

DB Commodity Services LLC



DB Commodity Services LLC
60 Wall Street
5th Floor
New York, NY 10005

Dear Investor,

Please find enclosed the audited, annual financial report for the PowerShares DB Energy Fund (DBE). You can find additional information on fund performance at <http://dbfunds.db.com>.

Thank you again for your investment in this fund. If you have any questions or comments, please call (877) 369-4617.

Best regards,

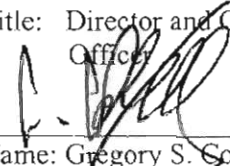
DB Commodity Services LLC

To the best of the knowledge and belief of the undersigned, the information contained in this Annual Report of PowerShares DB Energy Fund, a series of PowerShares DB Multi-Sector Commodity Trust, and DB Energy Master Fund, a series of DB Multi-Sector Commodity Master Trust, is accurate and complete.

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

By: DB Commodity Services LLC,
its Managing Owner

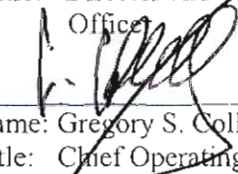
By: 
Name: Kevin Rich
Title: Director and Chief Executive Officer

By: 
Name: Gregory S. Collett
Title: Chief Operating Officer

DB Multi-Sector Commodity Master Trust with respect to DB Energy Master Fund

By: DB Commodity Services LLC,
its Managing Owner

By: 
Name: Kevin Rich
Title: Director and Chief Executive Officer

By: 
Name: Gregory S. Collett
Title: Chief Operating Officer

Dated: March 26, 2008



KPMG LLP
345 Park Avenue
New York, NY 10154

Report of Independent Registered Public Accounting Firm

The Board of Managers
DB Commodity Services LLC:

We have audited the accompanying consolidated statement of financial condition of PowerShares DB Energy Fund and Subsidiary (the Fund), including the consolidated schedule of investments, as of December 31, 2007, and the related consolidated statements of income and expenses, changes in shareholders' equity, and cash flows for the period from January 3, 2007 (commencement of investment operations) to December 31, 2007. We have also audited the accompanying statement of financial condition of PowerShares DB Energy Fund as of December 31, 2006. The above referenced consolidated financial statements of PowerShares DB Energy Fund and Subsidiary and the statement of financial condition of PowerShares DB Energy Fund are the responsibility of the Fund's management. Our responsibility is to express an opinion on the consolidated financial statements of PowerShares DB Energy Fund and Subsidiary as of December 31, 2007 and for the period from January 3, 2007 (commencement of investment operations) to December 31, 2007 and the statement of financial condition of PowerShares DB Energy Fund as of December 31, 2006 based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of PowerShares DB Energy Fund and Subsidiary present fairly, in all material respects, the financial position of PowerShares DB Energy Fund and Subsidiary as of December 31, 2007 and the results of their operations, changes in their shareholders' equity and their cash flows for the period from January 3, 2007 (commencement of investment operations) to December 31, 2007, and the statement of financial condition of PowerShares DB Energy Fund presents fairly, in all material respects, the financial position of PowerShares DB Energy Fund as of December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements of PowerShares DB Energy Fund and Subsidiary, the Fund commenced investment operations on January 3, 2007, with the initial offering of common units of beneficial interest to certain eligible financial institutions.

KPMG LLP

March 25, 2008

PowerShares DB Energy Fund and Subsidiary
Consolidated Statements of Financial Condition
December 31, 2007 and 2006(i)

	2007	2006
Assets		
Equity held in broker trading accounts		
United States Treasury Obligations, at fair value (cost \$29,885,030)	\$ 29,893,861	\$ -
Cash held by broker	11,001,940	1,000
Net unrealized appreciation on futures contracts	8,367,383	-
Deposits with broker	49,263,184	1,000
Other assets	2,198	-
Total assets	\$ 49,265,382	\$ 1,000
Liabilities and shareholders' equity		
Management fee payable	\$ 31,370	\$ -
Non controlling interest in consolidated subsidiary – related party	1,000	-
Total liabilities	32,370	-
Commitments and Contingencies (Note 9)		
Shareholders' equity		
General shares:		
Paid in capital - 40 shares issued and outstanding as of December 31, 2007 and 2006, respectively	1,000	1,000
Accumulated earnings	407	-
Total General shares	1,407	1,000
Limited shares:		
Paid-in-capital - 1,400,000 and 0 redeemable shares issued and outstanding as of December 31, 2007 and 2006, respectively	35,847,624	-
Accumulated earnings	13,383,981	-
Total Limited shares	49,231,605	-
Total shareholders' equity	49,233,012	1,000
Total liabilities and shareholders' equity	\$ 49,265,382	\$ 1,000
Net asset value per share		
General shares	\$ 35.18	\$ 25.00
Limited shares	\$ 35.17	Not Applicable

See accompanying notes to consolidated financial statements.

