



Information Circular: DB G10 CURRENCY HARVEST FUND

To: Head Traders, Technical Contacts, Compliance Officers, Head of ETF Trading, Structured Products Traders

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: March 5, 2007

The NASDAQ Stock Market LLC ("NASDAQ") began operating as a national securities exchange for trading non-NASDAQ listed securities on February 12, 2007. As a result, shares of the PowerShares DB G10 Currency Harvest Fund (DBV), which had previously traded over-the-counter through our systems, will be traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis for the first time, effective March 5, 2007.

Background Information on the Funds

As more fully explained in the Registration Statement (No. 333-132484) for the PowerShares DB G10 Currency Harvest Fund (the "Fund"), the Fund is designed to track the performance of the Deutsche Bank G10 Currency Future Harvest Index™–Excess Return (the "DBCFHX" or the Index"). Each share of the Fund (the "Share" or "Shares") represents a fractional undivided beneficial interest in the net assets of the Fund.

The investment objective of the Fund is to reflect the performance of the DBCFHX, over time, less the expenses of the operation of the Fund and the Master Fund. The Fund will pursue its investment objective by investing substantially all of its assets in the Master Fund. The assets of the Master Fund consist primarily of futures contracts on the currencies comprising the DBCFHX as well as securities for margin purposes. Each Share will correlate with a Master Fund share issued by the Master Fund and held by the Fund. The Fund is not registered as an investment company under the Investment Company Act of 1940. Both the Fund and the Master Fund are commodity pools operated by DB Commodity Services LLC (the "Managing Owner"), a wholly-owned indirect subsidiary of Deutsche Bank AG. The Managing Owner is a registered commodity pool operator ("CPO") and commodity trading advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA").

Wilmington Trust Company (the "Trustee") is the trustee of the Fund and the Master Fund, the Bank of New York (the "Administrator") is the administrator for the Fund and the Master Fund and ALPS Distributors, Inc. ("Distributor") is the distributor of the shares of the Fund and the Master Fund.

On September 15, 2006, Deutsche Bank Securities Inc., as the initial purchaser, subject to certain conditions, agreed to purchase and took delivery of 1,000,000 Shares, which comprise the initial Baskets, at a purchase price of \$25.00 per Share. The Fund will issue

shares on a continuous basis to Authorized Participants¹. The Fund will issue and redeem shares only in blocks of 200,000 Shares or integral multiples thereof to Authorized Participants. A block of 200,000 Shares is called a "Basket." These transactions will be in exchange for a Cash Deposit Amount equal to 200,000 multiplied by the net asset value ("NAV") per Share of the Fund determined on each business day by the Administrator. Initially, the Cash Deposit Amount will be approximately \$5 million. The Administrator will determine the Cash Deposit Amount for a given business day by multiplying the NAV for each Share by the number of Shares in each Basket (200,000). Only registered broker-dealers that become Authorized Participants by entering into a participant agreement with the Managing Owner and the Fund may purchase or redeem Baskets. Shares will be offered to the public from time to time at prices that will reflect, among other things, the prices of the underlying futures contracts comprising the DBCFHX and the trading price of the Shares on the Amex at the time of the offer. Market prices for the Shares may be different from the NAV per Share. Except when aggregated in Baskets, Shares are not redeemable securities.

The NAV of the Fund is obtained by subtracting the trust's liabilities on any day from the total assets of the Master Fund. The NAV per Share is obtained by dividing the NAV of the Fund on a given day by the number of Shares outstanding on that date. On each day on which the Amex is open for regular trading, shortly after 4:00 p.m. Eastern time ("ET"), the Administrator will determine the NAV and NAV per Share. The Administrator will value all futures contracts held by the Master Fund on the basis of their then current market value. However, if a futures contract on a trading day cannot be liquidated due to the operation of daily limits or other rules of an exchange upon which such futures contract is traded, the settlement price on the most recent trading day on which futures contract could have been liquidated will be used in determining NAV.

