



DB US Systematic Merger Arbitrage EUR Hedged– Excess Return Index

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1 Introduction

This Description (the "**Description**") sets out the rules (the "**Index Rules**") applicable to the DB US Systematic Merger Arbitrage EUR Hedged – Excess Return Index (the "**Index**") and the basis on which the Index will be calculated.

The Index Rules may be amended from time to time as provided in Section 9 (*Change in Methodology of the Index and Termination*). The Index Rules described in this document are subject to change at any time and will be superseded by any subsequent Index Rules. A copy of the current version of the Index Rules can be obtained following the method described in Section 9 (*Change in Methodology of the Index and Termination*).

Terms used in this Description will have the meanings given to them in Section 4 (*Definitions*) below.

2 Summary Description

Index Sponsor: Deutsche Bank AG, London branch or any successor in such capacity.

Index Administrator Solactive AG or any successor in such capacity.

Description of the Index: The Index is intended to reflect the performance of the DB US Systematic Merger Arbitrage - USD – Total Return Index (the "**Underlying Index**") adjusted to reflect changes in a daily spot USD/EUR exchange rate over time.

The performance of the Index is adjusted following each Rebalancing Date to account for a notional transaction cost at a rate of 0.08% calculated on an amount reflecting the change in the exposure of the Index to the Underlying Index over the two preceding Index Calculation Dates, the level for the Underlying Index and the exchange rate in respect of the relevant Rebalancing Date. The performance of the Index is also adjusted following each Index Calculation Date to account for a notional FX hedging cost, which reflects a charge of 0.05% on the exchange rate referenced above used to hedge the USD returns of the Underlying Index into EUR.

The Underlying Index is intended to track the performance of a rules-based merger arbitrage strategy. The merger arbitrage strategy aims to capture the risk premia created by merger(s) and/or acquisition(s) of US companies, by replicating the performance of a notional investment in the shares of US companies the target of certain potential mergers and/or acquisitions and a notional short sale of the relevant acquiring companies, subject to deduction for fees.

	The Index Rules applicable to the Underlying Index (the " Underlying Index Rules ") are set out in the Description of the Underlying Index from time to time, which is available from the Index Administrator (as of the date of this Description, on the Solactive Website).
Calculation & Publication:	The Index Closing Level will be calculated by the Index Administrator on each Index Calculation Date following the Index Commencement Date (subject to Section 7 (<i>Disruption Events</i>)) and published as soon as reasonably practicable after the Index Publication Time on the next following Index Calculation Date in accordance with the provisions of Section 10 (<i>Availability and Publication of Index Closing Levels and Adjustments</i>) below.
Index Commencement Date:	The Index has been calculated by the Index Administrator on a live basis from and including 19 April 2016 and has been retrospectively calculated since 13 April 2006, such date being the " Index Commencement Date ".
Further Information:	See remainder of this document, which qualifies and expands upon this Section 2.
Bloomberg code:	DBMARBE
Reuters Code:	.DBMARBE

This Section refers to a number of features of the Index. There are aspects of the Index to which this Section does not refer. This Section is therefore no substitute for reviewing the Description in full.

3 Important Information

Calculation of Index

Whilst the Index is rules based, the Index Rules confer on the Index Administrator a degree of discretion in (as applicable) making certain determinations, calculations and adjustments in relation to the Index in particular circumstances, provided that the Index Sponsor and the Index Administrator will each act in good faith and in a commercially reasonable manner.

The Index will be calculated by the Index Administrator.

The Index Administrator may not, under any circumstances, grant any third party a license to use the Index without prior written approval from the Index Sponsor.

The Index Administrator may, acting in good faith and in a commercially reasonable manner, at any time and without notice, terminate the calculation and publication of the Index. In addition, the Index Administrator may, following the occurrence of a Disruption Event or an Underlying Index Event, cease to calculate and publish the Index.

