

CADENCE DESIGN SYSTEMS INC
 Form 4
 February 07, 2017

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BECKLEY THOMAS P

2. Issuer Name and Ticker or Trading Symbol
CADENCE DESIGN SYSTEMS INC [CDNS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
2655 SEELY AVENUE, BLDG. 5
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/06/2017

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President

SAN JOSE, CA 95134
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	02/06/2017		F	(A) or (D) V Amount 2,007 (1)	Price \$ 29.38	(2) D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BECKLEY THOMAS P 2655 SEELY AVENUE, BLDG. 5 SAN JOSE, CA 95134			Sr. Vice President	

Signatures

Yoonie Y. Chang, Attorney-in-Fact for Thomas P. Beckley
 02/07/2017
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares withheld to satisfy tax obligations arising out of vesting of restricted stock.
- (2) Amount of securities beneficially owned includes 389 shares acquired by the Reporting Person through the Employee Stock Purchase Plan on January 31, 2017.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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	March 31, 2015	December 31, 2014
Assets		
United States Treasury Obligations, at fair value (cost \$1,012,963,188 and \$1,239,959,830, respectively)	\$ 1,012,969,342	\$ 1,239,965,626
Cash held by commodity broker		50,738,487
Cash held by custodian	159,484,815	
Net unrealized appreciation (depreciation) on commodity futures contracts		(55,992,200)
Receivable for securities sold		4,999,973
 Total assets (of which \$156,092,572 and \$54,266,610, respectively, is restricted for maintenance margin purposes)	 \$ 1,172,454,157	 \$ 1,239,711,886
Liabilities		
Variation margin payable - futures	8,890,928	
Payable for securities purchased	299,979,147	195,982,850
Payable for shares redeemed		4,966,254
Management fee payable	606,062	810,806
Brokerage fee payable	2,170	4,267
 Total liabilities	 309,478,307	 201,764,177
Commitments and Contingencies (Note 9)		
Equity		
Shareholders' equity - General Shares	885	993
Shareholders' equity - Shares	862,974,965	1,037,946,716
 Total shareholders' equity	 862,975,850	 1,037,947,709
 Total liabilities and equity	 \$ 1,172,454,157	 \$ 1,239,711,886
 General Shares outstanding	 40	 40
Shares outstanding	39,000,000	41,800,000
 Net asset value per share		
General Shares	\$ 22.13	\$ 24.83

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Shares

\$ 22.13 \$

24.83

See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.

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Description	Percentage of Shareholders Equity	Fair Value	Face Value
United States Treasury Obligations ^{(a)(b)}			
U.S. Treasury Bills, 0.005% due April 2, 2015	22.71%	\$ 196,000,000	\$ 196,000,000
U.S. Treasury Bills, 0.050% due April 16, 2015	3.82	33,000,000	33,000,000
U.S. Treasury Bills, 0.020% due April 23, 2015	14.95	128,999,226	129,000,000
U.S. Treasury Bills, 0.050% due April 30, 2015	12.40	106,997,218	107,000,000
U.S. Treasury Bills, 0.015% due May 7, 2015	4.17	35,999,352	36,000,000
U.S. Treasury Bills, 0.020% due May 14, 2015	0.12	999,976	1,000,000
U.S. Treasury Bills, 0.015% due May 21, 2015	0.12	999,972	1,000,000
U.S. Treasury Bills, 0.020% due May 28, 2015	0.93	7,999,648	8,000,000
U.S. Treasury Bills, 0.015% due June 11, 2015	23.41	201,994,950	202,000,000
U.S. Treasury Bills, 0.035% due July 2, 2015	34.75	299,979,000	300,000,000
Total United States Treasury Obligations (cost \$1,012,963,188);	117.38%	\$ 1,012,969,342	

(a) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of issuance of the security.

(b) A portion of United States treasury obligation on deposit with the commodity broker are held as margin for open future contracts. See Note 3 for additional information

Description	Unrealized Appreciation/ (Depreciation) as a Percentage of Shareholders Equity	Unrealized Appreciation/ (Depreciation) ^(c)	Notional Market Value
Commodity Futures Contracts			
CBOT Corn (5,926 contracts, settlement date December 14, 2015)	(0.42)%	\$ (3,618,225)	\$ 118,742,225
CBOT Soybean (2,433 contracts, settlement date November 13, 2015)	(0.21)	(1,800,325)	116,206,162
CBOT Wheat (2,271 contracts, settlement date July 14, 2015)	(1.80)	(15,515,025)	58,364,700
CBOT Wheat KCB (2,127 contracts, settlement date July 14, 2015)	(1.39)	(12,019,662)	59,954,813
CME Cattle Feeder (360 contracts, settlement date May 21, 2015)	0.26	2,213,338	39,042,000
CME Lean Hogs (1,853 contracts, settlement date June 12, 2015)	(0.37)	(3,169,939)	56,182,960
CME Live Cattle (1,928 contracts, settlement date June 30, 2015)	0.56	4,859,751	117,473,040
NYB-ICE Cocoa (3,764 contracts, settlement date May 13, 2015)	(0.29)	(2,532,520)	101,590,360
NYB-ICE Coffee (1,543 contracts, settlement date May 18, 2015)	(2.25)	(19,416,150)	76,899,263
NYB-ICE Cotton (889 contracts, settlement date May 06, 2015)	0.06	511,720	28,047,950
NYB-ICE Sugar (6,727 contracts, settlement date June 30, 2015)	(5.00)	(43,103,546)	90,862,934
Total Commodity Futures Contracts	(10.85)%	\$ (93,590,583)	\$ 863,366,407

