PowerShares DB Multi-Sector Commodity Trust
Form 10-Q
November 02, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

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)**

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 þ 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 þ 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):

Large Accelerated Filer þ	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 þ

Indicate the number of outstanding Shares as of September 30, 2012: 65,000,000 Shares.

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POWERSHARES DB AGRICULTURE FUND

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

QUARTER ENDED SEPTEMBER 30, 2012

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PowerShares DB Agriculture Fund

Statements of Financial Condition

September 30, 2012 (unaudited) and December 31, 2011

	September 30, 2012	December 31, 2011
Assets		
Equity in broker trading accounts:		
United States Treasury Obligations, at fair value (cost $1,629,756,268 and $1,959,877,867 respectively)	$ 1,629,797,437	$ 1,959,875,160
Cash held by broker	114,201,676	210,907,413
Net unrealized appreciation (depreciation) on futures contracts	175,469,983	(135,420,844)
Deposits with broker	1,919,469,096	2,035,361,729
Receivable for securities sold		11,999,926
Total assets	$ 1,919,469,096	$ 2,047,361,655
Liabilities		
Payable for shares redeemed	$	$ 11,525,820
Management fee payable	2,891,036	1,523,526
Brokerage fee payable	70	3,761
Total liabilities	2,891,106	13,053,107
Commitments and Contingencies (Note 9)		
Equity		
Shareholders equity		
General shares:		
Paid in capital 40 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	1,000	1,000
Accumulated earnings (deficit)	180	152
Total General shares	1,180	1,152
Shares:		
Paid in capital 65,000,000 and 70,600,000 redeemable Shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	2,129,667,932	2,280,227,892
Accumulated earnings (deficit)	(213,091,122)	(245,920,496)
Total Shares	1,916,576,810	2,034,307,396

Total shareholders equity	1,916,577,990	2,034,308,548
Total liabilities and equity	$ 1,919,469,096	$ 2,047,361,655
Net asset value per share		
General shares	$ 29.50	$ 28.80
Shares	$ 29.49	$ 28.81

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Schedule of Investments

September 30, 2012

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.105% due October 4, 2012	23.79%	$ 455,998,176	$ 456,000,000
U.S. Treasury Bills, 0.09% due October 11, 2012	2.24	42,999,441	43,000,000
U.S. Treasury Bills, 0.08% due October 18, 2012	2.08	39,898,803	39,900,000
U.S. Treasury Bills, 0.055% due October 25, 2012	11.84	226,991,601	227,000,000
U.S. Treasury Bills, 0.1% due November 1, 2012	14.82	283,986,652	284,000,000
U.S. Treasury Bills, 0.1% due November 8, 2012	2.77	52,996,078	53,000,000
U.S. Treasury Bills, 0.11% due November 15, 2012	1.93	36,996,781	37,000,000
U.S. Treasury Bills, 0.105% due November 23, 2012	6.52	124,986,625	125,000,000
U.S. Treasury Bills, 0.105% due November 29, 2012	0.11	1,999,804	2,000,000
U.S. Treasury Bills, 0.1% due December 6, 2012	11.69	223,969,312	224,000,000
U.S. Treasury Bills, 0.1% due December 13, 2012	3.18	60,990,118	61,000,000
U.S. Treasury Bills, 0.105% due December 20, 2012	1.67	31,994,304	32,000,000
U.S. Treasury Bills, 0.11% due December 27, 2012	2.40	45,989,742	46,000,000
Total United States Treasury Obligations (cost $1,629,756,268)	85.04%	$ 1,629,797,437	

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

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation/(Depreciation) on Futures Contracts		
Cocoa (8,059 contracts, settlement date December 13, 2012)	0.37%	$ 7,009,240
Coffee (2,395 contracts, settlement date December 18, 2012)	(0.09)	(1,801,800)
Corn (8,094 contracts, settlement date December 14, 2012)	3.11	59,486,750
Cotton (1,143 contracts, settlement date December 6, 2012)	0.06	1,149,025
Feeder Cattle (1,031 contracts, settlement date November 15, 2012)	(0.10)	(1,869,388)
Lean Hogs (4,099 contracts, settlement date December 14, 2012)	0.07	1,360,660
Lean Hogs (582 contracts, settlement date February 14, 2013)	0.03	646,880
Live Cattle (4,501 contracts, settlement date December 31, 2012)	(0.44)	(8,378,040)
Soybeans (3,460 contracts, settlement date November 14, 2012)	3.37	64,635,888
Soybeans (603 contracts, settlement date January 14, 2013)	0.66	12,540,488
Sugar (8,414 contracts, settlement date June 28, 2013)	(0.24)	(4,510,632)
Wheat (265 contracts, settlement date December 14, 2012)	0.11	1,980,700
Wheat (2,778 contracts, settlement date July 12, 2013)	1.05	20,185,188
Wheat KCB (2,928 contracts, settlement date July 12, 2013)	1.20	23,035,024
Net Unrealized Appreciation on Futures Contracts	9.16%	$ 175,469,983

Net unrealized appreciation is comprised of unrealized gains of $195,074,334 and unrealized losses of $19,604,351.

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Schedule of Investments

December 31, 2011

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.015% due January 5, 2012	27.48%	$ 558,999,441	$ 559,000,000
U.S. Treasury Bills, 0.01% due January 12, 2012	2.66	53,999,838	54,000,000
U.S. Treasury Bills, 0.025% due January 19, 2012	0.19	3,899,981	3,900,000
U.S. Treasury Bills, 0.015% due January 26, 2012	13.91	282,998,019	283,000,000
U.S. Treasury Bills, 0.01% due February 2, 2012	18.78	381,996,562	382,000,000
U.S. Treasury Bills, 0.01% due February 16, 2012	2.70	54,999,340	55,000,000
U.S. Treasury Bills, 0.015% due February 23, 2012	7.47	151,997,264	152,000,000
U.S. Treasury Bills, 0.03% due March 1, 2012	6.29	127,996,800	128,000,000
U.S. Treasury Bills, 0.005% due March 8, 2012	7.23	146,995,296	147,000,000
U.S. Treasury Bills, 0.01% due March 15, 2012	5.41	109,996,150	110,000,000
U.S. Treasury Bills, 0.005% due March 22, 2012	0.44	8,999,703	9,000,000
U.S. Treasury Bills, 0.025% due March 29, 2012	3.78	76,996,766	77,000,000
Total United States Treasury Obligations (cost $1,959,877,867)	96.34%	$ 1,959,875,160	

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

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation/(Depreciation) on Futures Contracts		
Cocoa (8,925 contracts, settlement date March 15, 2012)	(2.69)%	$ (54,648,710)
Coffee (2,748 contracts, settlement date March 20, 2012)	(0.30)	(6,185,325)
Corn (2,176 contracts, settlement date March 14, 2012)	0.18	3,723,150
Corn (6,394 contracts, settlement date December 14, 2012)	(0.40)	(8,096,413)
Cotton (1,229 contracts, settlement date March 08, 2012)	(0.18)	(3,609,715)
Feeder Cattle (1,217 contracts, settlement date March 29, 2012)	0.09	1,797,275
Lean Hogs (4,099 contracts, settlement date February 14, 2012)	(0.40)	(8,197,500)
Lean Hogs (1,010 contracts, settlement date April 16, 2012)	(0.08)	(1,585,680)
Live Cattle (5,399 contracts, settlement date February 29, 2012)	(0.34)	(6,946,470)
Live Cattle (10 contracts, settlement date April 30, 2012)	0.00	(11,800)
Red Wheat (1,425 contracts, settlement date July 13, 2012)	(0.04)	(853,225)
Red Wheat (37 contracts, settlement date December 14, 2012)	0.00	5,613
Soybeans (3,079 contracts, settlement date November 14, 2012)	0.16	3,234,838
Soybeans (1,325 contracts, settlement date January 14, 2013)	0.16	3,211,075
Sugar (9,767 contracts, settlement date June 29, 2012)	(0.50)	(10,109,557)
Wheat (1,551 contracts, settlement date July 13, 2012)	(0.83)	(16,807,900)
Wheat (465 contracts, settlement date December 14, 2012)	(0.03)	(698,525)
Wheat KCB (3,524 contracts, settlement date July 13, 2012)	(1.46)	(29,641,975)
Net Unrealized Depreciation on Futures Contracts	(6.66)%	$ (135,420,844)

Net unrealized depreciation is comprised of unrealized losses of $148,293,832 and unrealized gains of $12,872,988.

