Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Xtrackers Zurich ESG Allocation Equities UCITS ETF

Legal entity identifier: 254900K4DN3QBZCSNE95

Environmental and/or social characteristics

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes	X No
It will make a minimum of **sustainable investments with an environmental objective:** _%	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
in economic activities that qualify as environmentally sustainable under the EU Taxonomy	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	with a social objective
It will make a minimum of **sustainable investments with a social objective:** _%	X It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR by tracking the Reference Index (as defined below) which includes environmental and/or social considerations. The financial product holds a portfolio of equity exchange traded funds ("**Constituent ETFs**") that comprises all, or a substantial number of, the securities comprised in the Reference Index. The Reference Index is designed to reflect the performance of a diversified portfolio of Constituent ETFs which meet certain minimum environmental, social, and governance ("**ESG**") standards.

Investment Universe

To be included in the initial investment universe (the "**Initial Investment Universe**") for the Reference Index, ETFs must fulfill certain requirements as determined by the Index Administrator:

- Classified as an equity UCITS ETF;
- Discloses under Article 8 or 9 of the Sustainable Finance Disclosure Regulation ("**SFDR**");
- Must meet or exceed set minimum Assets Under Management criteria ("**AuM**");
- Must meet or exceed set minimum number of portfolio holdings; and
- Being issued by certain ETF providers or their successors.

Research Universe Selection and Security Weighting

Data Provider
After the application of the Initial Investment Universe requirements, the Reference Index utilises inputs from Zürich Beteiligungs-Aktiengesellschaft (Deutschland) (the "**Data Provider**") for the selection of the Constituent ETFs that will be included in the Reference Index. The Data Provider, or its group entities, is part of the Zurich Insurance Group and is a data provider with experience and expertise in ETF selection and sustainable data.

Research Universe Selection
ETFs from the Initial Investment Universe must meet the following criteria to be included in the Data Provider's research universe (the "**Research Universe**"):

- *Risk-Return Assessment Score:* Companies must have a Risk-Return Assessment Score above a certain threshold.

The Risk-Return Assessment Score is a score from 0-10 that is assigned to an ETF and determined by a research group of the Data Provider. The research group is composed of employees from the portfolio management, markets, and ESG teams, as well as the heads of the Unit Linked Strategy, New Propositions & Investment Solutions, and Platform & Sustainability departments of the Data Provider.

The determination of the Risk-Return Assessment Score is based on the following characteristics:
- Relative attractiveness of the regional exposure within the Research Universe from the perspective of a Euro-denominated investor;
- AuM of ETFs with similar regional exposure in the Initial Investment Universe;
- Sustainability strategy alignment with the sustainability standards of the Data Provider. These standards are published on the website of the Data Provider and are outlined in the Data Provider's sustainability report.

ESG Standards: ETFs that do not align with the sustainability standards of the Data Provider are excluded from the Research Universe. The sustainability standards of the Data Provider exclude ETFs which:

- Fail to meet minimum ESG Fund Rating requirements;
- Fail certain disclosure requirements;
- Are unrated or missing coverage;
- Do not apply criteria to exclude investments which fail to meet minimum ESG Rating requirements;
- Do not apply criteria to exclude investments which have any involvement in controversial or nuclear weapons;
- Do not apply criteria to exclude investments which do not comply with the United Nations Global Compact principles;
- Do not apply criteria to exclude companies with severe ESG controversies; and
- Do not apply criteria to exclude investments classified as breaching certain thresholds in

controversial activities, including, but not limited to, conventional weapons, civilian firearms, tobacco, adult entertainment, gambling-related activities, nuclear power generation, unconventional oil and gas, coal involvement, crude oil involvement, gas involvement and power generation from fossil fuels.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("**PAB Exclusions**").

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

• **Fund Exposure to Worst-in-Class issuers**: The percentage of the financial product’s portfolio's market value exposed to funds, and/or companies within these funds, with a rating of “CCC” as determined by MSCI.

