

DB Multi-Sector Commodity Master Trust  
Form 10-Q  
May 08, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2009

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission File Number: 001-33238

**POWERSHARES DB AGRICULTURE FUND**

(A Series of PowerShares DB Multi-Sector Commodity Trust)

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**87-0778078**  
(I.R.S. Employer  
Identification No.)

c/o DB Commodity Services LLC

60 Wall Street

New York, New York  
(Address of Principal Executive Offices)

10005  
(Zip Code)

## **DB AGRICULTURE MASTER FUND**

(A Series of DB Multi-Sector Commodity Master Trust)

(Exact name of Rule 140 Co-Registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**87-0778079**  
(I.R.S. Employer  
Identification No.)

c/o DB Commodity Services LLC

60 Wall Street

New York, New York  
(Address of Principal Executive Offices)

10005  
(Zip Code)

Registrant's telephone number, including area code: (212) 250-5883

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, an Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of outstanding Shares as of March 31, 2009: 67,800,000 Shares.

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**POWERSHARES DB AGRICULTURE FUND**

**(A SERIES OF POWERSHARES DB MULTI-SECTOR COMMODITY TRUST)**

**QUARTER ENDED MARCH 31, 2009**

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**Table of Contents****PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.***PowerShares DB Agriculture Fund and Subsidiary**Consolidated Statements of Financial Condition**March 31, 2009 (unaudited) and December 31, 2008*

	March 31, 2009	December 31, 2008
<b>Assets</b>		
United States Treasury Obligations, at fair value (cost \$1,540,650,097 and \$404,869,788, respectively)	\$ 1,540,675,271	\$ 404,892,805
Cash held by broker	251,587,158	732,849,487
Net unrealized depreciation on futures contracts	(135,927,530)	(73,202,267)
Deposits with broker	1,656,334,899	1,064,540,025
Receivable for Shares Issued	24,423,650	
<b>Total assets</b>	<b>\$ 1,680,758,549</b>	<b>\$ 1,064,540,025</b>
<b>Liabilities</b>		
Payable for securities purchased	23,993,200	
Management fee payable	833,390	627,835
Brokerage fee payable	6,375	15,537
<b>Total liabilities</b>	<b>\$ 24,832,965</b>	<b>\$ 643,372</b>
Commitments and Contingencies (Note 9)		
<b>Equity</b>		
Shareholders' equity		
General shares:		
Paid in capital - 40 shares issued and outstanding as of March 31, 2009 and December 31, 2008, respectively	1,000	1,000
Accumulated earnings (deficit)	(23)	38
<b>Total General shares</b>	<b>977</b>	<b>1,038</b>
Shares:		
Paid in capital - 67,800,000 and 41,000,000 redeemable shares issued and outstanding as of March 31, 2009 and December 31, 2008, respectively	2,054,441,830	1,391,803,646
Accumulated deficit	(398,518,200)	(327,909,069)
<b>Total Shares</b>	<b>1,655,923,630</b>	<b>1,063,894,577</b>
<b>Total shareholders' equity</b>	<b>1,655,924,607</b>	<b>1,063,895,615</b>

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Non-controlling interest in consolidated subsidiary - related party	977	1,038
Total equity	1,655,925,584	1,063,896,653
Total liabilities and equity	\$ 1,680,758,549	\$ 1,064,540,025
Net asset value per share		
General shares	\$ 24.43	\$ 25.95
Shares	\$ 24.42	\$ 25.95

*See accompanying notes to unaudited consolidated financial statements.*

**Table of Contents***PowerShares DB Agriculture Fund and Subsidiary**Unaudited Consolidated Schedule of Investments**March 31, 2009*

<b>Description</b>	<b>Percentage of Net Assets</b>	<b>Fair Value</b>	<b>Face Value</b>
<b>United States Treasury Obligations</b>			
U.S. Treasury Bills, 0.15% due April 2, 2009	0.36%	\$ 5,999,994	\$ 6,000,000
U.S. Treasury Bills, 0.13% due April 9, 2009	33.21	549,987,350	550,000,000
U.S. Treasury Bills, 0.23% due April 16, 2009	9.18	151,992,096	152,000,000
U.S. Treasury Bills, 0.05% due April 23, 2009	12.73	210,881,862	210,900,000
U.S. Treasury Bills, 0.17% due April 30, 2009	3.14	51,992,980	52,000,000
U.S. Treasury Bills, 0.22% due May 7, 2009	3.62	59,990,700	60,000,000
U.S. Treasury Bills, 0.18% due May 14, 2009	2.42	39,992,120	40,000,000
U.S. Treasury Bills, 0.21% due May 21, 2009	1.87	30,993,459	31,000,000
U.S. Treasury Bills, 0.28% due June 4, 2009	1.03	16,994,407	17,000,000
U.S. Treasury Bills, 0.24% due June 11, 2009	2.54	41,984,922	42,000,000
U.S. Treasury Bills, 0.25% due June 18, 2009	17.57	290,899,023	291,000,000
U.S. Treasury Bills, 0.23% due June 25, 2009	5.37	88,966,358	89,000,000
<b>Total United States Treasury Obligations (cost \$1,540,650,097)</b>	<b>93.04%</b>	<b>\$ 1,540,675,271</b>	

*A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as noted in Note 4(e).*

<b>Description</b>	<b>Percentage of Net Assets</b>	<b>Fair Value</b>
<b>Unrealized Appreciation/(Depreciation) on Futures Contracts</b>		
Corn (13,499 contracts, settlement date December 14, 2009)	(0.56)%	\$ (9,254,800)
Corn (5,030 contracts, settlement date March 12, 2010)	0.23	3,794,150
Red Wheat (915 contracts, settlement date July 14, 2009)	0.05	766,650
Soybean (6,499 contracts, settlement date November 13, 2009)	(1.61)	(26,623,800)
Soybean (2,112 contracts, settlement date January 14, 2010)	0.10	1,666,625
Sugar (30,083 contracts, settlement date June 30, 2009)	(0.65)	(10,836,392)
Wheat (4,999 contracts, settlement date July 14, 2009)	(4.79)	(79,398,637)
Wheat (1,499 contracts, settlement date December 14, 2009)	(0.16)	(2,577,888)
Wheat KCB (4,999 contracts, settlement date July 14, 2009)	(0.68)	(11,303,888)
Wheat KCB (1,499 contracts, settlement date December 14, 2009)	(0.14)	(2,159,550)
<b>Net Unrealized Depreciation on Futures Contracts</b>	<b>(8.21)%</b>	<b>\$ (135,927,530)</b>

*Net unrealized depreciation is comprised of unrealized losses of \$147,694,542 and unrealized gains of \$11,767,012.*

*See accompanying notes to unaudited consolidated financial statements.*



**Table of Contents***PowerShares DB Agriculture Fund and Subsidiary**Consolidated Schedule of Investments**December 31, 2008*

<b>Description</b>	<b>Percentage of Net Assets</b>	<b>Fair Value</b>	<b>Face Value</b>
U.S. Treasury Obligations			
U.S. Treasury Bills, 0.95% due January 15, 2009	14.29%	\$ 151,999,240	\$ 152,000,000
U.S. Treasury Bills, 0.65% due January 22, 2009	14.65	155,899,377	155,900,000
U.S. Treasury Bills, 0.03% due January 29, 2009	0.66	6,999,846	7,000,000
U.S. Treasury Bills, 0.53% due February 5, 2009	1.41	14,999,595	15,000,000
U.S. Treasury Bills, 0.355% due February 12, 2009	4.51	47,998,464	48,000,000
U.S. Treasury Bills, 0.14% due March 5, 2009	1.69	17,996,994	18,000,000
U.S. Treasury Bills, 0.005% due March 12, 2009	0.85	8,999,289	9,000,000
Total U.S. Treasury Obligations (cost \$404,869,788)	38.06%	\$ 404,892,805	

*A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as noted in Note 4(e).*

<b>Description</b>	<b>Percentage of Net Assets</b>	<b>Fair Value</b>
Unrealized Appreciation/(Depreciation) on Futures Contracts		
Corn (11,301 contracts, settlement date December 14, 2009)	(0.12)%	\$ (1,332,863)
Soybean (5,221 contracts, settlement date November 13, 2009)	0.56	5,973,613
Sugar (18,192 contracts, settlement date June 30, 2009)	(2.07)	(21,984,054)
Wheat (1,499 contracts, settlement date December 14, 2009)	0.32	3,361,900
Wheat (4,999 contracts, settlement date July 14, 2009)	(5.38)	(57,215,575)
Wheat KCB (2,275 contracts, settlement date July 14, 2009)	(0.19)	(2,005,288)
Net Unrealized Depreciation on Futures Contracts	(6.88)%	\$ (73,202,267)

*See accompanying notes to unaudited consolidated financial statements.*

**Table of Contents***PowerShares DB Agriculture Fund and Subsidiary**Unaudited Consolidated Statements of Income and Expenses**For the Three Months Ended March 31, 2009 and 2008*

	<b>Three Months Ended</b>	
	<b>March 31, 2009</b>	<b>March 31, 2008</b>
<b>Income</b>		
Interest Income	\$ 336,763	\$ 15,080,107
<b>Expenses</b>		
Management fee	2,203,731	4,142,724
Brokerage commissions and fees	250,129	523,781
Total Expenses	2,453,860	4,666,505
<b>Net investment income (loss)</b>	<b>(2,117,097)</b>	<b>10,413,602</b>
<b>Net Realized and Net Change in Unrealized Gain (Loss) on United States Treasury Obligations and Futures</b>		
<b>Net Realized Gain (Loss) on</b>		
United States Treasury Obligations	(4,997)	1,114,952
Futures	(5,764,053)	(11,269,489)
<b>Net Realized Loss</b>	<b>(5,769,050)</b>	<b>(10,154,537)</b>
<b>Net Change in Unrealized Gain (Loss) on</b>		
United States Treasury Obligations	2,157	1,275,240
Futures	(62,725,263)	74,329,295
<b>Net change in unrealized gain (loss)</b>	<b>(62,723,106)</b>	<b>75,604,535</b>
Net realized and net change in unrealized gain (loss) on United States Treasury Obligations and Futures	(68,492,156)	65,449,998
<b>Net Income (Loss)</b>	<b>\$ (70,609,253)</b>	<b>\$ 75,863,600</b>
Less: net (income) loss attributed to the non-controlling interest in consolidated subsidiary - related party	61	(459)
<b>Net Income (Loss) Attributable to PowerShares DB Agriculture Fund and Subsidiary</b>	<b>(70,609,192)</b>	<b>75,863,141</b>

