



Information Circular: DB G10 Currency Harvest Fund

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

From: PHLX Listing Qualifications Department

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 Participants. 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).

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.

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 BX 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

PHLX members and member organizations 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 BX.
- 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 of the Shares on PHLX's PSX system is on a UTP basis and is subject to PHLX rules.

Trading Hours

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on PSX between 9:00 a.m. and 5:00 p.m. ET. For trading during PSX's Pre-Market and Post-Market Sessions, market participants should note that additional risks may exist with respect to trading the Funds during these sessions, when the underlying index's values, intraday indicative value, or similar value may not be disseminated or calculated.

Suitability

Members and member organizations recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

PHLX members and member organizations also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds broker-dealers 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

PHLX will halt trading in the Shares of a Fund in accordance with PHLX Rule 3100. The grounds for a halt under these rules include a halt by the primary market because the intraday indicative value of the Fund, the value of its underlying index, or a similar value are not being disseminated as required, or a halt for other regulatory reasons. In addition, PHLX will also stop trading the Shares of a Fund if the primary market de-lists the Fund.

Delivery of a Prospectus

PHLX members and member organizations should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds.

Prospectuses may be obtained through the Funds' website. The prospectus for the Funds does not contain all of the information set forth in the Funds' 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 the Funds, please refer to the registration statement.

In the event that the Funds rely upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, PHLX Rule 803(o) requires that PHLX members and member organizations provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Funds, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, PHLX members and member organizations shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a PHLX member or member organization to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of the Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

A PHLX member or member organization carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to PHLX members and member organizations under this rule.

Upon request of a customer, PHLX members and member organizations also shall provide a copy of the prospectus.

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. PHLX members and member organizations should consult the Fund's prospectus and/or the [Fund's website](#) for relevant information.

Inquiries regarding this Information Circular should be directed to:

- [Will Slattery](#), Director, PHLX Listing Qualifications, at 301.978.8088
- PSX Market Sales at 800.846.0477