Although the Index Administrator will obtain information for inclusion or for use in the calculation of the Index from sources which the Index Administrator considers reliable,

neither the Index Sponsor nor the Index Administrator will independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein. The sources to which the Index Administrator refers will be selected by the Index Administrator acting in good faith and in a commercially reasonable manner, but there is no guarantee that the prices or levels utilised by the Index Administrator for such purposes will reflect the prices or levels which the Index Sponsor, the Index Administrator or a respective Affiliate quotes or makes available to its clients or customers.

Fees

The Index is calculated gross of fees, and net of transaction costs. However, investors should be aware that a fee may be charged by parties trading Financial Products (as defined below).

The Underlying Index is calculated net of fees and transaction costs.

Transactions linked to the Index

Neither the Index Sponsor nor the Index Administrator is obliged to enter into or promote transactions or investments that are linked to the Index or the Underlying Index and neither the Index Sponsor nor the Index Administrator makes any express or implied representations or warranties as to: (a) the advisability of purchasing or assuming any risk in connection with any such transaction; (b) the levels at which the Index stands at any particular time on any particular date; (c) the results to be obtained by the issuer of any security or any counterparty or any such issuer's securityholders or customers or any such counterparty's counterparties or customers or any other person or entity from the use of the Index or any data used or published in connection with the Index in connection with any licensed rights or for any other use; or (d) any other matter. Neither the Index Sponsor nor the Index Administrator makes any express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to the Index or any data used or published in connection with the Index.

Potential Conflicts of Interests

Conflicts of interest may exist between the Index Sponsor and another Affiliate of Deutsche Bank AG London Branch (a "**Deutsche Bank Entity**"). A Deutsche Bank Entity may also act as the issuer of, or an obligor under, financial products which are linked to or otherwise reference the Index and/or the Underlying Index ("**Financial Products**") and as a dealer, calculation agent or hedge provider in relation to such Financial Products. Various conflicts of interest may arise as a result of these different roles as well as from the overall activities of Deutsche Bank Entities with other entities, including investors in Financial Products.

In performing any service in relation to the Index and/or the Underlying Index, Deutsche Bank Entities do not act on behalf of, or accept any duty of care or any fiduciary duty to, any investor in a Financial Product or any other person. Each relevant Deutsche Bank Entity will pursue actions and take steps that it deems necessary or appropriate to protect its interests.

Deutsche Bank Entities may receive fees or other payments and exercise all rights, including rights of termination or resignation, which they may have, even though this may reduce the Index Closing Level for the Index and therefore impact adversely the return under a Financial Product.

General

Without limiting any of the foregoing, in no event shall the Index Administrator be liable (whether directly or indirectly, in contract, in tort or otherwise) for any loss incurred by any person that arises out of or in connection with the Index, including in relation to the performance (or non-performance) by the Index Administrator of any part of its role as Index Administrator under the Index Rules, provided that nothing shall relieve the Index Administrator from any liability arising by reason of acts or omissions constituting any breach of regulation (including the regulatory system) or other law.

The Index Sponsor owns intellectual property rights in the Index and in the Description, which has been supplied by the Index Sponsor. Any use of any such intellectual property rights must be with the prior written consent of the Index Sponsor.

4 Definitions

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, "control" means ownership of a majority of the voting power of an entity.

"Closing Exchange Rate" means in respect of an Index Calculation Date, the currency exchange rate, expressed as the amount of EUR for which USD 1 may be exchanged, prevailing at 16.00 London time on such Index Calculation Date, all as determined by the Index Administrator by reference to the Exchange Rate Price Source or, if such rate does not appear on the Exchange Rate Price Source or there is no Exchange Rate Price Source, the rate (the **"Fallback Rate"**) determined by the Index Administrator from such source(s) and at such time as it deems appropriate; and

"Description" has the meaning given to it in Section 1 (*Introduction*).

"Deutsche Bank Entity" has the meaning given to it in Section 3 (*Important Information*).

"Disruption Event" has the meaning given to it in Section 7 (*Disruption Events*).

