



**Information Circular 08-010**

Date: March 7, 2008  
To: ETP Holders  
From: James C. Yong  
Chief Regulatory Officer  
Re: UUP AND UDN TO BEGIN TRADING ON NSX

Pursuant to Regulatory Circular 08-005, we are issuing this Information Circular to advise you that the following securities have been approved for trading on the National Stock Exchange, Inc. ("NSX" or the "Exchange") as UTP Derivative Securities pursuant to Exchange Rule 15.9:

<b>Security (the "Shares")</b>	<b>Symbol:</b>
PowerShares DB US Dollar Index Bullish Fund	UUP
PowerShares DB US Dollar Index Bearish Fund	UDN

**Commencement of Trading:** March 10, 2008

**Issuer:** PowerShares SB US Dollar Trust

**Issuer Website:** <http://www.powershares.com>

**Primary Listing Exchange:** The American Stock Exchange ("Amex")

**Issuer Registration Statement:** No. 333-136574

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the primary listing exchange (which as of the date hereof is set forth above as the "Primary Exchange Circular") or other markets trading the product. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

We understand that markets trading this product have issued information bulletins containing the following information:

## **Background Information on the Fund**

### Fund Information

As more fully explained in the Registration Statement (No. 333-136574) for the PowerShares DB US Dollar Index Trust, each Fund will invest the proceeds of its offering of Shares in a corresponding series of DB US Dollar Index Master Trust, or the Master Trust. The Master Trust is organized in two separate series as a Delaware statutory trust. Each series of the Master Trust, called a Master Fund, corresponds to a particular Fund.

DB Commodity Services LLC will serve as the Managing Owner, commodity pool operator and commodity trading advisor of each Fund and each Master Fund. Each Master Fund will invest in futures contracts, or DX Contracts, with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank US Dollar Index (USD<sup>®</sup>) Futures Index – Excess Return, or the Index, over time. Each Fund will also earn interest income from United States Treasury and other high credit quality short-term fixed income securities. The Index is calculated to reflect the changes in market value over time, whether positive or negative, of long positions on DX Contracts, or the Long Index, and the changes in market value over time, whether positive or negative, of short positions on DX Contracts, or the Short Index. DX Contracts are traded through the FINEX<sup>®</sup> currency markets of the New York Board of Trade<sup>®</sup>, or the NYBOT<sup>®</sup>, under the symbol "DX." The changes in market value over time, whether positive or negative, of the DX Contracts are related to the changes, whether positive or negative, in the level of the U.S. Dollar Index<sup>®</sup>, or the USD<sup>®</sup>. The Index provides a general indication of the international value of the U.S. dollar relative to the six major world currencies, or Index Currencies, which comprise the USD<sup>®</sup> - Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

The Trust is not registered as an investment company under the Investment Company Act of 1940. The Managing Owner is a registered commodity pool operator ("CPO") and commodity trading advisor ("CTA") with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA").

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

The Funds will issue shares on a continuous basis to Authorized Participants. The Funds will issue and redeem shares only in blocks of 200,000 Shares or integral multiples thereof to Authorized Participants. A block of 200,000 Shares is called a "Basket." These transactions will be in exchange for a Cash Deposit Amount equal to 200,000 multiplied by the net asset value ("NAV") per Share of the Funds determined on each business day by the Administrator. The Administrator will determine the Cash Deposit Amount for a given business day by multiplying the NAV for each Share by the number of Shares in each Basket (200,000). Only registered broker-dealers that become Authorized Participants by entering into a participant agreement with the Managing Owner and the Fund may purchase or redeem Baskets. Shares will be offered to the public from time to time at prices that will reflect, among other things, the prices of the underlying futures contracts and the trading price of the Shares.

Market prices for the Shares may be different from the NAV per Share. Except when aggregated in Baskets, Shares are not redeemable securities.

Net asset value, in respect of a Master Fund, means the total assets of the Master Fund including, but not limited to, all cash and cash equivalents or other debt securities less total liabilities of such Master Fund, each determined on the basis of generally accepted accounting principles in the United States, consistently applied under the accrual method of accounting. An "Authorized Participant" is a person, who at the time of submitting to the trustee an order to create or redeem one or more Baskets, (i) is a registered broker-dealer, (ii) is a Depository Trust Company ("DTC") Participant and (iii) has in effect a valid Participant Agreement. Net asset value per Master Fund Unit, in respect of a Master Fund, is the net asset value of the Master Fund divided by the number of its outstanding Master Fund Units. Because there will be a one to one correlation between Shares of a Fund and Master Fund Units of its corresponding Master Fund and each Master Fund has assumed all liabilities of its corresponding Fund, the net asset value per Share of any Fund and the net asset value per Master Fund Unit of its corresponding Master Fund will be equal.

