

Xtrackers USD Corporate Green Bond UCITS ETF

Supplement to the Prospectus

This Supplement contains information in relation to Xtrackers USD Corporate Green Bond UCITS ETF (the **“Fund”**), a sub-fund of Xtrackers (IE) plc (the **“Company”**) an umbrella type open-ended investment company with segregated liability between sub-funds and with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the **“Central Bank”**).

This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the prospectus of the Company dated 15 June 2023 (the “Prospectus”)), and must be read in conjunction with, the Prospectus.

Xtrackers (IE) plc

Dated 15 June 2023

IMPORTANT INFORMATION

The Fund is an ETF. The Shares of this Fund are fully transferable to investors and will be listed for trading on one or more stock exchanges.

TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

Investment Objective

The investment objective of the Fund is to track the performance before fees and expenses of the Underlying Asset, which is the Bloomberg MSCI USD Corporate and Agency Green Bond Index (the "**Reference Index**"). The Reference Index is designed to reflect the performance of USD denominated fixed income securities issued by certain corporate and agency (entities which are majority government-owned with no government guarantee, or government sponsored entities) issuers to fund projects with direct environmental benefits. The Reference Index includes fixed income securities that meet specific credit quality, liquidity, environmental, social and governance ("**ESG**") and green bond eligibility and classification requirements.

Further information on the Reference Index is contained under "General Description of the Underlying Asset".

Investment Policy

In order to seek to achieve the investment objective, the Fund will adopt a Direct Investment Policy. There is no assurance that the investment objective of the Fund will actually be achieved.

The Fund will aim to track, before fees and expenses, the performance of the Reference Index by holding a portfolio of investment grade, USD-denominated green bonds, that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities (the "**Underlying Securities**"). The Fund is managed according to a passive approach and is an Optimised Replication Fund (as described in the Prospectus under the heading "*Direct Investment Funds following a passive approach*"). The optimised sample of securities determined will be selected with the aim of providing the most representative sample of the Reference Index based on its evaluation of the Underlying Securities against factors including, but not limited to, the correlation of the Underlying Securities to the Reference Index and the exposure, liquidity and risk of the Underlying Securities. Any unrelated transferable securities held by the Fund will typically be similar to the securities comprised in the Reference Index. The Investment Manager reserves the right to exclude from the portfolio of the Fund any securities from the Reference Index that do not comply with the Investment Manager's policies or standards (examples of which are described in the Prospectus under the heading "Direct Investment Funds following a passive approach"). Full disclosure on the composition of the Fund's portfolio will be available on a daily basis at www.Xtrackers.com

The Underlying Securities are listed or traded on markets and exchanges, which are set out at Appendix I of the Prospectus, with the Underlying Securities being bought by the Fund from any broker or counterparty who trades on the markets and exchanges listed at Appendix I of the Prospectus.

As further described in the 'Efficient Portfolio Management and Financial Derivative Instruments' section below and in the Prospectus, the Fund may also invest in securities which are not constituents of the Reference Index and/or financial derivative instruments ("**FDIs**") related to a constituent or constituents of the Reference Index, for efficient portfolio management purposes, where such securities and/or FDIs would achieve a risk and return profile similar to that of the Reference Index, a constituent of the Reference Index or a sub-set of constituents of the Reference Index.

The Fund may invest in ancillary liquid assets which will include secured and/or unsecured deposits and/or units or shares of other UCITS or other collective investment schemes which pursue a money market/cash strategy or which are related to the Reference Index or constituents of the Reference Index.

The investments and liquid assets the Fund may hold on an ancillary basis will, together with any fees and expenses, be valued by the Administrator on each Valuation Day in order to determine the Net Asset Value of the Fund in accordance with the rules set out in the Prospectus.

The value of the Fund's Shares is linked to the Reference Index (and, for Currency Hedged Share Classes, the relevant hedging arrangement, as described under "**Share Class Currency Hedging Methodology**"), the performance of which may rise or fall. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there is no guarantee that they will recover their initial investment. The

return that the Shareholder may receive will be dependent on the performance of the Reference Index.

The Fund will have no Final Repurchase Date. However, the Directors may decide to terminate the Fund in accordance with the terms set out in the Prospectus and/or the Articles of Association.

Share Class Hedging

The "1C – EUR Hedged" and "1D – GBP Hedged" Share Classes ("**Currency Hedged Share Classes**"), as indicated under Description of the Shares below are subject to currency hedging.