*See accompanying notes to unaudited consolidated financial statements.*

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*PowerShares DB Agriculture Fund and Subsidiary*

*Unaudited Consolidated Statement of Changes in Shareholders' Equity*

*For the Three Months Ended March 31, 2009*

	General Share				Shares			Total Equity (Deficit)	Total Shareholders Equity (Deficit)	Non-controlling Interest	Total Equity
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity (Deficit)	Shares	Paid in Capital	Accumulated Earnings (Deficit)				
Balance at January 1,	40	\$ 1,000	\$ 38	\$ 1,038	41,000,000	\$ 1,391,803,646	\$ (327,909,069)	\$ 1,063,894,577	\$ 1,063,895,615	\$ 1,038	\$ 1,063,896,653
of					27,400,000	676,566,474		676,566,474	676,566,474		676,566,474
es					(600,000)	(13,928,290)		(13,928,290)	(13,928,290)		(13,928,290)
ption											
ares											
Loss											
Investment											
me											
)			(2)	(2)			(2,117,093)	(2,117,093)	(2,117,095)	(2)	(2,117,097)
Realized											
on											
ed											
s											
sure											
gations											
Futures			(5)	(5)			(5,769,040)	(5,769,040)	(5,769,045)	(5)	(5,769,050)
Change											
Realized											
on											
ed											
s											
sure											
gations											
Futures			(54)	(54)			(62,722,998)	(62,722,998)	(62,723,052)	(54)	(62,723,048)
Loss			(61)	(61)			(70,609,131)	(70,609,131)	(70,609,192)	(61)	(70,609,253)
Balance at March 31,	40	\$ 1,000	\$ (23)	\$ 977	67,800,000	\$ 2,054,441,830	\$ (398,518,200)	\$ 1,655,923,630	\$ 1,655,924,607	\$ 977	\$ 1,655,925,584

See accompanying notes to unaudited consolidated financial statements.

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*PowerShares DB Agriculture Fund and Subsidiary*

*Unaudited Consolidated Statement of Changes in Shareholders*

*Equity For the Three Months Ended March 31, 2008*

	General Shares				Shares				Total Shareholders Equity	Non-Controlling Interest	Total Equity
	Shares	Paid in Capital	Accumulated Earnings	Total Equity	Shares	Paid in Capital	Accumulated Earnings	Total Equity			
Balance at January 1,	40	\$ 1,000	\$ 313	\$ 1,313	34,000,000	\$ 953,481,076	\$ 162,180,172	\$ 1,115,661,248	\$ 1,115,662,561	\$ 1,000	\$ 1,115,663,561
of					47,400,000	1,814,148,064		1,814,148,064	1,814,148,064		1,814,148,064
es											
redemption					(16,000,000)	(619,588,638)		(619,588,638)	(619,588,638)		(619,588,638)
of shares											
income											
Investment											
income			7	7			10,413,573	10,413,573	10,413,580	22	10,413,580
Realized											
on											
ed											
s											
surety											
gations			(6)	(6)			(10,154,512)	(10,154,512)	(10,154,518)	(19)	(10,154,518)
Futures											
change											
Realized											
on											
ed											
s											
surety											
gations			145	145			75,603,934	75,603,934	75,604,079	456	75,604,079
Futures											
income			146	146			75,862,995	75,862,995	75,863,141	459	75,863,141
Balance at March 31,	40	\$ 1,000	\$ 459	\$ 1,459	65,400,000	\$ 2,148,040,502	\$ 238,043,167	\$ 2,386,083,669	\$ 2,386,085,128	\$ 1,459	\$ 2,386,086,587

See accompanying notes to unaudited consolidated financial statements.

**Table of Contents***PowerShares DB Agriculture Fund and Subsidiary**Unaudited Consolidated Statements of Cash Flows**For the Three Months Ended March 31, 2009 and 2008*

	Three Months Ended	
	March 31, 2009	March 31, 2008
Cash flow provided by operating activities:		
Net Income (Loss)	\$ (70,609,253)	\$ 75,863,600
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
Cost of securities purchased	(1,610,325,648)	(3,056,010,861)
Proceeds from securities sold and matured	474,883,456	1,676,305,215
Net accretion of discount on United States Treasury Obligations	(343,114)	(14,613,299)
Net realized (gain) loss on United States Treasury Obligations	4,997	(1,114,952)
Net change in unrealized (gain) loss on United States Treasury Obligations and futures	62,723,106	(75,604,535)
Change in operating receivables and liabilities:		
Payable for securities purchased	23,993,200	(5,956,083)
Payable to broker	-	197,265,591
Management fee payable	205,555	2,541,802
Receivable for shares issued	(24,423,650)	6,562,700
Brokerage fee payable	(9,162)	201,396
Net cash used for operating activities	(1,143,900,513)	(1,194,559,426)
Cash flows from financing activities:		
Proceeds from sale of Shares	676,566,474	1,814,148,064
Redemption of Shares	(13,928,290)	(619,588,638)
Net cash provided by financing activities	662,638,184	1,194,559,426
Net change in cash held by broker	(481,262,329)	-
Cash held by broker at beginning of period	732,849,487	-
Cash held by broker at end of period	\$ 251,587,158	\$ -

*See accompanying notes to unaudited consolidated financial statements.*

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*PowerShares DB Agriculture Fund and Subsidiary*

*Notes to Unaudited Consolidated Financial Statements*

*March 31, 2009*

**(1) Organization**

PowerShares DB Agriculture Fund (the Fund ; Fund may also refer to the Fund and the Master Fund, collectively, as the context requires), a separate series of PowerShares DB Multi-Sector Commodity Trust (the Trust ), a Delaware statutory trust organized in seven separate series, and its subsidiary, DB Agriculture Master Fund (the Master Fund ), a separate series of DB Multi-Sector Commodity Master Trust (the Master Trust ), a Delaware statutory trust organized in seven separate series were formed on August 3, 2006. DB Commodity Services LLC, a Delaware limited liability company ( DBCS or the Managing Owner ), funded both the Fund and the Master Fund with a capital contribution of \$1,000 in exchange for 40 General Shares of each of the Fund and the Master Fund. The fiscal year end of the Fund is December 31<sup>st</sup>. The term of the Fund is perpetual (unless terminated earlier in certain circumstances) as provided in the Amended and Restated Declaration of Trust and Trust Agreement of the Trust and the Master Trust (each a Trust Agreement , and collectively, the Trust Agreements ).

The Fund offers common units of beneficial interest (the Shares ) only to certain eligible financial institutions (the Authorized Participants ) in one or more blocks of 200,000 Shares, called a Basket. The proceeds from the offering of Shares are invested in the Master Fund. The Fund and the Master Fund commenced investment operations on January 3, 2007. The Fund commenced trading on the American Stock Exchange (now known as the NYSE Alternext US LLC (the NYSE Alternext )) on January 5, 2007 and, as of November 25, 2008, is listed on the NYSE Arca, Inc. (the NYSE Arca ).

This report covers the three months ended March 31, 2009 and 2008 (hereinafter referred to as the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008 , respectively).

**(2) Fund Investment Overview**

The Master Fund invests with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture Excess Return ( DBLCI-OY Agriculture ER , or the Index ) plus the excess, if any, of the Master Fund s income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund and the Master Fund.

The Index is intended to reflect the change in market value of the agricultural sector. The commodities comprising the Index are corn, wheat, soybeans and sugar (the Index Commodities ). The Commodity Futures Trading Commission (the CFTC ) and commodity exchanges impose position limits on market participants trading in certain commodities included in the Index. The Index is comprised of futures contracts on the Index Commodities that expire in a specific month and trade on a specific exchange (the Index Contracts ). As disclosed in the Fund s Prospectus, if the Managing Owner determines in its commercially reasonable judgment that it has become impracticable or inefficient for any reason for the Master Fund to gain full or partial exposure to any Index Commodity by investing in a specific Index Contract, the Master Fund may invest in a futures contract referencing the particular Index Commodity other than the Index Contract or, in the alternative, invest in other futures contracts not based on the particular Index Commodity if, in the commercially reasonable judgment of the Managing Owner, such futures contracts tend to exhibit trading prices that correlate with such Index Commodity. Because the Master Fund is approaching or has reached position limits with respect to certain futures contracts comprising the Index, the Master Fund has commenced investing in other futures contracts based on commodities that comprise the Fund s Index and in futures contracts based on commodities other than commodities that comprise the Fund s Index.

The Master Fund also holds United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Master Fund s commodity broker as margin and for investment.

The Fund does not employ leverage. As of March 31, 2009 and December 31, 2008, the Fund had \$1,656,334,899 (or 100%) and \$1,064,540,025 (or 100%), respectively, of its holdings of cash, United States Treasury Obligations and unrealized appreciation/depreciation on futures contracts on deposit with its Commodity



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Broker. Of this, \$156,017,530 (or 9.4%) and \$98,093,920 (or 9.21%), respectively, of the Fund's holdings of cash and United States Treasury Obligations are required to be deposited as margin in support of the Fund's long futures positions. For additional information, please see the unaudited Consolidated Schedule of Investments as of March 31, 2009 and the audited Consolidated Schedule of Investments as of December 31, 2008 for a breakdown of the Fund's portfolio holdings.

