

Xtrackers Europe Defense Technologies ETF (XDEF)

Strategic exposure to Europe's long-term rearmament

Strategy overview

XDEF gives investors targeted exposure to companies positioned to benefit from Europe's long-term rearmament. The ETF combines revenue- and patents-based selection to capture leaders across the defense value chain, including equipment, space, and cybersecurity—sectors that are becoming central to modern security systems.

Why is this relevant?

Europe is shifting from years of underinvestment to a sustained defense build-up. Rising geopolitical risks and NATO* commitments are pushing governments to prioritize military readiness, technology, and resilience. This marks a structural change in spending patterns, creating a potential multi-year growth backdrop for Europe's defense ecosystem.

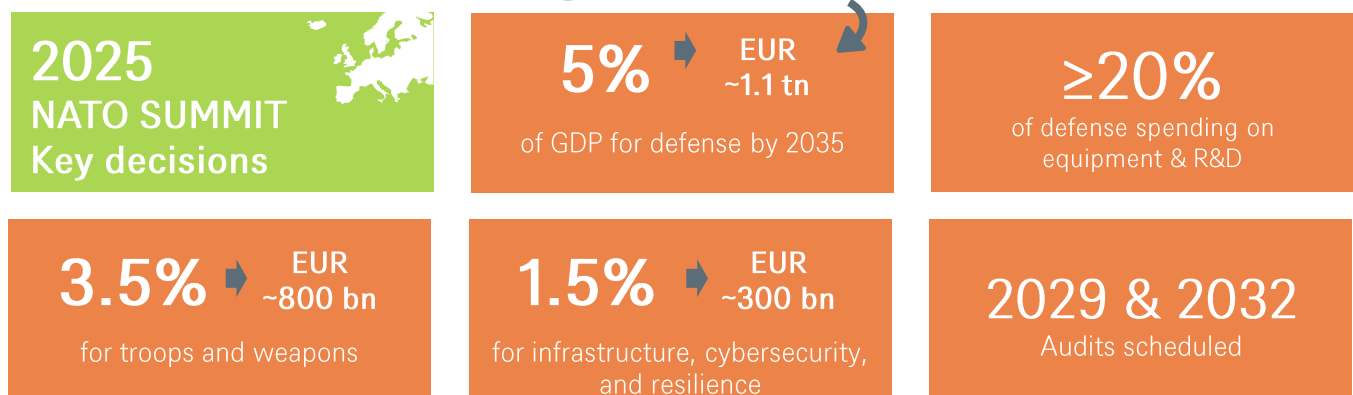
Investing with Xtrackers

Xtrackers provides efficient access to this theme through a focused, pure-play approach to European defense, space, and cybersecurity. XDEF can complement core allocations as a thematic satellite, offering exposure to a strategic shift that supports Europe's long-term security and industrial independence.

Reasons to look at the European defense sector

- 1 NATO commitment to sustained budgetary expansion:** Ongoing geopolitical tensions have solidified defense as a long-term fiscal priority for Europe, moving beyond traditional personal costs toward higher-value equipment, infrastructure, and Research & Development. NATO members agreed on 5% spending target by 2035, using a two-tiered spending formula: 3.5% of Gross Domestic Product (GDP) for core military expenditures—personnel, operations, equipment, and maintenance; and 1.5% of GDP for security-related spending—cybersecurity, supply chain resilience, critical infrastructure, logistics, and defense.
- 2 Shift towards technology and capability upgrades:** Europe's defense spending is increasingly focused on modernization. Investment is being directed to areas such as cyber defense, space-based systems, autonomous platforms, and digital command and control, reflecting the changing nature of security requirements rather than short-term procurement cycle.
- 3 Industry consolidation and scale building:** The sector is seeing gradual increase in partnerships, mergers, and industrial cooperation. These developments aim to improve efficiency, strengthen domestic supply chains, and enhance Europe's ability to deliver complex defense programs independently.