The Fund will seek to hedge against the currency exposure of the Underlying Securities in the portfolio which differ from the currency of the Currency Hedged Share Classes in accordance with the "**Share Class Currency Hedging Methodology**" set out in the Prospectus.

Investors should note that the Currency Hedged Share Classes will not completely eliminate currency risk, or provide a precise hedge, and as such, investors may have exposures to currencies other than the currency of the Currency Hedged Share Classes.

Efficient Portfolio Management and Financial Derivative Instruments

The Fund may employ techniques and instruments relating to transferable securities under the conditions and within the limits laid down by the Central Bank from time to time and the conditions set out in the Prospectus and this Supplement for efficient portfolio management purposes.

The Fund may also invest in FDIs subject to the conditions and limits laid down by the Central Bank for efficient portfolio management purposes and as described in the Prospectus. For details of any FDIs the Fund may use, please refer to the section entitled "**Use of Derivatives by Direct Investment Funds**" set out in the Prospectus.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the risks attached to the Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

Calculation of Global Exposure

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not be in excess of 100% of the Fund's Net Asset Value.

Investment Restrictions

The general investment restrictions set out under "Investment Restrictions" in the Prospectus apply to the Fund.

Further, the Fund will not invest more than 10% of its assets in units or shares of other UCITS or other collective investment schemes in order to be eligible for investment by UCITS governed by the UCITS directive.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located. Such investment restrictions will be included in an updated Supplement.

Borrowing

The Company may only borrow, for the account of the Fund, up to 10% of the Net Asset Value of the Fund provided that such borrowing is for temporary purposes. The assets of the Fund may be charged as security for any such borrowings.

Specific Risk Warning

Investors should note that the Fund is not capital protected or guaranteed and that the capital invested is not protected or guaranteed and investors in this Fund should be prepared and able to sustain losses up to the total capital invested.

Currency Hedging Risk

In order to mitigate against the risk of movements in the currency of a Currency Hedged Share Class against the currency of the portfolio constituents (where they are different to that of the relevant Currency Hedged Share Class currency), Share Class specific derivative transactions will be entered into for the purposes of acquiring currency hedges for each Currency Hedged Share Class. The return of the Share Class specific derivative transactions may not perfectly offset the actual fluctuations between the Currency Hedged Share Class currency and currency exposures of the securities that constitute the portion of the portfolio referable to the Currency Hedged Share Class. No assurance can be given that such hedging activities will be entirely effective in achieving the purpose for which they have been entered into. While currency hedging reduces risks and losses in adverse market circumstances, it can also reduce and may completely offset gains in market circumstances that would otherwise have been beneficial had the position not been hedged. Consequently, the performance of a Currency Hedged Share Class may differ from that of the Underlying Asset as a result of the foreign exchange hedging transactions.

Concentration of the Reference Index

The market which the Reference Index seeks to represent has a high concentration to one or more sectors. Therefore, investors should be aware that any changes in the conditions affecting the concentrated sectors may have an adverse impact on the performance of the Reference Index and the portfolio of transferable securities or other eligible assets held by the Fund.

Environmental, Social and Governance Standards

The Reference Index's environmental, social and governance standards limit the number of securities eligible for inclusion in the Reference Index. As a result, the Reference Index, and as such the Fund, may be more heavily weighted in securities, industry sectors or countries that 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.

Investors should note that the determination that the Fund is subject to the disclosure requirements of a financial product under Article 9(1) of SFDR is made solely on the basis that the Reference Index has sustainable investment as its objective. The Company is relying on the activities conducted by and information provided by the Index Administrator or other data providers (as further described under the heading "*General Description of the Underlying Asset*", where applicable) to make this determination. Neither the Company, nor any of its service providers, makes any representation or otherwise as to the suitability of the Reference Index and the Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Reference Index and the Fund accords with their own ESG criteria. Information on how the Reference Index is aligned with the objective of sustainable investment is contained under "*General Description of the Underlying Asset*".

Investors should note that whilst the Fund and the Reference Index seek to ensure compliance with the criteria outlined under "*General Description of the Underlying Asset*" 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 Fund until it is possible and practicable to divest such positions.

Sustainability Data Risks

Investors should note that 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.

It should also be noted that analysis of companies' ESG performance may be based on models, estimates and assumptions. This analysis should not be taken as an indication or guarantee of current or future performance.

Sustainability related information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Index Administrator or other data providers (as applicable) may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the Reference Index and therefore the portfolio of the Fund.

Investors will also bear some other risks as described under the section "Risk Factors" in the Prospectus.