• **Fund Controversial Weapons Involvement**: The percentage of the financial product’s portfolio's market value exposed to funds, and/or companies within these funds, with ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments as determined by MSCI.

• **Fund Exposure to Fossil Fuels:** The percentage of the financial product’s portfolio's market value exposed to funds, and/or companies within these funds, flagged for involvement in fossil fuels as determined by MSCI, and includes companies deriving revenue from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, as well as revenue from thermal coal based power generation, liquid fuel based power generation, or natural gas based power generation.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

N/A - Given the financial product does not intend to make sustainable investments, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Sustainable economic activities refer to the proportion of an issuer's economic activities that contribute to an environmental objective and/or a social objective, provided that such investments do not significantly harm any of those objectives and that issuers follow good governance practices.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

N/A - Given the financial product does not intend to make sustainable investments, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

How have the indicators for adverse impacts on sustainability factors been taken into account?

N/A - Given the financial product does not intend to make sustainable investments, indicators for adverse impacts on sustainability factors have not been taken into account for the purposes of determining sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A - Given the financial product does not intend to make sustainable investments, it is not expected that the financial product will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of SFDR. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index, which excludes funds that do not apply criteria to exclude any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

X Yes, the financial product considers the following principle adverse impacts on sustainability factors from Annex I of the draft Commission Delegated Regulation supplementing the SFDR (C(2022) 1931 final):

• Exposure to companies active in the fossil fuel sector (no. 4);

• Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises (no. 10); and

• Exposure to controversial weapons (no. 14).

No

What investment strategy does this financial product follow?

The Investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of the financial product is to track the performance before fees and expenses of the “Reference Index”, which is the Solactive Zurich ESG Allocation Equities Index which is designed to reflect the performance of a diversified portfolio of equity exchange-traded funds which meet certain minimum environmental, social, and governance (“**ESG**”) standards .

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index. The Reference Index is designed to reflect the performance of a diversified portfolio of equity exchange-traded funds ("**Constituent ETFs**") which meet certain minimum environmental, social, and governance ("**ESG**") standards.

Investment Universe

To be included in the initial investment universe (the "**Initial Investment Universe**") for the Reference Index, ETFs must fulfill certain requirements as determined by the Index Administrator:

- Classified as an equity UCITS ETF;
- Discloses under Article 8 or 9 of the Sustainable Finance Disclosure Regulation ("**SFDR**");
- Must meet or exceed set minimum Assets Under Management criteria ("**AuM**");
- Must meet or exceed set minimum number of portfolio holdings; and
- Being issued by certain ETF providers or their successors.

Research Universe Selection and Security Weighting

Data Provider
After the application of the Initial Investment Universe requirements, the Reference Index utilises inputs from Zürich Beteiligungs-Aktiengesellschaft (Deutschland) (the "Data Provider") for the selection of the Constituent ETFs that will be included in the Reference Index. The Data Provider, or its group entities, is part of the Zurich Insurance Group and is a data provider with experience and expertise in ETF selection and sustainable data.

Research Universe Selection
ETFs from the Initial Investment Universe must meet the following criteria to be included in the Data Provider's research universe (the "**Research Universe**"):

- *Risk-Return Assessment Score:* Companies must have a Risk-Return Assessment Score above a certain threshold.

The Risk-Return Assessment Score is a score from 0-10 that is assigned to an ETF and determined by a research group of the Data Provider. The research group is composed of employees from the portfolio management, markets, and ESG teams, as well as the heads of the Unit Linked Strategy, New Propositions & Investment Solutions, and Platform & Sustainability departments of the Data Provider.

The determination of the Risk-Return Assessment Score is based on the following characteristics:
- Relative attractiveness of the regional exposure within the Research Universe from the perspective of a Euro-denominated investor;
- AuM of ETFs with similar regional exposure in the Initial Investment Universe;
- Sustainability strategy alignment with the sustainability standards of the Data Provider. These standards are published on the website of the Data Provider and are outlined in the Data Provider's sustainability report.