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statements of Income and Expenses

For the Three Months Ended September 30, 2012 and 2011 and Nine Months Ended September 30, 2012 and 2011

	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Income				
Interest Income	$ 396,017	$ 303,911	$ 834,901	$ 2,004,164
Expenses				
Management Fee	4,303,084	6,422,717	12,383,841	20,990,965
Brokerage Commissions and Fees	301,492	408,982	1,153,576	1,782,401
Total Expenses	4,604,576	6,831,699	13,537,417	22,773,366
Net investment income (loss)	(4,208,559)	(6,527,788)	(12,702,516)	(20,769,202)
Net Realized and Net Change in Unrealized Gain (Loss) on United States Treasury Obligations and Futures				
Net Realized Gain (Loss) on				
United States Treasury Obligations	6,213	12,849	7,181	62,390
Futures	34,861,538	(68,820,001)	(265,409,966)	222,584,524
Net realized gain (loss)	34,867,751	(68,807,152)	(265,402,785)	222,646,914
Net Change in Unrealized Gain (Loss) on				
United States Treasury Obligations	2,737	(34,449)	43,876	(10,176)
Futures	57,211,788	(118,873,643)	310,890,827	(470,536,617)
Net change in unrealized gain (loss)	57,214,525	(118,908,092)	310,934,703	(470,546,793)
Net realized and net change in unrealized gain (loss) on United States Treasury Obligations and Futures	92,082,276	(187,715,244)	45,531,918	(247,899,879)
Net Income (Loss)	$ 87,873,717	$ (194,243,032)	$ 32,829,402	$ (268,669,081)

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Three Months Ended September 30, 2012

	General Shares				Shares				
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Total Shareholders Equity
Balance at July 1, 2012	40	$ 1,000	$ 126	$ 1,126	65,200,000	$ 2,136,001,891	$ (300,964,785)	$ 1,835,037,106	$ 1,835,038,232
Sale of Shares					4,200,000	124,516,164		124,516,164	124,516,164
Redemption of Shares					(4,400,000)	(130,850,123)		(130,850,123)	(130,850,123)
Net Income (Loss)									
Net investment income (loss)			(7)	(7)			(4,208,552)	(4,208,552)	(4,208,559)
Net realized gain (loss) on United States Treasury Obligations and Futures			12	12			34,867,739	34,867,739	34,867,751
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			49	49			57,214,476	57,214,476	57,214,525
Net Income (Loss)			54	54			87,873,663	87,873,663	87,873,717
Balance at September 30, 2012	40	$ 1,000	$ 180	$ 1,180	65,000,000	$ 2,129,667,932	$ (213,091,122)	$ 1,916,576,810	$ 1,916,577,990

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Three Months Ended September 30, 2011

	General Shares				Shares				
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Total Shareholders Equity
Balance at July 1, 2011	40	$ 1,000	$ 280	$ 1,280	96,000,000	$ 3,035,280,044	$ 36,951,049	$ 3,072,231,093	$ 3,072,232,373
Sale of Shares					6,200,000	207,639,784		207,639,784	207,639,784
Redemption of Shares					(16,800,000)	(529,143,018)		(529,143,018)	(529,143,018)
Net Income (Loss)									
Net investment income (loss)			(23)	(23)			(6,527,765)	(6,527,765)	(6,527,788)
Net realized gain (loss) on United States Treasury Obligations and Futures			(9)	(9)			(68,807,143)	(68,807,143)	(68,807,152)
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(50)	(50)			(118,908,042)	(118,908,042)	(118,908,092)
Net Income (Loss)			(82)	(82)			(194,242,950)	(194,242,950)	(194,243,032)
Balance at September 30, 2011	40	$ 1,000	$ 198	$ 1,198	85,400,000	$ 2,713,776,810	$ (157,291,901)	$ 2,556,484,909	$ 2,556,486,107

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Nine Months Ended September 30, 2012

	General Shares				Shares				
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Total Shareholders Equity
Balance at January 1, 2012	40	$ 1,000	$ 152	$ 1,152	70,600,000	$ 2,280,227,892	$ (245,920,496)	$ 2,034,307,396	$ 2,034,308,548
Sale of Shares					9,600,000	278,127,646		278,127,646	278,127,646
Redemption of Shares					(15,200,000)	(428,687,606)		(428,687,606)	(428,687,606)
Net Income (Loss)									
Net investment income (loss)			(11)	(11)			(12,702,505)	(12,702,505)	(12,702,516)
Net realized gain (loss) on United States Treasury Obligations and Futures			(130)	(130)			(265,402,655)	(265,402,655)	(265,402,785)
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			169	169			310,934,534	310,934,534	310,934,703
Net Income (Loss)			28	28			32,829,374	32,829,374	32,829,402
Balance at September 30, 2012	40	$ 1,000	$ 180	$ 1,180	65,000,000	$ 2,129,667,932	$ (213,091,122)	$ 1,916,576,810	$ 1,916,577,990

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Nine Months Ended September 30, 2011

	General Shares				Shares				
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Total Shareholders Equity
Balance at January 1, 2011	40	$ 1,000	$ 295	$ 1,295	83,800,000	$ 2,601,330,830	$ 111,377,083	$ 2,712,707,913	$ 2,712,709,208
Sale of Shares					55,600,000	1,889,658,574		1,889,658,574	1,889,658,574
Redemption of Shares					(54,000,000)	(1,777,212,594)		(1,777,212,594)	(1,777,212,594)
Net Income (Loss)									
Net investment income (loss)			(27)	(27)			(20,769,175)	(20,769,175)	(20,769,202)
Net realized gain (loss) on United States Treasury Obligations and Futures			121	121			222,646,793	222,646,793	222,646,914
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(191)	(191)			(470,546,602)	(470,546,602)	(470,546,793)
Net Income (Loss)			(97)	(97)			(268,668,984)	(268,668,984)	(268,669,081)
Balance at September 30, 2011	40	$ 1,000	$ 198	$ 1,198	85,400,000	$ 2,713,776,810	$ (157,291,901)	$ 2,556,484,909	$ 2,556,486,107

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statements of Cash Flows

For the Nine Months Ended September 30, 2012 and 2011

	Nine Months Ended	
	September 30, 2012	**September 30, 2011**
Cash flows from operating activities:		
Net Income (Loss)	$ 32,829,402	$ (268,669,081)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Cost of securities purchased	(5,423,716,298)	(9,957,744,724)
Proceeds from securities sold and matured	5,754,681,280	9,884,669,191
Net accretion of discount on United States Treasury Obligations	(836,202)	(2,004,164)
Net realized (gain) loss on United States Treasury Obligations	(7,181)	(62,390)
Net change in unrealized (gain) loss on United States Treasury Obligations and futures	(310,934,703)	470,546,793
Change in operating receivables and liabilities:		
Receivable for securities sold	11,999,926	(48,000,000)
Payable to broker		(42,559,235)
Management fee payable	1,367,510	234,471
Brokerage fee payable	(3,691)	(2,385)
Net cash provided by (used for) operating activities	65,380,043	36,408,476
Cash flows from financing activities:		
Proceeds from sale of Shares	278,127,646	1,889,658,574
Change in Payable for Shares redeemed	(11,525,820)	47,893,904
Redemption of Shares	(428,687,606)	(1,777,212,594)
Net cash provided by (used for) financing activities	(162,085,780)	160,339,884
Net change in cash held by broker	(96,705,737)	196,748,360
Cash held by broker at beginning of period	210,907,413	
Cash held by broker at end of period	$ 114,201,676	$ 196,748,360

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements

September 30, 2012

(1) Organization

PowerShares DB Agriculture Fund (the Fund), a separate series of PowerShares DB Multi-Sector Commodity Trust (the Trust), a Delaware statutory trust organized in seven separate series, was formed on August 3, 2006. DB Commodity Services LLC, a Delaware limited liability company (DBCS or the Managing Owner), seeded the Fund with a capital contribution of $1,000 in exchange for 40 General Shares of the Fund. The fiscal year end of the Fund is December 31st . The term of the Fund is perpetual (unless terminated earlier in certain circumstances) as provided for in the Second Amended and Restated Declaration of Trust and Trust Agreement of the Trust (the Trust Agreement).