- (c) *Unrealized appreciation/(depreciation) is presented above, net by contract.
See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.*

Table of Contents**PowerShares DB Agriculture Fund****Schedule of Investments****December 31, 2014****(Unaudited)**

Description	Percentage of Shareholders Equity	Fair Value	Face Value
United States Treasury Obligations ^{(a)(b)}			
U.S. Treasury Bills, 0.030% due January 2, 2015	18.88%	\$ 196,000,000	\$ 196,000,000
U.S. Treasury Bills, 0.020% due January 15, 2015	3.18	32,999,769	33,000,000
U.S. Treasury Bills, 0.010% due January 22, 2015	17.73	183,997,424	184,000,000
U.S. Treasury Bills, 0.015% due January 29, 2015	14.35	148,997,765	149,000,000
U.S. Treasury Bills, 0.010% due February 5, 2015	5.30	54,998,955	55,000,000
U.S. Treasury Bills, 0.025% due February 12, 2015	0.10	999,986	1,000,000
U.S. Treasury Bills, 0.025% due February 19, 2015	0.58	5,999,898	6,000,000
U.S. Treasury Bills, 0.020% due February 26, 2015	0.77	7,999,816	8,000,000
U.S. Treasury Bills, 0.025% due March 5, 2015	28.32	293,993,532	294,000,000
U.S. Treasury Bills, 0.025% due March 12, 2015	9.06	93,996,428	94,000,000
U.S. Treasury Bills, 0.035% due March 19, 2015	0.10	999,968	1,000,000
U.S. Treasury Bills, 0.055% due March 26, 2015	2.21	22,999,333	23,000,000
U.S. Treasury Bills, 0.040% due April 2, 2015	18.88	195,982,752	196,000,000
Total United States Treasury Obligations (cost \$1,239,959,830)	119.46%	\$ 1,239,965,626	

(a) Security traded on a discount basis. The interest rate shown represents the discount rate at the time of issuance of the security.

(b) A portion of United States treasury obligation on deposit with the commodity broker are held as margin for open future contracts. See Note 3 for additional information

Description	Unrealized Appreciation/ (Depreciation) as a Percentage of Shareholders Equity	Unrealized Appreciation/ (Depreciation) ^(c)	Notional Market Value
Commodity Futures Contracts			
CBOT Corn (6,558 contracts, settlement date December 14, 2015)	0.23%	\$ 2,415,913	\$ 138,045,900
CBOT Soybean (2,693 contracts, settlement date November 13, 2015)	0.50	5,179,200	135,390,575
CBOT Wheat (2,191 contracts, settlement date July 14, 2015)	(0.66)	(6,848,475)	65,456,125
CBOT Wheat KCB (2,356 contracts, settlement date July 14, 2015)	(0.62)	(6,492,575)	74,891,350
CME Cattle Feeder (396 contracts, settlement date March 26, 2015)	(0.27)	(2,770,213)	43,030,350
CME Lean Hogs (2,546 contracts, settlement date February 13, 2015)	(0.65)	(6,781,800)	82,694,080
CME Live Cattle (2,019 contracts, settlement date February 27, 2015)	(0.27)	(2,844,780)	132,082,980
MGE Red Wheat (303 contracts, settlement date July 14, 2015)	0.07	734,238	9,654,338
NYB-ICE Cocoa (4,180 contracts, settlement date March 16, 2015)	0.13	1,300,580	121,638,000
NYB-ICE Coffee (1,737 contracts, settlement date March 19, 2015)	(1.37)	(14,188,538)	108,519,075

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NYB-ICE Cotton (986 contracts, settlement date March 09, 2015)	(0.08)	(800,860)	29,713,110
NYB-ICE Sugar (7,445 contracts, settlement date June 30, 2015)	(2.40)	(24,894,890)	127,160,600
Total Commodity Futures Contracts	(5.39)%	\$ (55,992,200)	\$ 1,068,276,483

- (c) *Unrealized appreciation/(depreciation) is presented above, net by contract.
See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.*

Table of Contents*PowerShares DB Agriculture Fund**Statements of Income and Expenses**For the Three Months Ended March 31, 2015 and 2014**(Unaudited)*

	Three Months Ended	
	March 31, 2015	March 31, 2014
Income		
Interest Income	\$ 49,828	\$ 164,033
Expenses		
Management Fee	1,876,307	2,783,428
Brokerage Commissions and Fees	153,983	228,939
Total expenses	2,030,290	3,012,367
Net investment income (loss)	(1,980,462)	(2,848,334)
Net Realized and Net Change in Unrealized Gain (Loss) on U.S. Treasury Obligations and Commodity Futures Contracts		
Net Realized Gain (Loss) on		
United States Treasury Obligations	2,256	1,839
Commodity Futures Contracts	(65,851,176)	83,161,417
Net realized gain (loss)	(65,848,920)	83,163,256
Net Change in Unrealized Gain (Loss) on		
United States Treasury Obligations	358	21,850
Commodity Futures Contracts	(37,598,383)	119,095,703
Net change in unrealized gain (loss)	(37,598,025)	119,117,553
Net realized and net change in unrealized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts	(103,446,945)	202,280,809
Net Income (Loss)	\$ (105,427,407)	\$ 199,432,475