"Exchange Rate Price Source" means (i) Bloomberg Screen WMCO 01 Page (or such other page as may replace that page on that service or such other service as may replace that service for the purposes of displaying the relevant currency exchange rate); or, in the event that the Index Administrator determines that (i) is unavailable in respect of an Index Calculation Date, (ii) Reuters RIC USDEURFIXP=WM (or such other RIC as may replace that RIC on that service or such other service as may replace that service for the purposes of displaying the relevant currency exchange rate); provided that, if the Index Administrator determines that both (i) and (ii) are unavailable in respect of an Index Calculation Date or that the relevant currency exchange rates displayed on (i) and (ii) in respect of an Index Calculation Date are different, then the Exchange Rate Price Source for such day shall be such market price information provider providing USD/EUR exchange rates selected by the Index Administrator, and provided further that if no such market price information provider is available at the relevant time, there will be no Exchange Rate Price Source.

"Financial Products" has the meaning given to it in Section 3 (*Important Information*).

"First Entity" has the meaning given to it in the definition of Affiliate.

"Force Majeure Event" means an event or circumstance (including, without limitation, a systems failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, act of state, riot or labour disruption or any similar intervening circumstance) that affects the ability of the Index Administrator to calculate or determine the Index and which is beyond the reasonable control of the Index Administrator.

"Foreign Exchange Rate Disruption Event" means the occurrence of any of the events set out in (i)-(x) below (or any event which the Index Administrator determines may lead to any such event);

- (i) **Dual Exchange Rate:** a currency exchange rate which is used to determine the Closing Exchange Rate splits into dual or multiple currency exchange rates.
- (ii) **General Inconvertibility:** the occurrence of any event that generally makes it impossible to convert USD into EUR in the United Kingdom through customary legal channels.
- (iii) **General Non-Transferability:** the occurrence of any event that generally makes it impossible to deliver:
 - (A) EUR from accounts inside the United Kingdom and/or the United States to accounts outside the United Kingdom or the United States, as applicable; or
 - (B) USD between accounts inside the United Kingdom and/or the United States or to a party that is a non-resident of the United Kingdom or the United States, as applicable.
- (iv) **Governmental Authority Default:** with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to,
 - (A) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee;
 - (B) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee; or
 - (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee, without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee.
- (v) **Governmental Authority Action:** any change in, or amendment to, the laws or regulations prevailing in the United Kingdom and/or the United States or a change in any application or official interpretation of such laws or regulations or any other action by a Governmental Authority which the Index Administrator determines may

cause any other Foreign Exchange Rate Disruption Event to occur or which leads or may lead to the introduction of a "currency peg" regime.

- (vi) **Illiquidity:** it becomes impossible or not reasonably practicable to obtain a firm quote for a currency exchange rate used to determine the Closing Exchange Rate on the relevant Index Calculation Date.
- (vii) **Nationalisation:** any expropriation, confiscation, requisition, nationalisation or other action by any relevant Governmental Authority which deprives Deutsche Bank AG (or any of its Affiliates), of all or substantially all of its assets in the United Kingdom and/or the United States.
- (viii) **Price Materiality:** in relation to any relevant market rate the Index Administrator uses to determine the Closing Exchange Rate, there is a material difference in such rate as determined by reference to the Exchange Rate Price Source on any relevant day and the same rate determined by reference to any other market source(s) on such day, all as determined by the Index Administrator.
- (ix) **Price Source(s) Disruption:** (A) it becomes impossible to obtain a currency exchange rate used to determine the Closing Exchange Rate on the relevant Index Calculation Date from the Exchange Price Source and (B) the Index Administrator is unable to determine the relevant Fallback Rate.
- (x) **Hedging Disruption:** the Index Administrator determines that Deutsche Bank AG and/or any of its Affiliates would be unable, after using commercially reasonable efforts, to
 - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its position in relation to any securities issue or other relevant transactions relating to or calculated by reference to the Index; or
 - (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the United Kingdom or the United States, as applicable.

"Index" has the meaning given to it in Section 1 (*Introduction*).

"Index Administrator" has the meaning given to it in Section 2 (*Summary Description*).

"Index Base Level" means 100.

"Index Calculation Date" means each Underlying Index Calculation Date.

"Index Closing Level" has the meaning given to it in Section 5 (*Calculation of Index Closing Levels*).