(i) Represents financial condition only for PowerShares DB Energy Fund as consolidation of DB Energy Master Fund occurred upon commencement of investment operations, as of January 3, 2007.

PowerShares DB Energy Fund and Subsidiary
Consolidated Schedule of Investments (i)
December 31, 2007

Description	Percentage of Net Assets		Fair Value	Face Value
United States Treasury Obligations				
U.S. Treasury Bills, 2.89% due January 10, 2008	10.15 %	\$	4,997,285	\$ 5,000,000
U.S. Treasury Bills, 3.92% due January 31, 2008	10.13		4,988,280	5,000,000
U.S. Treasury Bills, 3.55% due February 7, 2008	10.13		4,985,500	5,000,000
U.S. Treasury Bills, 3.43% due February 14, 2008	10.12		4,982,650	5,000,000
U.S. Treasury Bills, 3.18% due February 28, 2008	8.09		3,981,096	4,000,000
U.S. Treasury Bills, 3.00% due March 20, 2008	12.10		5,959,050	6,000,000
Total United States Treasury Obligations (cost \$29,885,030)	<u>60.72 %</u>	<u>\$</u>	<u>29,893,861</u>	

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

Description	Percentage of Net Assets		Fair Value
Unrealized Appreciation (Depreciation) on Futures Contracts			
Brent Crude Oil (117 contracts, settlement date February 14, 2008)	4.61 %	\$	2,268,120
Light, Sweet Crude Oil (117 contracts, settlement date April 22, 2008)	4.92		2,423,350
Gasoline RBOB (114 contracts, settlement date October 31, 2008)	3.38		1,663,494
Heating Oil (105 contracts, settlement date May 30, 2008)	4.49		2,209,889
Natural Gas (61 contracts, settlement date April 28, 2008)	(0.40)		(197,470)
Net Unrealized Appreciation on Futures Contracts	<u>17.00 %</u>	<u>\$</u>	<u>8,367,383</u>

See accompanying notes to consolidated financial statements.

(i) PowerShares DB Energy Fund and Subsidiary commenced investment operations on January 3, 2007, therefore no investments were held prior to that date.

PowerShares DB Energy Fund and Subsidiary
Consolidated Statement of Income and Expenses
For the Period from January 3, 2007 (commencement of investment operations) to December 31, 2007(i)

Income	Interest Income	\$ 1,600,537
Expenses	Management fee	270,255
	Brokerage commissions and fees	10,810
	Total expenses	<u>281,065</u>
	Net investment income	<u>1,319,472</u>
Net Realized and Net Change in Unrealized Gain on United States Treasury Obligations and Futures		
Net Realized Gain on		
	United States Treasury Obligations	4,491
	Futures	4,944,247
	Net realized gain	<u>4,948,738</u>
Net Change in Unrealized Gain on		
	United States Treasury Obligations	8,831
	Futures	8,367,383
	Net change in unrealized gain	<u>8,376,214</u>
	Net realized and Net change in unrealized gain on United States Treasury Obligations and Futures	<u>13,324,952</u>
Net Income		<u>\$ 14,644,424</u>

See accompanying notes to consolidated financial statements.

(i) PowerShares DB Energy Fund and Subsidiary commenced operations on January 3, 2007, therefore no operating results occurred prior to that date.