See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Statement of Changes in Shareholders' Equity**For the Three Months Ended March 31, 2015**(Unaudited)*

	General Shares		Shares		Total Shareholders Equity
	Shares	Total Equity	Shares	Total Equity	
Balance at January 01, 2015	40	\$ 993	41,800,000	\$ 1,037,946,716	\$ 1,037,947,709
Sale of Shares			2,400,000	53,593,888	53,593,888
Redemption of Shares			(5,200,000)	(123,138,340)	(123,138,340)
Net Increase (Decrease) due to Share Transactions			(2,800,000)	(69,544,452)	(69,544,452)
Net Income (Loss)					
Net investment income (loss)		(2)		(1,980,460)	(1,980,462)
Net realized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts		(67)		(65,848,853)	(65,848,920)
Net change in unrealized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts		(39)		(37,597,986)	(37,598,025)
Net Income (Loss)		(108)		(105,427,299)	(105,427,407)
Net Change in Shareholders' Equity		(108)	(2,800,000)	(174,971,751)	(174,971,859)
Balance at March 31, 2015	40	\$ 885	39,000,000	\$ 862,974,965	\$ 862,975,850

See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Statement of Changes in Shareholders' Equity**For the Three Months Ended March 31, 2014**(Unaudited)*

	General Shares		Shares		Total Shareholders
	Shares	Total Equity	Shares	Total Equity	Equity
Balance at January 01, 2014	40	\$ 971	50,200,000	\$ 1,218,755,999	\$ 1,218,756,970
Sale of Shares			7,600,000	211,651,154	211,651,154
Redemption of Shares			(3,800,000)	(98,868,699)	(98,868,699)
Net Increase (Decrease) due to Share Transactions			3,800,000	112,782,455	112,782,455
Net Income (Loss)					
Net investment income (loss)		(2)		(2,848,332)	(2,848,334)
Net realized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts		68		83,163,188	83,163,256
Net change in unrealized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts		97		119,117,456	119,117,553
Net Income (Loss)		163		199,432,312	199,432,475
Net Change in Shareholders' Equity		163	3,800,000	312,214,767	312,214,930
Balance at March 31, 2014	40	\$ 1,134	54,000,000	\$ 1,530,970,766	\$ 1,530,971,900

See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Statements of Cash Flows**For the Three Months Ended March 31, 2015 and 2014**(Unaudited)*

	Three Months Ended	
	March 31, 2015	March 31, 2014
Cash flow from operating activities:		
Net Income (Loss)	\$ (105,427,407)	\$ 199,432,475
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Cost of securities purchased	(712,952,177)	(1,490,819,290)
Proceeds from securities sold and matured	1,048,998,868	1,263,998,456
Net accretion of discount on United States Treasury Obligations	(51,523)	(164,060)
Net realized (gain) loss on United States Treasury Obligations	(2,256)	(1,839)
Net change in unrealized (gain) loss on United States Treasury Obligations and Commodity Futures Contracts	37,598,025	(119,117,553)
Cash transfer to Commodity Broker to satisfy variation margin requirements (Note 4)	(88,823,232)	
Cash received (paid) to Commodity Broker to satisfy open variation margin, net (Note 4)	(4,767,351)	
Change in operating receivables and liabilities:		
Variation margin payable futures	8,890,928	
Management fee payable	(204,744)	157,711
Brokerage fee payable	(2,097)	7,414
Net cash provided by (used for) operating activities	183,257,034	(146,506,686)
Cash flows from financing activities:		
Proceeds from sale of Shares	53,593,888	211,651,154
Redemption of Shares	(128,104,594)	(102,911,310)
Net cash provided by (used for) financing activities	(74,510,706)	108,739,844
Net change in cash held	108,746,328	(37,766,842)
Cash at beginning of period(a)	50,738,487	45,303,391
Cash at end of period(b)	\$ 159,484,815	\$ 7,536,549

(a) Cash at December 31, 2014 and prior reflects cash held by the Predecessor Commodity Broker.

(b) Cash at March 31, 2015 reflects cash held by the Custodian.

See accompanying Notes to Unaudited Financial Statements which are an integral part of the financial statements.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements

March 31, 2015

(1) Background

On October 24, 2014, DB Commodity Services LLC, a Delaware limited liability company (DBCS), DB U.S. Financial Markets Holding Corporation (DBUSH) and Invesco PowerShares Capital Management LLC (Invesco) entered into an Asset Purchase Agreement (the Agreement). DBCS is a wholly-owned subsidiary of DBUSH. DBCS agreed to transfer and sell to Invesco all of DBCS' interest in 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, including the sole and exclusive power to direct the business and affairs of the Trust and the Fund, as well as certain other assets pertaining to the management of the Trust and the Fund, pursuant to the terms and conditions of the Agreement (the Transaction).

The Transaction was consummated on February 23, 2015 (the Closing Date). Invesco now serves as the managing owner (the Managing Owner), commodity pool operator and commodity trading advisor of the Fund, in replacement of DBCS (the Predecessor Managing Owner).

