

## Q&A on Dividend Procedure for ETFs<sup>1</sup>

### Question 1: What has changed about the dividend paying share classes?

For the first time the funds are making a year-end distribution, i.e. the funds are paying out dividends that relate to the end of the funds' financial year. In effect, this means that for the 2014 financial year the funds have, in fact, two dividend payments: the July 2014 interim payment as well as the 2014 year-end payment, which will be paid in April 2015.

### Question 2: Why a year-end distribution?

To date, the distributing fund share classes have only made interim payments, e.g. in July 2014 for the 2014 financial year. These still necessitated the funds to account for reinvestments at year-end, thus actually making them reinvesting funds despite their having paid a dividend. This leads to a particularly onerous tax treatment for (German) retail clients, which can be reduced considerably by making a year-end distribution.

### Question 3: What is the process?

Annual accounts and financial statements are prepared and KPMG provide a distribution report indicating minimum amounts to be paid out from a tax perspective. Dividend amounts (based on income received by direct replication (DR) funds on the equities held in the portfolio and index yields for swap-based ETFs) are proposed at the Annual General Meeting (AGM) and are paid out once they are approved at the AGM. Dividend payments must be made within four months after the end of the financial year in order to be considered year-end distributions.

### Question 4: What are the relevant dates for this distribution?

- AGM on 27 March 2015
- record date<sup>2</sup> on 1 April 2015
- ex-dividend date<sup>3</sup> on 2 April 2015
- payment date<sup>4</sup> on 15 April 2015

### Question 5: What amounts are expected to be paid out?

Please see attached the amounts proposed to be approved at the AGM. Since there has already been an interim payment in 2014 and the amounts only apply to that financial year, some payments are calculated such that for German retail investors the amount, if approved at the AGM, will just cover the applicable tax payment.

### Question 6: What is the dividend cycle going to look like going forward?

Going forward, the funds will continue to have one dividend payment per year, but by way of a year-end payment within four months after year-end rather than an interim payment in July/ August as in previous years. After the 2014 year-end dividend paid out in 2015, the next dividend is expected to be the 2015 year-end dividend paid in April 2016 for the full financial year 2015.

<sup>1</sup> Sub-Funds of db x-trackers and db x-trackers II

<sup>2</sup> The date defined by the Company for the purpose of determining the holders who are entitled to receive a dividend or distribution.

<sup>3</sup> The date on which a fund is traded without a previously declared dividend or distribution.

<sup>4</sup> The date on which a declared dividend is scheduled to be paid.

