

## **Proposed changes in relation to certain benchmarks linked to USD LIBOR – consultation period starting 18 October 2021**

DBIQ acting as or on behalf of the index administrator (however so described) (the "**Index Administrator**") of each benchmark in the lists referenced below proposes to make certain changes to the methodology of such benchmarks and hereby provides notice that there will be period of consultation with users of such benchmarks in respect of such changes running from (and including) the date of this notice and up to (and including) 15 November 2021.

A full list of directly affected benchmarks is available in Appendix 1 (*List of Directly Affected Indices*).

A list of benchmarks dependent on the directly affected benchmarks is available in Appendix 2 (*List of Dependent Indices*).

### **Proposed changes**

The relevant benchmarks currently reference United States dollar ("USD") LIBOR and/or a USD swap curve based on USD LIBOR rates and instruments linked to USD LIBOR (or, in respect of the benchmarks listed in Appendix 2 (*List of Dependent Indices*), reference one or more such relevant benchmarks). In accordance with the "Change in Methodology" provisions of the benchmarks, the Index Administrator proposes to amend the methodology of the benchmarks such that they will instead reference the Secured Overnight Financing Rate (SOFR) and/or a USD swap curve based upon SOFR, as applicable. Furthermore, where the title of any relevant benchmark reflects the reliance on USD LIBOR (whether directly or by reference to any applicable floating rate period) the title of such benchmark will be updated to reflect the changes described in this paragraph.

### **Reasons for the change**

On 5 March 2021, the Financial Conduct Authority (FCA) has confirmed, amongst other things, that certain United USD LIBOR settings (being the 1-week and 2-month USD LIBOR settings) will either cease to be provided by any administrator or no longer be representative immediately after 31 December 2021 and the remaining USD settings will cease immediately after 30 June 2023. Details of the FCA announcement are available here: <https://www.fca.org.uk/news/press-releases/announcements-end-libor>.

On 16 June 2021, the FCA and the Bank of England encouraged marked participants to switch from USD LIBOR to SOFR in USD interest rate swap markets referencing USD LIBOR from 26 July 2021. Details of the FCA's announcement are available here: <https://www.fca.org.uk/news/news-stories/fca-bank-england-sofr-us-dollar-interest-rate-swap-markets>.

The Alternative Reference Rates Committee (ARRC) is a group of private-market participants convened by the Federal Reserve and the New York Fed to ensure the transition from USD LIBOR to robust reference rates. In 2017, the ARRC selected SOFR as the rate that represents best practice for use in USD derivatives as an alternative to USD LIBOR and on 29 July 2021, the ARRC announced the formal recommendation of SOFR for derivatives and other financial contracts including interest rate swaps. Details of the ARRC's announcement are available here: [https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC\\_Press\\_Release\\_Term\\_SOFR.pdf](https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Press_Release_Term_SOFR.pdf).

In view of the forthcoming anticipated discontinuation of USD LIBOR, the associated industry-wide transition to risk free rate based instruments and encouragement and recommendation by the FCA, Bank of England and ARRC to adopt SOFR from July 2021, the Index Administrator is of the view that the representativeness of the benchmarks in respect of the economic reality they are intended to measure, and their appropriateness as a reference for financial instruments and contracts, would be put at risk in the absence of the proposed material change. The Index Administrator proposes to make this change in advance of the anticipated discontinuation of USD LIBOR, in line with

FCA and ARRC guidance and as pricing data and liquidity in the SOFR swaps market is now sufficient to provide an appropriate basis of reference.

### **Impact of the change**

If the proposed change is implemented, from and including the date of the change, the relevant benchmark will reference a SOFR based swap curve in place of a USD LIBOR-based swap curve and/or a SOFR-derived rate in place of USD LIBOR, as applicable. It is impossible to predict either how a SOFR-based swap curve as compared with a USD LIBOR-based swap curve or the substitution of USD LIBOR with a SOFR-derived rate will affect a benchmark going forward. Although past performance is not an indicator of future performance, the Index Administrator has performed an analysis using historic data and concluded that the performance of the USD LIBOR-based swap curve and the SOFR-based swap curve and-or USD LIBOR swap instruments with SOFR-derived swap instruments, in each case for a given tenor, are correlated and meet consistent economic objectives. Further details are available on request from the Index Administrator for users of the relevant benchmark at: [index.data@db.com](mailto:index.data@db.com)

For a discussion of the different rate-based swaps, and the relative factors that may be reasonably expected to affect such rates, users are invited to contact the Index Administrator at: [index.data@db.com](mailto:index.data@db.com)

### **User feedback**

Users are invited to provide feedback on the proposed change during the consultation period. In order to provide such feedback, or for further details in respect of the proposed change including the potential impact on any relevant benchmark, please contact your Deutsche Bank representative or the DBIQ team at: [index.data@db.com](mailto:index.data@db.com)

### **Results of the consultation**

The Index Administrator will consider feedback on the proposal received during the consultation period and, if appropriate, will consider amending or implementing the proposal on this basis. The Index Administrator will notify users of the outcome of the consultation and the timeline for the implementation of any changes.

