



Investors Exchange Product Information Circular 2016 - 0676

Date: August 31, 2016

Re: PowerShares DB Base Metal ETNs

Investors Exchange LLC commenced operating as a national securities exchange on August 19, 2016 followed by a two-week security-by-security phase-in period. This Information Circular is being issued to advise you that the following security has been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to IEX Rule 16.160, and will begin trading on IEX during the phase-in period. See the [Exchange's Website](#) for the phase-in schedule.

<u>Exchange-Traded Notes</u>	<u>Symbol</u>
PowerShares DB Base Metals Long Exchange Traded Notes due June 1, 2038	BDG

Background Information on the Notes

As more fully explained in the Registration Statement No. 333-137902, the ETN's do not guarantee any return of principal at maturity and do not pay any interest during their term. For each security, investors will receive a cash payment at maturity or upon repurchase by Deutsche Bank AG, London Branch (“Deutsche Bank”), if any, linked to the month over month performance of a relevant index, less an investor fee. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. For a more complete description of the Securities and the underlying indexes, payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the applicable prospectus (“Prospectus”).

The PowerShares DB Base Metal ETNs are linked to the month over month performance of a total return version of the Deutsche Bank Liquid Commodity Index – Optimum Yield Industrial Metals™ (“Index”), less an investor fee. The return on the Index is derived by combining the returns on two component indices: the DB 3-Month T Bill Index and the Deutsche Bank Liquid Commodity Index – Optimum Yield Industrial Metals™ Excess Return (“Industrial Metals Index”). PowerShares DB Base Metals Long Exchange Traded Notes due June 1, 2038 (“Base Metals Long ETNs”) offer investors long exposure to the Industrial Metals Index, meaning their value will increase with monthly appreciations and decrease with monthly depreciations in the Industrial Metals Index. The ETNs will initially be issued in denominations of \$25.

Valuation of the Securities

According to the Prospectuses, an intraday “Indicative Value” meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg, as noted below:

Exchange-Traded Note	Indicative Value
PowerShares DB Base Metals Long Exchange Traded Notes	BDGIV

The actual trading price of the Securities may vary significantly from their Indicative Value. Additionally, the calculation agent will publish the daily repurchase value for each offering of securities on the



following Bloomberg pages:

Exchange-Traded Note	Repurchase Value
PowerShares DB Base Metals Long	BDGRP
Exchange Traded Notes	

According to the Prospectuses, the Repurchase value is *equal to* the current principal amount per security *times* applicable index factor on the trading day *times* applicable fee factor on the trading day.

Repurchase

According to the Prospectus, the Securities may be repurchased prior to maturity. Offers to repurchase at least 200,000 securities (or an integral multiple of 50,000 securities in excess thereof) from a single offering or more to Deutsche Bank no later than 10:00 a.m., New York City time, beginning on the inception date and ending on the final valuation date. For a complete description of the repurchase procedures and the payment upon repurchase, see the Prospectus.

Risk Factors Related to Investing in the ETNs

The ETNS are unsecured promises of Deutsche Bank and are not secured debt. The ETNs are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the ETNs includes but is not limited to the following risks: carries certain risks:

- The principal of the securities is not protected and the ETNs may lose all or a significant portion of their value;
- Even if the relevant index and DB 3-Month TBill Index at maturity or upon repurchase by Deutsche Bank have moved beneficially relative to their initial levels, an investor may receive less than their initial investment in the securities
- The Crude Oil Double Short ETNs, Crude Oil Double Long ETNs, Base Metals Double Short ETNs and Base Metals Double Long ETNs, any adverse monthly performance will be leveraged, meaning an investor will lose an amount from the current principal amount at a rate of 2% for every 1% of adverse performance of the applicable index (subject to any positive return on the DB 3-Month TBill Index and to application of the fee factor);
- If the current principal amount increases above \$25, any subsequent adverse monthly performance will result in a larger dollar reduction from the current principal amount than if the current principal amount remained constant at \$25;
- If the current principal amount decreases below \$25, any subsequent beneficial monthly performance will result in a smaller dollar increase on the current principal amount than if the current principal amount remained constant at \$25;
- It is possible that the securities will be accelerated and the investment will be lost before the scheduled maturity of the securities;
- There are restrictions on the minimum number of securities that may be offer to Deutsche Bank for repurchase;



- A fee of up to \$0.03 per security will be charged upon a repurchase;
- The market value of the securities may be influenced by many unpredictable factors;
- The ETNs return will not reflect the return on a direct investment in relevant index;
- Changes in Deutsche Bank's credit ratings may affect the market value of the securities;
- An investor will not receive interest payments on the securities or have rights in the subindex components;
- There may not be an active trading market in the securities; sales in the secondary market may result in significant losses;
- Suspension or disruptions of market trading in commodities and related futures may adversely affect the value of the securities;
- Concentration risks associated with the Index may adversely affect the value of the securities;
- Trading by Deutsche Bank and other transactions by Deutsche Bank and/or its affiliates in instruments linked to the sub-indices or index components may impair the market value of the securities;
- The liquidity of the market for the securities may vary materially over time;
- The business activities of Deutsche Bank may create conflicts of interest;
- If a market disruption event has occurred or exists on a valuation date or the final valuation date, the calculation agent can postpone the determination of the index factor for each offering of securities, the maturity date or a repurchase date; and
- The U.S. tax consequences of an investment in the ETNs are unclear.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on IEX is subject to IEX trading rules.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Regular Trading Session.

The Shares will trade on IEX between 8:00 a.m. and 5:00 p.m. Please note that trading in the Shares during the Exchange's Pre-Market and Post-Market Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Markets Sessions, and (5) because the indicative value is not calculated or widely



disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

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

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. 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 Trust's registration statement.

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

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the "Letters"). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits 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 Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

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 Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

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

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

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered ... open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Information Circular is not a statutory prospectus. Members should consult the prospectus for a Fund and the Fund’s website for relevant information.

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.