Shortly after 4:00 p.m. ET each business day, the Administrator will determine the Basket Amount for orders placed by Authorized Participants received before 1:00 p.m. ET that day. Purchase orders are irrevocable. Baskets are issued as of 12:00 noon ET, on the business day immediately following the purchase order date (T+1) at NAV per share as of the closing time of the American Stock Exchange ("Amex") or the last futures exchange to close on which the Index currencies are traded, whichever is later, on the purchase order date if the required payment has been timely received. The Cash Deposit Amount and the NAV are communicated by the Administrator to all Authorized Participants via facsimile or electronic mail message and will be available on the Index Sponsor's website at <http://index.db.com>. The most recently reported NAV for the Shares and the Basket Amount will also be available on the Amex's website (www.amex.com). Nasdaq will provide a link from its website at www.nasdaq.com to the websites of the Index Sponsor and Amex.

The Fund's expense ratio, in the absence of any extraordinary expenses and liabilities, is expected to be up to 0.81% of the net assets of the Fund but may be lower based on actual expenses incurred.

DTC serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding shares of the Fund.

¹ An "Authorized Participant" is a person, who at the time of submitting to the trustee an order to create or redeem one or more Baskets, (i) is a registered broker-dealer, (ii) is a Depository Trust Company ("DTC") Participant and (iii) has in effect a valid Participant Agreement.

The Registration Statement for the Fund describes the various fees and expenses for the Shares.

For a more complete description of the Shares, visit the Fund's website, www.dbfunds.db.com or consult the prospectus.

Indicative Fund Value

In order to provide updated information relating to the Fund for use by investors, professionals and persons wishing to create or redeem Shares, the American Stock Exchange ("Amex") will disseminate through the facilities of Consolidated Tape Association ("CTA"), an updated Indicative Fund Value (the "Indicative Fund Value"). The Indicative Fund Value will be disseminated on a per Share basis every 15 seconds during regular Amex trading hours of 9:30 a.m. to 4:15 p.m. ET under the index symbol "FBV". The Indicative Fund Value will be calculated based on the cash required for creations and redemptions (i.e. NAV per Share x 200,000) adjusted to reflect the price changes of the Index currencies through investments held by the Master Fund. The Indicative Fund Value will not reflect price changes to the price of an underlying currency between the close of trading of the futures contract at the relevant futures exchange and the close of trading on the Amex at 4:15 p.m. ET. The value of a Share may accordingly be influenced by non-concurrent trading hours between NASDAQ and the various futures exchanges on which the futures contracts based on the Index currencies are traded. The Indicative Fund Value on a per Share basis disseminated during Amex trading hours should not be viewed as a real time update of the NAV, which is calculated only once a day by the Administrator.

The Underlying Index

DBCFOX is structured to provide a return that assumes an asset coverage ratio of 2:1. DBCFOX is intended to reflect the return from investing assets in long currency futures positions for certain currencies associated with relatively high yielding interest rates and an equal amount in short currency futures positions for certain currencies associated with relatively low yielding interest rates.

The Index is calculated by DB London on both an excess return basis and a total return basis. The excess return index reflects the return of the applicable underlying currencies. The total return is the sum of the return of the applicable underlying currencies, plus the return of three-month U.S. Treasury Bills. The Index will be calculated and disseminated every 15 seconds through Bloomberg, Reuters and on the DB London website at <http://index.db.com>.

The futures contracts on the Index currencies are rolled during the period in which the Index is re-weighted. The Index Sponsor reviews and re-weights the Index on a quarterly basis, in accordance with its rules. The futures contracts held by the Fund are, therefore, three (3) months in duration. The Index re-weighting period takes place just prior to the third Wednesday in each of March, June, September, and December months. The futures contracts on the Index currencies are rolled during the index re-weighting period, which will occur over the fourth and third business days prior to each of the previously mentioned days.