Each Fund will issue Shares in Baskets 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 of the Fund as of the closing time of the primary listing exchange (in this case, the Amex) or the last to close of the exchanges on which the corresponding Master Fund's futures contracts are traded, whichever is later, on the date that a valid order to create a Basket is accepted by the Fund.

Each Master Fund will issue Master Fund Units in Master Unit Baskets to its corresponding Fund continuously as of noon, New York time, on the business day immediately following the date on which a valid order to create a Master Unit Basket is accepted by the Master Fund, at the net asset value of 200,000 Master Fund Units as of the closing time of the primary listing exchange or the last to close of the exchanges on which the corresponding Master Fund's futures contracts are traded, whichever is later, on the date that a valid order to create a Master Unit Basket is accepted by the Master Fund. Each Master Fund will be wholly-owned by its corresponding Fund and the Managing Owner. Each Share issued by a Fund will correlate with a Master Fund Unit issued by its corresponding Master Fund and held by the Fund.

The Trust registration statement describes the various fees and expenses for the Funds.

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

ETP Holders are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Funds' prospectus or registration statement, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

#### Indicative Fund Value

In order to provide updated information relating to the Funds for use by investors,

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

### The Underlying Index

Deutsche Bank AG London ("Index Sponsor") will publish the daily closing level of the Indexes as of the close of the primary listing exchange. The Managing Owner will publish the net asset value of each Fund and the net asset value per Share daily. Additionally, the Index Sponsor will publish the intraday Index level, and the Managing Owner will publish the indicative value per Share of each Fund (quoted in U.S. dollars) once every fifteen seconds throughout each trading day. All of the foregoing information will be published as follows:

The intra-day level of the Indexes (symbols: Long Index: USDUPX; Short Index: USDDNX) and the intra-day indicative value per Share of each Fund (symbols: Bullish Fund: UUP; Bearish Fund: UDN) (each quoted in U.S. dollars) will be published once every fifteen seconds throughout each trading day on the consolidated tape, Reuters and/or Bloomberg and on the Managing Owner's website at [www.dbfunds.db.com](http://www.dbfunds.db.com), or any successor thereto.

The current trading price per Share of each Fund (symbols: Bullish Fund: UUP; Bearish Fund: UDN) (quoted in U.S. dollars) will be published continuously as trades occur throughout each trading day on the consolidated tape, Reuters and/or Bloomberg and on the Managing Owner's website at [www.dbfunds.db.com](http://www.dbfunds.db.com), or any successor thereto.

The most recent end-of-day Index closing level (symbols: Long Index: USDUPX; Short Index: USDDNX) will be published as of the close of the primary listing exchange each trading day on the consolidated tape, Reuters and/or Bloomberg and on the Managing Owner's website at [www.dbfunds.db.com](http://www.dbfunds.db.com), or any successor thereto.

The most recent end-of-day net asset value of each Fund (symbols: Bullish Fund: UUP.NV; Bearish Fund: UDN.NV) will be published as of the close of Reuters and/or Bloomberg and on the Managing Owner's website at [www.dbfunds.db.com](http://www.dbfunds.db.com), or any successor thereto. In addition, the most recent end-of-day net asset value of each Fund will be published the following morning on the consolidated tape.

All of the foregoing information with respect to the Indexes is also published at <https://index.db.com>.

### Risk Factors to Investing in the Shares

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

- Because the Shares are created to reflect the performance of the Indexes, these risks include the risk that market price of the Shares will be subject to fluctuations similar to those affecting the futures contracts on the underlying currencies that comprise the Indexes.
- Owners of the Shares will not have the protections normally associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 but will have the protections afforded by the Commodity Exchange Act to investors in CFTC regulated commodity pools.
- Shares trade at market prices that may differ from NAV.
- The NAV of the Shares will fluctuate with changes in the market value of the Fund's assets.
- The trading prices of the Shares will fluctuate in accordance with changes in the NAV as well as market supply and demand.
- The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours between the major currency futures markets and the Exchange.
- While the Shares will trade until 4:15 p.m. ET, liquidity in the market for the futures contracts on the underlying currencies comprising the DX Contracts will be reduced after the close of the major currencies futures markets. The market for DX Contracts close at 3:00 p.m. ET.

### Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from the Trusts must receive a prospectus. In addition, ETP Holders are required to deliver a prospectus to all purchasers of newly-issued Shares (i.e., during the initial public offering). ETP Holders purchasing shares from the Trusts for resale to investors will deliver a prospectus to such investors.

Prospectuses may be obtained through the Fund's website at [www.dbfunds.db.com](http://www.dbfunds.db.com). The prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the registration statement.