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 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 September 30, 2012 and 2011 (hereinafter referred to as the Three Months Ended September 30, 2012 and the Three Months Ended September 30, 2011 , respectively) and the nine months ended September 30, 2012 and 2011 (hereinafter referred to as the Nine Months Ended September 30, 2012 and the Nine Months Ended September 30, 2011 , respectively).

(2) Fund Investment Overview

The Fund invests with a view to tracking the changes, whether positive or negative, in the level of the DBIQ Diversified Agriculture Index Excess Return™ (the Index) over time, plus the excess, if any, of the 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.

The Index is intended to reflect the change in market value of the agricultural sector. The commodities comprising the Index are Corn, Soybeans, Wheat, Kansas City Wheat, Sugar, Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (each an Index Commodity , and collectively, the Index Commodities).

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

The Commodity Futures Trading Commission (the CFTC) and/or commodity exchanges, as applicable, impose position limits on market participants trading in all eleven commodities included in the Index. The Index is comprised of futures contracts on each of 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 Fund to gain full or partial exposure to any Index Commodity by investing in a specific Index Contract, the 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 Fund is approaching or has reached position limits with respect to certain futures contracts comprising the Index, the 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 Fund does not employ leverage. As of September 30, 2012 and December 31, 2011, the Fund had $1,919,469,096 (or 100%) and $2,035,361,729 (or 99.41%), respectively, of its holdings of cash, United States Treasury Obligations and unrealized appreciation/depreciation on futures contracts on deposit with its Commodity Broker. Of this, $118,417,674 (or 6.17%) and $148,081,288 (or 7.28%), 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 as of September 30, 2012 and December 31, 2011, respectively. For additional information, please see the unaudited Schedule of Investments as of September 30, 2012 and the audited Schedule of Investments as of December 31, 2011 for details of the Fund s portfolio holdings.

DBIQ is a trademark of Deutsche Bank AG London (the Index Sponsor). Trademark applications in the United States are pending with respect to both the Trust and aspects of the Index. The Trust, the Fund and the Managing Owner have been licensed by the Index Sponsor to use the above noted trademark. Deutsche Bank AG London is an affiliate of the Trust, the Fund and the Managing Owner.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

September 30, 2012

(3) Service Providers and Related Party Agreements

The Trustee

Under the Trust Agreement, Wilmington Trust Company, the trustee of the Fund (the Trustee) has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust and the 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 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 September 30, 2012 and 2011, the Fund incurred Management Fees of $4,303,084 and $6,422,717, respectively. Management Fees incurred during the Nine Months Ended September 30, 2012 and 2011 by the Fund were $12,383,841 and $20,990,965, respectively. As of September 30, 2012 and December 31, 2011, Management Fees payable to the Managing Owner were $2,891,036 and $1,523,526, respectively.

The Commodity Broker

Deutsche Bank Securities Inc., a Delaware corporation, serves as the Fund s clearing broker (the Commodity Broker). The Commodity Broker is also an indirect wholly-owned subsidiary of Deutsche Bank AG and is an affiliate of the Managing Owner. In its capacity as clearing broker, the Commodity Broker executes and clears each of the Fund s futures transactions and performs certain administrative and custodial services for the Fund. As custodian of the Fund s assets, the Commodity Broker is responsible, among other things, for providing periodic accountings of all dealings and actions taken by the Trust on behalf of the Fund during the reporting period, together with an accounting of all securities, cash or other indebtedness or obligations held by it or its nominees for or on behalf of the Fund. During the Three Months Ended September 30, 2012 and 2011, the Fund incurred brokerage fees of $301,492 and $408,982, respectively. Brokerage fees incurred during the Nine Months Ended September 30, 2012 and 2011 by the Fund were $1,153,576 and $1,782,401, respectively. As of September 30, 2012 and December 31, 2011, brokerage fees payable were $70 and $3,761, 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 Fund, and has 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 (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 Distributor

ALPS Distributors, Inc. (the Distributor) provides certain distribution services to the Fund. Pursuant to the Distribution Services Agreement among 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.

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 PowerShares® 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 Distributors, Inc.

Through a marketing agreement between the Managing Owner and Invesco Distributors, Inc. (Invesco Distributors), an affiliate of Invesco PowerShares Capital Management LLC (Invesco PowerShares), the Managing Owner, on behalf of the Fund, has appointed Invesco Distributors as a marketing agent. Invesco Distributors assists the Managing Owner and the Administrator with

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PowerShares DB Agriculture Fund

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September 30, 2012

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 Distributors will not open or maintain customer accounts or handle orders for the Fund. Invesco 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

The financial statements of the Fund have been prepared using U.S. generally accepted accounting principles.

(b) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities during the reporting period of the 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 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).

Financial Accounting Standards Board (FASB) fair value measurement and disclosure guidance requires 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 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.

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 requires additional disclosures regarding fair value measurements. Effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years, entities will need to disclose the following:

1) The amounts of any transfers between Level 1 and Level 2 and the reasons for those transfers, and

2) For Level 3 fair value measurements, quantitative information about the significant unobservable inputs used, a description of the entity s valuation processes, and a narrative description of the sensitivity of the fair value measurement to changes in the unobservable inputs and the interrelationship between inputs.

There were no Level 2 or Level 3 holdings as of September 30, 2012 and December 31, 2011.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

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(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 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 September 30, 2012 and December 31, 2011 were holdings of $118,417,674 and $148,081,288, respectively, which were restricted and held against initial margin of the open futures contracts. As of September 30, 2012, the Fund did not have an amount receivable for securities sold. As of December 31, 2011, the Fund sold $12,000,000 notional amount of United States Treasury Obligations which was unpaid. As a result, a receivable for securities sold is reported for $11,999,926.

(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 September 30, 2012, the Fund had cash held by the Commodity Broker of $114,201,676. As of December 31, 2011 the Fund had cash held by the Commodity Broker of $210,907,413, of which $135,420,844 was on deposit to satisfy the Fund s negative variation margin on open futures contracts. There were no cash equivalents held by the Fund as of September 30, 2012 and December 31, 2011.

(g) Income Taxes

The Fund is classified as a partnership for U.S. federal income tax purposes. Accordingly, the Fund will not incur U.S. federal income taxes. No provision for federal, state, and local income taxes has been made in the accompanying financial statements, as investors are individually liable for income taxes, if any, on their allocable share of the Fund s income, gain, loss, deductions and other items.

The major tax jurisdiction for the Fund and the earliest tax year subject to examination: United States 2009.

(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 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 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 statement of income and expenses in the period in which the contract is closed or the changes occur, respectively. As of September 30, 2012 and December 31, 2011, the futures contracts held by the Fund were in a net unrealized appreciation position of $175,469,983 and a net unrealized depreciation position of $135,420,844, respectively.

(i) Management Fee

The Fund pays the Managing Owner a management fee (the Management Fee), monthly in arrears, in an amount equal to 0.85% per annum of the daily net asset value of the Fund. The Management Fee is paid in consideration of the Managing Owner s commodity futures trading advisory services.

(j) Brokerage Commissions and Fees

The Fund incurs all brokerage commissions, including applicable exchange fees, National Futures Association (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 statement of income and expenses as incurred.

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PowerShares DB Agriculture Fund

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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 September 30, 2012 and 2011 and the Nine Months Ended September 30, 2012 and 2011.

(k) Routine Operational, Administrative and Other Ordinary Expenses

The Managing Owner assumes all routine operational, administrative and other ordinary expenses of the 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 statement of income and expenses of the Fund.

