

## PowerShares DB Information on Tax Reporting

**The following information on tax reporting is not intended as tax advice and is provided for informational purposes only. You should seek advice based on your particular circumstances from an independent tax adviser.**

### **I have purchased a PowerShares DB ETF. What is my tax reporting responsibility for this investment?**

Generally, any capital gains, capital losses, income and expense reported to you on the K-1 needs to be included in your tax returns. Investors should consult with a tax professional.

### **I have purchased units as part of an IRA or tax exempt account. What is my tax reporting responsibility for this investment?**

The IRS requires an entity treated as a partnership to provide a K-1 to each partner, regardless of the manner in which the shares are held. Generally, federal tax returns do not require the income amounts on the K-1 that were distributed in a tax-exempt account. Investors should consult with a tax professional regarding their personal circumstances.

### **Why do I receive a K-1 as opposed to a Form 1099?**

The PowerShares DB funds are each treated as partnerships for tax purposes. The information must be reported on a Schedule K-1.

### **I have not sold my PowerShares DB ETF, why does my K-1 show a gain/loss?**

The PowerShares DB funds are Delaware statutory trusts which are treated as partnerships for U.S. tax reporting purposes. This means that investors are required to include their allocable share of gains/losses from the funds on an annual basis whether the gains/losses are realized or not.

### **I have sold PowerShares DB ETFs. What is my tax reporting responsibility for this investment?**

Investors should consult with a tax professional. In most cases, capital gains and/or losses on the sale of shares must be disclosed in a tax return. The sales schedule is the result of sales of an investment and includes related adjustments to the investor's tax basis.

### **Form 6781 asks for an election regarding "Straddles," "Net Section 1256 Contracts Loss" etc. How do I complete this section?**

Investors should consult with a tax professional. This election is generally only applicable when a loss is reported on the K-1.

### **How is my tax basis calculated?**

An investor's tax basis is typically the initial amount paid for the shares (including fees) adjusted by the total amounts of income and gain and/or the total amounts of expense, loss and distributions reported on the K-1.

If an investor sold shares, the sales schedule includes the total amounts of income, gain, expense, loss and distributions.

### **If I received distributions on my holdings, are they taxable?**

In general, cash distributions are not taxable. However, if the cumulative cash distributions received exceed your tax basis, you would have a taxable gain to report.

### **Are PowerShares DB ETFs exposed to Unrelated Business Taxable Income (UBTI)?**

PowerShares DB ETFs are not exposed to UBTI.

### **When will I receive my K-1?**

PowerShares DB funds are required to obtain information regarding ownership interests bought and sold during the year. This information is usually provided in late January. The manager of the PowerShares DB funds reviews the information and provides the K-1 information as early as possible. In the past, the K-1 information has been made available before March 1st.

### **If I have not yet received my K-1, where can I get it?**

If not received in the mail, the K-1 can be retrieved from [dbfunds.db.com](http://dbfunds.db.com) following the "Access your 2009 K-1" button, followed by "Click Here to Download your 2009 K-1".

### **My K-1 schedule is incorrect - How do I fix it?**

The information in the K-1 was reported to us by your broker. Please contact the relevant phone line at [dbfunds.db.com/distribution.aspx](http://dbfunds.db.com/distribution.aspx).

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