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# Publication pursuant to SFDR - Summary

Xtrackers ESG USD Emerging Markets Bond Quality Weighted UCITS ETF

This financial product promotes environmental and social characteristics and qualifies as product in accordance with article 8(1) of Regulation (EU) 2019/2088.

Capitalised terms used in this document 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. This disclosure document is provided in summary form, for more detailed information please see the Prospectus or the document titled “*Publication pursuant to SFDR – Details*”, available on the financial product’s webpage on [www.Xtrackers.com](http://www.Xtrackers.com).

## No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The financial product does not intend to make sustainable investments and invests solely into sovereign debt, 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.

## Environmental or social characteristics of the 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 securities that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities or other eligible assets. The index first takes into account fundamental economic indicators and secondly MSCI ESG Government Ratings (ESG Ratings) for selection and weighting purposes. Bonds issued by countries with favourable fundamental economic indicators and higher ESG Ratings will have higher representation in the Reference Index compared to countries with weaker economic fundamental indicators and lower ESG Ratings. Bonds are only eligible for inclusion in the Reference Index if they meet certain pre-determined selection and eligibility criteria including a minimum credit rating. Following the application of all financial screening criteria, the Reference Index ranks countries still eligible for inclusion by their ESG Rating. Starting with the lowest rating, countries will be excluded until the cumulative market value weight of such exclusions reaches a minimum 20% threshold.

## Investment strategy

The investment objective of the financial product is to track the performance before fees and expenses of the “Reference Index”, which is the iBoxx MSCI ESG USD Emerging Markets Sovereigns Quality Weighted Index, which is designed to offer a targeted coverage of the USD denominated emerging market sovereign bonds universe with adjusted weights, by allocating higher weights to countries with relatively solid fundamentals and higher MSCI ESG Government Ratings while reducing weights of countries with relatively weak fundamentals and lower MSCI ESG Government Ratings, with a minimum of 20% of the eligible universe being excluded solely on the basis of the MSCI ESG Government Ratings. The Reference Index incorporates the ESG characteristics outlined above and described in more detail in the Prospectus.

Given the financial product invests solely into sovereign debt, there is no policy to assess good governance practices of investee companies. Nonetheless, the investment objective of the financial product is to track the performance before fees and expenses of the Reference Index which excludes countries that are not free (assessing, amongst others, political freedom and human rights) based on Freedom House classifications, and countries that have an ESG Score (which assesses, amongst other things, a country’s governance risks) below a certain threshold.

## Proportion of investments

This financial product invests at least 90% of its net assets in investments that are aligned with the promoted environmental and social characteristics. Within this category, at least 0% of the financial product’s assets qualify as sustainable investments in the sense of article 2(17) SFDR. Up to 10% of the investments are not aligned with these environmental or social characteristics. A more detailed description of the specific asset allocation of this financial product can be found in the Prospectus.

Financial derivative instruments may be used for efficient portfolio management purposes as ancillary investments.

## Monitoring of environmental or social characteristics

The Reference Index applies the ESG criteria outlined above. DWS performs a regular independent verification of the ESG credentials of the Reference Index, incorporating two key elements: (i) that the composition of the financial product's portfolio is closely aligned with the ESG standards of the Reference Index, and (ii) that the Reference Index is correctly applying the stated ESG criteria.

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.

## Methodologies

The attainment of the promoted environmental and social characteristics promoted by the financial product is measured using the following sustainability indicators:

- Country Environmental Pillar Score
- Country Social Pillar Score
- Country Governance Pillar Score

More details on these sustainability indicators are available in the Prospectus.

## Data sources and processing

The Reference Index uses MSCI ESG Government Ratings data from MSCI ESG Research LLC.

## Limitations to methodologies and data

The Reference Index's ESG standards limit the number of securities eligible for inclusion in the Reference Index. As a result, the Reference Index, and as such the financial product, may be more concentrated and underperform the market as a whole or underperform other funds screened for environmental, social and governance standards, or which do not screen for such standards.

The Reference Index solely relies on analysis from the Index Administrator or other data providers (as applicable) in relation to sustainability considerations. Neither the Company, nor any of its service providers, makes any representation with respect to the accuracy, reliability, correctness of the sustainability related data or the way that these are implemented.

## Due diligence

With regards to the selection of any new reference indices for Xtrackers ETFs, DWS will conduct a due diligence process that includes the assessment of sustainability risks, and endeavour to work in conjunction with benchmark providers to embed certain sustainability risks into the construction of new indices for both new financial products and also reference indices considered as a potential reference index in case of substitution for an existing financial product. As part of this process, minimum ESG standards will be applied.

## Engagement policies

Active engagement with our investee issuers, using engagement to drive change for the benefit of clients is a key part of DWS Group's approach to sustainable investment.

## Designated reference benchmark

The financial product has designated the iBoxx MSCI ESG USD Emerging Markets Sovereigns Quality Weighted Index as the reference benchmark.

Additional information on the Reference Index can be found on <https://ihsmarkit.com/products/indices.html>.

## Important Information

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