(l) Organizational and Offering Costs

All organizational and offering expenses of the Fund are incurred and assumed by the Managing Owner. The Fund is not responsible to the Managing Owner for the reimbursement of organizational and offering costs. 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 Fund pays all fees and expenses 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 September 30, 2012 and 2011 and the Nine Months Ended September 30, 2012 and 2011, the 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 the fair value hierarchy discussed in Note 4(c).

Assets and Liabilities Measured at Fair Value were as follows:

	September 30, 2012	December 31, 2011
United States Treasury Obligations (Level 1)	$ 1,629,797,437	$ 1,959,875,160
Commodity Futures Contracts (Level 1)	$ 175,469,983	$ (135,420,844)

There were no Level 2 or Level 3 holdings as of September 30, 2012 and December 31, 2011.

(6) Financial Instrument Risk

In the normal course of its business, the Fund is a 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 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.

Market risk is the potential for changes in the value of the financial instruments traded by the 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, resulting in such futures contracts being less valuable. If the markets should move against all of the futures contracts at the same time, the 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 Fund s risk of loss in the event of counterparty default is typically limited to the amounts recognized in the statement of financial condition and not represented by the futures contract or notional amounts of the instruments.

The Fund has not utilized, nor does it expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and has 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.

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PowerShares DB Agriculture Fund

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September 30, 2012

(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 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 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 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

Summary of Share Transactions for the Three Months Ended September 30, 2012 and 2011

and the Nine Months Ended September 30, 2012 and 2011

	Shares Three Months Ended		Paid in Capital Three Months Ended		Shares Nine Months Ended		Paid in Capital Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Shares Sold	4,200,000	6,200,000	$ 124,516,164	$ 207,639,784	9,600,000	55,600,000	$ 278,127,646	$ 1,889,658,574
Shares Redeemed	(4,400,000)	(16,800,000)	(130,850,123)	(529,143,018)	(15,200,000)	(54,000,000)	(428,687,606)	(1,777,212,594)
Net Increase/ (Decrease)	(200,000)	(10,600,000)	$ (6,333,959)	$ (321,503,234)	(5,600,000)	1,600,000	$ (150,559,960)	$ 112,445,980

(8) Profit and Loss Allocations and Distributions

Pursuant to the Trust Agreement, income and expenses are allocated *pro rata* to the Managing Owner as holder of the General Shares and to 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 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.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

September 30, 2012

(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, 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 Fund. As of September 30, 2012, no claims had been received by the Fund and it was therefore not possible to estimate the 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 for a Share outstanding for the Three Months Ended September 30, 2012 and 2011 and for the Nine Months Ended September 30, 2012 and 2011. 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.

Net asset value per Share is the net asset value of the Fund divided by the number of outstanding Shares.

	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net Asset Value				
Net asset value per Share, beginning of period	$ 28.14	$ 32.00	$ 28.81	$ 32.37
Net realized and change in unrealized gain (loss) on United States Treasury Obligations and Futures	1.41	(2.00)	0.87	(2.22)
Net investment income (loss)	(0.06)	(0.07)	(0.19)	(0.22)
Net income (loss)	1.35	(2.07)	0.68	(2.44)
Net asset value per Share, end of period	$ 29.49	$ 29.93	$ 29.49	$ 29.93
Market value per Share, beginning of period	$ 28.22	$ 31.74	$ 28.88	$ 32.35
Market value per Share, end of period	$ 29.41	$ 29.67	$ 29.41	$ 29.67
Ratio to average Net Assets*				
Net investment income (loss)	(0.83)%	(0.87)%	(0.87)%	(0.84)%
Total expenses	0.91%	0.91%	0.93%	0.92%
Total Return, at net asset value **	4.80%	(6.47)%	2.36%	(7.54)%
Total Return, at market value **	4.22%	(6.52)%	1.84%	(8.28)%

* Percentages are annualized.
** Percentages are not annualized.

(11) Subsequent Events

The Fund evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

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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 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 (the Fund) 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 seeks to track changes, whether positive or negative, in the level of the DBIQ Diversified Agriculture Index Excess Return™ (the Index) over time, plus the excess, if any, of the 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. The Index is intended to reflect the change in market value of the agricultural sector. The commodities comprising the Index are Corn, Soybeans, Wheat, Kansas City Wheat, Sugar, Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (each an Index Commodity , and collectively, the Index Commodities).

The 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 in the commodities comprising the Index. The Fund also holds United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Fund s Commodity Broker as margin.

DBIQ is a trademark of Deutsche Bank AG London (the Index Sponsor). Trademark applications in the United States are pending with respect to both the Trust and aspects of the Index. The Trust, the Fund and the Managing Owner have been licensed by the Index Sponsor to use the above noted trademarks. Deutsche Bank AG London is an affiliate of the Trust, the Fund and the Managing Owner.

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 January 18, 1989 (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	12.50
Soybeans	12.50
Wheat	6.25
Kansas City Wheat	6.25
Sugar	12.50
Cocoa	11.11
Coffee	11.11
Cotton	2.78
Live Cattle	12.50
Feeder Cattle	4.17
Lean Hogs	8.33
Closing Level on Base Date:	100.00

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The following table reflects the Fund s weights for each Index Commodity as of September 30, 2012:

Index Commodity	Fund Weight (%)
Corn	15.90
Soybeans	16.89
Wheat	6.88
Kansas City Wheat	6.80
Sugar	10.03
Cocoa	10.53
Coffee	8.09
Cotton	2.10
Live Cattle	11.66
Feeder Cattle	3.87
Lean Hogs	7.25
Closing Level as of September 30, 2012:	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.

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 Fund employs a rule-based approach when it rolls from one futures contract to another. The Index replaces the underlying futures contracts on either an optimum yield basis or on a non optimum yield basis. The Index Commodities that are rolled on an optimum yield basis are Corn, Soybeans, Wheat, Kansas City Wheat and Sugar (each, an OY Index Commodity, collectively, the OY Index Commodities). The Index Commodities that are rolled on a non-optimum yield basis are Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (each, a Non-OY Index Commodity, collectively, the Non-OY Index Commodities).

Rather than select a new futures contract based on a predetermined schedule (*e.g.*, monthly), each OY 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 the Index. As a result, the Fund is able to potentially maximize the roll benefits in backwardated markets and minimize the losses from rolling in contangoed markets for each OY Index Commodity, respectively.

Each of the futures contracts with respect to the Non-OY Index Commodities rolls only to the next to expire futures contract as provided below under Contract Selection (Non-OY Index Commodities only) .

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 backwardated 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 backwardated market will tend to cause a push on an Index Commodity s contribution to the Fund s return.

The CFTC and/or commodity exchanges, as applicable, impose position limits on market participants trading in all eleven 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 Fund to gain full or partial exposure to any Index Commodity by investing in a specific futures contract that is a part of the Index, the Fund may invest in a futures contract referencing the particular Index Commodity other than the specific contract that is a part of the Index 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 a futures contract that is a part of the Index. Because the Fund is approaching or has reached position limits with respect to certain futures contracts comprising the Index, the 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. Please see http://dbfunds.db.com/dba/weights.aspx with respect to the most recently available weighted composition of the Fund and http://dbfunds.db.com/dba/index.aspx with respect to the composition of the Fund s index on the Base Date.

The DBIQ Diversified Agriculture Index 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).

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Contract Selection (OY Index Commodity only)

On the first New York business day (the Verification Date) of each month, each OY Index Commodity futures contract will be tested in order to determine whether to continue including it in the Index. If the OY Index Commodity futures contract requires delivery of the underlying commodity in the next month, known as the Delivery Month, a new OY Index Commodity futures contract will be selected for inclusion in the Index. For example, if the first New York business day is October 1, 2012, and the Delivery Month of the OY Index Commodity futures contract currently in such Index is November 2012, a new OY Index Commodity futures contract with a later Delivery Month will be selected.