DBLCI and Deutsche Bank Liquid Commodity Index are trademarks of Deutsche Bank AG London (the Index Sponsor). The Index Sponsor is an affiliate of the Trust, the Fund, the Master Trust, the Master Fund and the Managing Owner.

### **(3) Service Providers and Related Party Agreements**

#### ***The Trustee***

Under the Trust Agreements, Wilmington Trust Company, the Trustee of the Fund and the Master Fund has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust, the Fund, the Master Trust and the Master Fund. The Trustee will have no duty or liability to supervise or monitor the performance of the Managing Owner, nor will the Trustee have any liability for the acts or omissions of the Managing Owner.

#### ***The Managing Owner***

The Managing Owner serves the Fund and Master Fund as commodity pool operator, commodity trading advisor and managing owner, and is an indirect wholly-owned subsidiary of Deutsche Bank AG. During the Three Months Ended March 31, 2009 and 2008, the Fund and the Master Fund incurred Management Fees of \$2,203,731 and \$4,142,724, respectively. As of March 31, 2009 and December 31, 2008, Management Fees payable to the Managing Owner were \$833,390 and \$627,835 respectively.

#### ***The Commodity Broker***

Deutsche Bank Securities Inc., a Delaware corporation, serves as the Master Fund's clearing broker (the Commodity Broker). The Commodity Broker is an indirect wholly-owned subsidiary of Deutsche Bank AG. In its capacity as clearing broker, the Commodity Broker executes and clears each of the Master Fund's futures transactions and performs certain administrative services for the Master Fund. The Commodity Broker is an affiliate of the Managing Owner. For the Three Months Ended March 31, 2009 and 2008, the Fund and Master Fund incurred brokerage fees of \$250,129 and \$523,781, respectively. As of March 31, 2009 and December 31, 2008, brokerage fees payable to the Commodity Broker were \$6,375 and \$15,537 respectively.

#### ***The Administrator***

The Bank of New York Mellon (the Administrator) has been appointed by the Managing Owner as the administrator, custodian and transfer agent of the Master Fund and the Fund, and have entered into separate administrative, custodian, transfer agency and service agreements (collectively referred to as the Administration Agreement).

Pursuant to the Administration Agreement, the Administrator performs or supervises the performance of services necessary for the operation and administration of the Fund and the Master Fund (other than making investment decisions), including receiving and processing orders from Authorized Participants to create and redeem Baskets, net asset value calculations, accounting and other fund administrative services. The Administrator retains certain financial books and records, including: Basket creation and redemption books and records, fund accounting records, ledgers with respect to assets, liabilities, capital, income and expenses, the registrar, transfer journals and related details, and trading and related documents received from futures commission merchants.

The Administration Agreement will continue in effect from the commencement of trading operations unless terminated on at least 90 days' prior written notice by either party to the other party. Notwithstanding the foregoing, the Administrator may terminate the administrative portion of the Administration Agreement upon 30 days' prior



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written notice if the Fund and/or Master Fund has materially failed to perform its obligations under the Administration Agreement.

### ***The Distributor***

ALPS Distributors, Inc. (the *Distributor*) provides certain distribution services to the Fund. Pursuant to the Distribution Services Agreement between the Managing Owner in its capacity as managing owner of the Fund, the Fund and the Distributor, the Distributor assists the Managing Owner and the Administrator with certain functions and duties relating to distribution and marketing services to the Fund including reviewing and approving marketing materials.

The Distribution Services Agreement is terminable without penalty on sixty days' written notice by the Managing Owner or by the Distributor. The Distribution Services Agreement will automatically terminate in the event of its assignment.

### ***Invesco Powershares Capital Management LLC***

Under the License Agreement among Invesco Powershares Capital Management LLC (the *Licensor*) and the Managing Owner in its own capacity and in its capacity as managing owner of the Fund (the Fund and the Managing Owner, collectively, the *Licensees*), the Licensor granted to each Licensee a non-exclusive license to use the PowerShare® trademark (the *Trademark*) anywhere in the world, solely in connection with the marketing and promotion of the Fund and to use or refer to the Trademark in connection with the issuance and trading of the Fund as necessary.

### ***Invesco Aim Distributors, Inc.***

Through a marketing agreement between the Managing Owner and Invesco Aim Distributors, Inc. ( *Invesco Aim Distributors* ), an affiliate of Invesco PowerShares Capital Management LLC ( *Invesco PowerShares* ), the Managing Owner, on behalf of the Fund and the Master Fund, has appointed Invesco Aim Distributors as a marketing agent. Invesco Aim Distributors assists the Managing Owner and the Administrator with certain functions and duties such as providing various educational and marketing activities regarding the Fund, primarily in the secondary trading market, which activities include, but are not limited to, communicating the Fund's name, characteristics, uses, benefits, and risks, consistent with the prospectus. Invesco Aim Distributors will not open or maintain customer accounts or handle orders for the Fund. Invesco Aim Distributors engages in public seminars, road shows, conferences, media interviews, and distributes sales literature and other communications (including electronic media) regarding the Fund.

## **(4) Summary of Significant Accounting Policies**

### ***(a) Basis of Presentation and Consolidation***

The consolidated financial statements of the Fund have been prepared using U.S. generally accepted accounting principles, and they include the consolidated financial statement balances of the Fund and the Master Fund. Upon the initial offering of the Shares on January 3, 2007, the capital raised by the Fund was used to purchase 100% of the common units of beneficial interest of the Master Fund (the *Master Fund Limited Units*) (excluding common units of beneficial interest of the Master Fund held by the Managing Owner (the *Master Fund General Units*)). The Master Fund Limited Units owned by the Fund provide the Fund and its investors certain controlling rights and abilities over the Master Fund. Consequently, the financial statement balances of the Master Fund have been consolidated with the Fund's financial statement balances, and all significant inter-company balances and transactions have been eliminated. Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

### ***(b) Use of Estimates***

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of

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assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities during the reporting period of the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

***(c) Financial Instruments and Fair Value***

United States Treasury Obligations and commodity futures contracts are recorded in the consolidated statements of financial condition on a trade date basis at fair value with changes in fair value recognized in earnings in each period. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

The Fund adopted FASB Statement No. 157, Fair Value Measurements (Statement No. 157), effective January 1, 2008. Statement No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Statement No. 157 are described below:

**Basis of Fair Value Measurement**

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

In determining fair value of United States Treasury Obligations and commodity futures contracts, the Fund uses unadjusted quoted market prices in active markets. United States Treasury Obligations and commodity futures contracts are classified within Level 1 of the fair value hierarchy. The Fund does not adjust the quoted prices for United States Treasury Obligations and commodity futures contracts.

***(d) Deposits with Broker***

The Fund deposits cash and United States Treasury Obligations with its Commodity Broker subject to CFTC regulations and various exchange and broker requirements. The combination of the Fund's deposits with its Commodity Broker of cash and United States Treasury Obligations and the unrealized profit or loss on open futures contracts (variation margin) represents the Fund's overall equity in its broker trading account. To meet the Fund's initial margin requirements, the Fund holds United States Treasury Obligations. The Fund uses its cash held by the Commodity Broker to satisfy variation margin requirements. The Fund earns interest on its cash deposited with the Commodity Broker.

***(e) United States Treasury Obligations***

The Fund records purchases and sales of United States Treasury Obligations on a trade date basis. These holdings are marked to market based on quoted market closing prices. The Fund holds United States Treasury Obligations for deposit with the Master Fund's Commodity Broker to meet margin requirements and for trading purposes. Interest income is recognized on an accrual basis when earned. Premiums and discounts are amortized or accreted over the life of the United States Treasury Obligations. Included in the United States Treasury Obligations as of March 31, 2009 and December 31, 2008 was \$156,017,530 and \$98,093,920, respectively, which is restricted and held against initial margin of the open futures contracts. The Fund purchased \$24,000,000 notional amount of United

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States Treasury Obligations which was unpaid as of March 31, 2009. As a result, a payable for securities purchased is reported for \$23,993,200. There was no payable amount for securities purchased as of December 31, 2008.

**(f) Cash Held by Broker**

The Fund's arrangement with the Commodity Broker requires the Fund to meet its variation margin requirement related to the price movements, both positive and negative, on futures contracts held by the Fund by keeping cash on deposit with the Commodity Broker. The Fund defines cash and cash equivalents to be highly liquid investments, with original maturities of three months or less when purchased. As of March 31, 2009 and December 31, 2008, the Fund had cash held by the Commodity Broker of \$251,587,158 and \$732,849,487, respectively, of which \$135,927,530 and \$73,202,267 was on deposit to satisfy the Fund's negative variation margin on open futures contracts, respectively.

**(g) Income Taxes**

The Fund and the Master Fund are classified as partnerships for U.S. federal income tax purposes. Accordingly, neither the Fund nor the Master Fund will incur U.S. federal income taxes. No provision for federal, state, and local income taxes has been made in the accompanying consolidated financial statements, as investors are individually liable for income taxes, if any, on their allocable share of the Fund's share of the Master Fund's income, gain, loss, deductions and other items.

The following are the major tax jurisdictions for the Fund and the earliest tax year subject to examination:

Jurisdiction	Tax Year
US Federal	2007
State of New York	2007
New York City	2007
State of Florida	2007
State of Georgia	2007
State of Maine	2007
State of Oregon	2007
State of Utah	2007
State of West Virginia	2007

**(h) Futures Contracts**

All commodity futures contracts are held and used for trading purposes. The commodity futures are recorded on a trade date basis and open contracts are recorded in the consolidated statement of financial condition at fair value on the last business day of the period, which represents market value for those commodity futures for which market quotes are readily available. However, when market closing prices are not available, the Managing Owner may value an asset of the Master Fund pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards. Realized gains (losses) and changes in unrealized appreciation (depreciation) on open positions are determined on a specific identification basis and recognized in the consolidated statement of income and expenses in the period in which the contract is closed or the changes occur, respectively. As of March 31, 2009 and December 31, 2008, the futures contracts held by the Fund were in an unrealized depreciation position of \$135,927,530 and \$73,202,267, respectively.