"Index Commencement Date" has the meaning given to it in Section 2 (*Summary Description*).

"Index Publication Heading" has the meaning given to it in Section 10.2(ii) (*Index Closing Levels*).

"Index Publication Time" has the meaning given to it in Section 10.1 (*General*).

"Index Rules" has the meaning given to it in Section 1 (*Introduction*).

"Index Sponsor" has the meaning given to it in Section 2 (*Summary Description*).

"Index Title" has the meaning given to it in Section 10.1 (*General*).

"Instrument" means any asset or financial instrument or security, notional or otherwise, which the Index Administrator determines is a component of, or whose price, value or level is relevant for the purposes of making any determination relating to, the Underlying Index including, but not limited to, any cash deposit, interest rate swap, swaption, futures contract, option and any other financial instrument that the Index Administrator deems, appropriate for such purpose.

"Principal Office" has the meaning given to it in Section 10.1 (*General*).

"Rebalancing Date" means:

- (a) the Index Commencement Date; and
- (b) the third Index Calculation Date following each Selection Date or, if any such day is not a Trading Day which is an Index Calculation Date, the immediately succeeding Trading Day which is an Index Calculation Date.

"Repudiation" means that, for the purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money or guarantee of such Governmental Authority in any material respect.

"Selection Date" means:

- (i) the Index Commencement Date; and
- (ii) the third Friday of each March, June, September and December falling after the Index Commencement Date or, if any such day is not an Index Calculation Date, the immediately succeeding Index Calculation Date.

"Solactive Website" means www.solactive.com or any successor or replacement website.

"Successor Underlying Index" has the meaning given to it in Section 8.1 (*Successor Underlying Index Sponsor and Successor Underlying Index*).

"Successor Underlying Index Sponsor" has the meaning given to it in Section 8.1 (*Successor Underlying Index Sponsor and Successor Underlying Index*).

"Trading Day" means a Trading Day as defined in the Underlying Index Rules.

"Underlying Index" has the meaning given to it in Section 2 (*Summary Description*).

"Underlying Index Administrator" means the Index Administrator (as defined in the Underlying Index Rules) under the Underlying Index.

"Underlying Index Calculation Date" means an Index Calculation Date (as defined in the Underlying Index Rules) under the Underlying Index.

"Underlying Index Cancellation" has the meaning given to it in Section 8.2 (*Underlying Index Events*).

"Underlying Index Closing Level" means, in respect of an Index Calculation Date, the Index Closing Level (as defined in the Underlying Index Rules) of the Underlying Index in respect of such Index Calculation Date.

"Underlying Index Disruption Event" means a Cash Index Event as defined in the Underlying Index Rules.

"Underlying Index Event" has the meaning given to it in Section 8.2 (*Underlying Index Events*).

"Underlying Index Modification" has the meaning given to it in Section 8.2 (*Underlying Index Events*).

"Underlying Index Rules" has the meaning given to it in Section 2 (*Summary Description*).

"Underlying Index Sponsor" has the meaning given to it in Section 8.1 (*Successor Underlying Index Sponsor and Successor Underlying Index*).

5 Calculation of Index Closing Levels

5.1 Determination of the Index Closing Level

The level of the Index (the **"Index Closing Level"**) in respect of each Index Calculation Date is:

- (i) in respect of the Index Commencement Date, the Index Base Level; and
- (ii) in respect of any Index Calculation Date after the Index Commencement Date, calculated by the Index Administrator as:
 - (a) the Index Base Level; *plus*
 - (b) the Hedged Return in respect of such Index Calculation Date; *plus*
 - (c)
 - (i) the Unit Exposure on the Rebalancing Date immediately preceding the immediately preceding Index Calculation Date (or, if the immediately preceding Index Calculation Date is a Rebalancing Date, such immediately preceding Index Calculation Date); *multiplied by*
 - (ii) the Closing Exchange Rate in respect of such Index Calculation Date; *multiplied by*
 - (iii) the Underlying Index Closing Level in respect of the relevant Index Calculation Date minus the Underlying Index Closing Level in respect of the immediately preceding Index Calculation Date.