For each underlying OY Index Commodity of the Index, the new OY Index Commodity futures contract selected will be the OY Index Commodity futures contract with the best possible implied roll yield based on the closing price for each eligible OY Index Commodity futures contract. Eligible OY Index Commodity futures contracts are any OY Index Commodity futures contracts having a Delivery Month (i) no sooner than the month after the Delivery Month of the OY 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 October 1, 2012 and the Delivery Month of an OY Index Commodity futures contract currently in the Index is November 2012, the Delivery Month of an eligible new OY Index Commodity futures contract must be between December 2012 and October 2013. The implied roll yield is then calculated and the futures contract on the OY 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 selection of the replacement futures contract, each OY Index Commodity futures contract will be rolled as provided in the sub-paragraph Monthly Index Roll Period with respect to both OY Index Commodities and Non-OY Index Commodities.

Contract Selection (the Non-OY Commodities only)

On the first Index Business Day of each month, a new Non-OY Commodity futures contract will be selected to replace the old Non-OY Commodity futures contract. The new Non-OY Commodity futures contract selected is as provided in the following schedule:

Contract	Exchange (Symbol)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cocoa	ICE-US (CC)	H	K	K	N	N	U	U	Z	Z	Z	H	H
Coffee	ICE-US (KC)	H	K	K	N	N	U	U	Z	Z	Z	H	H
Cotton	ICE-US (CT)	H	K	K	N	N	Z	Z	Z	Z	Z	H	H
Live Cattle	CME (LC)	J	J	M	M	Q	Q	V	V	Z	Z	G	G
Feeder Cattle	CME (FC)	H	J	K	Q	Q	Q	U	V	X	F	F	H
Lean Hogs	CME (LH)	J	J	M	M	N	Q	V	V	Z	Z	G	G

Month Letter Codes

Month	Letter Code
January	F
February	G
March	H
April	J
May	K
June	M
July	N
August	Q
September	U
October	V
November	X
December	Z

After selection of the replacement futures contract, each Non-OY Index Commodity futures contract will be rolled as provided in the sub-paragraph Monthly Index Roll Period with respect to both OY Index Commodities and Non-OY Index Commodities.

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Monthly Index Roll Period with respect to both the OY Index Commodities and the Non-OY Index Commodities

After the futures contract selection with respect to both the OY Index Commodities and the Non-OY Index Commodities, 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.

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 CFTC and commodity exchanges impose position limits on market participants trading in all eleven commodities included in the Index.

Under the Second Amended and Restated Declaration of Trust and Trust Agreement of the Trust (the Trust Agreement), Wilmington Trust Company, the Trustee of the Trust, has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust and the 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 and the 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 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.

Margin Calls

Like other futures and derivatives traders, the Fund will be subject to margin calls from time-to-time. The term margin has a different meaning in the context of futures contracts and other derivatives than it does in the context of securities. In particular, margin on a futures position does not constitute a borrowing of money or the collateralization of a loan. The Fund does not borrow money.

To establish a position in an exchange-traded futures contract, the Fund makes a deposit of initial margin. The amount of initial margin required to be deposited in order to establish a position in an exchange-traded futures contract varies from instrument to instrument depending, generally, on the historical volatility of the futures contract in question. Determination of the amount of the required initial margin deposit in respect of a particular contract is made by the exchange on which the contract is listed. To establish a long position in an over-the-counter instrument, the counterparty may require an analogous deposit of collateral, depending upon the anticipated volatility of the instrument and the creditworthiness of the person seeking to establish the position. The deposit of initial margin provides assurance to futures commission merchants and clearing brokers involved in the settlement process that sufficient resources are likely to be on deposit to enable a client s position to be closed by recourse to the initial margin deposit should the client fail to meet a demand for variation margin, even if changes in the value of the contract in question, which are marked to market from day to day, continue to reflect the contract s historical volatility. Collateral deposited in support of an over-the-counter instrument serves a similar purpose.

Once a position has been established on a futures exchange, variation margin generally is credited or assessed at least daily to reflect changes in the value of the position. In contrast to initial margin, variation margin represents a system of marking to market the futures contract s value. Thus, traders in exchange-traded futures contracts are assessed daily in an amount equal to that day s accumulated losses in respect of any open position (or are credited daily with accumulated gains in respect of such position). Collateral may move between the parties to an over-the-counter instrument in a similar manner as gains or losses accumulate in the instrument. As with initial margin, variation margin serves to secure the obligations of the investor under the contract and to protect those involved in the settlement process against the possibility that a client will have insufficient resources to meet its contractual obligations. Collateral deposited in support of an over-the-counter instrument serves a similar purpose. Like initial margin (or an equivalent deposit of collateral), variation margin (or an equivalent deposit of collateral) does not

constitute a borrowing of money, is not considered to be part of the contract purchase price and is returned upon the contract s termination unless it is used to cover a loss in the contract position. United States Treasury Obligations are used routinely to collateralize OTC derivative positions, and are deposited routinely as margin to collateralize futures positions. The Fund may liquidate United States Treasury Obligations to meet an initial or variation margin requirement.

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Performance Summary

This Report covers the three months ended September 30, 2012 and 2011 (hereinafter referred to as the Three Months Ended September 30, 2012 and the Three Months Ended September 30, 2011 , respectively) and the nine months ended September 30, 2012 and 2011 (hereinafter referred to as the Nine Months Ended September 30, 2012 and the Nine Months Ended September 30, 2011 , 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 and the exchange traded Shares are 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 DBIQ Diversified Agriculture Index Total Return (the DBIQ Diversified 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.

The section Summary of DBIQ Diversified Agriculture TR and Underlying Index Commodity Returns for the Three Months Ended September 30, 2012 and the Nine Months Ended September 30, 2012 and the Three Months Ended September 30, 2011 and the Nine Months Ended September 30, 2011 below provides an overview of the changes in the closing levels of the DBIQ Diversified 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 and the Fund does not attempt to outperform or underperform the Index. The Index employs the optimum yield roll method (only with respect to the OY Index Commodities) 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 DBIQ Diversified Agriculture TR and Underlying Index Commodity Returns for the Three Months Ended September 30, 2012 and the Nine Months Ended September 30, 2012 and the Three Months Ended September 30, 2011 and the Nine Months Ended September 30, 2011

	AGGREGATE RETURNS FOR INDICES IN THE DBIQ DIVERSIFIED AGRICULTURE TR			
Underlying Index	**Three Months Ended September 30, 2012**	**Three Months Ended September 30, 2011**	**Nine Months Ended September 30, 2012**	**Nine Months Ended September 30, 2011**
DB Corn Indices	19.17%	(4.51)%	29.08%	5.48%
DB Soybean Indices	12.16%	(8.88)%	33.03%	(9.86)%
DB Wheat Indices	8.71%	(6.91)%	11.01%	(32.42)%
DB Kansas City Wheat Indices	12.26%	(4.66)%	10.36%	(20.05)%
DB Sugar Indices	(3.37)%	(2.77)%	(14.97)%	(5.51)%
DB Cocoa Indices	9.42%	(18.23)%	17.07%	(16.12)%
DB Coffee Indices	0.11%	(15.17)%	(27.57)%	(9.06)%
DB Cotton Indices	(0.93)%	(15.51)%	(22.19)%	(14.66)%
DB Live Cattle Indices	(2.52)%	4.21%	(7.12)%	(0.34)%
DB Feeder Cattle Indices	(8.57)%	0.98%	(10.74)%	7.22%
DB Lean Hogs Indices	(10.93)%	6.26%	(12.70)%	(0.37)%
AGGREGATE RETURNS	4.90%	(6.10)%	2.85%	(7.51)%

If the Fund s interest income from its holdings of fixed income securities were to exceed the Fund s fees and expenses, the aggregate return on an investment in the Fund is expected to outperform the Index and underperform the DBIQ Diversified Agriculture TR . The only difference between the (i) Index (the Excess Return Index) and (ii) the DBIQ Diversified Agriculture TR (the Total Return Index) is that the Excess Return Index does not include interest income from a hypothetical basket of fixed income securities while the Total Return Index does include such a component. The difference between the Excess Return Index and the Total Return Index 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

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amount of such excess is expected to be distributed periodically. The market price of the Shares is expected to closely track the Index . The aggregate 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 aggregate return is expected to outperform the Excess Return 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 aggregate return on the Fund is expected to underperform the Total Return Index. If the Fund s fees and expenses were to exceed the Fund s interest income from its holdings of fixed income securities, the aggregate return on an investment in the Fund is expected to underperform the Excess Return Index.