 **European NATO Allies only**

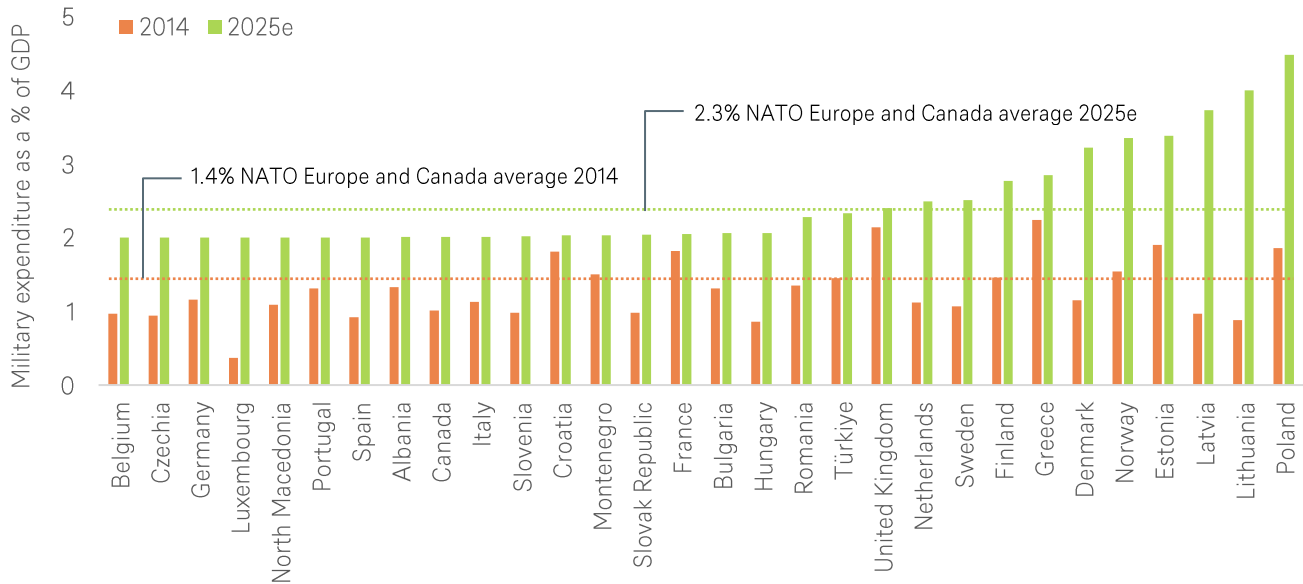


* NATO stands for the North Atlantic Treaty Organization. It's a military and political alliance formed in 1949 by countries in North America and Europe to ensure their collective defense.

Source: NATO (December 2025). Defense expenditures and NATO's 5% commitment. For illustrative purposes only.

NATO member states are increasing their defense expenditure

Based on 2021 prices and exchange rates

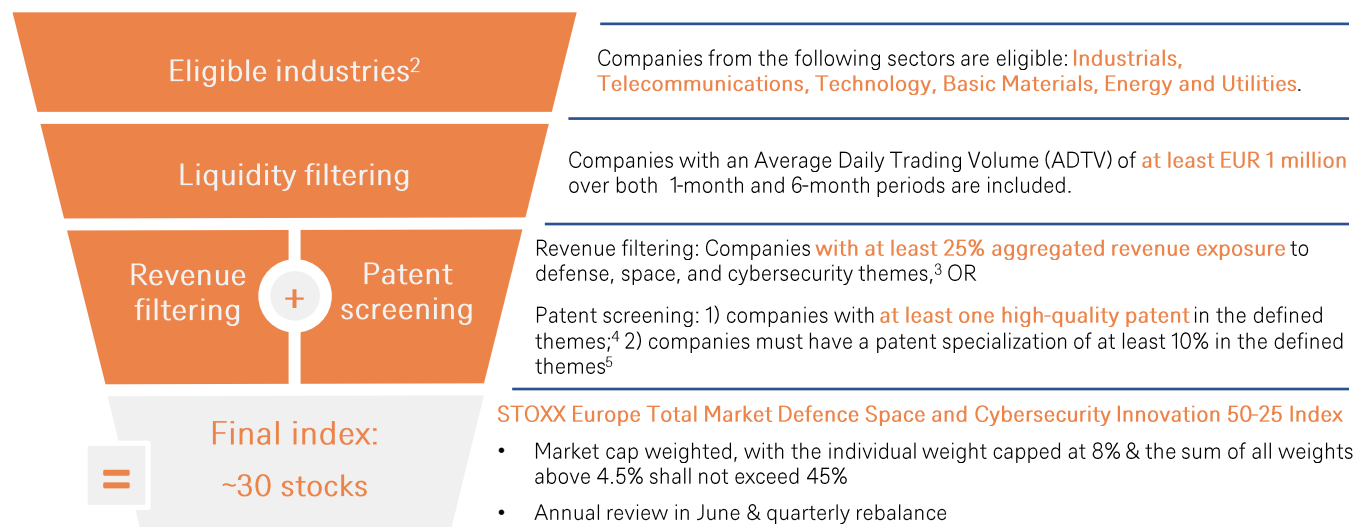


Source: NATO, Defense Expenditure of NATO Countries (2014-2025). Data as of 6/3/2025, based on 2021 prices and exchange rates. Figures for 2025 are estimates. For illustrative purposes only.

Xtrackers Europe Defense Technologies ETF (XDEF) provides exposure to companies positioned to benefit from Europe’s long-term rearmament.

