

## Xtrackers Russell US Multifactor ETF (DEUS)

Enhance the core with multi-factor exposure

### What are factors?

Think of factors as the nutritional make-up of a stock, characteristics that describe each stock’s risks and returns. Within our multi-factor strategies, we consider five main factors that have been used in the industry for years: Value, quality, momentum, low volatility and size.

### Why factors are relevant?

Factor ETF strategies provide a simple, transparent, and cost-efficient way to potentially generate excess returns. Combining factors, in particular, can provide a more holistic approach to investing, potentially enabling investors to weather various and unpredictable economic environments.

### Investing with Xtrackers

Our unique methodology evaluates every stock from the bottom up, seeking those proficient in all five factor scores for inclusion. Our strategy has both factors and stocks working together to form what we believe is the most effective access to core equity markets.

### U.S. large cap multi-factor fund DEUS

Factors	Academic concepts	FTSE Russell implementation
Value	“Cheaper equities” are thought to outperform “expensive equities” over the long term <sup>1</sup>	Composite measure of cash-flow yield, earnings yield and sales-to-price of each company
Quality	The quality of a company’s earnings may actually be a better gauge of future earnings performance <sup>2</sup>	Composite measure of each company’s profitability, efficiency, earnings quality and leverage <sup>3</sup>
Momentum	Relatively recent price movements-over-time, can be a potential indicator of future stock price performance <sup>4</sup>	11-month cumulative total returns of each stock
Volatility	Portfolios with less volatility and/or low beta can offer higher-than-average return and smaller drawdowns <sup>5</sup>	Standard deviation of five years of weekly total local returns for each stock
Size	Historical long-term studies show long-term outperformance of small-cap stocks over large-cap stocks <sup>6</sup>	Each company’s full market capitalization in U.S. dollars

### Our unique weighting methodology: Simple and transparent

The FTSE Russell methodology scores each stock based on all five factors, simply multiplying each factor score by the stock’s starting benchmark weight. As a result, we keep the stocks with the strongest overall factor scores, weeding out any weak links.

### Stock weight example

Name	Market-cap Weight	Value	Quality	Momentum	Volatility	Size	Unadjusted Weight	Final Index Weight
Extreme examples 1 0	BJ’s Wholesale	0.03% ×	0.65 ×	0.79 ×	0.72 ×	0.62 ×	0.56 × = Rescale weights	0.44%
	Intel	0.16% ×	0.11 ×	0.10 ×	0.09 ×	0.25 ×	0.10 × = Rescale weights	0.00%
	Tesla	1.65% ×	0.15 ×	0.67 ×	0.99 ×	0.02 ×	0.00 × = Rescale weights	0.00%

Example stocks chosen from the Russell 1000 Index universe. Unadjusted weights are rescaled to add up to 1. All weights are based on the actual FTSE Russell Factor scores as of 6/30/25. Subject to change. As of 6/30/25, the stocks had the following weights in the DEUS BJ’s Wholesale Club Holdings (Consumer Staples), 0.43%; Intel Corporation (Technology), 0.00%, Tesla Inc. (Consumer Discretionary) 0.00%. Index parameters – Country and Industry Weights: /+ 20 of the Market Cap weight & /+ |5|, Max Stock Level Capacity Ratio: 20x, Min Stock Weight: 0.5 basis points, Review: Semi Annually (Sep & March for FTSE indexes, June & December for Russell indexes). For illustrative purposes only.

**Inclusion and exclusions examples**

BJ's Wholesale Club (BJ)	BJ's scores exceptionally well in the Comprehensive Factor model, ranking in the 79th percentile for Quality and the 65th percentile for Value. As a result, the stock is overweighted by a factor of 17x in the portfolio. These strong scores reflect a resilient business model supported by consumer demand for value-oriented retail. The company is expanding into high-growth markets such as Texas and continues to report solid growth in digital sales.
Intel Corporation (INTC)	Intel ranks among the lowest-scoring companies in the model and is therefore excluded from the DEUS multifactor portfolio. The model reflects Intel's deteriorating fundamentals, including accelerating losses, weaker forward guidance, and market share declines across key segments. The cancellation of its next-generation AI processor, following customer feedback, further highlights the company's current challenges.
Tesla Motors (TSLA)	Tesla receives very low scores in both Value and Size, resulting in its exclusion from the DEUS multifactor portfolio. Despite its prominence as a "Magnificent 7" company, the model flags concerns around elevated valuation levels and persistent volatility, which continue to pose risks. The company also faces increasing competition from legacy automakers and macroeconomic headwinds, including higher interest rates and the gradual phase-out of EV subsidies.

Example stocks chosen from the Russell 1000 Index universe. Unadjusted weights are rescaled to add up to 1. All weights are based on the actual FTSE Russell Factor scores as of 6/30/25. Subject to change. For illustrative purposes only.

**Diversification of the core with multi-factor exposure**

**Equity overlap matrix**

	Russell 1000 Comprehensive Factor Index	S&P 500	S&P 500 Equal Weight
Russell 1000 Comprehensive Factor Index	100.0%	28.0%	52.7%
S&P 500	28.0%	100.0%	45.1%
S&P 500 Equal Weight	52.7%	45.1%	100.0%

DEUS that tracks the Russell 1000 Comprehensive Factor Index offers low to moderate overlap with traditional market-cap and equal-weighted strategies, such as the ones following the S&P 500 Index and the S&P 500 Equal Weight Index. This makes it a compelling addition to a core U.S. large-cap allocation, providing differentiated exposure while maintaining alignment with broader market objectives.