(2) Organization

The Fund is a separate series of the Trust. The Trust is a Delaware statutory trust organized in seven separate series and was formed on August 3, 2006. The Predecessor Managing Owner seeded the Fund with a capital contribution of \$1,000 in exchange for 40 General Shares of the Fund. The General Shares were sold to the Managing Owner by the Predecessor Managing Owner pursuant to the terms of the Agreement. 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 Fifth Amended and Restated Declaration of Trust and Trust Agreement of the Trust (the Trust Agreement). The Fourth Amended and Restated Declaration of Trust and Trust Agreement of the Trust dated November 12, 2012 was effective for purposes of the reporting period up to and excluding the Closing Date. The fund has an unlimited number of shares authorized for issuance.

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 proceeds from the offering of Shares are invested in the Fund. The Fund commenced investment operations on January 3, 2007. The Fund commenced trading on the American Stock Exchange (which became 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 March 31, 2015 and 2014 (hereinafter referred to as the Three Months Ended March 31, 2015 and the Three Months Ended March 31, 2014 , respectively). The Fund's performance information from inception up to and excluding the Closing Date is a reflection of the performance associated with the Predecessor Managing Owner. The Managing Owner has served as managing owner of the Fund since the Closing Date, and the Fund's performance information since the Closing Date is a reflection of the performance associated with the Managing Owner. Past performance of the Fund is not necessarily indicative of future performance.

The accompanying unaudited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and with the instructions for Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission (the SEC). In the opinion of management, all material adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Fund's financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the SEC on March 2, 2015.

(3) 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.

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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 on deposit with the Fund s Commodity Broker as margin.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

March 31, 2015

The Commodity Futures Trading Commission (the "CFTC") and/or commodity exchanges, as applicable, impose position limits on market participants trading in all eleven commodities futures contracts 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 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.

The Fund reached its position limits with respect to its future contracts for Wheat prior to December 31, 2014. The Fund established positions in Red Wheat as proxies in lieu of the positions as provided by the Index.

The Fund holds United States Treasury Obligations for deposit with the Fund's Commodity Broker as margin. The Fund does not borrow money to increase leverage. As of March 31, 2015 and December 31, 2014, the Fund had \$156,092,572 (or 13.31% of its total assets) and \$1,234,711,913 (or 99.60% of its total assets), respectively, of its holdings of cash, United States Treasury Obligations and unrealized appreciation/depreciation on futures contracts on deposit with its Commodity Broker (as defined below) or its Predecessor Commodity Broker (as defined below), as applicable. Of this, \$156,092,572 (or 13.31%) and \$54,266,610 (or 4.40%) are required to be deposited to satisfy maintenance margin required by the Commodity Broker for the Fund's open futures positions as of March 31, 2015 and December 31, 2014, respectively. For additional information, please see the unaudited Schedule of Investments as of March 31, 2015 and December 31, 2014 for details of the Fund's portfolio holdings.

(4) 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 as the Fund's commodity pool operator, commodity trading advisor and managing owner. The Fund pays the Managing Owner a management fee, monthly in arrears, in an amount equal to 0.85% per annum of the daily net asset value of the Fund. For purposes of the reporting period up to and excluding the Closing Date, all Management Fees were payable to the Predecessor Managing Owner (the "Management Fee"). The Managing Owner has served as managing owner of the Fund since the Closing Date and all Management Fee accruals since the Closing Date have been paid to the Managing Owner.

During the Three Months Ended March 31, 2015 and 2014, the Fund incurred Management Fees of \$1,876,307 and \$2,783,428, respectively. As of March 31, 2015 and December 31, 2014, Management Fees payable were \$606,062 and \$810,806, respectively.

The Commodity Broker

Effective as of the Closing Date, Morgan Stanley & Co. LLC, a Delaware limited liability company, serves as the Fund's futures clearing broker (the "Commodity Broker"). Deutsche Bank Securities Inc. ("DBSI"), a Delaware corporation, served as the Fund's futures clearing broker up to and excluding the Closing Date (the "Predecessor Commodity Broker"). DBSI is also an indirect wholly-owned subsidiary of Deutsche Bank AG and is an affiliate of the Predecessor Managing Owner. A variety of executing brokers execute futures transactions on behalf of the Fund. Such executing brokers give-up all such transactions to the Commodity Broker. In its capacity as clearing broker, the Commodity Broker may execute

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or receive transactions executed by others and clears all of the Fund's futures transactions and performs certain administrative and custodial services for the Fund. 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 March 31, 2015 and 2014, the Fund incurred brokerage fees of \$153,983 and \$228,939, respectively. As of March 31, 2015 and December 31, 2014, brokerage fees payable were \$2,170 and \$4,267, respectively. For the avoidance of doubt, for purposes of the reporting period up to and excluding the Closing Date, commission payments were paid to the Predecessor Commodity Broker. The Commodity Broker has served as the Fund's futures clearing broker since the Closing Date and all commission accruals since the Closing Date have been paid to the Commodity Broker.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

March 31, 2015

The Administrator, Custodian and Transfer Agent

The Bank of New York Mellon (the Administrator and Custodian) is 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 the Commodity Broker and other unaffiliated futures commission merchants.