PowerShares DB Energy Fund and Subsidiary
Consolidated Statement of Changes in Shareholders' Equity
For the Period from January 3, 2007 (commencement of investment operations) to December 31, 2007(i)

	General Shares				Limited Shares				Total
	General Shares		Accumulated Earnings (Deficit)	Total General Shareholders' Equity (Deficit)	Limited Shares		Accumulated Earnings (Deficit)	Total Limited Shareholders' Equity (Deficit)	Total Shareholders' Equity (Deficit)
	Shares	Amount			Shares	Amount			
Balance at January 3, 2007	40	\$ 1,000	\$ -	\$1,000	-	\$-	\$-	\$-	\$1,000
Sale of Limited Shares					2,600,000	70,981,614	-	70,981,614	70,981,614
Redemption of Limited Shares	-	-	-	-	(1,200,000)	(35,133,990)	-	(35,133,990)	(35,133,990)
Net Income									
Net investment Income	-	-	44	44	-	-	1,319,428	1,319,428	1,319,472
Net realized gain on United States Treasury obligations and Futures	-	-	169	169	-	-	4,948,569	4,948,569	4,948,738
Net change in unrealized gain on United States Treasury Obligations and Futures	-	-	230	230	-	-	8,375,984	8,375,984	8,376,214
Net Income			443	443			14,643,981	14,643,981	14,644,424
Distributions of net investment income (\$0.90 per share)	-	-	(36)	(36)	-	-	(1,260,000)	(1,260,000)	(1,260,036)
Balance at December 31, 2007	<u>40</u>	<u>\$ 1,000</u>	<u>\$ 407</u>	<u>\$ 1,407</u>	<u>1,400,000</u>	<u>\$35,847,624</u>	<u>\$ 13,383,981</u>	<u>\$ 49,231,605</u>	<u>\$ 49,233,012</u>

See accompanying notes to consolidated financial statements.

(i) PowerShares DB Energy Fund and Subsidiary commenced operations on January 3, 2007, therefore no operating results occurred prior to that date.

PowerShares DB Energy Fund and Subsidiary
Consolidated Statement of Cash Flows
For the Period from January 3, 2007 (commencement of investment operations) to December 31, 2007(i)

	2007
Cash flow provided by operating activities:	
Net Income	\$ 14,644,424
Adjustments to reconcile net income to net cash used for operating activities:	
Cost of securities purchased	(163,221,434)
Proceeds from securities sold	134,784,224
Net accretion of discount and amortization of premium on United States Treasury Obligations	(1,443,329)
Net realized gain on United States Treasury Obligations	(4,491)
Net change in unrealized gain on United States Treasury Obligations and Futures	(8,376,214)
Increase in operating receivables and liabilities:	
Management fee payable	31,370
Other assets	(2,198)
Non controlling interest in consolidated subsidiary – related party	1,000
Net cash used for operating activities	(23,586,648)
Cash flows from financing activities:	
Proceeds from sale of Limited Shares	70,981,614
Redemption of Limited Shares	(35,133,990)
Cash distributions paid on Limited and General Shares	(1,260,036)
Net cash provided by financing activities	34,587,588
Net change in cash held by broker	11,000,940
Cash held by broker at beginning of period	1,000
Cash held by broker at end of period	\$ 11,001,940

See accompanying notes to consolidated financial statements.

(i) PowerShares DB Energy Fund and Subsidiary commenced operations on January 3, 2007, therefore no operating results occurred prior to that date.

***PowerShares DB Energy Fund and Subsidiary
Notes to Consolidated Financial Statements***

(1) Organization

PowerShares DB Energy Fund (the “Fund”; “Fund” may also refer to the Fund and the Master Fund, collectively, as the context requires), a separate series of PowerShares DB Multi-Sector Commodity Trust (the “Trust”), a Delaware statutory trust organized in seven separate series and formed on August 3, 2006, and its subsidiary, DB Energy Master Fund (the “Master Fund”), a separate series of DB Multi-Sector Commodity Master Trust (the “Master Trust”), a Delaware statutory trust organized in seven separate series and formed on August 3, 2006. DB Commodity Services LLC, a Delaware limited liability company, (“DBCS” or the “Managing Owner”) funded both the Fund and the Master Fund with a capital contribution of \$1,000 in exchange for 40 General Shares of each Fund and Master 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 in the Amended and Restated Declaration of Trust and Trust Agreement of the Trust and the Master Trust (the “Trust Agreement”).

The Fund offers common units of beneficial interest (the “Limited Shares”) only to certain eligible financial institutions (“Authorized Participants”) in one or more blocks of 200,000 Limited Shares, called a Basket. The proceeds from the offering of Limited Shares are invested in the Master Fund. The Fund and the Master Fund commenced investment operations on January 3, 2007 with the initial offering of 1,000,000 Limited Shares to Deutsche Bank Securities Inc. as initial purchaser of the Fund in exchange for \$25,000,000. The Fund commenced trading on the American Stock Exchange (the “Amex”) on January 5, 2007.