Expressed as a formula:

$$IL(t) = IBL + HR(t) + Unit(t - 1_R) \times FX(t) \times [UL(t) - UL(t - 1)]$$

where:

"HR(t)"

or **"Hedged Return(t)"** means, in respect of an Index Calculation Date (t):

- (a) if Index Calculation Date (t) is the Index Commencement Date or the next following Index Calculation Date:

$$HR(t) = 0; \text{ or}$$

- (b) if Index Calculation Date (t) is any other Index Calculation Date, an amount calculated by the Index Administrator equal to:

- (I) the Hedged Return in respect of Index Calculation Date (t-1); *plus*

- (II) an amount equal to:

(X) the Unit Exposure in respect of Rebalancing Date (t-2_R); *multiplied by*

(Y) the Closing Exchange Rate in respect of Index Calculation Date (t); *multiplied by*

(Z) the Underlying Index Closing Level in respect of Index Calculation Date (t-1) *minus* the Underlying Index Closing Level in respect of Index Calculation Date (t-2); *minus*

- (III) the Rebalancing Transaction Cost in respect of Index Calculation Date (t-1); *minus*

- (IV) the FX Hedging Cost in respect of Index Calculation Date (t-1).

Expressed as a formula:

$$HR(t) = \left[\begin{array}{l} HR(t-1) + Unit(t-2_R) \times FX(t) \times [UL(t-1) - UL(t-2)] \\ - RTC(t-1) - FXTC(t-1) \end{array} \right]$$

"HR (t-1)"

means, in respect of Index Calculation Date (t), the Hedged Return in respect of Index Calculation Date (t-1);

"RTC(t)"

or **"Rebalancing**

Transaction Cost"

means, in respect of Index Calculation Date (t):

- (a) if Index Calculation Date (t) is the Index Commencement Date or the next following Index Calculation Date:

$$RTC(t) = 0; \text{ or}$$

- (b) if Index Calculation Date (t) is any other Index Calculation Date, an amount calculated by the Index Administrator equal to:

- (I) the absolute value of:

(X) the Unit Exposure in respect of Rebalancing Date (t_R); *minus*

(Y) the Unit Exposure in respect of Rebalancing Date ($t-1_R$); *multiplied by*

- (II) the Underlying Index Closing Level in respect of Index Calculation Date (t); *multiplied by*

- (III) the Closing Exchange Rate in respect of Index Calculation Date (t); *multiplied by*

- (IV) the Transaction Cost.

Expressed as a formula:

$$RTC(t) = \text{Abs}[\text{Unit}(t_R) - \text{Unit}(t-1_R)] \times UL(t) \times FX(t) \times TC$$

“ $RTC(t-1)$ ”

means, in respect of Index Calculation Date (t), the Rebalancing Transaction Cost in respect of Index Calculation Date ($t-1$);

“ $FXTC(t)$ ”

or ‘FX Hedging Cost’

means, in respect of Index Calculation Date (t):

- (a) if Index Calculation Date (t) is the Index Commencement Date or the next following Index Calculation Date:

$$FXTC(t) = 0; \text{ or}$$

- (b) if Index Calculation Date (t) is any other Index Calculation Date, an amount calculated by the Index Administrator equal to:

- (I) the Unit Exposure in respect of Rebalancing Date ($t-2_R$); *multiplied by*

- (II) the Closing Exchange Rate in respect of Index Calculation Date (t); *multiplied by*

- (III) the absolute value of:

(X) the Underlying Index Closing Level in respect of Index Calculation Date ($t-1$); *minus*

(Y) the Underlying Index Closing Level in respect of Index Calculation Date ($t-2$); *multiplied by*

(IV) the FX Cost.

Expressed as a formula:

$$FXTC(t) = \text{Unit}(t - 2R) \times FX(t) \times \text{Abs}[UL(t - 1) - UL(t - 2)] \times TCFX$$

"FXTC($t-1$)"

means, in respect of Index Calculation Date (t), the FX Hedging Cost in respect of Index Calculation Date ($t-1$);

"Unit(R)"

or **"Unit Exposure"**

means, in respect of a Rebalancing Date (R), an amount calculated by the Index Administrator equal to the quotient of (i) to (ii), where:

(i) means the Index Closing Level in respect of Selection Date (R_C); and

(ii) means the Underlying Index Closing Level in respect of Selection Date (R_C) *multiplied* by the Closing Exchange Rate in respect of Selection Date (R_C).