**(i) Management Fee**

The Master Fund pays the Managing Owner a management fee (the Management Fee), monthly in arrears, in an amount equal to 0.75% per annum of the daily net asset value of the Master Fund. No separate Management Fee is paid by the Fund. The Management Fee is paid in consideration of the Managing Owner's commodity futures trading advisory services.



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***(j) Brokerage Commissions and Fees***

The Master Fund incurs all brokerage commissions, including applicable exchange fees, NFA fees, give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities by the Commodity Broker. These costs are recorded as brokerage commissions and fees in the consolidated statement of income and expenses as incurred. The Commodity Broker's brokerage commissions and trading fees are determined on a contract-by-contract basis. On average, total charges paid to the Commodity Broker were less than \$10.00 per round-turn trade for the Three Months Ended March 31, 2009 and 2008.

***(k) Routine Operational, Administrative and Other Ordinary Expenses***

The Managing Owner assumes all routine operational, administrative and other ordinary expenses of the Fund and the Master Fund, including, but not limited to, computer services, the fees and expenses of the Trustee, legal and accounting fees and expenses, tax preparation expenses, filing fees and printing, mailing and duplication costs. Accordingly, all such expenses are not reflected in the consolidated statement of income and expenses of the Fund.

***(l) Organizational and Offering Costs***

All organizational and offering expenses of the Fund and its Master Fund are incurred and assumed by the Managing Owner. Expenses incurred in connection with the continuous offering of Shares also will be paid by the Managing Owner.

***(m) Non-Recurring and Unusual Fees and Expenses***

The Master Fund pays all fees and expenses, if any, of the Fund and the Master Fund, which are non-recurring and unusual in nature. Such expenses include legal claims and liabilities, litigation costs or indemnification or other unanticipated expenses. Such fees and expenses, by their nature, are unpredictable in terms of timing and amount. For the Three Months Ended March 31, 2009 and 2008, the Fund and the Master Fund did not incur such expenses.

**(5) Fair Value Measurements**

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with Statement No. 157. See Note 4(c) for discussion of the Fund's policies regarding this hierarchy.

Assets and Liabilities Measured at Fair Value as of March 31, 2009:

United States Treasury Obligations (Level 1)	\$1,540,675,271
Commodity Futures Contracts (Level 1)	\$(135,927,530)
There were no Level 2 or Level 3 holdings as of March 31, 2009.	

**(6) Financial Instrument Risk**

In the normal course of its business, the Master Fund is party to financial instruments with off-balance sheet risk. The term off-balance sheet risk refers to an unrecorded potential liability that, even though it does not appear on the balance sheet, may result in a future obligation or loss. The financial instruments used by the Master Fund are commodity futures, whose values are based upon an underlying asset and generally represent future commitments that have a reasonable possibility of being settled in cash or through physical delivery. The financial instruments are traded on an exchange and are standardized contracts.

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Market risk is the potential for changes in the value of the financial instruments traded by the Master Fund due to market changes, including fluctuations in commodity prices. In entering into these futures contracts, there exists a market risk that such futures contracts may be significantly influenced by adverse market conditions,

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resulting in such futures contracts being less valuable. If the markets should move against all of the futures contracts at the same time, the Master Fund could experience substantial losses.

Credit risk is the possibility that a loss may occur due to the failure of an exchange clearinghouse to perform according to the terms of a futures contract. Credit risk with respect to exchange-traded instruments is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transactions. The Master Fund's risk of loss in the event of counterparty default is typically limited to the amounts recognized in the consolidated statement of financial condition and not represented by the futures contract or notional amounts of the instruments.

The Fund and the Master Fund have not utilized, nor do they expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and have no loan guarantee arrangements or off-balance sheet arrangements of any kind, other than agreements entered into in the normal course of business noted above.

### **(7) Share Purchases and Redemptions**

#### ***(a) Purchases***

Shares may be purchased from the Fund only by Authorized Participants in one or more blocks of 200,000 Shares, called a Basket. The Fund issues Shares in Baskets only to Authorized Participants continuously as of noon, New York time, on the business day immediately following the date on which a valid order to create a Basket is accepted by the Fund, at the net asset value of 200,000 Shares as of the closing time of the NYSE Arca or the last to close of the exchanges on which the Master Fund's assets are traded, whichever is later, on the date that a valid order to create a Basket is accepted by the Fund.

#### ***(b) Redemptions***

On any business day, an Authorized Participant may place an order with the Managing Owner to redeem one or more Baskets. Redemption orders must be placed by 10:00 a.m., New York time. The day on which the Managing Owner receives a valid redemption order is the redemption order date. Redemption orders are irrevocable. The redemption procedures allow Authorized Participants to redeem Baskets. Individual shareholders may not redeem directly from the Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through The Depository Trust Company's (the "DTC") book-entry system to the Fund not later than noon, New York time, on the business day immediately following the redemption order date. By placing a redemption order, and prior to receipt of the redemption proceeds, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the redemption order.

The redemption proceeds from the Fund consist of the cash redemption amount. The cash redemption amount is equal to the net asset value of the number of Basket(s) requested in the Authorized Participant's redemption order as of the closing time of the NYSE Arca or the last to close of the exchanges on which the Master Fund's assets are traded, whichever is later, on the redemption order date. The Fund will distribute the cash redemption amount at noon, New York time, on the business day immediately following the redemption order date through DTC to the account of the Authorized Participant as recorded on DTC's book-entry system.

The redemption proceeds due from the Fund are delivered to the Authorized Participant at noon, New York time, on the business day immediately following the redemption order date if, by such time on such business day immediately following the redemption order date, the Fund's DTC account has been credited with the Baskets to be redeemed. If the Fund's DTC account has not been credited with all of the Baskets to be redeemed by such time, the redemption proceeds are delivered to the extent of whole Baskets received. Any remainder of the redemption proceeds are delivered on the next business day to the extent of remaining whole Baskets received if the Managing Owner receives the fee applicable to the extension of the redemption distribution date which the Managing Owner may, from time-to-time, determine and the remaining Baskets to be redeemed are credited to the Fund's DTC account by noon, New York time, on such next business day. Any further outstanding amount of the redemption

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order will be canceled. The Managing Owner is also authorized to deliver the redemption proceeds notwithstanding that the Baskets to be redeemed are not credited to the Fund's DTC account by noon, New York time, on the business day immediately following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book-entry system on such terms as the Managing Owner may from time-to-time agree upon.

**(c) Share Transactions**

The Fund and the Master Fund commenced investment operations on January 3, 2007. The Shares commenced trading on the NYSE Alternext on January 5, 2007 and, as of November 25, 2008, are listed for trading on the NYSE Arca.

**Summary of Share Transactions for the Three Months Ended March 31, 2009 and 2008**

	Shares		Paid in Capital	
	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Shares Sold	27,400,000	47,400,000	\$ 676,566,474	\$ 1,814,148,064
Shares Redeemed	(600,000)	(16,000,000)	(13,928,290)	(619,588,638)
Net Increase	26,800,000	31,400,000	\$ 662,638,184	\$ 1,194,559,426

**(8) Profit and Loss Allocations and Distributions**

Pursuant to the Amended and Restated Declaration of Trust and Trust Agreement of the Master Trust, income and expenses are allocated pro rata to the Managing Owner as holder of the General Shares and the Shareholders monthly based on their respective percentage interests as of the close of the last trading day of the preceding month. Any losses allocated to the Managing Owner (as the owner of the General Shares) which are in excess of the Managing Owner's capital balance are allocated to the Shareholders in accordance with their respective interest in the Master Fund as a percentage of total shareholders' equity. Distributions (other than redemption of units) may be made at the sole discretion of the Managing Owner on a pro rata basis in accordance with the respective capital balances of the shareholders.

**(9) Commitments and Contingencies**

The Managing Owner, either in its own capacity or in its capacity as the Managing Owner and on behalf of the Fund and the Master Fund, has entered into various service agreements that contain a variety of representations, or provide indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Funds. As of March 31, 2009 no claims had been received by the Fund or the Master Fund and it was therefore not possible to estimate the Fund's and the Master Fund's potential future exposure under such indemnification provisions.

**(10) Net Asset Value and Financial Highlights**

The Fund is presenting the following net asset value and financial highlights related to investment performance and operations for a Share outstanding for the Three Months Ended March 31, 2009 and 2008. The net investment income and total expense ratios are calculated using average net asset value. The net asset value presentation is calculated using daily Shares outstanding. The net investment income and total expense ratios have been annualized. The total return is based on the change in net asset value of the Shares during the period. An individual investor's return and ratios may vary based on the timing of capital transactions.

The Fund invests substantially all of its assets in the Master Fund in a master-feeder structure. The Fund holds no investment assets other than Master Fund Limited Units. The Fund is the majority Master Fund Limited





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Unit owner and the Managing Owner holds a non-controlling interest in the Master Fund. Each Share issued by the Fund correlates with the Master Fund Limited Unit issued by the Master Fund and held by the Fund.

Net asset value per Master Fund Limited Unit and Master Fund General Unit (collectively, Master Fund Units ) is the net asset value of the Master Fund divided by the number of outstanding Master Fund Units. Because there is a one-to-one correlation between Shares and the Master Fund Limited Units, the net asset value per Share and the net asset value per Master Fund Limited Unit are equal.