This report covers the period from January 3, 2007 (commencement of investment operations) to December 31, 2007 (herein referred to as the “Period Ended December 31, 2007”). No investment operations occurred prior to January 3, 2007 therefore the 2007 and 2006 operating results are not comparable.

(2) Fund Investment Overview

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

The Index is intended to reflect the change in market value of the energy sector. The commodities comprising the Index, or the Index Commodities, are light sweet crude oil, heating oil, Brent crude oil, RBOB gasoline and natural gas. The Commodity Futures Trading Commission and commodity exchanges impose position limits on market participants trading in certain commodities included in the Index. The Index is comprised of futures contracts on the Index Commodities that expire in a specific month and trade on a specific exchange (the “Index Contracts”). As disclosed in the Fund’s Prospectus, if the Managing Owner determines in its commercially reasonable judgment that it has become impracticable or inefficient for any reason for the Master Fund to gain full or partial exposure to any Index Commodity by investing in a specific Index Contract, the Master Fund may invest in a futures contract referencing the particular Index Commodity other than the Index Contract or, in the alternative, invest in other futures contracts not based on the particular Index Commodity if, in the commercially reasonable judgment of the Managing Owner, such futures contracts tend to exhibit trading prices that correlate with such Index Commodity.

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

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

(3) Service Providers and Related Party Agreements

The Trustee

Under the Trust Agreements of the Trust and the Master Trust, Wilmington Trust Company (the “Trustee”), has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust, the Fund

and the Master Trust and Master Fund. The Trustee will have no duty or liability to supervise or monitor the performance of the Managing Owner, nor will the Trustee have any liability for the acts or omissions of the Managing Owner.

The Managing Owner

The Managing Owner serves the Fund and Master Fund as commodity pool operator, commodity trading advisor and managing owner, and is an indirect wholly-owned subsidiary of Deutsche Bank AG. During the Period Ended December 31, 2007 the Fund and Master Fund incurred management fees of \$270,255 of which \$31,370 was still payable at December 31, 2007.

The Commodity Broker

Deutsche Bank Securities Inc., a Delaware corporation, serves as the Master Fund's clearing broker (the "Commodity Broker"). The Commodity Broker is an indirect wholly-owned subsidiary of Deutsche Bank AG. In its capacity as clearing broker, the Commodity Broker executes and clears each of the Master Fund's futures transactions and performs certain administrative services for the Master Fund. The Commodity Broker is an affiliate of the Managing Owner. During the Period Ended December 31, 2007 the Fund and Master Fund incurred brokerage fees of \$10,810.

The Administrator

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

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

The Administration Agreement will continue in effect from the commencement of trading operations unless terminated on at least 90 days' prior written notice by either party to the other party. Notwithstanding the foregoing, the Administrator may terminate the administrative portion of the Administration Agreement upon 30 days' prior written notice if the Fund and/or Master Fund has materially failed to perform its obligations under the Administration Agreement.

The Distributor

ALPS Distributors (the "Distributor") provides certain distribution services to the Fund. Pursuant to the Distribution Services Agreement between the Managing Owner in its capacity as managing owner of the Fund and the Distributor, the Distributor assists the Managing Owner and the Administrator with certain functions and duties relating to the creation and redemption of Baskets.

The Distribution Services Agreement is effective for two years and thereafter will continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by the Managing Owner or otherwise as provided under the Distribution Services Agreement. The Distribution Services Agreement is terminable without penalty on sixty days' written notice by the Managing Owner or by the Distributor. The Distribution Services Agreement will automatically terminate in the event of its assignment.

PowerShares Capital Management LLC

Under the License Agreement among PowerShares Capital Management LLC (the "Licensor"), 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.

A I M Distributors, Inc.

Through a marketing agreement between the Managing Owner and A I M Distributors, Inc. (“AIM Distributors”), an affiliate of PowerShares Capital Management LLC, or PowerShares, the Managing Owner, on behalf of the Fund and the Master Fund, has appointed AIM Distributors as a marketing agent. AIM Distributors assists the Managing Owner and the Administrator with certain functions and duties such as providing various educational and marketing activities regarding the Fund, primarily in the secondary trading market, which activities include, but are not limited to, communicating the Fund’s name, characteristics, uses, benefits, and risks, consistent with the prospectus. AIM Distributors will not open or maintain customer accounts or handle orders for the Fund. AIM Distributors engages in public seminars, road shows, conferences, media interviews, field incoming telephone “800” number calls and distribute sales literature and other communications (including electronic media) regarding the Fund.