As of December 31, 2014, the Fund held \$50,738,487 of cash and \$1,239,965,626 of United States Treasury Obligations at the Predecessor Commodity Broker. In conjunction with the Transaction, during the three-day period from February 24, 2015 to February 26, 2015, the Fund transferred \$91,487,292 of cash and \$832,990,770 of United States Treasury Obligations from the Predecessor Commodity Broker to the Custodian. Additionally, during that same three-day period, the Fund transferred all of its open positions of commodity futures contracts from the Predecessor Commodity Broker to the Commodity Broker, \$164,983,500 of United States Treasury Obligations from the Custodian to the Commodity Broker to satisfy maintenance margin requirements and \$88,823,232 of cash from the Custodian to the Commodity Broker to satisfy variation margin requirements for open commodity futures contracts. Effective February 26, 2015, the Managing Owner began transferring cash daily from the Custodian to the Commodity Broker to satisfy the previous day's variation margin on open futures contracts. The cumulative amount of cash transferred to the Commodity Broker as of March 31, 2015 approximates the net unrealized appreciation (depreciation) on commodity futures contracts. As a result, only the current day's variation margin is disclosed on the Statement of Financial Condition.

As of March 31, 2015, the Fund had \$1,007,470,657 (or 85.93% of total assets) of its holdings of cash and United States Treasury Obligations held with its Custodian. No assets were held at the Custodian on December 31, 2014.

The Managing Owner pays the Administrator administrative services fees out of the Management Fee.

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 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.

The Managing Owner pays the Distributor a distribution fee out of the Management Fee.

Index Sponsor

Effective as of the Closing Date, the Managing Owner, on behalf of the Fund, has appointed Deutsche Bank Securities Inc. to serve as the index sponsor (the Index Sponsor). Prior to the Closing Date, the index sponsor was Deutsche Bank AG London. The Index Sponsor calculates and publishes the daily index levels and the indicative intraday index levels. Additionally, the Index Sponsor also calculates the indicative value per Share of the Fund throughout each Business Day.

The Managing Owner pays the Index Sponsor a licensing fee and an index services fee out of the Management Fee for performing its duties.

Marketing Agent

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Effective as of the Closing Date, the Managing Owner, on behalf of the Fund, has appointed Deutsche Bank Securities Inc. as the marketing agent (the Marketing Agent) to assist the Managing Owner by providing support to educate institutional investors about the Deutsche Bank indices and to complete governmental or institutional due diligence questionnaires or requests for proposals related to the Deutsche Bank indices.

The Managing Owner pays the Marketing Agent a marketing services fee out of the Management Fee.

The Marketing Agent will not open or maintain customer accounts or handle orders for the Fund. The Marketing Agent has no responsibility for the performance of the Fund or the decisions made or actions taken by the Managing Owner.

(5) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Fund has determined that it meets the definition of an investment company and has prepared the unaudited financial statements in conformity with U.S. GAAP for investment companies in conformity with accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Investment Companies*.

In August 2014, the FASB issued a new standard, Accounting Standards Update No. 2014-15 *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which will explicitly require management to assess an entity's ability to continue as a going concern and to provide related footnote disclosure in certain circumstances. This new guidance is effective for all entities in the first annual reporting period ending after December 15, 2016. The Fund is currently evaluating this guidance and its impact on the Fund's financial statement disclosures.

Table of Contents***PowerShares DB Agriculture Fund******Notes to Unaudited Financial Statements (Continued)******March 31, 2015******(b) Use of Estimates***

The preparation of the financial statements in conformity with U.S. GAAP 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. There were no significant estimates used in the preparation of these financial statements.

(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. U.S. GAAP defines fair value as 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, under current market conditions.

U.S. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods or market conditions may result in transfers in or out of an investment's assigned level:

Level 1 Prices are determined using quoted prices in an active market for identical assets.

Level 2 Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The levels assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

The following is a summary of the tiered valuation input levels as of March 31, 2015:

	Level 1	Level 2	Level 3	Total
United States Treasury Obligations	\$	\$ 1,012,969,342	\$	\$ 1,012,969,342
Commodity Futures Contracts (a)	\$ (93,590,583)	\$	\$	\$ (93,590,583)

(a) Unrealized appreciation (depreciation).

The Fund's policy is to recognize transfers in and out of the valuation levels as of the end of the reporting period. Effective on the Closing Date, the Fund revised certain policies with respect to level classification. As a result, United States Treasury Obligations were transferred from Level 1 to Level 2. Treasury Obligations of \$196,000,000 were transferred from Level 1 to Level 2 during the period.

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The following is a summary of the tiered valuation input levels as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
United States Treasury Obligations	\$ 1,239,965,626	\$	\$	\$ 1,239,965,626
Commodity Futures Contracts (a)	\$ (55,992,200)	\$	\$	\$ (55,992,200)

(a) Unrealized appreciation (depreciation).

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

March 31, 2015

(d) Deposits with Commodity 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) Deposits with Custodian

The combination of the Fund's deposits with its Custodian of cash and United States Treasury Obligations represents the Fund's overall assets held with its Custodian.

(f) 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. The Fund purchased \$300,000,000 face amount of United States Treasury Obligations valued at \$299,979,147 which was recorded as payable for securities purchased as of March 31, 2015. The Fund purchased \$196,000,000 face amount of United States Treasury Obligations valued at \$195,982,850 which was recorded as payable for securities purchased as of December 31, 2014. The Fund sold \$5,000,000 face amount of United States Treasury Obligations valued at \$4,999,973 which was recorded as receivable for securities sold as of December 31, 2014.

