As a pioneer in smart beta ETF strategies, Invesco PowerShares markets a number of time-tested options suitable for various market conditions and investor profiles.

**Single-Factor Strategies**

Single-factor strategies seek to address a single factor such as those listed below. We currently offer over 20 single-factor strategies and have included a sampling below.

**Low Volatility**
- SPLV S&P 500® Low Volatility
- EELV S&P Emerging Markets Low Volatility
- IDLV S&P International Developed Low Volatility
- XMLV S&P MidCap Low Volatility
- XSLV S&P SmallCap Low Volatility

**High Beta**
- SPHB S&P 500® High Beta
- EEHB S&P Emerging Markets High Beta
- IDHB S&P International Developed High Beta

**Momentum**
- PIZ DWA Developed Markets Momentum
- PIE DWA Emerging Markets Momentum
- DWAS DWA SmallCap Momentum
- PDP DWA Momentum

**Quality**
- SPHQ S&P 500® High Quality
- IDHQ S&P International Developed High Quality

**Dividend**
- PFM Dividend Achievers™
- PEY High Yield Equity Dividend Achievers™
- PID International Dividend Achievers™
- SPHD S&P 500® High Dividend

**Buyback**
- PKW Buyback Achievers™

**Multi-Factor Strategies**

Multi-factor strategies seek to address multiple factors, including those listed below. Invesco PowerShares currently offers over 20 multi-factor strategies.

**Fundamentals Weighted Broad Market Equity**
- PAF FTSE RAFI Asia Pacific ex-Japan
- PXH FTSE RAFI Emerging Markets
- PXF FTSE RAFI Developed Markets ex-U.S.
- PRF FTSE RAFI US 1000
- PRFZ FTSE RAFI US 1500 Small-Mid

**Alternatively Weighted Fixed Income**
- PCY Emerging Markets Sovereign Debt
- PFEM Fundamental Emerging Markets Local Debt
- PHB Fundamental High Yield™ Corporate Bond
- PFIG Fundamental Investment Grade Corporate Bond

**Quantitative Intellidexes™**
- PWB Dynamic Large Cap Growth
- PWV Dynamic Large Cap Value
- PWC Dynamic Market

**Intelligent Commodities Strategies**

Intelligent commodity strategies seek to address the optimum yield roll effect often seen in traditional commodity strategies. We currently market eight intelligent commodities strategies.

**DB Commodities**
- DBA DB Agriculture
- DDB DB Base Metals
- DBC DB Commodity Index Tracking
- DBE DB Energy
- DGL DB Gold
- DBO DB Oil
- DBP DB Precious Metals
- DBS DB Silver

Indicates an industry first from Invesco PowerShares

Commodities, currencies and futures generally are volatile and are not suitable for all investors.

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Smart Beta ETF Strategies
Leading the Intelligent ETF Revolution®
“PowerShares’ brand is really about ... providing investors more intelligent exposure to the markets, rather than just strictly cap-weighted beta.”


H. Bruce Bond
Founder & Former President and CEO, PowerShares Capital Management

*Invesco PowerShares introduced many of the first non-cap-weighted ETF strategies available today, calling them “Intelligent ETFs”.*
Decoding the “Buzz” Around Smart Beta

While smart beta has become a buzz word, the concept is far from new. Institutional investors have used alternative weighting and factor-driven strategies since the 1970s, albeit not labeled “smart beta.” Now that the term has become mainstream, Invesco PowerShares would like to provide insight on where we see opportunities for investors.

Smart beta indexes, including non-price weighted and factor-driven, represent a significant development in asset management and another step in the (r)evolution of indexing. Smart beta seeks to offer investors an alternative to the traditional black and white world of active vs. passive portfolio construction. These alternative-weighted or factor-driven indexes provide investors the opportunity to achieve their investment objectives while seeking outperformance, reducing risk, or both, in a systematic manner relative to a market cap-weighted benchmark. In addition, smart beta indexes seek to retain the associated benefits of ETFs such as exposure, significant investment capacity and portfolio transparency.

Many investors describe smart beta strategies simply as an offshoot of active management, mimicking the ability to take advantage of market dislocations. Unlike actively managed approaches, smart beta ETF strategies provide investors passive, rules-based exposure while retaining the possibility to generate excess returns when compared to a cap-weighted benchmark index.

Others describe smart beta as simply another index replication strategy. Unlike traditional market capitalization-weighted indexes, smart beta indexes may provide better risk-adjusted returns by allowing investors to capture risk premia from various factors. These factors have been studied by academics and used by institutions and active managers for decades.

Invesco PowerShares believes that smart beta strategies offer exposure to the best of both worlds, providing investors a valuable alternative that expands portfolio construction opportunities. We were founded on the belief that all investors should be provided with a smarter way to access the markets — beyond traditional active and passive strategies. Invesco PowerShares introduced many of the first smart beta vehicles available today calling them “Intelligent ETFs.”

Beta is a measure of risk representing how a security is expected to respond to general market movements.

Smart beta represents an alternative and selection index based methodology that may outperform a benchmark or reduce portfolio risk, or both.

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Smart Beta ETF Strategies
Leading the Intelligent ETF Revolution®

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* For example, a beta of one means that the security is expected to move with the market. A beta of less than one means the security is expected to be less volatile than the overall market. Betas greater than one are expected to exhibit more volatility or movement than the general market.

+ When we say that our ETFs are intelligent, we mean that in several different ways. Please see “Important Information” on page 12 for a more detailed explanation.

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** Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.
Employing Features of Both Worlds

Smart beta strategies seek to offer investors an alternative to the traditionally polarized passive and active portfolio construction options. They are not simply offshoots of active management or ETF replication vehicles. Through smart beta ETF strategies, we believe investors have the opportunity to retain broad market exposure, potentially achieve long-term outperformance when compared to an index, and reduce portfolio risk in a liquid,1 transparent,2 and low cost3 way.

<table>
<thead>
<tr>
<th></th>
<th>Passive Cap-weighted</th>
<th>Smart Beta May outperform benchmark</th>
<th>Active May outperform benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market benchmark performance</td>
<td>Seeks to match benchmark</td>
<td>May outperform benchmark</td>
<td>May outperform benchmark</td>
</tr>
<tr>
<td>Portfolio composition</td>
<td>Relatively static</td>
<td>Relatively static</td>
<td>Flexible</td>
</tr>
<tr>
<td>Typical security selection</td>
<td>Replicates an index by size and segment</td>
<td>Replicates an index with rules based methodology</td>
<td>Portfolio manager flexible discretion</td>
</tr>
<tr>
<td>Security weightings determined by</td>
<td>Market capitalization</td>
<td>Alternative-weighted and risk factors</td>
<td>Manager discretion</td>
</tr>
<tr>
<td>Typical security rebalancing</td>
<td>Less Frequent</td>
<td>More frequent</td>
<td>Manager discretion</td>
</tr>
<tr>
<td>Security turnover</td>
<td>Lower</td>
<td>Varied</td>
<td>Higher</td>
</tr>
<tr>
<td>Cash positions</td>
<td>Very low/fully invested</td>
<td>Very low/fully invested</td>
<td>Varied, determined by portfolio manager</td>
</tr>
<tr>
<td>Typical Costs</td>
<td>Lowest</td>
<td>Low</td>
<td>Higher</td>
</tr>
<tr>
<td>Transparency</td>
<td>Daily</td>
<td>Daily</td>
<td>Typically Quarterly</td>
</tr>
<tr>
<td>Ability to manage portfolio risk through security diversification</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Portfolio diversification beyond single security</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Delivered through various investment management platforms and vehicles</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

1 Liquidity: Shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 50,000, 75,000, 100,000 or 200,000 shares.
2 Transparency: ETFs disclose their holdings daily.
3 Low Cost: Since ordinary brokerage commissions apply for each buy and sell transaction, frequent activity may increase the cost of ETFs.
As smart beta continues to evolve, it is important to understand that strategies now included in this category are not new. Since the 1970s, institutional investors have used alternative and factor driven weightings as a way to generate alpha at lower risk premiums than traditional investment options. As far back as 2003, equal and quantitative-weighted indexes and ETFs were introduced, providing access to individual investors.

Adoption of Smart Beta ETF Strategy Allocations

While smart beta strategies have been around for some time, their adoption has only recently caught on as reflected below. The expected acceleration of growth will have significant implications on traditional asset allocations.

Total US Equity Smart Beta ETF Assets

According to a recent Financial Times article, “Fund managers expect institutional investment in ‘smart beta’ equity strategies to surge in the next five years as investors increasingly attempt to manage portfolio risk”. One estimate stated that by 2018, over one-third of assets could be allocated to smart beta strategies. However, the article indicates that ‘expectations of such rapid asset growth are ‘ambitious’. ‘In the short term smart beta might attract a lot of money as it is new, people are excited about it and they think it works. There is a good chance 30 percent of equity allocations will end up in smart beta products.’ ”

The article underscores that an understanding of the diversity across smart beta funds is essential, and if ‘strategies fail to deliver in the long term, investors will withdraw.’ 

— Financial Times, July 14, 2013

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5 Source: Bloomberg L.P., as of Sept. 30, 2013
Seek a More Sophisticated Approach

Given the rapid adoption of smart beta options – and how quickly many providers have introduced strategies to meet the growing demand – it is vital that investors understand the expanded menu of options available. At Invesco PowerShares, we take a more sophisticated approach to help investors take advantage of the expanded tools previously inaccessible to many. Whether an investor is looking to fulfill a core or satellite asset allocation, Invesco PowerShares markets smart beta options in three distinct categories:

Single-Factor Strategies

Seek to address a single factor such as those listed below.

**Low Volatility**
Utilizes volatility rankings while seeking to minimize the effects of market fluctuations.

**High Beta**
Utilizes a beta-weighted methodology to increase exposure to market movements of a benchmark without incorporating leverage.

**Momentum**
Ranks securities relative to peers, utilizing relative strength methodology to identify the strongest and weakest investment trends.

**Quality**
Focuses on companies that have a Standard and Poor’s quality ranking of A-¹ or above which have historically exhibited higher sharpe ratios and lower volatility.

**Dividend**
Ranks securities by their dividend yield while seeking to increase overall portfolio yield and potential for improved price performance.

**Buyback**
Tracks US companies that consistently repurchase their own outstanding shares.

Multi-Factor Strategies

Seek to address multiple factors, including those listed below.

**Fundamentals Weighted Broad Market Equity**
Ranks all publicly listed US companies according to four fundamental measures of company size: sales, cash flow, book value and dividends.

**Alternatively Weighted Fixed Income**
Assigns issuer weights based upon alternative weighting methodologies including equal, fundamental or other non-market capitalization weighting approaches.

**Quantitative Intellidex**
Evaluates companies based on a variety of factors that are grouped into five broad categories: price momentum, earnings momentum, quality, management action and value.

Intelligent Commodities Strategies

Seeks to address the roll return⁷ impact often seen in traditional commodity strategies.

**DB Commodities**
Deutsche Asset & Wealth Management implements a roll methodology called Optimum Yield⁸ that seeks to minimize the negative impact of contango and maximize the positive impact of backwardation. Contango occurs when the prices of futures contracts are higher than the current spot prices and the curve slopes upward over the given time period. Backwardation occurs when the prices of the futures contracts are lower than the current spot prices and the futures curve slopes downward.

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¹ Standard and Poor’s quality rankings reflect the long-term growth and stability of a company’s earnings and dividends in a range from A+ (highest) to C (lowest), with a ranking of D reflecting in reorganization and LIQ represents liquidation. See standardandpoors.com for additional information.

⁷ Roll Return: Roll return is the return, positive or negative, generated by rolling from a short-term futures contract to a longer term futures contract.

⁸ Optimum Yield™: A roll methodology that is specifically designed for investors to gain access to the commodities market the way many institutions or commodity professionals would, rather than employing a front month roll methodology.
A Proven Leader in Smart Beta ETF Strategies

Invesco PowerShares has been ‘Leading the Intelligent ETF Revolution’ since 2003. Since our founding, we have developed ETFs that do more than simply track a cap-weighted benchmark and instead offer dynamic investment strategies – now with over 120 domestic and international ETFs as of Sept. 30, 2013. As a pioneer in smart beta ETF strategies, Invesco PowerShares markets a number of time-tested options suitable for various market conditions and investor profiles.

First Time-Tested Strategies Introduced

While many providers are just now boarding the “smart beta bandwagon”, Invesco PowerShares was a pioneer in smart beta ETFs. Invesco PowerShares introduced its first dynamic market portfolio in 2003, the first broad-based US 1000 portfolio in 2005, the first international portfolios in 2007, and the first fixed income portfolio in 2010. As new smart beta strategies emerge, we believe investors should consider providers that have longer track records and a time-tested approach.

US Franchise AUM and Year of Smart Beta Firsts* (as of 09/30/13)

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Smart Beta ETF Firsts</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWC</td>
<td>First Quantitatively Constructed “Intelligent” ETF</td>
</tr>
<tr>
<td>PID</td>
<td>First International Dividend ETF</td>
</tr>
<tr>
<td>PRF</td>
<td>First Fundamentals Weighted® Equity ETF</td>
</tr>
<tr>
<td>DBC</td>
<td>First Broad Commodity ETF to use Futures as Underlying Investment*</td>
</tr>
<tr>
<td>PKW</td>
<td>First Buyback Achiever ETF</td>
</tr>
<tr>
<td>PCY</td>
<td>First Emerging Market Sovereign Debt ETF</td>
</tr>
<tr>
<td>PDP</td>
<td>First Momentum/Technical ETF</td>
</tr>
<tr>
<td>PHB</td>
<td>First Fundamentals Weighted Fixed-Income ETF</td>
</tr>
<tr>
<td>SPHQ</td>
<td>First High Quality Weighted ETF</td>
</tr>
<tr>
<td>SPLV</td>
<td>First S&amp;P 500® Volatility-Weighted ETF</td>
</tr>
<tr>
<td>SPHB</td>
<td>First Beta-Weighted ETF</td>
</tr>
<tr>
<td>EEHB</td>
<td>First S&amp;P Emerging Markets High Beta ETF</td>
</tr>
<tr>
<td>IDHB</td>
<td>First S&amp;P International Developed High Beta ETF</td>
</tr>
<tr>
<td>SPHD</td>
<td>First S&amp;P 500® High Dividend ETF</td>
</tr>
<tr>
<td>XMLV</td>
<td>First S&amp;P MidCap Low Volatility ETF</td>
</tr>
<tr>
<td>XSLV</td>
<td>First S&amp;P SmallCap Low Volatility ETF</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Ticker</th>
<th>Category</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>SPLV</td>
<td>ETF Product of the Year®</td>
<td>William F. Sharpe Award</td>
</tr>
<tr>
<td>2011</td>
<td>PHB</td>
<td>ETF Product of the Year®</td>
<td>William F. Sharpe Award</td>
</tr>
<tr>
<td>2006</td>
<td>PRF</td>
<td>Most Innovative ETF Product for Americas¹⁰</td>
<td>Global ETF Awards</td>
</tr>
<tr>
<td>2006</td>
<td>DBC</td>
<td>Most Innovative Index Fund or ETF¹¹</td>
<td>William F. Sharpe Award</td>
</tr>
</tbody>
</table>

*AUM represents all PowerShares US franchise assets and not just assets of funds shown.

Invesco PowerShares Smart Beta Accolades**

* DB Commodity Services LLC serves as the Managing Owner of the Fund.
**Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. Note additional inserted text on each footnote too. See Glossary of Terms or explanation of awards.
9 To the company responsible for the ETF product that had the most significant impact on the ETF market for the year.
10 To the Fund Sponsor who came up with the most innovative domestic product in the given year.
11 To the Fund Sponsor who came up with the most innovative Index in the given year.
## Tools for Various Market Conditions & Investor Objectives

With the number of smart beta strategies becoming available, it is important that investors carefully consider their individual needs and circumstances when evaluating portfolio options. As a guide, we have outlined a few investor objectives and corresponding strategies that may be appropriate complements to an existing asset allocation strategy. Smart beta ETF strategies are another portfolio construction tool that can be used as part of a core or satellite strategy to provide broader market exposure and diversification.

<table>
<thead>
<tr>
<th>Investor Seeking To</th>
<th>Smart Beta Strategy</th>
<th>Strategy Profile</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce volatility while maximizing returns</td>
<td>SPLV PowerShares S&amp;P 500 Low Volatility Portfolio</td>
<td>Seeks to offer equity exposure to the least volatile stocks and maintain equity exposure to participate in market upside while managing downside risk.</td>
<td>100 stocks within the S&amp;P 500 Index that have exhibited the lowest realized volatility over the past year.</td>
</tr>
<tr>
<td>Generate excess returns in a momentum-driven market</td>
<td>PDP PowerShares DWA Momentum Portfolio ++</td>
<td>The PowerShares DWA Momentum Portfolio is based on the Dorsey Wright methodology which provides exposure to US-listed companies that demonstrate powerful momentum characteristics.</td>
<td>The Index is constructed pursuant to Dorsey Wright proprietary methodology, which takes into account, among other factors, the performance of each of the 3,000 largest US listed companies as compared to a benchmark index, and the relative performance of industry sectors and sub-sectors.</td>
</tr>
<tr>
<td>Achieve income while limiting volatility</td>
<td>SPHD PowerShares S&amp;P 500 High Dividend Portfolio</td>
<td>Seeks investment results that generally correspond (before fees and expenses) to the price and yield of the S&amp;P 500 Low Volatility High Dividend Index. Provides exposure to equities that have generated high dividend yields and relatively low volatility.</td>
<td>Generally will invest at least 90% of its total assets in common stocks that comprise the underlying index. Standard &amp; Poor’s® compiles, maintains and calculates the underlying index, which is composed of 50 securities traded on the S&amp;P 500 Index that historically have provided high dividend yields and low volatility.</td>
</tr>
<tr>
<td>Generate excess returns with broad market exposure</td>
<td>PRF PowerShares FTSE RAFI US 1000 Portfolio</td>
<td>Seeks to offer equity exposure while attempting to minimize performance drag from over/under valuations.</td>
<td>1000 stocks within the FTSE RAFI US 1000 Index with the highest fundamental strength and weighted by their fundamental scores.</td>
</tr>
<tr>
<td>An efficient way to invest in commodities</td>
<td>DBC PowerShares DB Commodity Index Tracking Fund</td>
<td>Seeks to provide exposure to a broad basket of commodities including energy, precious metals, base metals and agriculture.</td>
<td>14 of the most heavily traded and important physical commodities in the world. Implements a roll methodology called Optimum Yield™ that seeks to minimize the negative impact of contango and maximize the positive impact of backwardation.</td>
</tr>
</tbody>
</table>

+++ Effective on or about Oct. 4, 2013, the name of the Fund changed from PowerShares DWA Technical Leaders Portfolio to PowerShares DWA Momentum Portfolio.

ETFs, in and of themselves, do not qualify as diversified investment strategies. Diversification does not guarantee a profit or eliminate the risk of loss. Invesco Distributors, Inc. is the distributor of the PowerShares DWA Momentum Portfolio. Invesco Distributors Inc. is not affiliated with Dorsey, Wright & Associates, LLC. ALPS Distributors, Inc. is the distributor of PowerShares DB Commodity Index Tracking Fund. Invesco PowerShares does not offer investment advice. Please consult with your financial advisor for information regarding your own investment objectives.
**Glossary & Terms**

**Alpha**: a measure of performance relative to the market. An alpha of 1.0% means the fund outperformed the market 1.0%. A positive alpha is the extra return awarded to the investor for taking additional risk rather than by accepting the market return.

**Backwardation**: occurs when the prices of the futures contracts are lower than the current spot prices and the futures curve slopes downward.

**Beta**: is a measure of risk representing how a security is expected to respond to general market movements.

**Book Value**: represents a company’s total assets minus intangibles and liabilities.

**Cash Flow(s)**: is/are a revenue or expense stream that changes a cash account over a given period.

**Contango**: occurs when the prices of futures contracts are higher than the current spot prices and the curve slopes upward over the given time period.

**Dividends**: shows how much a company pays out each year to shareholders relative to its share price.

**Dividend Yield**: the yearly dividend per share divided by the market price at the time of purchase. It is the ratio that shows how much a company pays out in dividends each year relative to its share price.

**Earnings Momentum**: is a measure of the acceleration of the amount of earnings that a company produces during a specific period, which is usually defined as a quarter or a year.

**Expense Ratio**: the total annual fees and expenses charged by a fund divided by average daily net assets. ETFs and index mutual funds tend to have lower expense ratios than most actively managed mutual funds because they do not have active management.

**Factor Driven**: a method of using objective style determinates, such as book value, cash flow, sales and dividends, within an index in attempt to achieve mutually exclusive security selection.

**Front Month Roll**: is a process in which an index automatically rolls to the next available futures contract with a predetermined expiration month (e.g. the next-to-expire contract).

**Futures Market**: an exchange where futures contracts and options on futures contracts are traded. This may include commodities, financial derivatives or a combination of these, as well as futures and options on indexes and equity products.

**Leverage**: the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

**Liquidity**: is characterized by a high level of trading activity and is a measure of the degree to which an asset or stock can be bought or sold in the market without affecting its asset price. Assets or stocks that can be easily bought or sold are known as liquid assets.

**Low Cost**: since ordinary brokerage commissions apply for each buy and sell transaction, frequent activity may increase the cost of ETFs.

**Management Action**: activities taken by executives of a company that have the potential to positively or negatively impact a stock’s market price.

**Market-Cap-Weighted**: a type of index in which individual components are weighted according to market capitalization. Index value can be calculated by adding the market capitalizations of each index component and dividing that sum by the number of securities in the index.

**Net Asset Value (NAV)**: the total value of a fund’s portfolio holdings per share or unit. Most mutual funds calculate their NAVs once per day, after the market close. Many ETFs calculate an indication of their NAVs throughout the trading day, in addition to calculating their NAVs once per day, after the market close.

**Non-Cap Weighted**: assign weights to stocks based on factors other than market capitalization in an attempt to reduce the risk of overexposure to a certain sector or group of stocks.

**Non-Price Weighted**: assign weights to stocks based on factors other than price in an attempt to identify fair value of each company and avoid overweighting overvalued stocks.

**Optimum Yield**: a roll methodology that is specifically designed for investors to gain access to the commodities market the way many institutions or commodity professionals would, rather than employing a front month roll methodology.
**Premium/Discount to NAV:** the difference by which a fund's negotiated market price exceeds (premium) or trails (discount) the market value of its portfolio holdings, less expenses. Closed-end funds typically trade at larger premiums or discounts than ETFs.

**Price Momentum:** is a measure of the acceleration of a stock's price during a specific period, which is usually defined as a quarter or a year.

**Quality:** a ranking that reflects the long-term growth and stability of a company's earnings and dividends.

**Quantitative Weighted:** a type of rules-based index in which individual components are weighted according to a variety of factors, such as volatility and momentum, in an attempt to generate excess return.

**Risk Premiums/Premias:** the rate of return that an investor can expect to receive on a security in excess of the risk-free rate for taking on additional risk.

**Roll Return:** roll return is the return, positive or negative, generated by rolling from a short-term futures contract to a longer term futures contract.

**Sales:** is a measure of revenue that a company produces during a specific period of time, which is usually defined as a quarter or a year.

**Sharpe Ratio:** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance.

**Smart Beta:** an alternative and selection index based methodology that may outperform a benchmark or reduce portfolio risk, or both.

**Tax Efficiency:** a measure of performance for an investment or a fund that is calculated by dividing the after-tax return (for a high-tax bracket investor) by the pre-tax return.

*Invesco PowerShares does not offer tax advice. Please consult your own tax advisor for information regarding your own tax situation.*

**Transparency:** ETFs disclose their holdings daily.

**Value:** is a measure of a stock that trades for less than its net asset value (NAV) and is usually identified by lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields.

**Volatility:** the annualized standard deviation of monthly index returns.

**Dynamic Market Intellidex Index:** is a modified equal dollar-weighted index composed of stocks selected quarterly based on a proprietary quantitative method. The components of the Dynamic Market Intellidex Index are selected from the universe of the two thousand largest stocks by market capitalization of US headquartered companies listed for trading on the NYSE Amex Equities Exchange or quoted on the Nasdaq National Market. The DYI index was established with a base value of 1000.00 at the close on Feb. 28, 2003.

The Intellidex™ Indexes are trademarks of NYSE Euronext or its affiliates and are licensed for use by Invesco PowerShares Capital Management LLC in connection with the PowerShares Intellidex investment products. The products are not sponsored or endorsed by NYSE Arca, and NYSE Arca makes no warranty or representation as to the accuracy and/or completeness of the Indexes or results to be obtained by any person from use of the Indexes or the trading of the products. An investment cannot be made directly into an index.

**S&P 500 Low Volatility High Dividend Index:** measures the performance of the 50 least-volatile high dividend-yielding stocks in the S&P 500 Index. The index is designed to serve as a benchmark for income-seeking investors in the US equity market.

**S&P 500® Index:** is an unmanaged index considered representative of the US stock market. An investment cannot be made directly into an index.

**FTSE RAFI US 1000 Index:** is designed to track the performance of the largest US equities, selected based on the following four fundamental measures of firm size: book value, cash flow, sales and dividends. The 1,000 equities with the highest fundamental strength are weighted by their fundamental scores. An investment cannot be made directly into an index.

**The Global ETF Awards and Workshop:** hosted by exchangetradedfunds.com. The Global ETF AWARDS® provides an opportunity for industry professionals worldwide to be recognized for their contributions to the growth of the ETF marketplace. Winners are selected by votes cast by ETF industry entities worldwide. Additionally, a series of awards are determined by analysis of statistical data.

**The William F. Sharpe Indexing Achievement Awards:** Produced in conjunction with the Index Business Association are presented each year. The awards are chosen following a rigorous selection process, starting with a vetting committee of industry practitioners. The vetting committee reviews hundreds of nominations and narrows the field down to three finalists in each category. The finalists are voted upon by the world's leading academics in the indexing research world.
Important Information

There is no assurance that the products listed in this material will achieve their investment objectives. Please be aware that the products listed are subject to various risks which depending upon the product may include risks such as volatility in the investing sector, interest rate, fixed-income investing, commodities and futures, and foreign and emerging markets. For further description on the relative risks for each product please obtain the appropriate prospectus by visiting invescopowershares.com/prospectus.

When we say that our ETFs are intelligent, we mean that in several different ways. One of our largest family of ETFs is based on Intellidex™ — dynamic indexes that use rules-based qualitative analysis to choose stocks for their capital appreciation potential. We believe this is an intelligent way for an index to select stocks. Our ETFs based on FTSE RAFI® indexes weight stocks according to fundamental economic factors. We believe this is a more intelligent weighting method than market-cap weighting. Furthermore, our Fundamental Index ETFs are based on four factors — sales, cash flow, book value and dividends — which we believe is a more balanced, intelligent approach than weighting stocks according to just one fundamental measure. We also have a wide range of ETFs that target narrow slices of the market (Intelligent Access) — from niche industries to specific world regions.

For investors who are interested in these niches, we believe ETFs — which invest in multiple companies within a market sector — may offer a more intelligent investment approach than stock picking.

Our PowerShares DB commodity funds (Intelligent Access) provide systematic access to some of the world’s most important commodities by seeking to replicate rules-based indexes composed of futures contracts that trade on some of the most liquid and deep commodity markets in the world.

Overall, no matter what the focus, all ETFs offer investors tax efficiency and trading flexibility, which make them an intelligent investment tool for investors to consider. Whether you’re looking for broad market exposure, specialized investment strategies or access to niche markets, we believe Invesco PowerShares ETFs represent an intelligent option for your portfolio.

General Risk Information

There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those relating to short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The Fund’s return may not match the return of the Underlying Index.

Sector & Industry Risk Information

Companies engaged in the consumer discretionary, consumer staples, energy, financial services, healthcare, industrials, information technology, basic materials, utilities and telecommunication services sectors are subject to greater risks, and are more greatly impacted by market volatility, than more diversified investments. Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility than more diversified investments.

Growth & Value Risk Information

“Growth” and “value” styles of investing may be more volatile than other types of investments.

International Risk Information

The risks of investing in securities of foreign issuers, including emerging market issuers, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Small and Mid-Cap Risk Information

Investing in securities of small and medium-sized companies may involve greater risk than is customarily associated with investing in large companies.

Securities Lending Risk

Securities lending involves a risk of loss because the borrower may fail to return the securities in a timely manner or at all. If a Fund is not able to recover the securities loaned, it may lose collateral and purchase a replacement security in the market. Lending securities entails a risk of loss to the Funds if and to the extent that the market value of the loaned securities increases and the collateral is not increased accordingly.

Call Risk Information

Underlying securities may be subject to call risk, which may result in the Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund’s income.

Sampling Risk Information

The use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

High Dividend Risk Information

Securities that pay high dividends as a group can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends.

Fundamentals Weighted Fixed Income Risk

Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer’s ability to make payments of principal and/or interest. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to local, federal or state political events. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, changes in those sectors can affect the overall municipal market. In addition, changes in the financial condition of any of the individual municipal issuers can affect the overall municipal market.

The Fund may invest in fixed-income securities, such as notes and bonds, which carry interest rate and credit risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Credit risk is the risk of loss on an investment due to the deterioration of an issuer’s financial health.

High-yield securities have additional risks, including interest-rate changes, defaults, based market liquidity and a larger amount of outstanding debt than investment-grade securities.

Sovereign debt securities are subject to the additional risk that — under some political, diplomatic, social or economic circumstances — some developing countries that issue lower quality debt securities may be unable or unwilling to make principal or interest payments as they come due. The fund may have limited legal recourse against the issuer and/or guarantor of sovereign debt when default occurs. As a holder of government debt, the Fund may be requested to participate in the rescheduling of such debt and to extend further loans to government debtors.

Commodity Risk Information

Commodities and futures generally are volatile and are not suitable for all investors. Funds focusing on a single sector generally experience greater price volatility. The Fund is speculative and involves a high degree of risk. An investor may lose all or substantially all of an investment in the Fund.

This material must be accompanied or preceded by a DB prospectus. Please see the DB prospectus carefully before investing.

The PowerShares DB Funds are not mutual funds or any other type of Investment Company within the meaning of the Investment Company Act of 1940, as amended, and is not subject to regulation thereunder.

To download a copy of each PowerShares DB prospectus please visit http://www.invescopowershares.com/pdf/P-DBC-PRO-1.pdf.

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