(4) Summary of Significant Accounting Policies

(a) *Basis of Presentation and Consolidation*

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

(b) *Use of Estimates*

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expense and related disclosure of contingent assets and liabilities during the reporting period of the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

(c) *Deposits with Broker*

The Fund deposits cash and United States Treasury Obligations with its Commodity Broker subject to Commodity Futures Trading Commission (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.

(d) *United States Treasury Obligations*

The Fund records purchases and sales of United States Treasury Obligations on a trade date basis. These holdings are marked to market based on quoted market closing prices. The Fund holds United States Treasury Obligations for deposit with the Master Fund’s Commodity Broker to meet margin requirements and for trading purposes. Interest income is recognized on an accrual basis when earned. Premiums and discounts are amortized or accreted over the life of the United States Treasury Obligations. Included in the United States Treasury Obligations is \$2,883,713 which is restricted and held against initial margin of the open futures contracts.

(e) *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 December 31, 2007 the Fund held cash of \$11,001,940. There were no cash equivalents held by the Fund as of December 31, 2007.

(f) Income Taxes

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

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

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

(g) Futures Contracts

All commodity futures contracts are held and used for trading purposes. The commodity futures are recorded on a trade date basis and open contracts are recorded in the consolidated statement of financial condition at fair value on the last business day of the period, which represents market value for those commodity futures for which market quotes are readily available. However, when market closing prices are not available, the Managing Owner may value an asset of the Master Fund pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards. Realized gains (losses) and changes in unrealized appreciation (depreciation) on open positions are determined on a specific identification basis and recognized in the consolidated statement of income and expenses in the period in which the contract is closed or the changes occur, respectively. As of December 31, 2007, the futures contracts held by the Fund were in a net unrealized appreciation position of \$8,367,383.

(h) Management Fee

The Master Fund pays the Managing Owner a management fee ("Management Fee"), monthly in arrears, in an amount equal to 0.75% per annum of the daily net asset value of the Master Fund. No separate Management Fee is paid by the Fund. The Management Fee is paid in consideration of the Managing Owner's commodity futures trading advisory services. For the Period Ended December 31, 2007 the Management Fee amounted to \$270,255 of which \$31,370 was payable to the Managing Owner as of December 31, 2007.

(i) Brokerage Commissions and Fees

The Master Fund incurs all brokerage commissions, including applicable exchange fees, NFA fees, give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities by the Commodity Broker. These costs are recorded as brokerage commissions and fees in the consolidated statement of income and expenses as incurred. The Commodity Broker's brokerage commissions and trading fees are determined on a contract-by-contract basis. On average, total charges paid to the Commodity Broker were approximately \$7.00 per round-turn trade for Period Ended December 31, 2007. For the Period Ended December 31, 2007 brokerage fees amounted to \$10,810.

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

The Managing Owner assumes all routine operational, administrative and other ordinary expenses of the Fund and the Master Fund, including, but not limited to, computer services, the fees and expenses of the Trustee, legal and accounting fees and expenses, tax preparation expenses, filing fees and printing, mailing and duplication costs. Accordingly, all such expenses are not reflected in the consolidated statement of income and expenses of the Fund. (For additional information, see Note (8), Organizational and Offering Costs).

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

The Master Fund pays all fees and expenses, if any, of the Fund and the Master Fund, which are non-recurring and unusual in nature. Such expenses include legal claims and liabilities, litigation costs or indemnification or other unanticipated expenses. Such fees and expenses, by their nature, are unpredictable in terms of timing and amount. For the Period Ended December 31, 2007, the Fund and the Master Fund did not incur such expenses.

(5) *Financial Instrument Risk*

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

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

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

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

(6) *Share Purchases and Redemptions*

(a) *Purchases*

Limited 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 Limited 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 Limited Shares as of the closing time of the Amex or the last to close of the exchanges on which the Master Fund’s assets are traded, whichever is later, on the date that a valid order to create a Basket is accepted by the Fund.

(b) *Redemptions*

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

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through The Depository Trust Company's ("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 Amex or the last to close of the exchanges on which the Master Fund's assets are traded, whichever is later, on the redemption order date. The Fund will distribute the cash redemption amount at noon, New York time, on the business day immediately following the redemption order date through DTC to the account of the Authorized Participant as recorded on DTC's book-entry system.