Expressed as a formula:

$$\text{Unit}(R) = \frac{IL(R_C)}{UL(R_C) \times FX(R_C)}$$

"Abs"

means the absolute value function, which, when followed by a variable in brackets, is equal to the value of such variable without taking the sign into account, e.g., $\text{Abs}(+2)=2$ and $\text{Abs}(-2)=2$;

" t "

means the relevant Index Calculation Date ("**Index Calculation Date (t)**");

" $t-1$ "

means, in respect of Index Calculation Date (t), the Index Calculation Date immediately preceding Index Calculation Date (t) ("**Index Calculation Date ($t-1$)**");

" $t-2$ "

means, in respect of Index Calculation Date (t), the second Index Calculation Date immediately preceding Index Calculation Date (t) ("**Index Calculation Date ($t-2$)**");

" R_C "

means, in respect of Rebalancing Date (R), the Selection Date immediately preceding Rebalancing Date

	(R) (or, if Rebalancing Date (R) is a Selection Date, Rebalancing Date (R)) (" Selection Date (R_c) ");
"Unit(t_R)"	means, in respect of Index Calculation Date (t), the Unit Exposure in respect of Rebalancing Date (t_R);
"Unit($t-1_R$)"	means, in respect of Index Calculation Date (t), the Unit Exposure in respect of Rebalancing Date ($t-1_R$);
"Unit($t-2_R$)"	means, in respect of Index Calculation Date (t), the Unit Exposure in respect of Rebalancing Date ($t-2_R$);
"FX(t)"	means the Closing Exchange Rate in respect of Index Calculation Date (t);
"FX(R_c)"	means, in respect of a Rebalancing Date (R), the Closing Exchange Rate in respect of Selection Date (R_c);
"IBL"	means the Index Base Level;
"IL(t)"	means the Index Closing Level in respect of Index Calculation Date (t);
"IL(R_c)"	means, in respect of a Rebalancing Date (R), the Index Closing Level in respect of Selection Date (R_c);
"R"	means the relevant Rebalancing Date (" Rebalancing Date (R) ");
"TC" or	
"Transaction Cost"	means 0.08%;
"TCFX" or "FX Cost"	means 0.05%;
"t_R"	means, in respect of Index Calculation Date (t), the Rebalancing Date immediately preceding Index Calculation Date (t) (or, if Index Calculation Date (t) is a Rebalancing Date, Index Calculation Date (t)) (Rebalancing Date (t_R));
"$t-1_R$"	means, in respect of Index Calculation Date (t), the Rebalancing Date immediately preceding Index Calculation Date ($t-1$) (or, if Index Calculation Date ($t-1$) is a Rebalancing Date, Index Calculation Date ($t-1$)) (Rebalancing Date ($t-1_R$));
"$t-2_R$"	means, in respect of Index Calculation Date (t), the Rebalancing Date immediately preceding Index Calculation Date ($t-2$) (or, if Index Calculation Date ($t-2$) is a Rebalancing Date, Index Calculation Date ($t-2$)) (Rebalancing Date ($t-2_R$));
"UL(t)"	means the Underlying Index Closing Level in respect of Index Calculation Date (t);

"UL(<i>t</i>-1)"	means, in respect of Index Calculation Date (<i>t</i>), the Underlying Index Closing Level in respect of Index Calculation Date (<i>t</i> -1);
"UL(<i>t</i>-2)"	means, in respect of Index Calculation Date (<i>t</i>), the Underlying Index Closing Level in respect of Index Calculation Date (<i>t</i> -2); and
"UL(<i>R</i>_C)"	means, in respect of a Rebalancing Date (<i>R</i>), the Underlying Index Closing Level in respect of Selection Date (<i>R</i> _C);

5.2 Miscellaneous

The Index Closing Level will be calculated by the Index Administrator to two decimal places (with 0.005 being rounded upwards), as set out in Section 10 (*Availability and Publication of Index Closing Levels and Adjustments*) below.