	<b>Three Months Ended</b>	
	<b>March 31, 2009</b>	<b>March 31, 2008</b>
<b>Net Asset Value</b>		
Net asset value per Share, beginning of period	\$ 25.95	\$ 32.81
Net realized and change in unrealized gain (loss) on United States Treasury Obligations and Futures	\$ (1.49)	\$ 3.49
Net investment income (loss)	(0.04)	0.18
Net income (loss)	(1.53)	3.67
Net asset value per Share, end of period	\$ 24.42	\$ 36.48
<b>Market Value</b>		
Market value per Share, beginning of period	\$ 26.18	\$ 32.99
Market value per Share, end of period	\$ 24.49	\$ 36.45
<b>Ratio to average Shares*</b>		
Net investment income (loss)	(0.71)%	1.87%
Total expenses	0.83%	0.84%
<b>Total Return, at net asset value **</b>	<b>(5.90)%</b>	<b>11.19%</b>
<b>Total Return, at market value **</b>	<b>(6.46)%</b>	<b>10.49%</b>

\* Percentages are annualized.

\*\* Percentages are not annualized.

**(11) Recently Adopted Accounting Standards**

In December 2007, the Financial Accounting Standards Board released FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51 (Statement No. 160). Statement No. 160 requires noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. The Fund adopted Statement No. 160 on January 1, 2009.

On March 19, 2008, the Financial Accounting Standards Board released FASB Statement No. 161, Disclosures about Derivative Instruments and Hedging Activities (Statement No. 161). Statement No. 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. The Fund adopted Statement No. 161 on January 1, 2009.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

*This information should be read in conjunction with the consolidated financial statements and notes included in Item 1 of Part I of this Quarterly Report (the Report). The discussion and analysis which follows may contain trend analysis and other forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to future events and financial results. Words such as anticipate, expect, intend, plan, believe, seek, outlook and estimate, as well as similar words and phrases, signify forward-looking statements. PowerShares DB Agriculture Fund's forward-looking statements are not guarantees of future results and conditions and important factors, risks and uncertainties may cause our actual results to differ materially from those expressed in our forward-looking statements.*

*You should not place undue reliance on any forward-looking statements. Except as expressly required by the Federal securities laws, DB Commodity Services LLC (the Managing Owner), undertakes no obligation to publicly update or revise any forward-looking statements or the risks, uncertainties or other factors described in this Report, as a result of new information, future events or changed circumstances or for any other reason after the date of this Report.*

*Overview/Introduction*

The Fund and the Master Fund seek to track changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture Excess Return (DBLCI-OY Agriculture ER, or the Index), over time, plus the excess, if any, of the Master Fund's interest income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund and the Master Fund. The Shares are designed for investors who want a cost-effective and convenient way to invest in a group of commodity futures on U.S. and non-U.S. markets.

The Fund pursues its investment objective by investing substantially all of its assets in the Master Fund. The Master Fund pursues its investment objective by investing in a portfolio of exchange traded futures contracts that expire in a specific month and trade on a specific exchange (the Index Contracts), in the commodities comprising the Index (the Index Commodities). The Index Commodities are corn, wheat, soybeans and sugar. The Index is composed of notional amounts of each of the Index Commodities. The Master Fund's portfolio also includes United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Master Fund's Commodity Broker as margin.

The notional amount of each Index Commodity included in the Index is intended to reflect the changes in market value of each such Index Commodity within the Index. The closing level of the Index is calculated on each business day by the Index Sponsor based on the closing price of the futures contracts for each of the underlying Index Commodities and the notional amounts of such Index Commodities.

The Index is rebalanced annually in November to ensure that each of the Index Commodities is weighted in the same proportion that such Index Commodities were weighted on December 2, 1988 (the Base Date). The following table reflects the index base weights (the Index Base Weights) of each Index Commodity on the Base Date:

Index Commodity	Index Base Weight (%)
Corn	25.00
Wheat	25.00
Soybeans	25.00
Sugar	25.00
Closing Level on Base Date:	100.00

The composition of the Index may be adjusted in the event that the Index Sponsor is not able to calculate the closing prices of the Index Commodities.

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The Index includes provisions for the replacement of futures contracts as they approach maturity. This replacement takes place over a period of time in order to lessen the impact on the market for the futures contracts being replaced. With respect to each Index Commodity, the Master Fund employs a rule-based approach when it rolls from one futures contract to another. Rather than select a new futures contract based on a predetermined schedule (e.g., monthly), each Index Commodity rolls to the futures contract which generates the best possible implied roll yield. The futures contract with a delivery month within the next thirteen months which generates the best possible implied roll yield will be included in each Index. As a result, each Index Commodity is able to potentially maximize the roll benefits in backwarddated markets and minimize the losses from rolling in contangoed markets.

In general, as a futures contract approaches its expiration date, its price will move towards the spot price in a contangoed market. Assuming the spot price does not change, this would result in the futures contract price decreasing and a negative implied roll yield. The opposite is true in a backwarddated market. Rolling in a contangoed market will tend to cause a drag on an Index Commodity's contribution to the Fund's return while rolling in a backwarddated market will tend to cause a push on an Index Commodity's contribution to the Fund's return.

The Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture is calculated in USD on both an excess return (unfunded) and total return (funded) basis.

The futures contract price for each Index Commodity will be the exchange closing price for such Index Commodity on each weekday when banks in New York, New York are open (the Index Business Days). If a weekday is not an Exchange Business Day (as defined in the following sentence) but is an Index Business Day, the exchange closing price from the previous Index Business Day will be used for each Index Commodity. Exchange Business Day means, in respect of an Index Commodity, a day that is a trading day for such Index Commodity on the relevant exchange (unless either an Index disruption event or force majeure event has occurred).

On the first New York business day (the Verification Date) of each month, each Index Commodity futures contract will be tested in order to determine whether to continue including it in the Index. If the Index Commodity futures contract requires delivery of the underlying commodity in the next month, known as the Delivery Month, a new Index Commodity futures contract will be selected for inclusion in the Index. For example, if the first New York business day is May 1, 2009, and the Delivery Month of the Index Commodity futures contract currently in such Index is June 2009, a new Index Commodity futures contract with a later Delivery Month will be selected.

For each underlying Index Commodity of the Index, the new Index Commodity futures contract selected will be the Index Commodity futures contract with the best possible implied roll yield based on the closing price for each eligible Index Commodity futures contract. Eligible Index Commodity futures contracts are any Index Commodity futures contracts having a Delivery Month (i) no sooner than the month after the Delivery Month of the Index Commodity futures contract currently in such Index, and (ii) no later than the 13th month after the Verification Date. For example, if the first New York business day is May 1, 2009 and the Delivery Month of an Index Commodity futures contract currently in the Index is June 2009, the Delivery Month of an eligible new Index Commodity futures contract must be between July 2009 and July 2010. The implied roll yield is then calculated and the futures contract on the Index Commodity with the best possible implied roll yield is then selected. If two futures contracts have the same implied roll yield, the futures contract with the minimum number of months prior to the Delivery Month is selected.

After the futures contract selection, the monthly roll for each Index Commodity subject to a roll in that particular month unwinds the old futures contract and enters a position in the new futures contract. This takes place between the 2nd and 6th Index Business Day of the month.

On each day during the roll period, new notional holdings are calculated. The calculations for the futures contracts on the old Index Commodities that are leaving the Index and the futures contracts on the new Index Commodities are then calculated.

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On all days that are not monthly index roll days, the notional holdings of each Index Commodity future remains constant.

The Index is re-weighted on an annual basis on the 6th Index Business Day of each November.

The calculation of the Index is expressed as the weighted average return of the Index Commodities.

The Commodity Futures Trading Commission (the "CFTC") and commodity exchanges impose position limits on market participants trading in certain commodities included in the Index. As disclosed in the Fund's Prospectus, if the Managing Owner determines in its commercially reasonable judgment that it has become impracticable or inefficient for any reason for the Master Fund to gain full or partial exposure to any Index Commodity by investing in a specific Index Contract, the Master Fund may invest in a futures contract referencing the particular Index Commodity other than the Index Contract or, in the alternative, invest in other futures contracts not based on the particular Index Commodity if, in the commercially reasonable judgment of the Managing Owner, such futures contracts tend to exhibit trading prices that correlate with such Index Commodity. Because the Master Fund is approaching or has reached position limits with respect to certain futures contracts comprising the Index, the Master Fund has commenced investing in other futures contracts based on commodities that comprise the Fund's Index and in futures contracts based on commodities other than commodities that comprise the Fund's Index that, in the commercially reasonable judgment of the Managing Owner, tend to exhibit trading prices that correlate with a futures contract that comprises the Fund's Index.

Under the Amended and Restated Declaration of Trust and Trust Agreement of each of the Trust and the Master Trust (the "Trust Agreements"), Wilmington Trust Company, the Trustee of the Trust and the Master Trust, has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust, the Fund and the Master Trust and Master Fund. The Trustee will have no duty or liability to supervise or monitor the performance of the Managing Owner, nor will the Trustee have any liability for the acts or omissions of the Managing Owner.

The Index Sponsor obtains information for inclusion in, or for use in the calculation of, the Index from sources the Index Sponsor considers reliable. None of the Index Sponsor, the Managing Owner, the Trust, the Fund, the Master Trust, the Master Fund or any of their respective affiliates accepts responsibility for or guarantees the accuracy and/or completeness of the Index or any data included in the Index.

The Shares are intended to provide investment results that generally correspond to the changes, positive or negative, in the levels of the Index over time. The value of the Shares is expected to fluctuate in relation to changes in the value of the Master Fund's portfolio. The market price of the Shares may not be identical to the net asset value per Share, but these two valuations are expected to be very close.

### *Performance Summary*

This Report covers the three months ended March 31, 2009 and 2008 (hereinafter referred to as the "Three Months Ended March 31, 2009" and the "Three Months Ended March 31, 2008", respectively). The Fund commenced trading on the American Stock Exchange (now known as the NYSE Alternext US LLC (the "NYSE Alternext")) on January 5, 2007, and, as of November 25, 2008, is listed on the NYSE Arca, Inc. (the "NYSE Arca").