The daily settlement prices for the futures contracts on the Index currencies are publicly available on the websites of the futures exchanges trading the particular contracts. All of the futures contracts in which the Master Fund currently expects to invest are traded on the CME, although currency futures contracts on the eligible index currencies also trade on

other futures exchanges in the United States and the Master Fund may invest in such contracts. In addition, various data vendors and news publications publish futures prices and data. The futures quotes and last sale information for the currencies underlying the Index are also widely disseminated through a variety of market data vendors worldwide, including Bloomberg and Reuters. In addition, complete real-time data for such futures is available by subscription from Reuters and Bloomberg. The specific contract specifications for the futures contracts are also available from the futures exchanges on their websites as well as other financial informational sources.

Purchases and Redemptions in Creation Unit Size

NASDAQ members are hereby informed that procedures for purchases and redemptions of Shares in Baskets are described in the prospectus for the Fund, and that Shares are not individually redeemable but are redeemable only in Baskets or multiples thereof.

Principal Risks

An investment in the Shares carries certain risks. The following risk factors are taken from and discussed in more detail in the Registration Statements:

- Because the Shares are created to reflect the performance of the DBCFHX, these risks include the risk that market price of the Shares will be subject to fluctuations similar to those affecting the futures contracts on the underlying currencies that comprise the DBLCI.
- Owners of the Shares will not have the protections normally associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 but will have the protections afforded by the Commodity Exchange Act to investors in CFTC regulated commodity pools.
- The Fund has a perpetual duration unless terminated earlier in certain circumstances. If certain events occur, at any time, the Trustee will be required to terminate the Fund.
- Shares trade at market prices that may differ from NAV.
- The NAV of the Shares will fluctuate with changes in the market value of the Fund's assets.
- The trading prices of the Shares will fluctuate in accordance with changes in the NAV as well as market supply and demand.
- The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the major currency futures markets and NASDAQ.
- While the Shares will trade until 4:00 p.m. ET, liquidity in the market for the futures contracts on the underlying currencies comprising the DBCFHX will be reduced after the close of the major currencies futures markets. The market for the index currencies typically close at 3:00.

In addition, it should be noted that there is no regulated source of last sale information regarding currencies and no direct regulation of the foreign currency market. The SEC has no jurisdiction over the trading of foreign currency or related futures or options, although the CFTC does have regulatory jurisdiction over such futures and options.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on NASDAQ is subject to [NASDAQ equity trading rules](#). In particular, market makers in the Shares should note that they are subject to NASDAQ Rule 4630. Under that rule:

Information Barriers — Market Makers must establish adequate information barriers when engaging in inter-departmental communications and should refer to the NASD/NYSE Joint Memo on Chinese Wall Policies and Procedures in [NASD Notice to Members 91-45](#) for guidance on the minimum elements of adequate information barriers. For purposes of the MACRO Tradable Shares only, “inter-departmental” communications include communications to other departments within the same firm or the firm’s affiliates that involve trading in an underlying commodity (in this case, foreign currency), related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives. Market Makers are also responsible for establishing adequate written supervisory procedures regarding these and other commodity-related securities in which they make markets.

Market Maker Accounts — Market Makers will be required to file and keep current a list identifying all accounts for trading in an underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, that the Market Maker may have or over which it may exercise investment discretion. No Market Maker shall trade in an account that has not been reported as required by Rule 4630.

Books and Records — Market Makers will be required to make available to NASDAQ Regulation such books, records or other information pertaining to transactions in the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, as may be requested by NASDAQ Regulation.

Material Non-Public Information — In connection with trading the Shares or the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives, Market Makers will not be permitted to use any material non-public information received from any person associated with the Market Maker or employee of such person regarding trading by such person or employee in the underlying commodity, related commodity futures, options on commodity futures, forward contracts or swaps, or any other related commodity derivatives.

Market Makers currently trading these Shares must complete the [Market Maker Disclosure Report for Commodity-Related Securities form](#) and establish written supervisory procedures for trading these Shares.

Trading Hours

The values of the index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 9:30 a.m. and 4:00 p.m. ET

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the Shares to customers should make a

determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with [NASDAQ Rule 4120](#). The grounds for a halt under NASDAQ Rule 4120 include a halt by the primary market because the indicative fund value and/or the value of its underlying Index are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ will stop trading the Shares of a Fund if the primary market de-lists the Fund.