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

The Fund and the Master Fund commenced investment operations on January 3, 2007 with the initial offering of 1,000,000 Limited Shares to Deutsche Bank Securities Inc. as Initial Purchaser of the Fund in exchange for \$25,000,000. The Fund commenced trading on the Amex on January 5, 2007.

Summary of Limited Share Transactions for the Period Ended December 31, 2007

	Limited Shares Period Ended December 31, 2007	Amount Period Ended December 31, 2007
Limited Shares Sold	2,600,000	\$70,981,614
Limited Shares Redeemed	(1,200,000)	(35,133,990)
Net Increase	<u>1,400,000</u>	<u>35,847,624</u>

(7) Profit and Loss Allocations and Distributions

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

A distribution of \$0.90 per share from net investment income was declared on December 14, 2007 to Limited shareholders, on record as of the close of business on December 19, 2007, payable on December 28, 2007. On December 28, 2007, the total distribution of \$1,260,000 million was paid to Limited shareholders. On December 28, 2007 the Fund paid \$0.90 per General Share, a total distribution of \$36.00.

(8) Organizational and Offering Costs

All organizing and offering expenses of the Fund and its Master Fund are incurred and assumed by the Managing Owner. Expenses incurred in connection with the continuous offering of Limited Shares after the commencement of the Master Fund's trading operations also will be paid by the Managing Owner.

(9) Commitments and Contingencies

The Managing Owner, either in its own capacity or in its capacity as the Managing Owner and on behalf of the Fund and the Master Fund, has entered into various service agreements that contain a variety of representations, or provide indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Funds. As of December 31, 2007 no claims had been received by the Fund or the Master Fund and it was therefore not possible to estimate the Fund's and the Master Fund's potential future exposure under such indemnification provisions.

(10) Net Asset Value and Financial Highlights

The Fund is presenting the following net asset value and financial highlights related to investment performance and operations for a Limited Share outstanding for the Period Ended December 31, 2007. The net investment income and total expense ratios are calculated using average net asset value. The net asset value presentation is calculated using daily Limited 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 Limited Shares during the period. An individual investor's return and ratios may vary based on the timing of capital transactions.

	Period Ended December 31, 2007	
Net Asset Value		
Initial offering price per Limited Share	\$	25.00
Net realized and change in unrealized gain (loss) on United States Treasury Obligations and Futures		10.01
Net investment income		1.06
Net increase in net assets from operations		11.07
Distributions of net investment income on Limited Shares		(0.90)
Net increase		10.17
Net asset value per Limited Share, end of period	\$	35.17
Market value per Limited Share, beginning of period	\$	25.00
Market value per Limited Share, end of period	\$	35.30
Ratio to average Limited Shares*		
Net investment income		3.63 %
Total expenses		0.78 %
Total Return, at net asset value **		44.28 %
Total Return, at market value **		44.80 %

* Percentages are annualized.

** Percentages are not annualized and are calculated based on initial offering price upon commencement of investment operations of \$25.00.

(11) Recently Issued Accounting Standards

In September 2006, the FASB issued FASB Statement No. 157, Fair Value Measurement (Statement 157). Statement 157 defines fair value, establishes a framework for the measurement of fair value and enhances disclosures about fair value measurements. The Statement does not require any new fair value measures. The Statement is effective for fair value measures already required or permitted by other standards for fiscal years beginning after November 15, 2007. The Fund is required to adopt Statement 157 beginning on January 1, 2008. Statement 157 is required to be applied prospectively, except for certain financial instruments. Any transition adjustment will be recognized as an adjustment to opening retained

earnings in the year of adoption. The Fund is currently evaluating the impact of adopting Statement 157 on its financial statements disclosures.

In December 2007, the FASB issued FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51 (Statement 160). Statement 160 requires noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. Statement 160 is effective for periods beginning on or after December 15, 2008 and earlier adoption is prohibited. Statement 160 will be applied prospectively to all noncontrolling interests including any that arose before the effective date and presentation and disclosure requirements shall be applied retrospectively for all periods presented. The Fund is currently evaluating the impact of adopting Statement 160 on its results of operations and financial position.

(12) Recently Adopted Accounting Standards

In July 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a threshold of more-likely-than-not for recognition of tax benefits of uncertain tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement, derecognition, classification, interest and penalties, and disclosure. The Fund adopted FIN 48 on January 1, 2007, and has determined that the application of this Statement did not have any impact on its results of operations and financial position.