Net Asset Value

Net asset value means the total assets of the Fund, including, but not limited to, all futures, cash and investments less total liabilities of the 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 Fund but unpaid or not received by the 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 Managing Owner may value such futures contract pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards. The Managing Owner may in its discretion (and only under 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 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 Fund s brokerage account is accrued monthly. The amount of any distribution is a liability of the Fund from the day when the distribution is declared until it is paid.

Critical Accounting Policies

The 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 financial statements and accompanying notes. The Fund s application of these policies involves judgments and actual results may differ from the estimates used.

The 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 financial statements, with changes in fair value reported in the 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 fair value measurement and disclosure guidance requires 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 1 for further information.

When market closing prices are not available, the Managing Owner may value an asset of the 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 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 Fund entering into contractual commitments to purchase a particular commodity at a specified date and price. The market risk associated with the Fund s commitments to purchase commodities is limited to the gross or face amount of the contracts held.

The 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 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 Fund enters into futures contracts, the Fund is 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 Fund.

The Commodity Broker, when acting as the 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 Fund all assets of the 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 Fund related to foreign futures trading.

Liquidity

All of the Fund s source of capital is derived from the Fund s offering of Shares to Authorized Participants. The 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 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 Fund s commodity interests change. The balance of the net assets is held in the Fund s commodity trading account. Interest earned on the Fund s interest-bearing funds is paid to the Fund.

The 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 Fund from promptly liquidating its commodity futures positions.

Because the 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).

Authorized Participants may also redeem its Shares. 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.

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Cash Flows

The primary cash flow activity of the Fund is to raise capital from Authorized Participants through the issuance of Shares. This cash 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 provided by and (used for) operating activities was $65.4 million and $36.4 million for the Nine Months Ended September 30, 2012 and 2011, 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 Nine Months Ended September 30, 2012, $5,423.7 million was paid to purchase United States Treasury Obligations and $5,754.7 million was received from sales and maturing contracts. During the Nine Months Ended September 30, 2011, $9,957.7 million was paid to purchase United States Treasury Obligations and $9,884.7 million was received from sales and maturing contracts. Unrealized appreciation on United States Treasury Obligations and futures increased $310.9 million and decreased $470.5 million during the Nine Months Ended September 30, 2012 and 2011, respectively.

Financing Activities

The Fund s net cash flow provided by and (used for) financing activities was $(162.1) million and $160.3 million during the Nine Months Ended September 30, 2012 and 2011, respectively. This included $278.1 million and 1,889.7 million from the sale of Shares to Authorized Participants during the Nine Months Ended September 30, 2012 and 2011, respectively.

Results of Operations

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

The Fund was launched on January 3, 2007 at $25.00 per Share. The Shares 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 seeks to track changes in the closing levels of the DBIQ Diversified Agriculture Index Excess Return (the DBIQ Diversified Agriculture ER , or the Index) over time, plus the excess, if any, of the 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. 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 DBANV), 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 Fund s collateral holdings whereas the Index does not consider such interest income. There can be no assurances that the price of the Shares will exceed the Index levels.

The Index is a set of rules applied to a body of data and does not represent the results of actual investment or trading. The Index is frictionless, in that it does not take into account fees or expenses associated with investing in the Fund. Also, because it does not represent actual futures positions, the Index is not subject to, and does not take into account the impact of, speculative position limits or certain other similar limitations on the ability of the Fund to trade the Index Commodities. The TR version of the Index includes an assumed amount of interest income based on prevailing rates that is adjusted from time to time. The Fund, by contrast, invests actual money and trades actual futures contracts. As a result, the performance of the Fund involves friction, in that fees and expenses impose a drag on performance. The Fund may be subject to speculative position limits and certain other limitations on its ability to trade the Index Commodities, which may compel the Fund to trade futures or other instruments that are not Index Commodities as proxies for the Index Commodities. The interest rate actually earned by the Fund over any period may differ from the assumed amount of interest income factored into the TR version of the Index over the same period. All of these factors can contribute to discrepancies between changes in net asset value per Share and changes in the level of the Index over any period of time. Fees and expenses always will tend to cause changes in the net asset value per Share to underperform changes in the value of the Index over any given period, all other things being equal. Actual interest income could be higher or lower than the assumed interest income factored into the TR version of the Index, and therefore could cause changes in the net asset value per Share to outperform or underperform changes in the value of the TR version of the Index over any given period, all other things being equal. Similarly, trading futures or other instruments that are not Index Commodities as proxies for the Index Commodities could cause changes in the net asset value per Share to outperform or underperform changes

in the value of the Index over any given period, all other things being equal.

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COMPARISON OF DBA, DBANV AND DBAGIX FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2012 AND 2011 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

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.

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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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

DBIQ Diversified Agriculture Index 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 SEPTEMBER 2009, 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 JANUARY 1989 THROUGH AUGUST 2009, 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, 2011, 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, AN INDIRECT WHOLLY OWNED SUBSIDIARY OF DEUTSCHE BANK AG, COMMENCED OPERATIONS IN JANUARY 2006. AS MANAGING OWNER, THE MANAGING OWNER AND ITS TRADING PRINCIPALS HAVE BEEN MANAGING THE DAY-TO-DAY OPERATIONS FOR THE FUND AND MANAGING FUTURES ACCOUNTS AND RELATED PRODUCTS. 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 SEPTEMBER 30, 2012 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2011

Fund Share Price Performance

For the Three Months Ended September 30, 2012, the NYSE Arca market value of each Share increased 4.22% from $28.22 per Share to $29.41 per Share. The Share price low and high for the Three Months Ended September 30, 2012 and related change from the Share price on June 30, 2012 was as follows: Shares traded from a low of $28.47 per Share (+0.89%) on July 2, 2012 to a high of $30.76 per Share (+9.00%) on September 14, 2012.

For the Three Months Ended September 30, 2011, the NYSE Arca market value of each Share decreased 6.52% from $31.74 per Share to $29.67 per Share. The Share price high and low for the Three Months Ended September 30, 2011 and related change from the Share price on June 30, 2011 was as follows: Shares traded from a high of $34.19 per Share (+7.72%) on August 29, 2011 to a low of $29.67 per Share (-6.52%) on September 30, 2011.

Fund Share Net Asset Performance

For the Three Months Ended September 30, 2012, the net asset value of each Share increased 4.80% from $28.14 per Share to $29.49 per Share. An increase in futures contract prices for corn, wheat, soybean, Kansas City wheat, coffee, and cocoa, was partially offset by decreases in the futures contract prices of cotton, sugar, feeder cattle, live cattle and lean hogs during the Three Months Ended September 30, 2012, contributing to an overall 4.90% increase in the level of the DBIQ Diversified Agriculture TR .

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Net income for the Three Months Ended September 30, 2012 was $87.9 million, resulting from $0.4 million of interest income, net realized gain of $34.9 million, net unrealized gain of $57.2 million and operating expenses of $4.6 million.

For the Three Months Ended September 30, 2011, the net asset value of each Share decreased 6.47% from $32.00 per Share to $29.93 per Share. A decrease in futures contract prices for corn, cocoa, sugar, wheat, soybean, Kansas City wheat, cotton and coffee was partially offset by increases in the futures contract prices of live cattle, lean hogs and feeder cattle during the Three Months Ended September 30, 2011, contributing to an overall 6.10% decrease in the level of the DBIQ Diversified Agriculture TR .

Net loss for the Three Months Ended September 30, 2011 was $194.2 million, resulting from $0.3 million of interest income, net realized loss of $68.8 million, net unrealized loss of $118.9 million and operating expenses of $6.8 million.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2011

Fund Share Price Performance

For the Nine Months Ended September 30, 2012, the NYSE Arca market value of each Share increased 1.84% from $28.88 per Share to $29.41 per Share. The Share price low and high for the Nine Months Ended September 30, 2012 and related change from the Share price on December 31, 2011 was as follows: Shares traded from a low of $25.80 per Share (-10.66%) on June 1, 2012, to a high of $30.76 per Share (+6.51%) on September 14, 2012.