(g) Cash Held by Commodity 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 assesses its variation margin requirements on a daily basis and additional cash required to satisfy the variation margin required is transferred from the Custodian to the Commodity Broker at the close of business each day. Effective February 24, 2015, only the current day's variation margin receivable or payable is disclosed as an asset or liability on the Statement of Financial Condition. 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, 2014, the Fund had cash held with the Predecessor Commodity Broker of \$50,738,487 which was on deposit to satisfy the Fund's variation margin requirement on open futures contracts. There was no cash held by the Commodity Broker as of March 31, 2015. There were no cash equivalents held by the Fund as of March 31, 2015 and December 31, 2014.

(h) Receivable/(Payable) for Shares Issued and Redeemed

On any business day, an Authorized Participant may place an order to create or redeem Shares of the Fund. Cash settlement occurs at the creation order settlement date or the redemption order settlement date as discussed in Note 7. As of December 31, 2014, payable for shares redeemed was \$4,966,254.

(i) 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.

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The Managing Owner has reviewed all of the Fund's open tax years and major jurisdictions and concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. The Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. On an ongoing basis, the Managing Owner will monitor its tax positions taken under the interpretation (and consult with its tax counsel from time to time when appropriate) to determine if adjustments to conclusions are necessary based on factoring including, but not limited to, on-going analysis of tax law, regulation, and interpretations thereof. The major tax jurisdiction for the Fund and the earliest tax year subject to examination: United States, 2011.

Table of Contents**PowerShares DB Agriculture Fund****Notes to Unaudited Financial Statements (Continued)****March 31, 2015****(j) Futures Contracts**

All commodity futures contracts are held and used for trading purposes. Commodity futures contracts are recorded on trade date. Open contracts are recorded in the statement of financial condition at fair value on trade date and on each successive date as well as on the last business day of each of the periods presented, which represent market value for those commodity futures contracts 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.

The Value of Derivative Instruments is as follows:

Risk Exposure/Derivative Type	March 31, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Commodity risk				
Commodity Futures Contracts	\$ 7,584,809	\$ (101,175,392) ^(a)	\$ 9,629,931	\$ (65,622,131) ^(b)

(a) Includes cumulative appreciation (depreciation) of commodity futures contracts. Only current day s variation margin receivable (payable) is reported in the March 31, 2015 Statement of Financial Condition.

(b) Values are disclosed on the December 31, 2014 Statement of Financial Condition under Net unrealized appreciation (depreciation) on commodity futures contracts.

The Effect of Derivative Instruments on the Statements of Income and Expenses is as follows:

Risk Exposure/Derivative Type	Location of Gain or (Loss) on Derivatives Recognized in Income	For the Three Months Ended	
		March 31, 2015	March 31, 2014
Commodity risk			
Commodity Futures Contracts	Net Realized Gain (Loss)	\$ (65,851,176)	\$ 83,161,417
	Net Change in Unrealized Gain (Loss)	(37,598,383)	119,095,703
Total		\$ (103,449,559)	\$ 202,257,120

The brokerage agreement with the Commodity Broker provides for the net settlement of all financial instruments covered by the agreement in the event of default or termination of any one contract. The Managing Owner will utilize the cash held at the Commodity Broker to offset any realized losses incurred in the commodity futures contracts, if available. To the extent that cash held at the Commodity Broker is not adequate to cover any realized losses, a portion of the United States Treasury Obligations will be sold to make additional cash available. The table below summarizes the average monthly notional value of futures contracts outstanding during the period:

**Commodity Futures Contracts
For the Three Months Ended
March 31, 2014**

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	March 31, 2015	
Average Notional Value	\$ 915,978,337	\$ 1,348,457,003

Table of Contents**PowerShares DB Agriculture Fund****Notes to Unaudited Financial Statements (Continued)****March 31, 2015**

The Fund utilized derivatives instruments to achieve its investment objectives. For financial reporting purposes, the Fund offsets financial assets and financial liabilities that are subject to netting agreements. In order for an arrangement to be eligible for netting, the fund must have a basis to conclude that such netting arrangements are legally enforceable. The following table presents derivative instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements as of March 31, 2015, net by contract.

	Gross Amounts Recognized ^(a)	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition Financial Instruments ^(b)	Cash Collateral Pledged ^(b)	Net Amount
Assets						
Commodity Futures Contracts	\$ 7,584,809	\$ (7,584,809)	\$	\$	\$	\$
Liabilities						
Commodity Futures Contracts	\$ (101,175,392)	\$ 7,584,809	\$ (93,590,583)	\$ 93,590,583	\$	\$

The following table presents derivative instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements as of December 31, 2014, net by contract:

	Gross Amounts Recognized ^(a)	Gross Amounts Offset in the Statement of Financial Condition	Net Amounts Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition Financial Instruments ^(b)	Cash Collateral Pledged ^(b)	Net Amount
Assets						
Commodity Futures Contracts	\$ 9,629,931	\$ (9,629,931)	\$	\$	\$	\$
Liabilities						
Commodity Futures Contracts	\$ (65,622,131)	\$ 9,629,931	\$ (55,992,200)	\$ 5,253,713	\$ 50,738,487	\$

(a) Includes cumulative appreciation (depreciation) of futures contracts.