Profile of a Typical Investor

Prospective investors in the Fund should ensure that they understand fully the nature of the Fund, as well as the extent of their exposure to risks associated with an investment in the Fund and should consider the suitability of an investment in the Fund.

Investment in the Fund may be appropriate for investors who have knowledge of, and investment experience in, this type of financial product and understand and can evaluate the strategy and characteristics in order to make an informed investment decision. Further, they may have free and available cash for investment purposes and are looking to gain exposure to the securities making up the Reference Index. As the Net Asset Value per Share of the Fund will fluctuate and may fall in value, investment in the Fund should be viewed as suitable for investors who seek a return over the medium to long term. However, prospective investors should be prepared and able to sustain losses up to the total amount of capital invested.

The Prospectus sets out statements on taxation regarding the law and practice in force in the relevant jurisdiction at the date of the Prospectus. The statements are by way of a general guide to potential investors and Shareholders only and do not constitute legal or tax advice to Shareholders or potential investors. Shareholders and potential investors are therefore advised to consult their professional advisers concerning any investment in the Fund particularly as the tax position of an investor and the rates of tax may change over time.

Dividend Policy

A dividend may be declared and paid on the "1D – GBP Hedged" shares up to four times per annum. The Fund does not intend to make dividend payments on the "1C– EUR Hedged" and "2C" Share Classes

General Information Relating to the Fund

Base Currency	USD
Cut-off Time	Means 2.30 p.m. Dublin time on the relevant Transaction Day.
Minimum Fund Size	USD 50,000,000.
Settlement Date	Means up to nine Business Days following the Transaction Day ¹ .
Securities Lending	No
Transparency under SFDR	The Fund has sustainable investment as its objective and is subject to the disclosure requirements of a financial product under Article 9(1) of SFDR. Information on how the Reference Index is consistent with that objective is contained under "General Description of the Reference Index". Please also refer to "Environmental, Social and Governance Standards" under "Specific Risk Warning" above, to the section entitled "Sustainability-related disclosures under

¹ In the case that a Significant Market is closed for trading or settlement on any Business Day during the period between the relevant Transaction Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times indicated in this Supplement subject to the regulatory limit on settlement periods of 10 Business Days from the Cut-off Time. Earlier or later times may be determined by the Management Company at its discretion, whereby notice will be given on www.Xtrackers.com.

SFDR and EU Taxonomy Regulation" set out in the Prospectus and the annex to this Supplement.

Significant Market

Means a Direct Replication Significant Market.

Description of the Shares

	"1C – EUR Hedged"	"1D – GBP Hedged"	"2C"
ISIN Code	IE00028H9QJ8	IE000X63FXN4	IE0003W9O921
German Security Identification Number (WKN)	DBX0KF	DBX0QX	DBX0N6
Currency	EUR	GBP	USD
Launch Date	24 June 2021	14 October 2021	24 June 2021
Minimum Initial Investment Amount	EUR 50,000	GBP 50,000	USD 50,000
Minimum Additional Investment Amount	EUR 50,000	GBP 50,000	USD 50,000
Minimum Redemption Amount	EUR 50,000	GBP 50,000	USD 50,000
Currency Hedged Share Class	Yes	Yes	No

Fees and Expenses

	"1C – EUR Hedged"	"1D – GBP Hedged"	"2C"
Management Company Fee	Up to 0.15% per annum	Up to 0.15% per annum	Up to 0.15% per annum
Platform Fee	0.10% per annum	0.10% per annum	0.10% per annum
All-in Fee	Up to 0.25% per annum	Up to 0.25% per annum	Up to 0.25% per annum
Primary Market Transaction Costs	Applicable	Applicable	Applicable
Transaction Costs	Applicable	Applicable	Applicable
Anticipated Level of	Up to 1.00% per annum		

Tracking Error ²	
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This section headed "Fees and Expenses" should be read in conjunction with the section headed "Fees and Expenses" in the Prospectus.

² The anticipated tracking error displayed represents the tracking error of the unhedged Share Classes against the Fund's Reference Index (which is also unhedged)

GENERAL DESCRIPTION OF THE UNDERLYING ASSET

This section is a brief overview of the Reference Index. It contains a summary of the principal features of the Reference Index and is not a complete description of the Reference Index. In case of inconsistency between the summary of the Reference Index in this section and the complete description of the Reference Index, the complete description of the Reference Index prevails. Information on the Reference Index appears on the website identified below in "Further Information". Such information may change from time to time and details of the changes will appear on that website.

General Description of the Reference Index

The Reference Index is administered by Bloomberg Index Services Limited (the "**Index Administrator**", which expression shall include any successor in such capacity). The Reference Index represents the performance of USD-denominated, investment grade bonds issued by corporate or agency bodies (entities which are majority government-owned with no government guarantee, or government sponsored entities) which meet certain ESG requirements and eligibility criteria with regard to green bond classification, in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds, as independently evaluated by MSCI ESG Research LLC.

The composition of the Reference Index is rebalanced on a monthly basis, on the last business day of each month. On each rebalancing date, the following specific rules will be applied to the universe of eligible bonds in order to determine which bonds shall be included in the Reference Index (the "**Reference Index Selection Rules**"):

- Eligible Currency;
- Sector;
- Amount Outstanding;
- Quality: For bonds to be eligible for inclusion in the Reference Index they must be rated investment grade by Moody's, Standard & Poor's, and/or Fitch;
- Coupon;
- Taxability;
- Seniority of debt: Senior and subordinated issues are included;
- Market of Issue: The Reference Index excludes 144A tranche securities which do not have an equivalent Regulation S tranche. As such the Reference Index may contain (and therefore the Fund may be invested in) eligible 144A securities; and
- Security Types.

Furthermore, the universe of eligible bonds must meet the green bond eligibility criteria. The universe of potential constituents is independently evaluated by MSCI ESG Research LLC along four dimensions to determine whether bonds should be classified as a "green bond" and therefore eligible for inclusion in the Reference Index. These eligibility criteria reflect themes articulated in the green bond principles endorsed by the International Capital Market Association in 2014, and require commitments about a bond's:

- Stated use of proceeds: For bonds to be eligible for inclusion, the proceeds must be used for at least one of the eligible environmental categories defined by MSCI ESG Research LLC, which as of the date of this Supplement include; alternative energy, energy efficiency, pollution prevention and control, sustainable water, green buildings, and climate adaption;
- Process for green project evaluation and selection;
- Process for management of proceeds: For bonds to be eligible for inclusion, an eligible mechanism to ring-fence the net proceeds must be disclosed in the bond's prospectus or offering documentation; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds.

Certain green bonds issued prior to 2014 that are widely accepted by investors as green bonds may still qualify for inclusion in the Reference Index, even if all principles are not satisfied. Such acceptance is assessed by MSCI ESG Research LLC and includes as a minimum conformity with principle one of the 2014 green bond principals, "stated use of proceeds", as described above.

The Reference Index also applies an ESG screening approach where all of the issuers which breach the following ESG standards, amongst others, are excluded:

- Are associated with controversial, civilian and nuclear weapons and tobacco;
- Are assigned an MSCI ESG Rating of 'CCC';
- Derive revenues from thermal coal, oil sands extraction and military defence weapons; and
- Are assigned an MSCI ESG Controversies Score of 0 (red flag).

The bonds included in the Reference Index are weighted on each rebalancing date according to the relative market value of each issuance, i.e. the product of bond price plus accrued interest and par amount outstanding of the respective debt security. Following this, a cap is applied such that issuer weights that exceed 5% of the market value of Reference Index before any cap is applied are limited at 5% in the Reference Index. The excess weighting over the cap is redistributed on a pro rata basis to all other issuers' bonds in the index that are under the cap. The process is repeated until no issuer exceeds the threshold.

The Reference Index is calculated by the Index Administrator on a daily basis. Bonds in the Reference Index are priced at bid price. The initial price for new corporate issues included in the Reference Index is the offer price; after the first month, the bid price will be used. The Reference Index was created in February 2021, with historical index levels calculated to August 2015.

The Reference Index is calculated on a total return basis which means that the payments from coupons are reinvested in the Reference Index. Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing, when the cash is reinvested in the Reference Index.

Further Information

Additional information on the Reference Index can be found on the relevant Bloomberg website (<https://www.bloomberg.com/professional/product/indices/bloomberg-indices/#/ucits>).

Bloomberg Index Services Limited has been granted authorisation by the UK FCA as a UK administrator for this index under the UK Benchmark Regulation and is listed on the FCA's register for administrators.

IMPORTANT

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Bloomberg Finance L.P. and its affiliates (collectively, “**Bloomberg**”), including Bloomberg Index Services Limited, the index administrator (“**BISL**”), or Bloomberg’s licensors, including MSCI, own all proprietary rights in the Bloomberg MSCI USD Corporate and Agency Green Bond Index.

Neither Bloomberg nor MSCI is the issuer or producer of Xtrackers USD Corporate Green Bond UCITS ETF and neither Bloomberg nor MSCI has any responsibilities, obligations or duties to investors in Xtrackers USD Corporate Green Bond UCITS ETF. The Bloomberg MSCI USD Corporate and Agency Green Bond Index is licensed for use by Xtrackers (IE) plc as the Issuer of Xtrackers USD Corporate Green Bond UCITS ETF. The only relationship of Bloomberg and MSCI with the Issuer is the licensing of the Bloomberg MSCI USD Corporate and Agency Green Bond Index, which is determined, composed and calculated by BISL, or any successor thereto, without regard to the Issuer or the Xtrackers USD Corporate Green Bond UCITS ETF or the owners of the Xtrackers USD Corporate Green Bond UCITS ETF.

Investors acquire Xtrackers USD Corporate Green Bond UCITS ETF from Xtrackers (IE) plc and investors neither acquire any interest in Bloomberg MSCI USD Corporate and Agency Green Bond Index nor enter into any relationship of any kind whatsoever with Bloomberg or MSCI upon making an investment in Xtrackers USD Corporate Green Bond UCITS ETF. Xtrackers USD Corporate Green Bond UCITS ETF is not sponsored, endorsed, sold or promoted by Bloomberg or MSCI. Neither Bloomberg nor MSCI makes any representation or warranty, express or implied, regarding the advisability of investing in Xtrackers USD Corporate Green Bond UCITS ETF or the advisability of investing in securities generally or the ability of the Bloomberg MSCI USD Corporate and Agency Green Bond Index to track corresponding or relative market performance. Neither Bloomberg nor MSCI has passed on the legality or suitability of the Xtrackers USD Corporate Green Bond UCITS ETF with respect to any person or entity. Neither Bloomberg nor MSCI is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Xtrackers USD Corporate Green Bond UCITS ETF to be issued. Neither Bloomberg nor MSCI has any obligation to take the needs of the Issuer or the owners of the Xtrackers USD Corporate Green Bond UCITS ETF or any other third party into consideration in determining, composing or calculating the Bloomberg MSCI USD Corporate and Agency Green Bond Index. Neither Bloomberg nor MSCI has any obligation or liability in connection with administration, marketing or trading of Xtrackers USD Corporate Green Bond UCITS ETF.

Any licensing agreement(s) between or among Bloomberg and MSCI are solely for the benefit of Bloomberg, and/or MSCI and not for the benefit of the owners of the Xtrackers USD Corporate Green Bond UCITS ETF, investors or other third parties. In addition, the licensing agreement between Xtrackers (IE) plc and Bloomberg is solely for the benefit of Xtrackers (IE) plc and Bloomberg and not for the benefit of the owners of the Xtrackers USD Corporate Green Bond UCITS ETF, investors or other third parties.

NEITHER BLOOMBERG NOR MSCI SHALL HAVE ANY LIABILITY TO THE ISSUER, INVESTORS OR OTHER THIRD PARTIES FOR THE QUALITY, ACCURACY AND/OR COMPLETENESS OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX OR ANY DATA INCLUDED THEREIN OR FOR INTERRUPTIONS IN THE DELIVERY OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX. NEITHER BLOOMBERG NOR MSCI MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER, THE INVESTORS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX OR ANY DATA INCLUDED THEREIN. NEITHER BLOOMBERG NOR MSCI MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX OR ANY DATA INCLUDED THEREIN. BLOOMBERG RESERVES THE RIGHT TO CHANGE THE METHODS OF CALCULATION OR PUBLICATION, OR TO CEASE THE CALCULATION OR PUBLICATION OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX, AND NEITHER BLOOMBERG NOR MSCI SHALL BE LIABLE FOR ANY MISCALCULATION OF OR ANY INCORRECT, DELAYED OR INTERRUPTED PUBLICATION WITH RESPECT TO ANY OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX. NEITHER BLOOMBERG NOR MSCI SHALL BE LIABLE FOR ANY DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR ANY LOST

PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH, RESULTING FROM THE USE OF THE BLOOMBERG MSCI USD CORPORATE AND AGENCY GREEN BOND INDEX OR ANY DATA INCLUDED THEREIN OR WITH RESPECT TO THE XTRACKERS USD CORPORATE GREEN BOND UCITS ETF.

ANNEX

Pre-contractual disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Xtrackers USD Corporate Green Bond UCITS ETF
 Legal entity identifier: 2549001CWO1OWBWUGJ52

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 90% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective:	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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.

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.



What is the sustainable investment objective of this financial product?

The financial product has sustainable investment as its objective and qualifies as a financial product subject to Article 9(1) SFDR by tracking the Reference Index (as defined below). 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. The Reference Index is designed to represent the performance of USD denominated fixed income securities issued by certain corporate and agency (entities which are majority government-owned with no government guarantee, or government sponsored entities) issuers to fund projects with direct environmental benefits. The Reference Index includes fixed income securities that meet specific credit

quality, liquidity, ESG and green bond eligibility and classification requirements.

The universe of eligible bonds must meet the green bond eligibility criteria. The universe of potential constituents is independently evaluated by MSCI ESG Research LLC along four dimensions to determine whether bonds should be classified as a “green bond” and therefore eligible for inclusion in the Reference Index. These eligibility criteria reflect themes articulated in the green bond principles endorsed by the International Capital Market Association in 2014, and require commitments about a bond’s:

- Stated use of proceeds: For bonds to be eligible for inclusion, the proceeds must be used for at least one of the eligible environmental categories defined by MSCI ESG Research LLC, which as of the date of the financial product’s Supplement to the Prospectus include; alternative energy, energy efficiency, pollution prevention and control, sustainable water, green buildings, and climate adaption;
- Process for green project evaluation and selection;
- Process for management of proceeds: For bonds to be eligible for inclusion, an eligible mechanism to ring-fence the net proceeds must be disclosed in the bond’s prospectus or offering documentation; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds.

Certain green bonds issued prior to 2014 that are widely accepted by investors as green bonds may still qualify for inclusion in the Reference Index, even if all principles are not satisfied. Such acceptance is assessed by MSCI ESG Research LLC and includes as a minimum conformity with principle one of the 2014 green bond principals, “stated use of proceeds”, as described above.

The Reference Index also applies an ESG screening approach where all of the issuers which breach the following ESG standards, amongst others, are excluded:

- Are associated to certain extents with controversial, civilian and nuclear weapons and tobacco;
- Are assigned an MSCI ESG Rating of 'CCC';
- Derive certain revenue thresholds from thermal coal, oil sands extraction and military defence weapons; and
- Are assigned an MSCI ESG Controversies Score of 0 (red flag).

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

- **Green Bond Exposure:** The percentage of the financial product’s portfolio which is exposed to securities identified as “green bonds” as determined by Refinitiv, incorporating data and classifications from the Climate Bond Initiative. In order to be identified as a green bond the asset and issuer must meet the following requirements:
 - (i) CBI Certified Green Bond: These are issued either based on issuer’s own green bond principles or CBI green bond principles and is also certified by CBI as a green.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

ii) Self-Labelled Green Bond: These are labelled as green by the issuers but do not meet CBI criteria.

(iii) CBI Verified Green Bond: These are labelled securities which also meet CBI green bond principles. These issuers issue green bonds based on their own green bond principles.

- **Exposure to Very Severe Controversies:** The percentage of the financial product's portfolio's market value exposed to companies facing one or more Very Severe controversies related to the environment, customers, human rights, labour rights and governance as determined by MSCI, including violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights
- **Exposure to Worst-in-Class issuers:** The percentage of the financial product's portfolio's market value exposed to companies with a rating of "CCC" as determined by MSCI.
- **Controversial Weapons Involvement:** The percentage of the financial product's portfolio's market value exposed to companies 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.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

In accordance with Article 2 (17) SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the do no significant harm ("DNSH") thresholds will not be considered towards the sustainable investment share of the financial product. Such DNSH thresholds will include, but not be limited to:

- Involvement in harmful business activities;
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse indicator thresholds.

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

As part of the DNSH assessment under article 2(17) SFDR, the sustainable investment assessment integrates certain metrics related to principle adverse indicators and the Reference Index of the financial product includes criteria to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse indicators:

- 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).

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.

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

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the financial product's Reference Index.



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

- 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 objective of the financial product is to track the performance before fees and expenses of the "Reference Index", which is the Bloomberg MSCI USD Corporate and Agency Green Bond Index, which is designed to reflect the performance of USD denominated fixed income securities issued by certain corporate and agency (entities which are majority government-owned with no government guarantee, or government sponsored entities) issuers to fund projects with direct environmental benefits. The Reference Index includes fixed income securities that meet specific credit quality, liquidity, ESG and green bond eligibility and classification requirements.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The investment objective of the financial product is to track the performance before fees and expenses of the Reference Index.

Within the Reference Index, the universe of eligible bonds must meet the green bond eligibility criteria. The universe of potential constituents is independently evaluated by MSCI ESG Research LLC along four dimensions to determine whether bonds should be classified as a "green bond" and therefore eligible for inclusion in the Reference Index. These eligibility criteria reflect themes articulated in the green bond principles endorsed by the International Capital Market Association in 2014, and require commitments about a bond's:

- Stated use of proceeds: For bonds to be eligible for inclusion, the proceeds must

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

be used for at least one of the eligible environmental categories defined by MSCI ESG Research LLC, which as of the date of the financial product's Supplement to the Prospectus include; alternative energy, energy efficiency, pollution prevention and control, sustainable water, green buildings, and climate adaptation;

- Process for green project evaluation and selection;
- Process for management of proceeds: For bonds to be eligible for inclusion, an eligible mechanism to ring-fence the net proceeds must be disclosed in the bond's prospectus or offering documentation; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds.

Certain green bonds issued prior to 2014 that are widely accepted by investors as green bonds may still qualify for inclusion in the Reference Index, even if all principles are not satisfied. Such acceptance is assessed by MSCI ESG Research LLC and includes as a minimum conformity with principle one of the 2014 green bond principals, "stated use of proceeds", as described above.

The Reference Index also applies an ESG screening approach where all of the issuers which breach the following ESG standards, amongst others, are excluded:

- Are associated with controversial, civilian and nuclear weapons and tobacco;
- Are assigned an MSCI ESG Rating of 'CCC';
- Derive revenues from thermal coal, oil sands extraction and military defence weapons; and
- Are assigned an MSCI ESG Controversies Score of 0 (red flag).

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 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 companies with very severe controversies (including governance controversies) using the MSCI ESG Controversies data, and companies that have an MSCI ESG Rating (which assesses, amongst other things, how well companies manage governance risks and opportunities) below a certain threshold or do not have an MSCI ESG Rating.

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

Asset allocation describes the share of investments in specific assets.

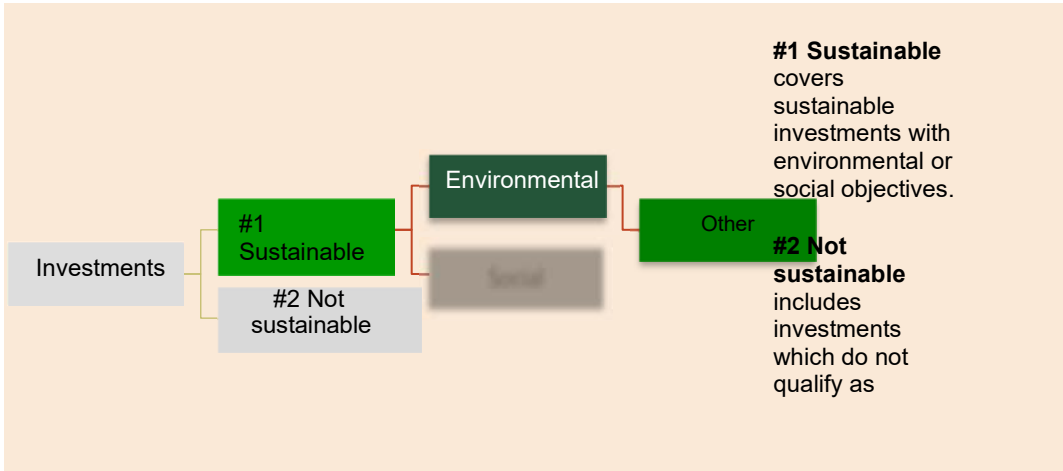
What is the asset allocation and the minimum share of sustainable investments?

This financial product invests at least 90% of its net assets in investments that are aligned with the sustainable investments with an environmental or social objective (#1 Sustainable).

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

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.



● **How does the use of derivatives attain the sustainable investment objective?**

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 sustainable investments with environmental or social objectives (#2 Not sustainable).

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.



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

While the financial product promotes environmental characteristics, technical screening criteria have only been defined through delegated acts, for two of the six environmental objectives under the EU Taxonomy Regulation - climate change mitigation and climate change adaptation. Until all RTS are available and in force, the management company considers that 0% of the financial product’s investments are taxonomy-aligned investments.

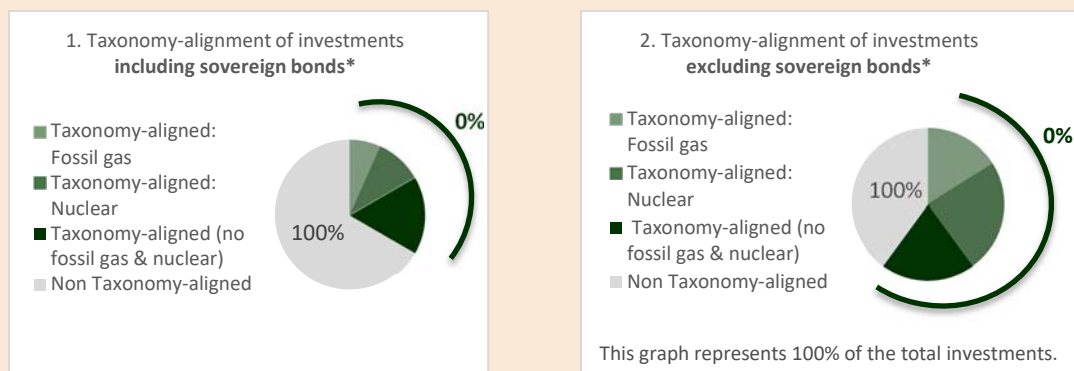
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy³?**

³ and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change

- Yes:
 - In fossil gas
 - In nuclear energy

No. However, there is a lack of reliable data in relation to fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy. On this basis, although it is considered that no relevant investments are made, it is possible the financial product may make some investments in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

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.*



* 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.

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.

("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.

 are environmentally sustainable investments 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 intends to make a minimum allocation of 90% to sustainable economic activities that contribute to an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

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



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The financial product predominantly promotes asset allocation in investments that are sustainable investments with an environmental objective (#1 Sustainable).

Those investments included under “#2 Not sustainable”, 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.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Yes. The financial product has designated the Bloomberg MSCI USD Corporate and Agency Green Bond Index as the reference benchmark.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The Reference Index takes into account sustainability factors in line with the sustainable investment objective by representing the performance of USD-denominated, investment grade bonds issued by corporate or agency bodies (entities which are majority government-owned with no government guarantee, or government sponsored entities) which meet certain ESG requirements and eligibility criteria with regard to green bond classification, in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds, as independently evaluated by MSCI ESG Research LLC.

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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 aim to track, before fees and expenses, the performance of the Reference Index by holding a portfolio of investment grade, USD-denominated green bonds, that comprises all or a representation of the securities comprised in the Reference Index or unrelated transferable securities. Any unrelated transferable securities held by the financial product will 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 differs from a relevant broad market index by only including those bonds that meet certain ESG requirements and eligibility criteria with regard to green bond classification, in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds.

The universe of eligible bonds must meet the green bond eligibility criteria. The universe of potential constituents is independently evaluated by MSCI ESG Research LLC along four dimensions to determine whether bonds should be classified as a “green bond” and therefore eligible for inclusion in the Reference Index. These eligibility criteria reflect themes articulated in the green bond principles endorsed by the International Capital Market Association in 2014, and require commitments about a bond’s:

- Stated use of proceeds: For bonds to be eligible for inclusion, the proceeds must be used for at least one of the eligible environmental categories defined by MSCI ESG Research LLC, which as of the date of the financial product’s Supplement to the Prospectus include; alternative energy, energy efficiency, pollution prevention and control, sustainable water, green buildings, and climate adaption;
- Process for green project evaluation and selection;
- Process for management of proceeds: For bonds to be eligible for inclusion, an eligible mechanism to ring-fence the net proceeds must be disclosed in the bond’s prospectus or offering documentation; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds.

Certain green bonds issued prior to 2014 that are widely accepted by investors as green bonds may still qualify for inclusion in the Reference Index, even if all principles are not satisfied. Such acceptance is assessed by MSCI ESG Research LLC and includes as a minimum conformity with principle one of the 2014 green bond principals, “stated use of proceeds”, as described above.

The Reference Index also applies an ESG screening approach where all of the issuers which breach the following ESG standards, amongst others, are excluded:

- Are associated with controversial, civilian and nuclear weapons and tobacco;
- Are assigned an MSCI ESG Rating of 'CCC';
- Derive revenues from thermal coal, oil sands extraction and military defence weapons; and
- Are assigned an MSCI ESG Controversies Score of 0 (red flag).

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

Full information on the Reference Index including ESG criteria, eligibility rules and constituents can be found on the relevant Bloomberg website (<https://www.bloombergindeces.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.