XDEF tracks the **STOXX Europe Total Market Defence Space and Cybersecurity Innovation 50-25 Index**. The index is designed to capture the performance of companies with existing revenues and patent exposure to the three thematic segments—defense, space and cybersecurity—hence covering established suppliers of traditional military equipment and of more advanced defense systems, as well as those likely to play relevant roles in those fields in the future.






1,000+ stocks included in the STOXX Europe Total Market Index¹



Source: STOXX, DWS Investment GmbH. ¹ Covers approx. 95% of the free flow market capitalizations across 17 European countries. ² Industries are selected using the ICB subsector classification. The ICB methodology categorizes companies and securities by industry and sector, managed by FTSE Russell. ³ Based on aggregated revenue exposure to respective RBICS sectors: Defense, Cybersecurity and Space. ⁴ Patent data derived from EconSight. High-quality patent is defined as the number of active patents that a company holds that fall in the top 10% of patent quality within the defined technologies. Companies are ranked in descending order based on the number of high-quality patents in these themes. The top 10% of ranked companies are selected. ⁵ Patent specialization is defined as the total number of active patents associated with the technologies divided by the total number of active patents the company has. For illustrative purposes only.

Where defense meets technology

Modern defense is evolving into a technology-driven industry, where software, data, and digital systems matter as much as physical hardware. Investing in Xtrackers Europe Defense Technologies ETF gives investors exposure to this shift, capturing companies that are moving beyond traditional manufacturing into higher-value, mission-critical areas such as AI-enabled systems, autonomous platforms, and secure cyber and communication networks. XDEF also leverages patent-based screening to identify companies at the forefront of defense innovation, positioning investors for future growth.

	Sub-themes	Examples
Defense	 <p>Military Systems Development and supply of advanced combat platforms, defense electronics, military equipment, missile systems, and mission-critical technologies that support modern armed forces.</p>	<p>Rheinmetall Germany’s largest defense company and leading large-calibre weapons and ammunition supplier. Primary provider of tanks in Europe: Tank Leopard 2, Panther KF51. Involved in the next-generation battle tank R&D—the Project MARTE (Main Armoured Tank of Europe).</p>
	 <p>Aircraft Manufacturing and Services/ Aeromobility Production of aircrafts, engines, and related services, while advancing next-generation capabilities such as jet propulsion, vertical take-off and landing (VTOL), and aerospace mobility.</p>	<p>BAE Systems 6th largest defense contractors worldwide and 1st in Europe.¹ Current product range includes Eurofighter Typhoon and F-35 Lightning II. Involved in Global Combat Air Programme (GCAP) to develop the next-generation European fighter aircraft.</p>
	 <p>Drones Manufacturing of autonomous drones and components, including unmanned aerial and ground vehicles, supporting surveillance, reconnaissance, and operational effectiveness.</p>	<p>Leonardo Ranked among Top 3 defense companies in Europe and Top 15 globally.¹ Its Falco drone family is among the most versatile platforms in its class. Leonardo is a key player in R&D programs like Eurodrone and several joint ventures.</p>
Space	 <p>Space and Satellite Systems Manufacturing of satellites, navigation systems, and space-based infrastructure that enable secure communication, surveillance, and positioning for defense operations.</p>	<p>SES (Société Européenne des Satellites) A world’s leading satellite operator and communication provider. Product range includes O3bmPOWER satellites and Medium Earth Orbit (MEO). Involved in Global Services (MGS) program providing defense solutions to NATO.</p>
Cybersecurity	 <p>Cybersecurity Development of digital security solutions. Including network security software, electronic security systems, and advisory services focused on digital protection.</p>	<p>Indra Sistemas Spain-based provider of defense and aerospace related tech solutions such as Advanced Cybersecurity Operations Centers (i-CSOCs) for threat monitoring, Secure Communications solutions (COMSec) and European Cyber Situational Awareness Platform (ECYSAP).</p>

Source: DWS as of January 2025. For illustrative purposes only. Companies included in the relevant thematic index and being currently identified by the index provider as being related to the corresponding sub-theme on the left-hand side. A company can be related to several sub-themes. This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.¹ Defense News. “Top 100 for 2025”.

How does XDEF fit in portfolios?

XDEF could complement core allocations as a thematic satellite, offering targeted exposure to Europe’s rearmament cycle. It may help diversify away from U.S. concentration while providing access to a structural spending trend that is increasingly driven by European policy priorities rather than global economic cycles.