Performance of the Fund and the exchange traded Shares are detailed below in "Results of Operations". Past performance of the Fund is not necessarily indicative of future performance.

The Index is intended to reflect the change in market value of the Index Commodities. In turn, the Index is intended to reflect the agriculture sector. The Deutsche Bank Liquid Commodity Index-Optimum Yield Agriculture Total Return (the "DBLCI-OY Agriculture TR") consists of the Index plus 3 month United States Treasury Obligations returns. Past Index results are not necessarily indicative of future changes, positive or negative, in the Index closing levels.

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The section Summary of DBLCI-OY Agriculture TR and Underlying Index Commodity Returns for the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008 below provides an overview of the changes in the closing levels of DBLCI-OY Agriculture TR by disclosing the change in market value of each underlying component Index Commodity through a surrogate (and analogous) index plus 3-month United States Treasury Obligations returns. Please note also that the Fund's objective is to track the Index (not DBLCI-OY Agriculture TR) and the Fund does not attempt to outperform or underperform the Index. The Index employs the optimum yield roll method with the objective of mitigating the negative effects of contango, the condition in which distant delivery prices for futures exceed spot prices, and maximizing the positive effects of backwardation, a condition opposite of contango.

**Summary of DBLCI-OY Agriculture TR and Underlying Index Commodity****Returns for the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008**

Underlying Index	Total returns for indexes in the DBLCI-OY Agriculture TR	
	Three Months Ended	Three Months Ended
	March 31, 2009	March 31, 2008
DB Corn Indices	(3.44)%	23.34%
DB Wheat Indices	(13.96)%	21.45%
DB Soybean Indices	(11.35)%	(2.26)%
DB Sugar Indices	5.34%	8.01%
<b>TOTAL RETURN</b>	<b>(6.07)%</b>	<b>12.52%</b>

*If the Fund's interest income from its holdings of fixed income securities were to exceed the Fund's fees and expenses, the total return on an investment in the Fund is expected to outperform the Index and underperform the DBLCI-OY Agriculture TR. The only difference between the Index and the DBLCI-OY Agriculture TR is that the Index does not include interest income from a hypothetical basket of fixed income securities while the DBLCI-OY Agriculture TR does include such a component. The difference between the Index and the DBLCI-OY Agriculture TR is attributable entirely to the hypothetical interest income from this hypothetical basket of fixed income securities. If the Fund's interest income from its holdings of fixed-income securities exceeds the Fund's fees and expenses, then the amount of such excess is expected to be distributed periodically. The market price of the Shares is expected to closely track the Index. The total return on an investment in the Fund over any period is the sum of the capital appreciation or depreciation of the Shares over the period, plus the amount of any distributions during the period. Consequently the Fund's total return is expected to outperform the Index by the amount of the excess, if any, of its interest income over its fees and expenses but, as a result of the Fund's fees and expenses, the total return on the Fund is expected to underperform the DBLCI-OY Agriculture TR. If the Fund's fees and expenses were to exceed the Fund's interest income from its holdings of fixed income securities, the total return on an investment in the Fund is expected to underperform the Index.*

**Net Asset Value**

Net asset value means the total assets of the Master Fund, including, but not limited to, all futures, cash and investments less total liabilities of the Master Fund, each determined on the basis of U.S. generally accepted accounting principles, consistently applied under the accrual method of accounting. In particular, net asset value includes any unrealized appreciation or depreciation on open commodity futures contracts, and any other credit or debit accruing to the Master Fund but unpaid or not received by the Master Fund. All open commodity futures contracts will be calculated at their then current market value, which will be based upon the settlement price for that particular commodity futures contract traded on the applicable exchange on the date with respect to which net asset value is being determined; provided, that if a commodity futures contract could not be liquidated on such day, due to the operation of daily limits or other rules of the exchange upon which that position is traded or otherwise, the settlement price on the most recent day on which the position could have been liquidated will be the basis for determining the market value of such position for such day. The Managing Owner may in its discretion (and only

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under extraordinary circumstances, including, but not limited to, periods during which a settlement price of a futures contract is not available due to exchange limit orders or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) value any asset of the Master Fund pursuant to such other principles as the Managing Owner deems fair and equitable so long as such principles are consistent with normal industry standards. Interest earned on the Master Fund's brokerage account is accrued monthly. The amount of any distribution is a liability of the Master Fund from the day when the distribution is declared until it is paid.

The Fund invests substantially all of its assets in the Master Fund in a master-feeder structure. The Fund holds no investment assets other than Master Fund Limited Units. The Fund is the majority Master Fund Limited Unit owner and the Managing Owner holds a minority interest in the Master Fund. Each Share issued by the Fund correlates with the Master Fund Limited Unit issued by the Master Fund and held by the Fund.

Net asset value per Master Fund Limited Unit and Master Fund General Unit (collectively, Master Fund Units) is the net asset value of the Master Fund divided by the number of outstanding Master Fund Units. Because there is a one-to-one correlation between Shares and the Master Fund Limited Units, the net asset value per Share and the net asset value per Master Fund Limited Unit are equal.

### *Critical Accounting Policies*

The Fund's and Master Fund's critical accounting policies are as follows:

Preparation of the financial statements and related disclosures in conformity with U.S. generally accepted accounting principles requires the application of appropriate accounting rules and guidance, as well as the use of estimates, and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expense and related disclosure of contingent assets and liabilities during the reporting period of the consolidated financial statements and accompanying notes. Both the Fund's and the Master Fund's application of these policies involve judgments and actual results may differ from the estimates used.

The Master Fund holds a significant portion of its assets in futures contracts and United States Treasury Obligations, both of which are recorded on a trade date basis and at fair value in the consolidated financial statements, with changes in fair value reported in the consolidated statement of income and expenses.

The use of fair value to measure financial instruments, with related unrealized gains or losses recognized in earnings in each period is fundamental to the Fund's financial statements. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

In determining fair value of United States Treasury Obligations and commodity futures contracts, the Fund uses unadjusted quoted market prices in active markets. FASB Statement No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. See Note 4(c) within the financial statements in Item I for further information regarding FASB Statement No. 157.

When market closing prices are not available, the Managing Owner may value an asset of the Master Fund pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards.

Realized gains (losses) and changes in unrealized gain (loss) on open positions are determined on a specific identification basis and recognized in the consolidated statement of income and expenses in the period in which the contract is closed or the changes occur, respectively.

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Interest income on United States Treasury Obligations is recognized on an accrual basis when earned. Premiums and discounts are amortized or accreted over the life of the United States Treasury Obligations.

### *Market Risk*

Trading in futures contracts involves the Master Fund entering into contractual commitments to purchase a particular commodity at a specified date and price. The market risk associated with the Master Fund's commitments to purchase commodities is limited to the gross or face amount of the contracts held.

The Master Fund's exposure to market risk is also influenced by a number of factors including the volatility of interest rates and foreign currency exchange rates, the liquidity of the markets in which the contracts are traded and the relationships among the contracts held. The inherent uncertainty of the Master Fund's trading as well as the development of drastic market occurrences could ultimately lead to a loss of all or substantially all of the investors' capital.

### *Credit Risk*

When the Master Fund enters into futures contracts, the Master Fund will be exposed to credit risk that the counterparty to the contract will not meet its obligations. The counterparty for futures contracts traded on United States and on most foreign futures exchanges is the clearing house associated with the particular exchange. In general, clearing houses are backed by their corporate members who may be required to share in the financial burden resulting from the nonperformance by one of their members and, as such, should significantly reduce this credit risk. In cases where the clearing house is not backed by the clearing members (i.e., some foreign exchanges), it may be backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will meet its obligations to the Master Fund.

The Commodity Broker, when acting as the Master Fund's futures commission merchant in accepting orders for the purchase or sale of domestic futures contracts, is required by CFTC regulations to separately account for and segregate as belonging to the Master Fund all assets of the Master Fund relating to domestic futures trading and the Commodity Broker is not allowed to commingle such assets with other assets of the Commodity Broker. In addition, CFTC regulations also require the Commodity Broker to hold in a secure account assets of the Master Fund related to foreign futures trading.

### *Liquidity*

All of the Master Fund's source of capital is derived from the Fund through the Fund's offering of Shares to Authorized Participants. Authorized Participants may then subsequently redeem such Shares. The Master Fund in turn allocates its net assets to commodities trading. A significant portion of the net asset value is held in United States Treasury Obligations and cash, which is used as margin for the Master Fund's trading in commodities. The percentage that United States Treasury Obligations bear to the total net assets will vary from period to period as the market values of the Master Fund's commodity interests change. The balance of the net assets is held in the Master Fund's commodity trading account. Interest earned on the Master Fund's interest-bearing funds is paid to the Master Fund.

The Master Fund's commodity contracts may be subject to periods of illiquidity because of market conditions, regulatory considerations or for other reasons. For example, commodity exchanges generally have the ability to limit fluctuations in certain commodity futures contract prices during a single day by regulations referred to as daily limits. During a single day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can neither be taken nor liquidated unless the traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Such market conditions could prevent the Master Fund from promptly liquidating its commodity futures positions.

Because the Master Fund trades futures contracts, its capital is at risk due to changes in the value of futures contracts (market risk) or the inability of counterparties (including exchange clearinghouses) to perform under the terms of the contracts (credit risk).



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On any business day, an Authorized Participant may place an order with the Managing Owner to redeem one or more Baskets. Redemption orders must be placed by 10:00 a.m., New York time. The day on which the Managing Owner receives a valid redemption order is the redemption order date. Redemption orders are irrevocable. The redemption procedures allow Authorized Participants to redeem Baskets. Individual Shareholders may not redeem directly from the Fund. By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Fund no later than noon, New York time, on the business day immediately following the redemption order date. By placing a redemption order, and prior to receipt of the redemption proceeds, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the redemption order.