## Appendix 1 – List of Directly Affected Indices

| Index Name                                                                                   | Ticker   |
|----------------------------------------------------------------------------------------------|----------|
| DB Duration Bias USD Interest Rate Swap (3m Floating/12 Yr Fixed) Excess Return              | DBDRUS12 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/40 Yr Fixed) Excess Return              | DBDRUS40 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/10 Yr Fixed) Excess Return              | DBDRUS10 |
| DB Duration Bias - USD(3m/5 Yr)                                                              | DBDRUS05 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/2 Yr Fixed) Excess Return               | DBDRUS02 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/3 Yr Fixed) Excess Return               | DBDRUS03 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/7 Yr Fixed) Excess Return               | DBDRUS07 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/15 Yr Fixed) Excess Return              | DBDRUS15 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/20 Yr Fixed) Excess Return              | DBDRUS20 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/25 Yr Fixed) Excess Return              | DBDRUS25 |
| DB Duration Bias USD Interest Rate Swap (3m Floating/30 Yr Fixed) Excess Return              | DBDRUS30 |
| DB Duration Bias USD 2 Year 2 Year                                                           | DBDRFU22 |
| DB Duration Bias USD 2 Year 3 Year                                                           | DBDRFU23 |
| DB Duration Bias USD 2 Year 5 Year                                                           | DBDRFU25 |
| DB Duration Bias USD 2 Year 8 Year                                                           | DBDRFU28 |
| DB Duration Bias USD 3 Year 2 Year                                                           | DBDRFU32 |
| DB Duration Bias USD 5 Year 5 Year                                                           | DBDRFU55 |
| DB Duration Bias USD 5 Year 10 Year                                                          | DBDRFU5D |
| DB Duration Bias USD 10 Year 5 Year                                                          | DBDRFUD5 |
| DB Duration Bias USD 10 Year 10 Year                                                         | DBDRFUDD |
| DB Duration Bias USD Interest Rate Swap (3m10Yr Daily Tranching 20) Excess Return Tranche 1  | DBCUS01  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 2  | DBCUS02  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 3  | DBCUS03  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 4  | DBCUS04  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 5  | DBCUS05  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 6  | DBCUS06  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 7  | DBCUS07  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 8  | DBCUS08  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 9  | DBCUS09  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 10 | DBCUS10  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 11 | DBCUS11  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 12 | DBCUS12  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 13 | DBCUS13  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 14 | DBCUS14  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 15 | DBCUS15  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 16 | DBCUS16  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 17 | DBCUS17  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 18 | DBCUS18  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 19 | DBCUS19  |
| DB Duration Bias USD Interest Rate Swap (3m10yr Daily Tranching 20) Excess Return Tranche 20 | DBCUS20  |
| Duration Bias USD 10 Year                                                                    | DBDSDBUS |
| Duration Bias USD 5 Year                                                                     | DBDSUS5Y |
| Duration Bias USD 7 Year                                                                     | DBDSUS7Y |
| DB G10 Diversified Rates Carry USD                                                           | DBDRCDMU |
| DB G10 Diversified Rates Carry EUR                                                           | DBDRCDME |
| DB Base USD Tranche 1 Index(USD-FMAN)                                                        |          |
| DB Base USD Tranche 2 Index(USD-MJSD)                                                        |          |

DB Base USD Tranche 3 Index(USD-JAJO)  
DB Rates Carry Strategy 002 USD Sub Index 1  
DB Rates Carry Strategy 002 USD Sub Index 2  
DB Rates Carry Strategy 002 USD Sub Index 3  
DB Rates Carry Strategy 002 USD Sub Index 4  
DB Rates Carry Strategy 002 USD Sub Index 5  
DB Rates Carry Strategy 002 USD Sub Index 6  
DB Rates Carry Strategy 002 USD Sub Index 7  
DB Rates Carry Strategy 002 USD Sub Index 8  
DB Rates Carry Strategy 002 USD Sub Index 9  
DB Rates Carry Strategy 002 USD Sub Index 10  
DB Rates Carry Strategy 002 USD Sub Index 11  
DB Rates Carry Strategy 002 USD Sub Index 12  
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DB Rates Carry Strategy 002 USD Sub Index 47  
DB Rates Carry Strategy 002 USD Sub Index 48  
DB Rates Carry Strategy 002 USD Sub Index 49

