

# DBEF

## Xtrackers MSCI EAFE Hedged Equity ETF

### Analyst Report

This ETF offers exposure to developed equity markets outside of the U.S., making DBEF one of many products offering exposure to an asset class that is often a core component of long-term, buy-and-hold portfolios. This fund is unique from other EAFE ETFs such as EFA and VEA because it hedges out the currency exposure that an investment in international equities entails. In addition to establishing a long position in international stocks, investors using most EAFE ETFs are also going long the currencies of the underlying stocks (including the euro, yen, Aussie dollar, and pound sterling) and short the U.S. dollar. DBEF uses short term forward contracts to neutralize the impact of exchange rate fluctuations, essentially isolating the performance of the developed market stocks as the driver of returns. While this difference may seem minor, the impact of currency movements on equities can be significant sources of return--both positive and negative--to U.S. based investors. Though DBEF's portfolio is nearly identical to those of VEA and EFA, the risk/return profiles of these products can vary significantly.

Investors who expect the U.S. dollar to strengthen relative to its developed market rivals may prefer DBEF as the optimal means of establishing exposure to the EAFE region, as this fund should outperform EFA when the U.S. currency appreciates. Those with a bearish outlook for the greenback may prefer to leave currency exposure unhedged, utilizing a fund such as EFA instead. Those investors without a strong view in either direction might use a mix of both hedged and unhedged EAFE ETFs (eg 50% in DBEF and 50% in EFA).

Given the broad focus of this ETF, DBEF might be very useful to those building a long-term portfolio; the EAFE region generally receives a big weighting in most portfolios. DBEF can also be useful for establishing a currency-neutral tactical tilt towards this corner of the world. The fund's holdings are diversified across developed ex-U.S. equities, with a focus on large-cap, end-weighted index, and technology stocks.



### ESG Themes and Scores

7.7/10

ESG Rate

91.75%

Global Percentile

56.91%

Peer Percentile

### Performance Data

	DBEF	ETF Database Category Average	Factset Segment Average
1 Month	1.95%	1.58%	1.42%
3 Month	2.00%	6.11%	5.21%
YTD Return	15.22%	12.79%	9.19%
1 Year Return	22.10%	27.66%	15.55%
3 Year Return	10.48%	4.00%	2.89%
5 Year Return	11.22%	8.59%	3.45%

### Top 5 Holdings

Symbol	Holding	% Assets
NOVO.B	Novo Nordisk A/S Class B	2.22%
Other	FUTURES	1.90%
ASML	ASML Holding NV	1.87%
NESN	Nestle S.A.	1.45%
AZN	AstraZeneca PLC	1.35%

### Vitals

Issuer	DWS
Brand	Xtrackers
Structure	ETF
Expense Ratio	0.36%
Inception	Jun 09, 2011
Index Tracked	MSCI EAFE US Dollar Hedged Index

### ETF Database Themes

Category	Europe Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Developed Markets
Region (Specific)	EAFE

### FactSet Classifications

Segment	Equity: Developed Markets Ex-North America - Total Market
Category	Size and Style
Focus	Total Market
Niche	Broad-based
Strategy	Vanilla
Weighting	Market Cap