ESG Standards: ETFs that do not align with the sustainability standards of the Data Provider are excluded from the Research Universe. The sustainability standards of the Data Provider exclude ETFs which:

- Fail to meet minimum ESG Fund Rating requirements;
- Fail certain disclosure requirements;
- Are unrated or missing coverage;
- Do not apply criteria to exclude investments which fail to meet minimum ESG Rating requirements;
- Do not apply criteria to exclude investments which have any involvement in controversial or nuclear weapons;
- Do not apply criteria to exclude investments which do not comply with the United Nations Global Compact principles;
- Do not apply criteria to exclude companies with severe ESG controversies; and
- Do not apply criteria to exclude investments classified as breaching certain thresholds in controversial activities, including, but not limited to, conventional weapons, civilian firearms, tobacco, adult entertainment, gambling-related activities, nuclear power generation, unconventional oil and gas, coal involvement, crude oil involvement, gas involvement and power generation from fossil

fuels.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("**PAB Exclusions**").

Investors should note that whilst the financial product and the Reference Index seek to ensure compliance with such criteria at each rebalance or review date, between these reviews or rebalances, securities which no longer meet these criteria may remain included in (i) the Reference Index until they are removed at the subsequent rebalance or review or, (ii) the portfolio of the financial product until it is possible and practicable to divest such positions.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The financial product does not pursue a committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes funds, and/or companies within these funds, with very severe ESG controversies (including governance controversies) and that have an ESG Fund Rating and ESG Quality Assessment (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold, as determined by the Data Provider.

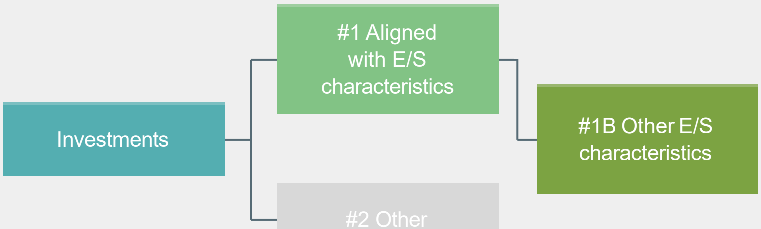
What is the asset allocation planned for this financial product?

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics).

Up to 10% of the investments are not aligned with these characteristics (#2 Other).

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Financial derivative instruments ("FDIs") may be used for efficient portfolio management purposes. It is not intended to use FDIs for the attainment of the financial product's objective but rather as ancillary investments to, for example, invest cash balances pending rebalance or investment in constituents of the Reference Index. Any exposures obtained through the use of FDIs for these ancillary purposes will be aligned with the investment objective of the financial product and would conform to ESG standards substantially similar to those of the Reference Index, or would fall within the quoted percentage of the investments that are not aligned with the promoted environmental and social characteristics (#2 Other).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the financial product promotes environmental characteristics, it is not intended that its underlying investments take into account the EU Taxonomy Regulation criteria for the environmentally sustainable economic activities. As a result, the financial product does not intend to make investments within the scope of the EU Taxonomy Regulation.

Does the financial product invest in fossil gas and/or nuclear energy[1] related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

X No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

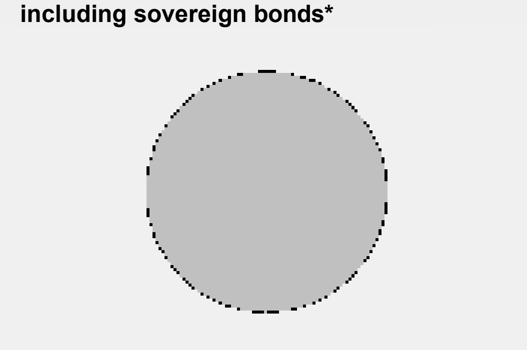
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