Xtrackers Europe Defense Technologies ETF (as of 12/31/2025)

ETF characteristics

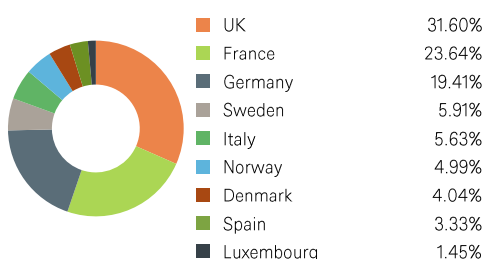
Ticker	XDEF
Name	Xtrackers Europe Defense Technologies ETF
Benchmark	MSCI Europe
Listing date	2/19/2026
Gross/net expense ratio	0.35%
Distribution frequency	Quarterly

Index characteristics

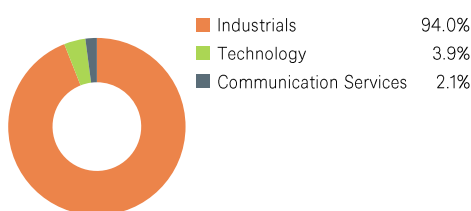
Name	STOXX Europe Total Market Defence Space and Cybersecurity Innovation 50-25 Index
Provider	STOXX
Inception date	11/14/2025
Number of constituents	28
Rebalancing frequency	Quarterly

STOXX Europe Total Market Defence Space and Cybersecurity Innovation 50-25 Index

Top country weightings



Sector weightings



Top 10 holdings

BAE SYSTEMS	8.33%
ROLLS ROYCE HLDG	8.06%
RHEINMETALL	8.00%
AIRBUS	7.67%
SAFRAN	7.53%
SAAB B	5.38%
LEONARDO	4.69%
BABCOCK INTERNATIONAL	4.67%
KONGSBERG GRUPPEN	4.57%
MELROSE INDUSTRIES	4.39%
Total	63.3%

Source: DWS as of 12/31/2025. Holdings-based data is subject to change.

Glossary

Concentration risk: The risk associated with a portfolio heavily invested in a single asset, sector or investment type. If that particular investment underperforms, the overall portfolio may suffer significant loss.

Diversification: An investment strategy that involves spreading investments across a variety of different asset classes, industries, and geographies. The goal of diversification is to reduce a portfolio's risk by limiting exposure to any single investment.

Gross Domestic Product (GDP): A monetary measure of the total market value of all finished goods and services produced within a country's borders during a specific period, usually a year or quarter.

The Industry Classification Benchmark (ICB): A classification methodology for categorizing companies and securities by industry and sector, managed by FTSE Russell. It classifies over 85,000 securities worldwide based on primary revenue sources into a 4-tier hierarchy: 11 Industries, 20 Supersectors, 45 Sectors, and 173 Subsectors.

Sector: A sector is a broad category of the economy or stock market representing a particular area of business or industry. For example, some common sectors include Technology, Healthcare, Energy, and Financials.

STOXX Europe Total Market Defence Space and Cybersecurity Innovation 50-25 Index: An index that is designed to capture the performance of companies with established revenue exposure to the Defense, Space, and Cybersecurity sectors. Index methodology uses a detailed breakdown of companies' revenues and their patent data to identify companies that have a significant revenue or innovation exposure to the themes.

Fund Risks: Because Exchange Traded Funds (ETFs) trade on a securities exchange, their shares may trade at a premium or discount to their net asset value. ETFs also incur fees and expenses so they may not fully match the performance of the indexes they are designed to track. Investing involves risk, including the possible loss of principal. Stocks may decline in value. An investment in the fund should be considered only as a supplement to a complete investment program for those investors willing to accept the risks associated with the fund. Please read the prospectus for more information.

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War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

Investing involves risk, including the possible loss of principal. Stocks may decline in value. Foreign investing involves greater and different risks than investing in U.S. companies, including currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards. Funds investing in a single industry (or group of industries), country or in a limited geographic region generally are more volatile than more diversified funds. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. Aerospace and defense companies rely on product sales to US and foreign governments and their performance may be adversely affected by government defense spending policies. Companies in the cybersecurity field may be adversely affected by intense competition in the industry, limited product lines and the volatility of the market for cybersecurity products and services. This fund is non-diversified and can take larger positions in fewer issues, increasing its potential risk. An investment in this fund should be considered only as a supplement to a complete investment program for those investors willing to accept the risks associated with the fund. Please read the prospectus for more information.

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Carefully consider the fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the fund's prospectus, which may be obtained by calling 1844-851-4255, or by viewing or downloading a prospectus at www.Xtrackers.com. Read the prospectus carefully before investing.

Investment products: No bank guarantee | Not FDIC insured | May lose value

Indexes are unmanaged and you cannot invest directly in an index. The funds are new and have limited operating history.

Shares are not individually redeemable, and owners of Shares may acquire those Shares from the Fund, or tender such Shares for redemption to the Fund, in Creation Units only.

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