

Proposed changes in relation to certain benchmarks linked to cross-currency swaps that reference USD LIBOR – consultation period starting 17 May 2022

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) 17 June 2022. This period of consultation is shorter than one-month due to the market events outlined in "Reasons for the change" below.

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 are cross-currency swap indices that currently reference United States dollar ("**USD**") LIBOR and/or a USD swap curve based on USD 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) and (i) a Canadian dollar ("**CAD**") rate and/or a CAD swap curve based on CAD rates and instruments linked to such CAD rate; (ii) a New Zealand dollar ("**NZD**") rate and/or a NZD swap curve based on NZD rates and instruments linked to such NZD rate. 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 USD swap curve based upon SOFR, as applicable.

Reasons for the change

On 2 June 2021, the Financial Stability Board (FSB) announced that all new use of LIBOR benchmarks should cease as soon as practicable and no later than the timelines set out by home authorities and/or national working groups in the relevant currencies. The FSB press release is available here: <https://www.fsb.org/2021/06/fsb-issues-statements-to-support-a-smooth-transition-away-from-libor-by-end-2021/>.

On 13 July 2021, the US Commodity Futures and Trading Commission's Market Risk Advisory Committee (MRAC) formally recommended a series of 'SOFR First' initiatives in USD markets and identified the replacement of USD LIBOR with risk-free rates in certain cross-currency swaps from 21 September 2021. The MRAC press release is available here: <https://www.cftc.gov/PressRoom/PressReleases/8409-21>. The Alternative Reference Rates Committee has endorsed the MRAC recommendation that interdealer trading conventions for certain cross-currency basis swaps referencing USD LIBOR move to each currency's risk-free rate as of 21 September 2021 and stated cross-currency basis swaps between USD LIBOR and other currencies are expected to move to SOFR by the end of this year.

In view of the industry-wide transition to risk-free rate-based instruments and encouragement and recommendation by the FSB and APRA to adopt risk-free rates, 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 line with FSB and ARRC guidance and as pricing data and liquidity in the cross-currency 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.

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

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

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 USDCAD 1Y1Y Cross Currency Basis Excess Return Index	DBDSCA11
DB USDCAD 1Y2Y Cross Currency Basis Excess Return Index	DBDSCA12
DB USDCAD 1Y5Y Cross Currency Basis Excess Return Index	DBDSCA15
DB USDCAD 1Y10Y Cross Currency Basis Excess Return Index	DBDSCA1D
DB USDNZD 1Y1Y Cross Currency Basis Excess Return Index	DBDSXN11
DB USDNZD 1Y2Y Cross Currency Basis Excess Return Index	DBDSXN12
DB USDNZD 1Y5Y Cross Currency Basis Excess Return Index	DBDSXN15
DB USDNZD 1Y10Y Cross Currency Basis Excess Return Index	DBDSXN1D
DB USDNZD 2Y1Y Cross Currency Basis Excess Return Index	DBDSXN21
DB USDNZD 1Y1Y Cross Currency Basis Excess Return USD Hedged DBDSXCUS	
DB USDNZD 1Y2Y Cross Currency Basis Excess Return USD Hedged DBDSXCUS	
DB USDNZD 1Y5Y Cross Currency Basis Excess Return USD Hedged DBDSXCUS	
DB Rates Diversified Strategy 019 Sub Index 1	
DB Rates Diversified Strategy 019 Sub Index 2	
DB Rates Diversified Strategy 019 Sub Index 3	
DB Rates Diversified Strategy 019 Sub Index 4	
USDAUD XCCY - JAJ0 - Ascent Broad Rebal	
USDAUD XCCY - FMAN - Ascent Broad Rebal	
USDAUD XCCY - MJSD - Ascent Broad Rebal	

Appendix 2 – List of Dependent Indices

Index Name	Ticker
Ascent Broad	DBACTBRU
Ascent Broad- Tranche 1 JAJ0	
Ascent Broad- Tranche 2 FMAN	
Ascent Broad- Tranche 3 MJSD	
Global Ascent	DBACG12U
Ascent Broad EUR Index	
DB Rates Diversified Strategy 019 Index	DBDSXCUS
DB Enhanced Smart Beta 4.5% TV AUD Hedged Index	DBACEB45
Global Rates Ascent II Strategy	DBCUSU2