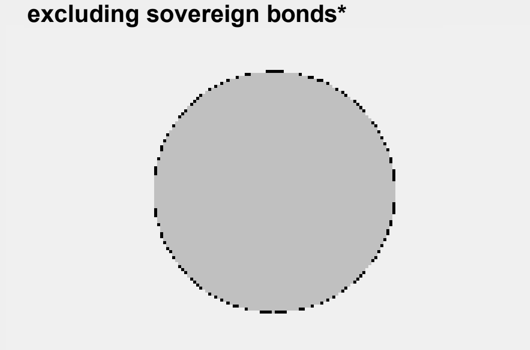
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

2. Taxonomy-alignment of investments **excluding sovereign bonds***



Taxonomy-aligned: Fossil gas	0.00%
Taxonomy-aligned: Nuclear	0.00%
Taxonomy-aligned (no fossil gas and nuclear)	0.00%
Taxonomy-aligned	0.00%
Non Taxonomy-aligned	100.00%

This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

The financial product does not have a minimum share of investments in transitional and enabling activities, as it does not commit to a minimum proportion of environmentally sustainable investments aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to an environmental objective.

What is the minimum share of socially sustainable investments?

The financial product does not intend to make a minimum allocation to sustainable economic activities that contribute to a social objective.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics).

Those investments included under “#2 Other”, may include ancillary liquid assets for the purpose of efficient portfolio management, which may include, secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market or cash strategy, or financial derivative instruments. It may also include securities which have been recently downgraded by the relevant ESG data provider but will not be removed from the Reference Index until the next Reference Index rebalance and may therefore not be removed from the portfolio until that time.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes. The financial product has designated the Solactive Zurich ESG Allocation Equities Index as the reference benchmark.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Reference Index promotes environmental and social characteristics by including only funds that disclose under Article 8 or 9 of the Sustainable Finance Disclosure Regulation and excluding funds which do not fulfill the specific ESG criteria outlined above, as of each Reference Index rebalance.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

In order to seek to achieve the investment objective, the financial product will adopt a “Direct Investment Policy” which means that the financial product will attempt to replicate the Reference Index by buying all, or a substantial number of, the Constituent ETFs of the Reference Index. The financial product may also invest from time to time directly in transferable securities, money market instruments, other collective investment schemes, or other eligible assets, which will however typically be similar to the securities comprised in the Reference Index.

How does the designated index differ from a relevant broad market index?

The Reference Index is designed to reflect the performance of a diversified portfolio of equity exchange-traded funds ("**Constituent ETFs**") which meet certain minimum environmental, social, and governance ("**ESG**") standards.

Investment Universe

To be included in the initial investment universe (the "**Initial Investment Universe**") for the Reference Index, ETFs must fulfill certain requirements as determined by the Index Administrator:

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Research Universe Selection and Security Weighting

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- Relative attractiveness of the regional exposure within the Research Universe from the perspective of a Euro-denominated investor;
- AuM of ETFs with similar regional exposure in the Initial Investment Universe;
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- Fail certain disclosure requirements;
- Are unrated or missing coverage;
- Do not apply criteria to exclude investments which fail to meet minimum ESG Rating requirements;
- Do not apply criteria to exclude investments which have any involvement in controversial or nuclear weapons;
- Do not apply criteria to exclude investments which do not comply with the United Nations Global Compact principles;
- Do not apply criteria to exclude companies with severe ESG controversies; and
- Do not apply criteria to exclude investments classified as breaching certain thresholds in controversial activities, including, but not limited to, conventional weapons, civilian firearms, tobacco, adult entertainment, gambling-related activities, nuclear power generation, unconventional oil and gas, coal involvement, crude oil involvement, gas involvement and power generation from fossil fuels.

Such exclusions comprise the requirements as laid out in Article 12(1)(a) to (g) of the Commission Delegated Regulation (EU) 2020/1818 ("**PAB Exclusions**")

Where can the methodology used for the calculation of the designated index be found?

Additional information on the Reference Index, its composition, ESG criteria, calculation and rules for periodical review and re-balancing and on the general methodology behind the Reference Index can be found on www.solactive.com

Where can I find more product specific information online?

More product-specific information can be found on the website: www.xtrackers.com as well as on your local country website.