Source: ETF Action, as of 10/13/2025. ETF Overlap is limited to equity positions only and percentages are based off the most recent available holdings date for each portfolio. All portfolio holdings are rebased to 100% if the Portfolio Equity percentage does not sum to 100%. Subject to change. For illustrative purposes only.

**Glossary**

- Cash Flow Yield:** Measures a company's ability to generate free cash flow relative to its market value.
- Earnings Yield:** Measures the relationship between a company's earnings per share and its stock price.
- Equal weight investing:** A strategy that allocates the same amount of capital to each asset within a portfolio, regardless of the asset's market capitalization.
- Factor Investing:** A strategy that involves targeting specific drivers of investment return across asset classes.
- Large Cap:** Firms that generally have a market capitalization of more than \$10 billion.
- Market Cap Investing:** Involves evaluating companies based on their market capitalization, which is a key metric for assessing size, stability, and growth potential.
- S&P 500 Equal Weight Index:** Includes the same constituents as the capitalization weighted S&P 500, but each company is allocated a fixed weight - or 0.2% of the index.
- S&P 500 Index:** An index that includes 500 leading U.S. companies, capturing approximately 80% coverage of available U.S. market capitalization.
- Sales-to-Price:** Measures a company's market value relative to its sales.
- Standard Deviation:** Used to represent the volatility of an investment. It depicts how widely an investment's returns vary from the investment's average return over a certain period.
- Volatility:** The degree of variation of a trading-price series over time. It can be used as a measure of an asset's risk.

**Xtrackers Russell US Multifactor ETF** (as of 9/30/25)

**ETF characteristics**

Ticker	DEUS
Name	Xtrackers Russell US Multifactor ETF
Benchmark	Russell 1000 Index
Listing date	11/24/2015
Gross/net expense ratio	0.17%
Distribution frequency	Quarterly

**Index characteristics**

Name	Russell 1000 Comprehensive Factor Index
Provider	FTSE Russell
Inception date	9/28/2015
Number of constituents	855*
Rebalancing frequency	Semi-annually

**Sector weightings**

**Russell 1000 Comprehensive Factor Index**

Industrials	21.00%
Financials	14.40%
Consumer Discretionary	14.11%
Technology	12.25%
Consumer Staples	9.35%
Utilities	8.57%
Health Care	8.55%
Real Estate	4.01%
Basic Materials	3.47%
Energy	2.47%
Telecommunications	1.84%

**Benchmark: Russell 1000**

Technology	38.81%
Consumer Discretionary	14.76%
Industrials	11.96%
Financials	11.12%
Health Care	8.53%
Consumer Staples	3.67%
Energy	3.00%
Utilities	2.53%
Real Estate	2.20%
Telecommunications	1.98%
Basic Materials	1.44%

**Top 10 holdings**

**Russell 1000 Comprehensive Factor Index**

Name	Factor weight	Market-cap weight
Cardinal Health	1.30%	0.06%
Cencora Inc	1.07%	0.09%
McKesson	0.92%	0.16%
Altria Group	0.85%	0.18%
Jabil	0.79%	0.04%
Flex	0.76%	0.04%
Cognizant Tech Solutions	0.69%	0.05%
VeriSign Inc	0.69%	0.04%
Leidos Holdings	0.66%	0.04%
F5 Inc	0.64%	0.03%
<b>Total</b>	<b>8.36%</b>	

**Top 5 / Bottom 5 Active Weights**

**Russell 1000 Comprehensive Factor Index**

Name	Factor weight	Market-cap weight
Cardinal Health	1.30%	0.06%
Cencora Inc	1.07%	0.09%
McKesson	0.92%	0.16%
Jabil	0.79%	0.04%
Flex	0.76%	0.04%
Nvidia	0.02%	7.10%
Microsoft Corp	0.13%	6.24%
Apple Inc.	0.17%	6.03%
Amazon.Com	0.04%	3.42%
Meta Platforms Inc	0.05%	2.61%

Source: FTSE Russell, DWS as of 9/30/25. Subject to change.

\*\* Stocks with low factor scores may be removed from the index, resulting in a total of less than 1000 constituents

<sup>1</sup> "The cross-section of expected stock returns," Eugene F. Fama and Kenneth R. French, June 1992

<sup>2</sup> "Do stock prices fully reflect information in accruals and cash flows about future earnings?" Sloan, 1996

<sup>3</sup> Excludes financial stocks, for which return-on-assets is the sole measure of quality

<sup>4</sup> "Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency," Jegadeesh and Sheridan Titman, March 1993

<sup>5</sup> "Benchmarks as Limits to Arbitrage: Understanding the low-volatility anomaly," Malcolm Baker, Brendan Bradley and Jeffrey Wurgler. Feb. 2011

<sup>6</sup> "The Relationship between Return and Market Value of Common Stocks," Rolf W. Banz, March 1981

**Xtrackers Russell US Multifactor ETF** seeks investment results that correspond generally to the performance, before fees and expenses, of the Russell 1000 Comprehensive Factor Index. The **price/earnings ratio** or P/E ratio is a stock's current price divided by the company's trailing 12-month earnings per share from continuous operations. **Beta** measures a security's sensitivity to the movements of the fund's benchmark or the market as a whole. A beta of greater than one indicates more volatility than the benchmark or market, while a beta of less than one indicates less volatility. **Market capitalization** is the total dollar market value of a company's outstanding shares. The **Russell 1000 Comprehensive Factor Index** is a benchmark designed to capture exposure to five factors—Quality, Value, momentum, Low Volatility and Size. These factors represent common factor characteristics for which there is a broad academic and practitioner consensus, supported by a body of empirical evidence across different geographies and time periods. The **Russell 1000 Index** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

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