*Cash Flows*

The primary cash flow activities of the Fund is to raise capital from Authorized Participants through the issuance of Shares. This cash is invested into the Master Fund where it is used to invest in United States Treasury Obligations and to meet margin requirements as a result of the positions taken in futures contracts to match the fluctuations of the Index the Fund is tracking.

*Operating Activities*

Net cash flow used for operating activities was \$1,143.9 million and \$1,194.6 million for the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008, respectively. This amount primarily includes net purchases and sales of United States Treasury Obligations which are held at fair value on the statement of financial condition.

During the Three Months Ended March 31, 2009, \$1,610.3 million was paid to purchase United States Treasury Obligations and \$474.9 million was received from sales and maturing contracts. During the Three Months Ended March 31, 2008, \$3,056.0 million was paid to purchase United States Treasury Obligations and \$1,676.3 million was received from sales and maturing contracts. Unrealized appreciation on United States Treasury Obligations and futures decreased by \$62.7 million and increased by \$75.6 million during the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008, respectively.

*Financing Activities*

The Fund's net cash flow provided by financing activities was \$662.6 million and \$1,194.6 million during the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008, respectively. This included \$676.6 million and \$1,814.1 million from the sale of Shares to Authorized Participants during the Three Months Ended March 31, 2009 and the Three Months Ended March 31, 2008, respectively.

**Results of Operations**

**FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008**

The Fund was launched on January 3, 2007 at \$25.00 per Share. The Shares of the Fund traded on the NYSE Alternext from January 5, 2007 to November 25, 2008 and have been trading on the NYSE Arca since November 25, 2008.

The Fund and the Master Fund seek to track changes in the closing levels of the Deutsche Bank Liquid Commodity Index - Optimum Yield Agriculture Excess Return (DBLCI-OY Agriculture ER, or the Index) over time, plus the excess, if any, of the Master Fund's interest income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund and the Master Fund. The following graphs illustrate changes in (i) the price of the Shares (as reflected by the graph DBA), (ii) the Fund's NAV (as reflected by the graph DBANAV), and (iii) the closing levels of the Index (as reflected by the graph DBAGIX). Whenever the interest income earned by the Fund exceeds Fund expenses, the price of the Shares generally has exceeded the levels of the Index primarily because the Share price reflects interest income from the Master Fund's collateral holdings whereas the Index does not consider such interest income. There

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can be no assurances that the price of the Shares will continue to exceed the Index levels.

**COMPARISON OF DBA, DBANAV AND DBAGIX**

**FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008**

*NEITHER THE PAST PERFORMANCE OF THE FUND NOR THE PRIOR INDEX LEVELS AND CHANGES,  
POSITIVE OR NEGATIVE, SHOULD BE TAKEN AS AN INDICATION OF THE FUND'S FUTURE PERFORMANCE.*

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*NEITHER THE PAST PERFORMANCE OF THE FUND NOR THE PRIOR INDEX LEVELS AND CHANGES,  
POSITIVE OR NEGATIVE, SHOULD BE TAKEN AS AN INDICATION OF THE FUND'S FUTURE PERFORMANCE.*

**See Additional Legends below.**

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**Additional Legends**

**Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture Excess Return** is an index and does not reflect (i) actual trading and (ii) any fees or expenses.

**WHILE THE FUND'S OBJECTIVE IS NOT TO GENERATE PROFIT THROUGH ACTIVE PORTFOLIO MANAGEMENT, BUT IS TO TRACK THE INDEX, BECAUSE THE INDEX WAS ESTABLISHED IN JULY 2006, CERTAIN INFORMATION RELATING TO THE INDEX CLOSING LEVELS MAY BE CONSIDERED TO BE HYPOTHETICAL. HYPOTHETICAL INFORMATION MAY HAVE CERTAIN INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW.**

**WITH RESPECT TO INDEX DATA, NO REPRESENTATION IS BEING MADE THAT THE INDEX WILL OR IS LIKELY TO ACHIEVE ANNUAL OR CUMULATIVE CLOSING LEVELS CONSISTENT WITH OR SIMILAR TO THOSE SET FORTH HEREIN. SIMILARLY, NO REPRESENTATION IS BEING MADE THAT THE FUND WILL GENERATE PROFITS OR LOSSES SIMILAR TO THE FUND'S PAST PERFORMANCE OR THE HISTORICAL ANNUAL OR CUMULATIVE CHANGES IN THE INDEX CLOSING LEVELS. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY INVESTMENT METHODOLOGIES, WHETHER ACTIVE OR PASSIVE.**

**WITH RESPECT TO INDEX DATA, ONE OF THE LIMITATIONS OF HYPOTHETICAL INFORMATION IS THAT IT IS GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. TO THE EXTENT THAT INFORMATION PRESENTED HEREIN RELATES TO THE PERIOD DECEMBER 1988 THROUGH JUNE 2006, THE INDEX CLOSING LEVELS REFLECT THE APPLICATION OF THE INDEX'S METHODOLOGY, AND SELECTION OF INDEX COMMODITIES, IN HINDSIGHT.**

**NO HYPOTHETICAL RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THERE ARE NUMEROUS FACTORS, INCLUDING THOSE DESCRIBED UNDER ITEM 1A: - RISK FACTORS SET FORTH IN THE FUND'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2008, RELATED TO THE COMMODITIES MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF THE FUND'S EFFORTS TO TRACK THE INDEX OVER TIME WHICH CANNOT BE, AND HAVE NOT BEEN, ACCOUNTED FOR IN THE PREPARATION OF THE INDEX INFORMATION SET FORTH ON THE FOLLOWING PAGES, ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL PERFORMANCE RESULTS FOR THE FUND. FURTHERMORE, THE INDEX INFORMATION DOES NOT INVOLVE FINANCIAL RISK OR ACCOUNT FOR THE IMPACT OF FEES AND COSTS ASSOCIATED WITH THE FUND.**

**THE MANAGING OWNER HAS HAD LIMITED EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CLIENTS. BECAUSE THERE ARE LIMITED ACTUAL TRADING RESULTS TO COMPARE TO THE INDEX CLOSING LEVELS SET FORTH HEREIN, PROSPECTIVE INVESTORS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THE ANNUAL OR CUMULATIVE INDEX RESULTS.**

**FOR THE THREE MONTHS ENDED MARCH 31, 2009 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2008**

*Fund Share Price Performance*

For the Three Months Ended March 31, 2009, the NYSE Arca market value of each Share decreased 6.46% from \$26.18 per Share to \$24.49 per Share. The Share price high and low for the Three Months Ended March 31, 2009 and related change from the Share price on December 31, 2008 was as follows: Shares traded from a high of \$27.15 per Share (+3.71%) on January 6, 2009 to a low of \$22.50 per Share (-14.06%) on March 2, 2009.

For the Three Months Ended March 31, 2008, the NYSE Alternext market value of each Share increased 10.49% from \$32.99 per Share to \$36.45 per Share. The Share price low and high for the Three Months Ended March 31, 2008 and related change from the Share price on December 31, 2007 was as follows: Shares traded from a low of \$33.43 per Share (+1.33%) on January 2, 2008 to a high of \$42.98 per Share (+30.28%) on February 26, 2008.

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*Fund Share Net Asset Performance*

For the Three Months Ended March 31, 2009, the net asset value of each Share decreased 5.90% from \$25.95 per Share to \$24.42 per Share. A decline in the futures contract prices of corn, wheat, soybeans and sugar, resulted in an overall 6.07% decrease in the level of the DBLCI-OY Agriculture TR .

Net loss for the Three Months Ended March 31, 2009 was \$70.6 million, resulting from \$0.3 million of interest income, net realized losses of \$5.8 million, net unrealized losses of \$62.7 million and operating expenses of \$2.4 million.

For the Three Months Ended March 31, 2008, the net asset value of each Share increased 11.19% from \$32.81 per Share to \$36.48 per Share. An increase in the futures contract prices of corn, wheat and sugar futures contracts were partially offset by a decrease in prices of soybeans contracts during the Three Months Ended March 31, 2008, resulted in an overall 12.52% increase in the level of the DBLCI-OY Agriculture TR .

Net income for the Three Months Ended March 31, 2008 was \$75.9 million, resulting from \$15.1 million of interest income, net realized losses of \$10.1 million, net unrealized gains of \$75.6 million and operating expenses of \$4.7 million.

**Off-Balance Sheet Arrangements and Contractual Obligations**

In the normal course of its business, the Master Fund is party to financial instruments with off-balance sheet risk. The term off-balance sheet risk refers to an unrecorded potential liability that, even though it does not appear on the balance sheet, may result in a future obligation or loss. The financial instruments used by the Master Fund are commodity futures, whose values are based upon an underlying asset and generally represent future commitments which have a reasonable possibility to be settled in cash or through physical delivery. The financial instruments are traded on an exchange and are standardized contracts.

The Fund and the Master Fund have not utilized, nor do they expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and have no loan guarantee arrangements or off-balance sheet arrangements of any kind, other than agreements entered into in the normal course of business noted above, which may include indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Fund and the Master Fund. While the Fund s and the Master Fund s exposure under such indemnification provisions cannot be estimated, these general business indemnifications are not expected to have a material impact on either the Fund s or the Master Fund s financial position.

The Fund and Master Fund s contractual obligations are with the Managing Owner and the Commodity Broker. Management Fee payments made to the Managing Owner are calculated as a fixed percentage of the Master Fund s net asset value. Commission payments to the Commodity Broker are on a contract-by-contract, or round-turn, basis. As such, the Managing Owner cannot anticipate the amount of payments that will be required under these arrangements for future periods as net asset values are not known until a future date. These agreements are effective for one year terms, renewable automatically for additional one year terms unless terminated. Additionally, these agreements may be terminated by either party for various reasons.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.  
INTRODUCTION**

The Fund is designed to replicate positions in a commodity index. The market sensitive instruments held by it are subject to the risk of trading loss. Unlike an operating company, the risk of market sensitive instruments is integral, not incidental, to the Fund s main line of business.