DB Rates Carry Strategy 002 USD Sub Index 50  
DB Rates Carry Strategy 002 USD Sub Index 51  
DB Rates Carry Strategy 002 USD Sub Index 52  
Rates Curve 002 USD Basket Before Cost  
DB Cross Asset Carry Sub-index 1  
DB Cross Asset Carry Sub-index 2  
DB Cross Asset Carry Sub-index 3  
DB Cross Asset Carry Sub-index 4  
DB Cross Asset Carry Ex Commodities Sub-index 1  
DB Cross Asset Carry Ex Commodities Sub-index 2  
DB Cross Asset Carry Ex Commodities Sub-index 3  
DB Cross Asset Carry Ex Commodities Sub-index 4  
DB Rates Diversified Strategy 016 USD Sub Index 1  
DB Rates Diversified Strategy 016 USD Sub Index 2  
DB Rates Diversified Strategy 016 USD Sub Index 3  
DB Rates Diversified Strategy 016 USD Sub Index 4  
DB Rates Diversified Strategy 016 USD Sub Index 5  
DB Rates Diversified Strategy 016 USD Sub Index 6  
DB Rates Diversified Strategy 016 USD Sub Index 7  
DB Rates Diversified Strategy 016 USD Sub Index 8  
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DB Rates Diversified Strategy 017 USD Sub Index 52

## Appendix 2 – List of Dependent Indices

| Index Name                                                                            | Ticker   |
|---------------------------------------------------------------------------------------|----------|
| DB Cross Asset Carry Index                                                            | DBCARIUS |
| DB Rates Curve Hedged to EUR Index                                                    | DBDRCRVE |
| DB Duration Bias USD Interest Rate Swap (3m Floating/10 Yr Fixed) Excess Return - net |          |
| Deutsche Bank Cross Asset CORE Global Equity Overlay Hedged to EUR Index              | DBCOREGE |
| Deutsche Bank Cross Asset CORE Global Equity Overlay Index                            | DBCOREGU |
| DB Rates Diversified Strategy 017 USD Index                                           | DBDRCPUS |
| DB Cross Asset Trends Ex Commodities EUR Hedged Index                                 | DBCATXCE |
| DB Cross Asset Trends EUR Hedged Index                                                | DBCATEUR |
| DB Rates Curve Strategy 002 EUR Index                                                 | DBDRCR2E |
| DB Cross Asset Carry ex Commodities Index                                             | DBCARXCU |
| DB Cross Asset Trend and Carry Combined SubIndex 1                                    |          |
| DB Cross Asset Trend and Carry Combined SubIndex 2                                    |          |
| DB Cross Asset Trend and Carry Combined SubIndex 3                                    |          |
| DB Cross Asset Trend and Carry Combined SubIndex 4                                    |          |
| DB Cross Asset Trend and Carry Combined Index                                         | DBCATCAR |
| DB Rates Curve Tranche 1 Index (Tranche-FMAN)                                         |          |
| DB Rates Curve Tranche 2 Index (Tranche-MJSD)                                         |          |
| DB Rates Curve Tranche 3 Index(Tranche-JAJO)                                          |          |
| DB Duration Bias USD 10Y MT Momentum EUR Hedged                                       |          |
| DB Diversified Rates Strategy 015 Index                                               | DBVSCV15 |
| DB Cross Asset Trends SubIndex 1                                                      |          |
| DB Cross Asset Trends SubIndex 2                                                      |          |
| DB Cross Asset Trends SubIndex 3                                                      |          |
| DB Cross Asset Trends SubIndex 4                                                      |          |
| DB Cross Asset Trends Ex Commodities SubIndex 1                                       | DBCATXC1 |
| DB Cross Asset Trends Ex Commodities SubIndex 2                                       | DBCATXC2 |
| DB Cross Asset Trends Ex Commodities SubIndex 3                                       | DBCATXC3 |
| DB Cross Asset Trends Ex Commodities SubIndex 4                                       | DBCATXC4 |
| DB Cross Asset Trends Index                                                           | DBCATUSD |
| DB Cross Asset Trends Ex Commodities Index                                            | DBCATXCU |
| DB Rates Diversified Strategy 016 USD Index                                           | DBDRC3US |
| DB Rates Diversified Strategy 016 EUR Hedged Index                                    | DBDRC3UH |
| Rates Curve 002 USD Basket After Cost                                                 |          |
| Rates Curve 002 USD Basket After Cost EUR Hedged                                      |          |
| DB Duration Bias USD 10Y Daily Index                                                  | DBDRDDUS |