The methodology described in this Section 5 is subject to the provisions set out in Section 9 (*Change in the Methodology of the Index and Termination*) below.

6 Index Administrator

All determinations made by the Index Administrator will be made by it in good faith and in a commercially reasonable manner by reference to such factors as the Index Administrator deems appropriate and will be final, conclusive and binding in the absence of manifest error.

The Index Administrator may delegate and/or transfer any of its obligations or functions under the terms of the Index to one or more third parties as it deems appropriate from time to time.

7 Disruption Events

7.1 Disruption Events

"**Disruption Event**" means the occurrence of a *Force Majeure* Event, a Foreign Exchange Rate Disruption Event or an Underlying Index Disruption Event.

7.2 Consequences of Disruption Events

If a Disruption Event occurs or subsists in respect of any Index Calculation Date then:

- (i) first, the Index Administrator may make such adjustments and/or determinations in relation to the Index (including, but not limited to, these Index Rules) any value or level as it may determine (including, but not limited to, the Closing Exchange Rate) appropriate to facilitate the calculation and publication of the Index Closing Level in respect of such Index Calculation Date;
- (ii) secondly, if the Index Administrator determines that any such adjustment or determination referred to in Section 7.2(i) above cannot be made in respect of such Index Calculation Date, then the Index Administrator may defer calculation and

publication of the Index Closing Level until the next Index Calculation Date on which the Index Administrator determines that no Disruption Event exists provided that where any such deferral of calculation and publication continues for a period of 10 consecutive Index Calculation Dates, then the Index Administrator may:

- (i) calculate and publish the Index Closing Level relating to each Index Calculation Date falling in or after such period using, in relation to the Underlying Index, an index closing level calculated by the Index Administrator having regard to the then prevailing market conditions, the last reported price, value, rate, spread or level of any Instrument and such other factor(s) and condition(s) that the Index Administrator considers relevant for the purpose of determining such index closing level including, but not limited to, any modifications that the Index Administrator determines to be appropriate in relation to the Index; and/or
- (ii) permanently cease calculating and publishing the Index as of the later of (x) the date when such Disruption Event commenced or (y) the Index Calculation Date following the last Index Calculation Date for which the Index Administrator calculated and published the relevant Index Closing Level in accordance with Section 7.2(ii)(i) above (if any).

8 Adjustments to the Underlying Index

8.1 Successor Administrator and Successor Underlying Index

If at any relevant time, the Underlying Index is:

- (a) no longer available from the administrator of the Underlying Index (the "**Underlying Index Administrator**"), but is available from a successor administrator (a "**Successor Underlying Index Administrator**") acceptable to the Index Administrator; or
- (b) replaced by a successor index which, in the determination of the Index Administrator, is the same or a substantially similar index (a "**Successor Underlying Index**"),

then the Underlying Index will be deemed to be (i) such Underlying Index so calculated and published by (or on the instruction of) that Successor Underlying Index Administrator or (ii) that Successor Underlying Index, as the case may be, following adjustments (if any) to any requisite value or level, relating to the Successor Underlying Index, that the Index Administrator determines to be appropriate to preserve the economic intention of the methodology of the Index.

8.2 Underlying Index Events

If at any relevant time the Underlying Index Administrator or the relevant Successor Underlying Index Administrator:

- (i) makes or announces that it will make a material change in the formula for or methodology of the Underlying Index or in any other way materially modifies the Underlying Index (an "**Underlying Index Modification**"); or

- (ii) permanently cancels the Underlying Index (an "**Underlying Index Cancellation**" and, together with the Underlying Index Modification, an "**Underlying Index Event**"),

then, upon the occurrence of the Underlying Index Event, the Index Administrator may:

- (a) determine any requisite value or level at the relevant time, adjusted as the Index Administrator determines to be appropriate;
- (b) select an alternative index to replace such Underlying Index, such index to be selected by the Index Administrator to preserve the economic intention of the methodology of the Index; or
- (c) permanently cease to calculate and publish the Index.