Market movements can produce frequent changes in the fair market value of the Fund s open positions and, consequently, in its earnings and cash flow. The Fund s market risk is primarily influenced by changes in the price of commodities.

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Value at Risk is a measure of the maximum amount which the Fund could reasonably be expected to lose in a given market sector. However, the inherent uncertainty in the markets in which the Fund trades and the recurrence in the markets traded by the Fund of market movements far exceeding expectations could result in actual trading or non-trading losses far beyond the indicated Value at Risk or the Fund's experience to date (i.e., risk of ruin). In light of this, as well as the risks and uncertainties intrinsic to all future projections, the inclusion of the quantification included in this section should not be considered to constitute any assurance or representation that the Fund's losses in any market sector will be limited to Value at Risk or by the Fund's attempts to manage its market risk.

### **Standard of Materiality**

Materiality as used in this section, Quantitative and Qualitative Disclosures About Market Risk, is based on an assessment of reasonably possible market movements and the potential losses caused by such movements, taking into account the leverage, and multiplier features of the Fund's market sensitive instruments.

### **QUANTIFYING THE FUND'S TRADING VALUE AT RISK**

#### **Quantitative Forward-Looking Statements**

The following quantitative disclosures regarding the Fund's market risk exposures contain forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). All quantitative disclosures in this section are deemed to be forward-looking statements for purposes of the safe harbor, except for statements of historical fact (such as the dollar amount of maintenance margin required for market risk sensitive instruments held at the end of the reporting period).

The Fund's risk exposure in the various market sectors traded by the Fund is quantified below in terms of Value at Risk. Exchange maintenance margin requirements have been used by the Fund as the measure of its Value at Risk. Maintenance margin requirements are set by exchanges to equal or exceed 95-99% of the maximum one-day losses at fair value of any given contract incurred during the time period over which historical price fluctuations are researched for purposes of establishing margin levels. The maintenance margin levels are established by exchanges using historical price studies as well as an assessment of current market volatility and economic fundamentals to provide a probabilistic estimate of the maximum expected near-term one-day price fluctuation.

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## THE FUND'S TRADING VALUE AT RISK IN DIFFERENT MARKET SECTORS

The following table indicates the trading Value at Risk associated with the Fund's open positions by market category as of March 31, 2009.

Market Sector	Delivery Month	Value at Risk (VaR)		Number of times VaR Exceeded
		\$ Value*	Value at Risk (VaR)* % of Net Assets	
Corn	December 2009	26,453,664	1.62%	9
	March 2010			
Wheat	July - December 2009	27,394,442	1.68%	10
Soybeans	November 2009	23,916,573	1.47%	6
	January 2010			
Sugar	June 2009	26,613,264	1.63%	9
Aggregate/Total		89,649,840	5.49%	5

The following table indicates the trading Value at Risk associated with the Fund's open positions by market category as of December 31, 2008.

Market Sector	Delivery Month	Value at Risk (VaR)		Number of times VaR Exceeded
		\$ Value*	Value at Risk (VaR)* % of Net Assets	
Corn	December 2009	16,675,043	1.57%	1
Wheat	July - December 2009	19,551,004	1.84%	19
Soybeans	November 2009	15,692,160	1.47%	3
Sugar	June 2009	18,185,217	1.71%	12
Aggregate/Total		55,098,007	5.18%	6

\*The VaR for a contract represents the one day, downside risk, under normal market conditions, with a 99% confidence level. It is calculated using the variance/co-variance methodology taking historical market moves for the contract and using a one year look-back. The aggregate VaR for the Fund represents the VaR of the Fund's open positions across all contracts, and is less than the sum of VaRs for each individual contract due to the diversification benefit across the contracts.

## NON-TRADING RISK

The Fund has non-trading market risk as a result of investing in short-term United States Treasury Obligations. The market risk represented by these investments is expected to be immaterial.

## QUALITATIVE DISCLOSURES REGARDING PRIMARY TRADING RISK EXPOSURES

The following qualitative disclosures regarding the Fund's market risk exposures – except for those disclosures that are statements of historical fact – constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. The Fund's primary market risk exposures are subject to numerous uncertainties, contingencies and risks. Government interventions, defaults and expropriations, illiquid markets, the emergence of dominant fundamental factors, political upheavals, changes in historical price relationships, an influx of new market participants, increased regulation and many other factors could result in material losses as well as in material changes to the risk exposures of the Fund. There can be no assurance that the Fund's current market exposure will not change materially. Investors may lose all or substantially all of their investment in the Fund.





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The following were the primary trading risk exposures of the Fund as of March 31, 2009 by Index Commodities:

### ***Corn***

The price of corn is volatile. The price movement of corn may be influenced by three primary supply factors: farmer planting decisions, climate, and government agricultural policies and three major market demand factors: livestock feeding, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. Additionally, the price movement of corn may be influenced by a variety of other factors, including weather conditions, disease, transportation costs, political uncertainties and economic concerns.

### ***Wheat***

The price of wheat is volatile. The price movement of wheat may be influenced by three primary supply factors: farmer planting decisions, climate, and government agricultural policies and three major market demand factors: food, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. Additionally, the price movement of wheat may be influenced by a variety of other factors, including weather conditions, disease, transportation costs, political uncertainties and economic concerns.

### ***Soybeans***

The price of soybeans is volatile. The price movement of soybeans may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

### ***Sugar***

The price of sugar is volatile. The price movement of sugar may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

## **QUALITATIVE DISCLOSURES REGARDING NON-TRADING RISK EXPOSURE**

### **General**

The Fund is unaware of any (i) anticipated known demands, commitments or capital expenditures; (ii) material trends, favorable or unfavorable, in its capital resources; or (iii) trends or uncertainties that will have a material effect on operations.

## **QUALITATIVE DISCLOSURES REGARDING MEANS OF MANAGING RISK EXPOSURE**

Under ordinary circumstances, the Managing Owner's discretionary power is limited to determining whether the Fund will make a distribution. Under emergency or extraordinary circumstances, the Managing Owner's discretionary powers increase, but remain circumscribed. These special circumstances, for example, include the unavailability of the Index or certain natural or man-made disasters. The Managing Owner does not apply risk management techniques. The Fund initiates positions only on the long side of the market and does not employ stop-loss techniques.

## **ITEM 4. CONTROLS AND PROCEDURES.**

### ***Evaluation of Disclosure Controls and Procedures***

Under the supervision and with the participation of the management of the Managing Owner, including Hans Ephraimson, its Chief Executive Officer and Michael Gilligan, its Principal Financial Officer, the Fund carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this quarterly report, and, based upon that evaluation, Hans Ephraimson, the Chief Executive Officer and Michael Gilligan, the Principal Financial Officer of the Managing Owner, concluded

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that the Fund's disclosure controls and procedures were effective to ensure that information the Fund is required to disclose in the reports that it files or submits with the Securities and Exchange Commission (the "SEC") under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and to ensure that information required to be disclosed by the Fund in the reports that it files or submits under the Exchange Act is accumulated and communicated to management of the Managing Owner, including its Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Control Over Financial Reporting*

There has been no change in internal control over financial reporting (as defined in the Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the Fund's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

**Table of Contents****PART II. OTHER INFORMATION****Item 1. Legal Proceedings.**

Not Applicable.

**Item 1A. Risk Factors.**

There are no material changes from risk factors as previously disclosed in the Annual Report on Form 10-K for the year ended December 31, 2008, filed February 24, 2009.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

(a) There have been no unregistered sales of the Fund's securities. No Fund securities are authorized for issuance by the Fund under equity compensation plans.

(b) The Registrant's Registration Statement on Form S-1 (Registration No. 333-135422-15) was declared effective on January 3, 2007 with information with respect to the use of proceeds from the sale of Shares being disclosed therein. A Registration Statement on Form S-1 was declared effective on May 15, 2007 (Registration No. 333-142163-09) and on January 15, 2008 (File No. 333-148613-13) with information with respect to the use of proceeds from the sale of Shares being disclosed therein. A Registration Statement on Form S-1 was declared effective on July 14, 2008 (Registration No. 333-150501-09) with information with respect to the use of proceeds from the sale of Shares being disclosed therein. A Post-Effective Amendment No. 1 to the Registration Statement on Form S-1 (Registration No. 333-150501-09) was declared effective on April 30, 2009, which also contained this information. Accordingly, upon effectiveness, the Registrant's Registration Statement on Form S-1 (Registration No. 333-150501-09) also acts as Post-Effective Amendment No. 2 to File No. 333-148613-13, Post-Effective Amendment No. 3 to File No. 333-142163-09 and acts as Post-Effective Amendment No. 4 to the Registrant's Registration Statement on Form S-1 File No. 333-135422-15, which also contained this information. The Shares commenced trading on the NYSE Alternext on January 5, 2007 and, as of November 25, 2008, are listed for trading on the NYSE Arca.

The proceeds from the sale of the Shares are used to purchase Master Fund Limited Units. The Master Fund uses the proceeds from the sale of the Master Fund Limited Units for general corporate purposes in accordance with its investment objectives and policies.

For the Three Months Ended March 31, 2009, 27.4 million Shares were created for \$676.6 million and 0.6 million Shares were redeemed for \$13.9 million. On March 31, 2009, 67.8 million Shares of the Fund were outstanding for a market capitalization of \$1,660.4 million.

(c) The following table summarizes the redemptions by Authorized Participants during the Three Months Ended March 31, 2009 and 2008.

Period of Redemption	Total Number of Shares Redeemed	Average Price Paid per Share
Three Months Ended March 31, 2009	600,000	\$23.21
Three Months Ended March 31, 2008	16,000,000	\$38.72

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Submission of Matters to a Vote of Security Holders.**

None.

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**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

- 31.1 Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14 and 15d-14 (filed herewith)
- 31.2 Cer