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares directly from the Fund must receive a prospectus. In addition, NASDAQ members are required to deliver a prospectus to all purchasers of newly-issued Shares. NASDAQ members purchasing Shares from the Fund for resale to investors will deliver a prospectus to such investors.

Prospectuses may be obtained through the Funds’ website at www.dbfunds.db.com. The prospectus for a Fund does not contain all of the information set forth in the Fund’s registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). For further information about a Fund, please refer to its registration statement.

Relief From the Operation of CFTC Rules 4.21, 4.22 and 4.23

The Commodity Futures Trading Commission’s (“CFTC”) Division of Clearing and Intermediary Oversight (the “CFTC Division”) issued a letter dated July 12, 2006 (the “Relief Letter”) granting exemptive relief to the Managing Owner from CFTC Rules 4.21, 4.22 and 4.23. Specifically, the CFTC Division exempted the Managing Owner in connection with the operation of the Fund from: (1) the requirement of CFTC Rule 4.21(b) to obtain a signed acknowledgment of receipt of a disclosure document prior to accepting funds, securities or property from a prospective pool participant with respect to sales of Shares by Authorized Participants when Authorized Participants create additional Baskets, subsequent to the effectiveness of the registration statement; (2) the requirements of CFTC Rule 4.22 to deliver monthly account statements to purchasers of Shares; and (3) the requirement of CFTC Rule 4.23 to keep required books and records at the Managing Owner’s main business office to the extent that such books and records are maintained at the offices of the Trustee or Distributor. The exemption from CFTC Rule 4.21(b) is expressly conditioned on the information required in the disclosure document being

maintained and kept current on websites of the Fund, Managing Owner, Amex and the SEC.

For further information regarding these exemptions, members and member organizations are referred to the full text of the Relief Letter and the Fund's registration statement.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded funds.

Short Sale Rules

Transactions in ETFs will not be subject to "tick" requirements of the SEC short sale rule (SEC Rule 10a-1) or the "bid" requirements of the NASDAQ short sale rule ([NASDAQ Rule 3350](#)). Short orders must be marked SHORT or SHORT EXEMPT. (See paragraph below regarding Rule 200(g) of Regulation SHO.)

Rule 200(g) of Regulation SHO

The SEC Division of Market Regulation has stated that the Division will not recommend enforcement action under Rule 200(g) of Regulation SHO if a broker-dealer marks "short" rather than "short exempt" a short sale effected in the Funds, subject to specified conditions, including that a broker-dealer executing exempt short sales will mark such sales as "short" and in no event will such sales be marked "long". ([See](#) letter from James A. Brigagliano, Assistant Director, Division of Market Regulation, SEC, to Ira Hammerman, Senior Vice President and General Counsel, Securities Industry Association, dated January 3, 2005.)

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from paragraph (d) of Rule 101 under Regulation M to permit persons who may be deemed to be participating in a distribution of Shares to bid for or purchase Shares during their participation in such distribution. The SEC also has granted an exemption from Rule 101 to permit the Distributor to publish research during the applicable restricted period on the Trusts' website.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling

security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. The SEC has granted an exemption from paragraph (e) of Rule 102 to permit the Trusts and their respective affiliated purchasers to redeem Shares during the continuous offering of the Shares.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The SEC has taken a no-action position under Section 11(d)(1) of the Exchange Act if broker-dealers (other than the Distributor) that do not create or redeem Shares but engage in both proprietary and customer transactions in Shares exclusively in the secondary market extend or maintain or arrange for the extension or maintenance of credit on Shares in connection with such secondary market transactions.

The SEC has also taken a no-action position under Section 11(d)(1) of the Exchange Act that broker-dealers (other than the Distributor) may treat Shares of the Trusts, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Information Circular is not a statutory prospectus. NASDAQ members should consult the prospectus for the Fund and the Fund’s website at www.dbfunds.db.com for relevant information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Director, NASDAQ Listing Qualifications, at 301.978.8088
- NASDAQ Office of General Counsel at 301.978.8400
- NASDAQ Market Sales at 800.846.0477