IBOXX GLOBAL INFLATION-LINKED UCITS ETF

Currently, the investment objective of this Sub-Fund is to reflect the performance of the *IBOXX GLOBAL INFLATION-LINKED TOTAL RETURN INDEX HEDGED*[®] (for the purpose of this section a), the "**Current Reference Index**") and the investment objective of each of the share classes of this Sub-Fund is to reflect the performance of (i) the Current Reference Index; (ii) the unhedged version of the Current Reference Index; or (iii) a currency index linked to the unhedged version of the Current Reference Index and hedged into the Denomination Currency of the relevant share class.

Once the IO Change is effective, the investment objective of this Sub-Fund will be to reflect the performance of the *Bloomberg Barclays World Government Inflation-Linked Bond Index* (for the purpose of this section a), the "**New Reference Index**") and the investment objective of each of the share classes of this Sub-Fund will be to reflect the performance of (i) the New Reference Index; or (ii) a currency index linked to the New Reference Index and hedged into the Denomination Currency of the relevant share class.

Similar to the Current Reference Index, the New Reference Index is designed to reflect the performance of inflation-linked bonds issued by governments in developed markets. A relevant difference between the Current Reference Index and the New Reference Index is that the New Reference Index does not include quasi-sovereign inflation-linked bonds.

b) db x-trackers II IBOXX EURO INFLATION-LINKED UCITS ETF

Currently, the investment objective of this Sub-Fund is to reflect the performance of the *IBOXX EURO INFLATION-LINKED TOTAL RETURN INDEX*[®] (for the purpose of this section b), the "**Current Reference Index**").

Once the IO Change is effective, the investment objective of this Sub-Fund will be to reflect the performance of the *Bloomberg Barclays Euro Government Inflation-linked Bond Index* (for the purpose of this section b), the “**New Reference Index**”).

Similar to the Current Reference Index, the New Reference Index is designed to reflect the performance of euro denominated inflation-linked bonds issued by certain European governments. A relevant difference between the Current Reference Index and the New Reference Index is that the New Reference Index does not include quasi-sovereign inflation-linked bonds.

c) db x-trackers II GLOBAL SOVEREIGN UCITS ETF

Currently, the investment objective of this Sub-Fund is to reflect the performance of the *DEUTSCHE BANK Global Investment Grade Government Index*[®] (for the purpose of this section c), the “**Current Reference Index**”) and the investment objective of each of the share classes of this Sub-Fund is to reflect the performance of (i) the Current Reference Index; or (ii) a currency index linked to the Current Reference Index and hedged into the Denomination Currency of the relevant share class.

Once the IO Change is effective, the investment objective of this Sub-Fund will be to reflect the performance of the *Citi World Government Bond Index - Developed Markets* (for the purpose of this section c), the “**New Reference Index**”) and the investment objective of each of the share classes of this Sub-Fund will be to reflect the performance of (i) the New Reference Index; or (ii) a currency index linked to the New Reference Index and hedged into the Denomination Currency of the relevant share class.

Similar to the Current Reference Index, the New Reference Index is designed to reflect the performance of fixed-rate, local currency, investment-grade sovereign bonds issued in developed markets. The New Reference Index is part of the Citi WGBI Index family, which is one of the most widely known fixed income index families in the global government bond universe.

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) Reduction of Management Company Fee (for certain share classes only)

a) db x-trackers II IBOXX GLOBAL INFLATION-LINKED UCITS ETF 5C (LU0908508814)

The Board of Directors has resolved to reduce the Management Company Fee for share class 5C (LU0908508814) of db x-trackers II IBOXX GLOBAL INFLATION-LINKED UCITS ETF with effect from the relevant Effective Date from “up to 0.15% p.a.” to “up to 0.10% p.a.”. As a result, the All-In Fee applicable to this share class will be reduced from “up to 0.25% p.a.” to “up to 0.20% p.a.”.

b) db x-trackers II GLOBAL SOVEREIGN UCITS ETF 5C (LU0908508731)

The Board of Directors has resolved to reduce the Management Company Fee for share class 5C (LU0908508731) of db x-trackers II GLOBAL SOVEREIGN UCITS ETF with effect from the

relevant Effective Date from “up to 0.15% p.a.” to “up to 0.10% p.a.”. As a result, the All-In Fee applicable to this share class will be reduced from "up to 0.25% p.a." to "up to 0.20% p.a."

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.

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 13 February 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 and the New Reference 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.

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

Current name	Switch of Investment Policy	Change of Investment Manager	New name	Share class / ISIN	Fee changes (All-In Fee)	New Reference Index
db x-trackers II IBOXX GLOBAL INFLATION-LINKED UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management delegated to DeAM (UK))	db x-trackers II GLOBAL INFLATION-LINKED BOND UCITS ETF (DR)	Share class 1C (LU0290357929)	None	Bloomberg Barclays World Government Inflation-Linked Bond Index, EUR hedged
				Share class 1D (LU0962078753)	None	Bloomberg Barclays World Government Inflation-Linked Bond Index, EUR hedged
				Share class 2C (LU0641007009)	None	Bloomberg Barclays World Government Inflation-Linked Bond Index, USD hedged
				Share class 3D (LU0641007264)	None	Bloomberg Barclays World Government Inflation-Linked Bond Index, GBP hedged
				Share class 4D (LU0641007421)	None	Bloomberg Barclays World Government Inflation-Linked Bond Index, CHF hedged
				Share class 5C (LU0908508814)	From “up to 0.25 % p.a.” to “up to 0.20 % p.a.”	Bloomberg Barclays World Government Inflation-Linked Bond Index
db x-trackers II IBOXX EURO INFLATION-LINKED UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management delegated to DeAM (UK))	db x-trackers II EUROZONE INFLATION-LINKED BOND UCITS ETF (DR)	Share class 1C (LU0290358224)	None	Bloomberg Barclays Euro Government Inflation-linked Bond Index

Current name	Switch of Investment Policy	Change of Investment Manager	New name	Share class / ISIN	Fee changes (All-In Fee)	New Reference Index
db x-trackers II GLOBAL SOVEREIGN UCITS ETF	From Indirect Investment Policy to Direct Investment Policy (Optimised Index Replication)	From SSgA to DeAM GmbH (Sub-Portfolio Management delegated to DeAM (UK))	db x-trackers II GLOBAL GOVERNMENT BOND UCITS ETF (DR)	Share class 1C (LU0378818131)	None	Citi World Government Bond Index - Developed Markets, Currency-Hedged in EUR terms
				Share class 1D (LU0690964092)	None	Citi World Government Bond Index - Developed Markets, Currency-Hedged in EUR terms
				Share class 2D (LU0641006290)	None	Citi World Government Bond Index - Developed Markets, Currency-Hedged in GBP terms
				Share class 3C (LU0641006456)	None	Citi World Government Bond Index - Developed Markets, Currency-Hedged in USD terms
				Share class 4C (LU0641006613)	None	Citi World Government Bond Index - Developed Markets, Currency-Hedged in CHF terms
				Share class 5C (LU0908508731)	From "up to 0.25 % p.a." to "up to 0.20 % p.a."	Citi World Government Bond Index - Developed Markets