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

The Commodity Futures Trading Commission's ("CFTC") Division of Clearing and Intermediary Oversight (the "CFTC Division") issued a letter dated September 26, 2006 (the "Relief Letter") granting exemptive relief to the Managing Owner from CFTC Rules 4.21, 4.22 and 4.23. Specifically, the CFTC Division exempted the Managing Owner in connection with the operation of the Fund from: (1) the requirement of CFTC Rule 4.21 (b) to obtain a signed acknowledgment of receipt of a disclosure document prior to accepting funds, securities or property from a prospective pool participant with respect to sales of Shares by Authorized Participants when Authorized Participants create additional Baskets, subsequent to the effectiveness of the registration statement; (2) the requirements of CFTC Rule 4.22 to deliver monthly account statements to purchasers of Shares; and (3) the requirement of CFTC Rule 4.23 to keep required books and records at the Managing Owner's main business office to the extent that such books and records are maintained at the offices of the Trustee or Distributor. The exemption from CFTC Rule 4.21 (b) is expressly conditioned on the information required in the disclosure document being maintained and kept current on websites of the Fund, Managing Owner, the Exchange and the Securities and Exchange Commission ("SEC" or the "Commission").

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

**As this is only a summary of the relief granted by the CFTC, the Exchange advises interested parties to consult the Relief Letter referenced above or their professional advisors for more complete information regarding the relief granted by the CFTC.**

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

The SEC's Division of Market Regulation, now known as the Division of Trading and Markets, (the "Division") issued a letter granting exemptive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), regarding trading in securities similar to the Shares.

#### Regulation M Exemptions

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

The SEC has granted an exemption from paragraph (d) of Rule 101 under Regulation M to permit persons who may be deemed to be participating in a distribution of Shares to bid for or purchase Shares during their participation in such distribution. The SEC also has granted an

exemption from Rule 101 to permit the Distributor to publish research during the applicable restricted period on the Trusts' website.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. The SEC has granted an exemption from paragraph (e) of Rule 102 to permit the Trusts and their respective affiliated purchasers to redeem Shares during the continuous offering of the Shares.

#### Section 110(1) of the Exchange Act; Exchange Act Rule 11 d1-2

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

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

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

**As this is only a summary of the relief granted by the SEC, the Exchange advises interested parties to consult the No-Action Letter referenced above or their professional advisors for more complete information regarding the relief granted by the SEC.**

#### Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from the Trusts must receive a prospectus. In addition, ETP Holders are required to deliver a prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). ETP Holders purchasing shares from the Trusts for resale to investors will deliver a prospectus to such investors.

Prospectuses may be obtained through the Fund's website at [www.powershares.com](http://www.powershares.com).

The prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the registration statement.

#### Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The Shares are also a UTP Derivative Securities as specified in Exchange Rule 15.9, and as such are subject to the additional provisions specific to that Rule. In particular, ETP Holders are reminded of their obligations under the following NSX Rules:

1. Trading Hours: This product will trade during the regular trading hours of the Exchange (between 9:30 a.m. to 4:00 p.m. ET), during pre-market hours (8:00 a.m. to 9:29:59 a.m. ET) and during post-market hours (4:00:01 p.m. to 6:30 p.m. ET). Please note that trading in the Funds Shares during the Exchange's pre-market and post-market hours may result in additional trading risks which include: (1) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (2) higher volatility in the Opening or Late Trading Sessions may impact pricing, (3) wider spreads may occur in the Opening or Late Trading Sessions. The minimum trading increment is \$.01.

2. Recommendations To Customers: Rule 3.7 provides that the ETP Holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer.

3. Trading Halts: Rule 15.9B(4) provides that, in addition to the Exchange's authority to suspend or halt trading under Rules 11.20 (Trading Halts Due To Extraordinary Market Volatility), 12.11 (Trading Suspensions) and 15.7 (Suspension and/or Delisting By Exchange), if a temporary interruption occurs in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange. The Shares will be traded following a trading halt in accordance with Interpretations and Policy .03 of NSX Rule 11.20.

In addition, for a UTP Derivative Securities product where a net asset value is disseminated, if the primary listing exchange notifies the Exchange that the net asset value is not being disseminated to all market participants at the same time, the Exchange will immediately halt trading in such security. The Exchange may resume trading in the UTP Derivative Security only when the net asset value is disseminated to all market participants at the same time or trading in the UTP Derivative Security resumes on the listing market.

**THIS INFORMATION CIRCULAR IS NOT A STATUTORY PROSPECTUS. ETP HOLDERS SHOULD CONSULT THE ISSUER DISCLOSURE MATERIALS (AS DEFINED ABOVE) FOR ALL RELEVANT INFORMATION RESPECTING THE SHARES.**

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Inquiries regarding this Information Circular should be directed to James C. Yong,  
Chief Regulatory Officer, at (312) 786-8893.