(b) As of March 31, 2015 and December 31, 2014, a portion of the Fund's cash and US Treasury Obligations were required to be deposited as margin in support of the Fund's futures positions as described in Note 3.

(k) 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. 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 and the Predecessor Commodity Broker, as applicable, were less than \$6.00 and \$10.00 per round-turn trade for the Three Months Ended March 31, 2015 and 2014, respectively.

(l) Routine Operational, Administrative and Other Ordinary Expenses

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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. Prior to the Closing Date, the Predecessor Managing Owner assumed all routine operational, administrative and other ordinary expenses of the Fund. Accordingly, all such expenses are not reflected in the statement of income and expenses of the Fund.

(m) Organizational and Offering Costs

All organizational and offering expenses (including continuous offering expenses for the offering of the Shares) incurred by the Fund were assumed by either the Predecessor Managing Owner or the Managing Owner. The Fund is not responsible to either the Predecessor Managing Owner or the Managing Owner for the reimbursement of organizational and offering costs (including continuous offering expenses for the offering of the Shares).

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

March 31, 2015

(n) Non-Recurring Fees and Expenses

The Fund pays all non-recurring and unusual fees and expenses (referred to as extraordinary fees and expenses in the Trust Declaration), if any, of itself, as determined by the Managing Owner. Non-recurring and unusual fees and expenses are fees and expenses which are non-recurring and unusual in nature, such as legal claims and liabilities, litigation costs or indemnification or other unanticipated expenses. Such non-recurring and unusual fees and expenses, by their nature, are unpredictable in terms of timing and amount. For the Three Months Ended March 31, 2015 and 2014, the Fund did not incur such expenses.

(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 in excess of the amounts shown on the Statement of Financial Condition. 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 the Commodity Broker and/or 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 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. 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.

(7) Share Purchases and Redemptions

(a) Purchases

On any business day, an Authorized Participant may place an order with the Administrator who serves as the Fund's transfer agent (Transfer Agent) to create one or more Baskets. For purposes of processing both creation and redemption orders, a business day means any day other than a day when banks in New York City are required or permitted to be closed. Creation orders must be placed by 10:00 a.m., Eastern Time. The day on which the Transfer Agent receives a valid creation order is the creation order date. The day on which a creation order is settled is the creation order settlement date. As provided below, the creation order settlement date may occur up to 3 business days after the creation order date. By placing a creation order, and prior to delivery of such Baskets, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the creation order.

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Unless otherwise agreed to by the Managing Owner and the Authorized Participant as provided in the next sentence, Baskets are issued on the creation order settlement date as of 2:45 p.m., Eastern Time, on the business day immediately following the creation order date at the applicable net asset value per Share as of the closing time of the NYSE Arca or the last to close of the exchanges on which its futures contracts are traded, whichever is later, on the creation order date, but only if the required payment has been timely received. Upon submission of a creation order, the Authorized Participant may request the Managing Owner to agree to a creation order settlement date up to 3 business days after the creation order date. By placing a creation order, and prior to receipt of the Baskets, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the creation order.

Creation orders may be placed either (i) through the Continuous Net Settlement (CNS) clearing processes of the National Securities Clearing Corporation (the NSCC) or (ii) if outside the CNS Clearing Process, only through the facilities of The Depository Trust Company (DTC) or the Depository (the DTC Process), or a successor depository.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements (Continued)

March 31, 2015

(b) Redemptions

On any business day, an Authorized Participant may place an order with the Transfer Agent to redeem one or more Baskets. Redemption orders must be placed by 10:00 a.m., Eastern Time. The day on which the Managing Owner receives a valid redemption order is the redemption order date. The day on which a redemption order is settled is the redemption order settlement date. As provided below, the redemption order settlement date may occur up to 3 business days after the redemption order date. The redemption procedures allow Authorized Participants to redeem Baskets. Individual Shareholders may not redeem directly from the Fund. Instead, individual Shareholders may only redeem Shares in integral multiples of 200,000 and only through an Authorized Participant.

Unless otherwise agreed to by the Managing Owner and the Authorized Participant as provided in the next sentence, 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 not later than the redemption order settlement date as of 2:45 p.m., Eastern Time, on the business day immediately following the redemption order date. Upon submission of a redemption order, the Authorized Participant may request the Managing Owner to agree to a redemption order settlement date up to 3 business days after 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.

Redemption orders may be placed either (i) through the CNS clearing processes of the NSCC or (ii) if outside the CNS Clearing Process, only through the DTC Process, or a successor depository, and only in exchange for cash. 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 futures contracts are traded, whichever is later, on the redemption order date. The Managing Owner will distribute the cash redemption amount at the redemption order settlement date as of 2:45 p.m., Eastern Time, on the redemption order settlement 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 2:45 p.m., Eastern Time, on the redemption order settlement date if, by such time, 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 distribution is delivered to the extent of whole Baskets received. Any remainder of the redemption distribution is delivered on the next business day to the extent of remaining whole Baskets received if the Transfer Agent 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 2:45 p.m., Eastern Time, on such next business day. Any further outstanding amount of the redemption order will be cancelled. The Managing Owner is also authorized to deliver the redemption distribution notwithstanding that the Baskets to be redeemed are not credited to the Fund's DTC account by 2:45 p.m., Eastern Time, on the redemption order settlement 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 determine from time-to-time.