9 Change in Methodology of the Index and Termination

In calculating and determining the value of the Index, the Index Administrator shall, subject as provided below, employ the methodology described above and its application of such methodology shall be conclusive and binding. While the Index Administrator currently employs the above described methodology to calculate the Index, no assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting transactions on the same or similar terms to any Instrument for which values will be determined in relation to the Index) will not arise that would, in the view of the Index Administrator, necessitate or make desirable a modification of or change to such methodology.

The Index Administrator may make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in this Description. In particular, but without limitation, the Index Administrator may, at any time and without notice, change the frequency of calculation of the Index Closing Level and make such adjustment to the methodology described in this Description as it deems necessary to take account of the amended frequency of calculation.

In making any such modifications however the Index Administrator shall make commercially reasonable efforts to ensure that such modifications or changes result in a methodology that is consistent in its intended commercial purpose with the methodology described in the Description.

The Index Administrator will make a new set of Index Rules following any such modification or change and the effective date of such revised Index Rules available in accordance with Section 10 (*Availability and Publication of Index Closing Levels and Adjustments*) below.

The Index Administrator may, at any time and without notice, terminate the calculation and publication of the Index.

10 Availability and Publication of Index Closing Levels and Adjustments

10.1 General

The Index Administrator will make available the Index Closing Level of the Index in respect of an Index Calculation Date as soon as reasonably practicable after 16:00 London time on the next Index Calculation Date following such Index Calculation Date (the "**Index Publication Time**"). Details of any adjustments made to the Index shall be made available by the Index Administrator on the Solactive Website.

10.2 Index Closing Levels

Each Index Closing Level shall be published:

- (i) on Bloomberg/Reuters under the following index title: DB US Systematic Merger Arbitrage EUR Hedged – Excess Return Index (with Bloomberg Code: DBMARBE and Reuters Code: .DBMARBE) (the "**Index Title**");
- (ii) on the Solactive Website (www.solactive.com) under the following index publication heading (the "**Index Publication Heading**"): "DB US Systematic Merger Arbitrage Index EUR Hedged – Excess Return"; and
- (iii) on such other information sources as the Index Administrator may select from time to time and publish on one or more of information sources set out in Section 10.2(i)-(ii) above.

10.3 Miscellaneous

Any publication described in this Section 10 may be restricted by means determined as appropriate for such purpose by the Index Administrator including, but not limited to, password protection on the Solactive Website restricting access to a limited set of persons in accordance with arrangements agreed between the Index Sponsor and such persons.

The Index Administrator may, at any time and without notice, change with respect to the Index: (i) the Index Title; (ii) the Index Publication Heading; and/or (iii) the place of publication of any Index Closing Level, as the case may be.

The Index Administrator may, at any time and without notice, change the frequency of publication of the Index Closing Level.

If the Index Administrator becomes aware that there has been an error in calculating the Index, or in the data used to calculate the Index, it shall notify the Index Sponsor without undue delay and, as far as necessary, shall notify the Index Sponsor without undue delay of any necessary corrections and any necessary restatement of the Index Closing Level. The Index Administrator may restate the Index Closing Level with retrospective effect on any Index Calculation Date from time to time only for the purposes of correcting an error in calculating the Index, which may arise from, but not limited to, an incorrect implementation of the methodology set out in the Index Rules, an error in data entry, a manual or system error, or the late dissemination or the correction of material price information relating to the Underlying Index, the Closing Exchange Rate or any constituent of the Underlying Index.

Neither the Index Sponsor nor the Index Administrator accepts any legal liability to any person for the publication or non-publication for any period of time of any Index Closing Level at any particular place or any particular time.

This Description is written by the Index Administrator and published by the Index Administrator. The Index Administrator is exclusively entitled to construe its provisions and determine or clarify their meaning. If there is any ambiguity in, or uncertainty or dispute about the meaning of, any of the provisions of this Description, the Index Administrator will construe the relevant provision(s) in order to determine the correct interpretation, and the decision of the Index Administrator shall be final.