For the Nine Months Ended September 30, 2011, the NYSE Arca market value of each Share decreased 8.28% from $32.35 per Share to $29.67 per Share. The Share price high and low for the Nine Months Ended September 30, 2011 and related change from the Share price on December 31, 2010 was as follows: Shares traded from a high of $35.44 per Share (+9.55%) on March 3, 2011, to a low of $29.67 per Share (-8.28%) on September 30, 2011.

Fund Share Net Asset Performance

For the Nine Months Ended September 30, 2012, the net asset value of each Share increased 2.36% from $28.81 per Share to $29.49 per Share. An increase in futures contract prices for corn, wheat, soybean, Kansas City wheat and cocoa was partially offset by decreases in the futures contract prices of sugar, feeder cattle, cotton, coffee, live cattle and lean hogs during the Nine Months Ended September 30, 2012, contributing to an overall 2.85% increase in the level of the DBIQ Diversified Agriculture TR .

Net income for the Nine Months Ended September 30, 2012 was $32.8 million, resulting from $0.8 million of interest income, net realized loss of $265.4 million, net unrealized gain of $310.9 million and operating expenses of $13.5 million.

For the Nine Months Ended September 30, 2011, the net asset value of each Share decreased 7.54% from $32.37 per Share to $29.93 per Share. A decrease in futures contract prices for cocoa, sugar, wheat, soybean, Kansas wheat, cotton, coffee, live cattle and lean hogs was partially offset by increases in the futures contract prices of corn and feeder cattle during the Nine Months Ended September 30, 2011, contributing to an overall 7.51% decrease in the level of the DBIQ Diversified Agriculture TR .

Net loss for the Nine Months Ended September 30, 2011 was $268.7 million, resulting from $2.0 million of interest income, net realized gain of $222.6 million, net unrealized losses of $470.5 million and operating expenses of $22.8 million.

Off-Balance Sheet Arrangements and Contractual Obligations

In the normal course of its business, the Fund is a 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 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 has not utilized, nor does it expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and has 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. While the Fund s exposure under such indemnification provisions cannot be estimated, these

general business indemnifications are not expected to have a material impact on the Fund s financial position.

The 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 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

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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.

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 effects of margin, and any other multiplier features, as applicable, 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).

Value at risk, (VaR), is a statistical measure of the value of losses that would not be expected to be exceeded over a given time horizon and at a given probability level arising from movement of underlying risk factors. Loss is measured as a decline in the fair value of the portfolio as a result of changes in any of the material variables by which fair values are determined. VaR is measured over a specified holding period (1 day) and to a specified level of statistical confidence (99th percentile). 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 VaR 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 VaR or by the Fund s attempts to manage its market risk.

THE FUND S TRADING VALUE AT RISK

The Fund calculates VaR using the actual historical market movements of the Fund s total assets.

The following table indicates the trading VaR associated with the Fund s total assets as of September 30, 2012.

Description	Total Assets	Daily Volatility	VaR* (99 Percentile)	Number of times VaR Exceeded
PowerShares DB Agriculture Fund	$ 1,919,469,096	0.86%	$ 38,360,404	1

The following table indicates the trading VaR associated with the Fund s total assets as of December 31, 2011.

Description	Total Assets	Daily Volatility	VaR* (99 Percentile)	Number of times VaR Exceeded
PowerShares DB Agriculture Fund	$ 2,047,361,655	1.01%	$ 48,220,083	2

* The VaR represents the one day downside risk, under normal market conditions, with a 99% confidence level. It is calculated using historical market moves of the Fund s total assets and uses a one year look-back.

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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.

The following were the primary trading risk exposures of the Fund as of September 30, 2012 by Index Commodity:

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 and Kansas City 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.

Cocoa

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

Coffee

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

Cotton

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

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Live Cattle

The price of live cattle is volatile. The price movement of live cattle may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn, milo, wheat, soybeans, hay and alfalfa), live cattle production, transportation costs, political uncertainties and economic concerns.

Feeder Cattle

The price of feeder cattle is volatile. The price movement of feeder cattle may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn, milo, wheat, soybeans, hay and alfalfa), feeder cattle production, transportation costs, political uncertainties and economic concerns.

Lean Hogs

The price of lean hogs is volatile. The price movement of lean hogs may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn), hog production, 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 Martin Kremenstein, its Chief Executive Officer, and Michael Gilligan, its Chief 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, Martin Kremenstein, the Chief Executive Officer, and Michael Gilligan, the Chief Financial Officer, of the Managing Owner, concluded 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 Chief 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.

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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, 2011, filed February 28, 2012.

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) Not Applicable.

(c) The following table summarizes the redemptions by Authorized Participants during the Three Months Ended September 30, 2012 and 2011:

Period of Redemption	Total Number of Shares Redeemed	Average Price Paid per Share
Three Months Ended September 30, 2012	4,400,000	$ 29.74
Three Months Ended September 30, 2011	16,800,000	$ 31.50

Item 3. Defaults Upon Senior Securities.
None.

Item 4. Mine Safety Disclosure.
Not Applicable.

Item 5. Other Information.
The information below is provided pursuant to CFTC Rule 4.24 which requires the disclosure of material actions that occurred within the last 5 years, including certain resolved matters.

At any given time and in the ordinary course of their business, Deutsche Bank Securities Inc. (DBSI) is involved in and subject to a number of legal actions, administrative proceedings and regulatory examinations, inquiries and investigations, which, in the aggregate, are not, as of the date of this disclosure document, expected to have a material effect upon their condition, financial or otherwise, or to materially impair their ability to perform their obligation as a clearing member or in rendering services to each Fund. Except as disclosed below, there have been no administrative, civil or criminal proceedings pending, on appeal or concluded against DBSI or its principals within the five years preceding the date of this disclosure document that DBSI would deem material for purposes of Part 4 of CFTC regulations.

Tax-Related Litigation

Deutsche Bank AG (the Bank), along with certain affiliates, including DBSI, and current and/or former employees (collectively referred to as Deutsche Bank), have collectively been named as defendants in a number of legal proceedings brought by customers in various tax-oriented transactions. Deutsche Bank provided financial products and services to these customers, who were advised by various accounting, legal and financial advisory professionals. The customers claimed tax benefits as a result of these transactions, and the United States Internal Revenue Service (IRS) has rejected those claims. In these legal proceedings, the customers allege that the professional advisors, together with Deutsche Bank, improperly misled the customers into believing that the claimed tax benefits would be upheld by the IRS. The legal proceedings are pending in state and federal courts, and claims against Deutsche Bank are alleged under both U.S. state and federal law. Approximately 106 legal proceedings have been resolved and dismissed with prejudice with respect to Deutsche Bank. A number of other legal proceedings remain pending as against Deutsche Bank and are currently at various pre-trial stages, including discovery. Deutsche Bank has received a number of unfiled claims as well, and has resolved certain of those unfiled claims, though others remain pending against Deutsche Bank. The Bank does not expect these pending legal proceedings and unfiled claims to have a significant effect on its financial position or profitability.

Mortgage-Related and Asset Backed Securities Matters

The Bank and its affiliates, including DBSI (collectively referred to as Deutsche Bank), have received subpoenas and requests for information from certain regulators and government entities concerning its activities regarding the origination, purchase, securitization, sale and/or trading of mortgage loans, residential mortgage backed securities (RMBS), collateralized debt obligations, asset backed commercial paper and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

Deutsche Bank has been named as defendant in numerous civil litigations in various roles as issuer or underwriter in RMBS offerings. These cases include purported class action suits, actions by individual purchasers of securities, and actions by insurance companies that guaranteed payments of principal and interest for particular tranches of securities offerings. Although the allegations vary by lawsuit, these cases generally allege that the RMBS offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination.

Deutsche Bank and several current or former employees were named as defendants in a putative class action commenced on June 27, 2008, relating to two Deutsche Bank-issued RMBS offerings. Following a mediation, the court has approved a settlement of the case.

Deutsche Bank is a defendant in putative class actions relating to its role, along with other financial institutions, as underwriter of RMBS issued by various third-parties and their affiliates including Countrywide Financial Corporation, IndyMac MBS, Inc., Novastar Mortgage Corporation, and Residential Accredit Loans, Inc. These cases are in various stages up through discovery. On March 29, 2012, the court dismissed with prejudice and without leave to replead the putative Novastar Mortgage Corporation class action, which the plaintiffs have appealed.

Deutsche Bank is a defendant in various non-class action lawsuits by alleged purchasers of, and counterparties involved in transactions relating to, RMBS, and their affiliates, including Allstate Insurance Company, Asset Management Fund, Assured Guaranty Municipal Corporation, Baverische Landesbank, Cambridge Place Investments Management Inc., the Federal Deposit Insurance Corporation (as conservator for Franklin Bank S.S.B., Citizens National Bank and Strategic Capital Bank), the Federal Home Loan Bank of Boston, the Federal Home Loan Bank of San Francisco, the Federal Home Loan Bank of Seattle, the Federal Housing Finance Agency (as conservator for Fannie Mae and Freddie Mac), John Hancock Insurance Company, Mass Mutual Life Insurance Company, Phoenix Light SF Limited, Sealink Funding Ltd., Stichting Pensioenfonds ABP, The Charles Schwab Corporation, The Union Central Life Insurance Company, The Western and Southern Life Insurance Co. and the West Virginia Investment Management Board. These civil litigations are in various stages up through discovery.

In the actions against Deutsche Bank solely as an underwriter of other issuers RMBS offerings, Deutsche Bank has contractual rights to indemnification from the issuers, but those indemnity rights may in whole or in part prove effectively unenforceable where the issuers are now or may in the future be in bankruptcy or otherwise defunct.

On February 6, 2012, the United States District Court for the Southern District of New York issued an order dismissing claims brought by Dexia SA/NV and Teachers Insurance and Annuity Association of America, and their affiliates. The court dismissed some of the claims with prejudice and granted the plaintiffs leave to replead other claims.

On July 16, 2012, the Fourth Judicial District for the State of Minnesota dismissed Deutsche Bank from a litigation brought by Moneygram Payment Systems, Inc. (Moneygram) relating to investments in RMBS, collateralized debt obligations and credit-linked notes. The court further denied Moneygram s motion for reconsideration.

A number of other entities have threatened to assert claims against Deutsche Bank in connection with various RMBS offerings and other related products, and Deutsche Bank has entered into agreements with a number of these entities to toll the relevant statute of limitations. It is possible that these potential claims may have a material impact on Deutsche Bank.

On May 3, 2011, the United States Department of Justice (USDOJ) filed a civil action against Deutsche Bank AG and MortgageIT, Inc. (MIT) in the United States District Court for the Southern District of New York. The USDOJ filed an amended complaint on August 22, 2011. The amended complaint, which asserts claims under the U.S. False Claims Act and common law, alleges that Deutsche Bank AG, DB Structured Products, Inc., MIT, and DBSI submitted false certifications to the Department of Housing and Urban Development s Federal Housing Administration (FHA) concerning MIT s compliance with FHA requirements for quality controls and concerning whether individual loans qualified for FHA insurance. As set forth in the amended complaint, the FHA has paid $368 million in insurance claims on mortgages that are allegedly subject to false certifications. The amended complaint seeks recovery of treble damages and indemnification of future losses on loans insured by FHA, and as set forth in the filings, the government seeks over $1 billion in damages. On September 23, 2011, the defendants filed a motion to dismiss the amended complaint. Following a hearing on December 21, 2011, the court granted the USDOJ leave to file a second amended complaint. On May 10, 2012, Deutsche Bank settled this litigation with the USDOJ for $202.3 million.

On May 8, 2012, Deutsche Bank reached a settlement with Assured Guaranty Municipal Corporation (Assured) regarding claims on certain RMBS issued and underwritten by Deutsche Bank that are covered by financial guaranty insurance provided by Assured. Pursuant to this settlement, Deutsche Bank made a payment of $166 million and agreed to participate in a loss share arrangement to cover a percentage of Assured s future losses on certain RMBS issued by Deutsche Bank. All of Deutsche Bank s currently expected payments pursuant to this settlement were provisioned in previous quarters. This settlement resolves two litigations with Assured relating to financial guaranty insurance and limits claims in a third litigation where all the underlying mortgage collateral was originated by Greenpoint Mortgage Funding, Inc. (a subsidiary of Capital One), which is required to indemnify Deutsche Bank.

Auction Rate Securities

The Bank and DBSI, including a division of DBSI, have been named as defendants in 21 individual actions asserting various claims under the federal securities laws and state common law arising out of the sale of auction rate securities (ARS). Of those 21 actions, four are pending and 17 have been resolved and dismissed with prejudice. The Bank and DBSI were the subjects of a putative class action, filed in the United States District Court for the Southern District of New York, asserting various claims under the federal securities laws on behalf of all persons or entities who purchased and continue to hold ARS offered for sale by the Bank and DBSI between March 17, 2003 and February 13, 2008. In December 2010, the court dismissed the putative class action with prejudice. After initially filing a notice of appeal, the plaintiff voluntarily withdrew and dismissed the appeal in December 2011. The Bank was also named as a defendant, along with ten other financial institutions, in two putative class actions, filed in the United States District Court for the Southern District of New York, asserting violations of the antitrust laws. The putative class actions allege that the defendants conspired to artificially support and then, in February 2008, restrain the ARS market. On or about January 26, 2010, the court dismissed the two putative class actions. The plaintiffs have filed appeals of the dismissals.

Trust Preferred Securities

The Bank and certain of its affiliates and officers, including DBSI, are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. Claims are asserted under sections 11, 12(a)(2), and 15 of the Securities Act of 1933. An amended and consolidated class action complaint was filed on January 25, 2010. On August 19, 2011, the court granted in part and denied in part the defendants motion to dismiss. Defendants have moved for reconsideration of the portion of the decision denying the motion to dismiss. On September 20, 2011, plaintiffs filed a second amended complaint, which no longer includes claims based on the October 2006 issuance of securities.

Item 6. Exhibits.

31.1	Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)
31.2	Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	Interactive data file pursuant to Rule 405 of Regulation S-T: (i) the Statements of Financial Condition of PowerShares DB Agriculture Fund September 30, 2012 (unaudited) and December 31, 2011, (ii) the Unaudited Schedule of Investments of PowerShares DB Agriculture Fund September 30, 2012, (iii) the Schedule of Investments of PowerShares DB Agriculture Fund December 31, 2011, (iv) the Unaudited Statements of Income and Expenses of PowerShares DB Agriculture Fund Three Months Ended September 30, 2012 and 2011 and Nine Months Ended September 30, 2012 and 2011, (v) the

Unaudited Statements of Changes in Shareholders Equity of PowerShares DB Agriculture Fund Three Months Ended September 30, 2012, (vi) the Unaudited Statements of Changes in Shareholders Equity of PowerShares DB Agriculture Fund Three Months Ended September 30, 2011, (vii) the Unaudited Statements of Changes in Shareholders Equity of PowerShares DB Agriculture Fund Nine Months Ended September 30, 2012, (viii) the Unaudited Statements of Changes in Shareholders Equity of PowerShares DB Agriculture Fund Nine Months Ended September 30, 2011, (ix) the Unaudited Statements of Cash Flows of PowerShares DB Agriculture Fund Nine Months Ended September 30, 2012 and 2011, and (x) Notes to Unaudited Financial Statements of PowerShares DB Agriculture Fund.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PowerShares DB Multi-Sector Commodity Trust with respect to PowerShares DB Agriculture Fund

By: DB Commodity Services LLC,

its Managing Owner

By: /s/ Martin Kremenstein
Name: **Martin Kremenstein**
Title: **Chief Executive Officer**

By: /s/ Michael Gilligan
Name: **Michael Gilligan**
Title: **Chief Financial Officer**

Dated: November 2, 2012