(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. 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.

No distributions were paid for the Three Months Ended March 31, 2015 or 2014.

(9) Commitments and Contingencies

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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 March 31, 2015 and December 31, 2014, no claims had been received by the Fund. Further, the Fund has not had prior claims or losses pursuant to these contracts. Accordingly, the Managing Owner expects the risk of loss to be remote.

Table of Contents**PowerShares DB Agriculture Fund****Notes to Unaudited Financial Statements (Continued)****March 31, 2015****(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 March 31, 2015 and 2014. The net investment income (loss) and total expense ratios are calculated using average net asset value. The net asset value presentation is calculated using average daily Shares outstanding. 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 at the date of each respective period presented.

	Three Months Ended	
	March 31, 2015	March 31, 2014
Net Asset Value		
Net asset value per Share, beginning of period	\$ 24.83	\$ 24.28
Net realized and change in unrealized gain (loss) on United States Treasury Obligations and Commodity Futures Contracts	(2.65)	4.13
Net investment income (loss)	(0.05)	(0.06)
Net income (loss)	(2.70)	4.07
Net asset value per Share, end of period	\$ 22.13	\$ 28.35
Market value per Share, beginning of period	\$ 24.90	\$ 24.24
Market value per Share, end of period	\$ 22.14	\$ 28.34
Ratio to average Net Assets*		
Net investment income (loss)	(0.90)%	(0.87)%
Total expenses	0.92%	0.92%
Total Return, at net asset value **	(10.87)%	16.76%
Total Return, at market value **	(11.08)%	16.91%

* 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.

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, as amended, which reflect our current views with respect to future events and financial results. The matters discussed throughout this Report that are not historical facts are forward-looking statements. These forward-looking statements are based on the registrant's current expectations, estimates and projections about the registrant's business and industry and its beliefs and assumptions about future events. Words such as anticipate, expect, intend, plan, believe, seek, outlook and estimate, 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, Invesco PowerShares Capital Management LLC, 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.

Table of Contents**Overview/Introduction**

On October 24, 2014, DB Commodity Services LLC, a Delaware limited liability company (DBCS), DB U.S. Financial Markets Holding Corporation (DBUSH) and Invesco PowerShares Capital Management LLC (Invesco) entered into an Asset Purchase Agreement (the Agreement). DBCS is a wholly-owned subsidiary of DBUSH. DBCS agreed to transfer and sell to Invesco all of DBCS interest in the PowerShares DB Agriculture Fund (the Fund), including the sole and exclusive power to direct the business and affairs of the Fund, as well as certain other assets of DBCS pertaining to the management of the Fund, pursuant to the terms and conditions of the Agreement (the Transaction).

The Transaction was consummated on February 23, 2015 (the Closing Date). Invesco now serves as the managing owner (the Managing Owner), commodity pool operator and commodity trading advisor of the Fund, in replacement of DBCS (the Predecessor Managing Owner).

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).

As of the date of this Report, each of Deutsche Bank Securities Inc., Merrill Lynch Professional Clearing Corp., Newedge USA LLC, Virtu Financial Capital Markets LLC, Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Credit Suisse Securities (USA) LLC, Virtu Financial BD LLC, Knight Capital Americas LLC, Timber Hill LLC, Morgan Stanley & Co. LLC, Jefferies LLC, Nomura Securities International Inc., RBC Capital Markets, LLC, UBS Securities LLC, Cantor Fitzgerald & Co., BNP Paribas Securities Corp., Goldman, Sachs & Co. and Goldman Sachs Execution & Clearing, L.P. has executed a Participant Agreement and are the only Authorized Participants.

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. After the Closing Date, the aggregate notional value of the futures contracts owned by the Fund is expected to approximate the aggregate net asset value of the Fund, as opposed to the aggregate Index value.

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. 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. Please see <http://www.invescopowershares.com> with respect to the most recently available weighted composition of the Fund and the composition of the Fund s index on the Base Date.

The Fund is not sponsored or endorsed by Deutsche Bank AG, Deutsche Bank Securities Inc. or any subsidiary or affiliate of Deutsche Bank AG or Deutsche Bank Securities Inc. (collectively, Deutsche Bank). The DBIQ Diversified Agriculture Index Excess Return (the Index) is the exclusive property of Deutsche Bank Securities Inc. DBIQ is a service mark of Deutsche Bank AG and has been licensed for use for certain purposes by Deutsche Bank Securities Inc. Neither Deutsche Bank nor any other party involved in, or related to, making or compiling the Index makes any representation or warranty, express or implied, concerning the Index, the Fund or the advisability of investing in securities generally. Neither Deutsche Bank nor any other party involved in, or related to, making or compiling the Index has any obligation to take the needs of the Managing Owner, or its clients into consideration in determining, composing or calculating the Index. Neither Deutsche Bank nor any other party involved in, or related to, making or compiling the Index is responsible for or has participated in the determination of the timing of, prices at, quantities or valuation of the Fund. Neither Deutsche Bank nor any other party involved in, or related to, making or compiling the Index has any obligation or liability in connection with the administration or trading of the Fund.

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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: