

# PEZ

As of September 30, 2010

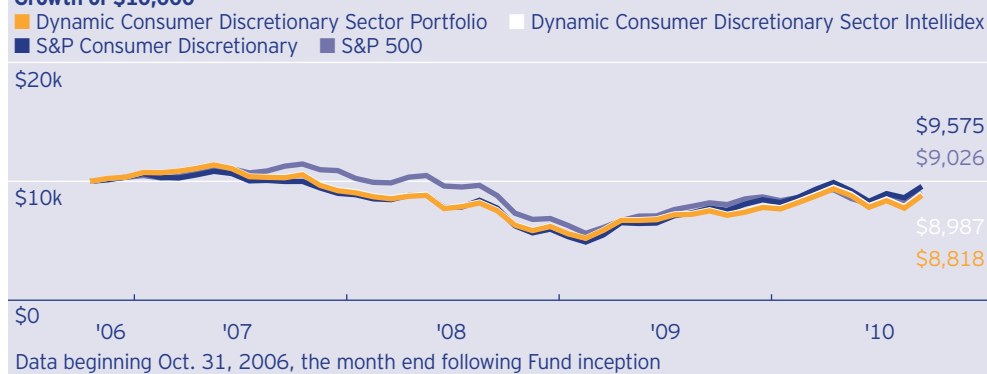
## Fund Description

The PowerShares Dynamic Consumer Discretionary Sector Portfolio is based on the Dynamic Consumer Discretionary Sector Intellidex. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Intellidex thoroughly evaluates companies based on a variety of investment merit criteria, including fundamental growth, stock valuation, investment timeliness and risk factors. The Underlying Intellidex is comprised of stocks of 60 U.S. consumer companies. These are companies that are principally engaged in the businesses of providing consumer goods and services that are cyclical in nature, including retail, automotive, leisure and recreation, media and real estate.

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 regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply.

## PowerShares Dynamic Consumer Discretionary Sector Portfolio

### Growth of \$10,000<sup>1</sup>



### Fund Performance & Index History (%)<sup>1</sup>

	1 Year	3 Year	5 Year	10 Year	Fund Inception <sup>2</sup>
<b>Underlying Index</b>					
Dynamic Consumer Discretionary Sector Intellidex	18.24	-4.66	-	-	-2.14
<b>Benchmark Indexes</b>					
S&P Consumer Discretionary	23.63	-1.40	-	-	0.48
S&P 500	10.18	-7.15	-	-	-1.75
<b>Fund</b>					
NAV	17.36	-5.05	-	-	-2.62
After Tax Held	17.21	-5.24	-	-	-2.85
After Tax Sold	11.28	-4.37	-	-	-2.35
Market Price	17.36	-5.04	-	-	-2.62

Performance data quoted represents past performance. As stated in the Fund's prospectus, the gross annual fund operating expense ratio is 1.32%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in the total net operating expense of 0.65%. These waivers and reimbursement contracts extend through at least Aug. 30, 2011. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. The Shares' performance reflects fee waivers, absent which performance would have been lower. See [invescopowershares.com](http://invescopowershares.com) to find the most recent month-end performance numbers. After Tax Held represents total return after taxes on distributions and assumes Shares have not been sold. After Tax Sold represents total return after taxes on distributions and the sale of Fund Shares. After-tax returns reflect the highest federal income tax rate but exclude state and local taxes. Market returns are based on the midpoint of the bid/ask spread at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

### 3-Year Index Statistics<sup>1,3</sup>

	Performance (%)	Volatility (%)	Sharpe Ratio
Dynamic Consumer Discretionary Sector Intellidex	-4.66	25.83	-0.21
S&P Consumer Discretionary	-1.40	27.49	-0.08
S&P 500	-7.15	21.79	-0.37

### Fund Inception: Oct. 12, 2006

<sup>1</sup> Index returns do not represent Fund returns. An investor cannot invest directly in an index.

<sup>2</sup> Returns for the benchmark indexes are based on the closest month end to the Fund's inception date. Neither the underlying Index nor the benchmark indexes charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown; nor do any of the indexes lend securities, and no revenues from securities lending were added to the performance shown. In addition, the results actual investors might have achieved would have differed from those shown because of differences in the timing, amounts

of their investments, and fees and expenses associated with an investment in the Fund.

The S&P Consumer Discretionary Index and the S&P 500® Index are unmanaged indexes considered representative of the consumer discretionary market and the U.S. stock market, respectively.

**Shares are not FDIC insured, may lose value and have no bank guarantee.**

**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 Shares.**

### Fund Data<sup>3</sup>

Dynamic Consumer Discretionary Sector Portfolio	PEZ
Intraday NAV (IIV)	PEZ.IV
Options	Yes

### Underlying Index Data

Dynamic Consumer Discretionary Sector Intellidex	EZZ
Index Provider	NYSE Arca

### 3-Year Alpha, Beta and Correlation<sup>1,3</sup>

Data shown are that of the underlying Index relative to each respective benchmark index.

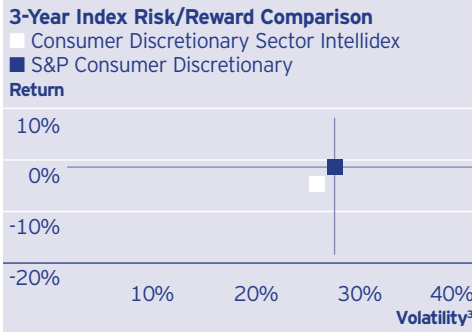
	Alpha	Beta	Correlation
S&P Consumer Discretionary	-3.61	0.91	0.94
S&P 500	4.06	1.08	0.82



# PowerShares Dynamic Consumer Discretionary Sector Portfolio

As of September 30, 2010

Top 30 Fund Holdings (%) <sup>4</sup>	
Name	Weight
Coach Inc.	2.62
Viacom Inc. (CI B)	2.56
Nike Inc. (CI B)	2.54
O'Reilly Automotive Inc.	2.52
Omnicom Group Inc.	2.49
Home Depot Inc.	2.48
VF Corp.	2.47
Starbucks Corp.	2.45
Yum! Brands Inc.	2.45
TJX Cos.	2.44
Limited Brands Inc.	2.42
Time Warner Cable Inc.	2.35
Genuine Parts Co.	2.34
Family Dollar Stores Inc.	2.29
McDonald's Corp.	2.27
Darden Restaurants Inc.	2.27
Burger King Holdings Inc.	1.70
Dorman Products Inc.	1.59
Select Comfort Corp.	1.58
Ulta Salon Cosmetics & Fragrance Inc.	1.51
Ruby Tuesday Inc.	1.51
Talbots Inc.	1.50
Warnaco Group Inc.	1.47
DSW Inc. CI A	1.45
Autoliv Inc.	1.45
Polaris Industries Inc.	1.45
TRW Automotive Holdings Corp.	1.44
Cato Corp. (CI A)	1.44
Oxford Industries Inc.	1.43
Newell Rubbermaid Inc.	1.42



Fund Details <sup>3</sup>	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	14.86
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	2.68
Weighted Average Return on Equity	24.03
Weighted Market Cap (mm)	9,374
Number of Securities	60
Expense Cap <sup>5</sup>	0.60%
CUSIP	73935X419
Listing Exchange	NYSE Arca

Annual Index Performance (%)		
	Consumer Disc. Intellidex	S&P Consumer Disc.
2007	-10.34	-13.21
2008	-32.86	-33.49
2009	26.74	41.30
2010 YTD	13.67	13.34

Fund Market-Cap Allocations (%)	
Large-Cap Growth	17.27
Large-Cap Value	7.41
Mid-Cap Growth	14.34
Mid-Cap Value	15.18
Small-Cap Growth	17.88
Small-Cap Value	27.93

Fund Industry Allocations (%)	
Specialty Retail	30.77
Hotels Restaurants & Leisure	22.22
Textiles Apparel & Luxury Goods	13.17
Media	12.66
Auto Components	5.87
Household Durables	3.92
Diversified Consumer Services	2.57
Distributors	2.34
Multiline Retail	2.29
Leisure Equipment & Products	1.45

## Leading the Intelligent ETF Revolution<sup>®</sup>

Underlying Index performance does not represent Fund performance.

<sup>3</sup> The Intraday NAV is a symbol representing estimated fair value based on the most recent intraday price of underlying assets.

Volatility is the annualized standard deviation of index returns.

Beta is a measure of relative risk and the slope of regression.

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.

Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.

Alpha is a measure of performance on a risk-adjusted basis.

Stock Price-to-Earnings Ratio is the share price divided by earnings per share. It is measured on a 12-month trailing basis.

Stock Price-to-Book-Value Ratio is the ratio of a stock's market price to a company's net asset value.

Weighted Harmonic Average is a method of calculating an average value that lessens the impact of large outliers and increases the impact of small ones.

Weighted Average Return on Equity is net income divided by net worth.

Weighted Market Capitalization is the sum of each underlying securities' market value.

<sup>4</sup> Please see the website for complete holdings information. Holdings are subject to change.

<sup>5</sup> The weighted costs excluded from the expense cap include: legal fees pertaining to the Fund's shares offered for sale, SEC and state registration fees, initial fees paid to be listed on an exchange and sublicensing fees. The expense cap is not representative of the total expenses the investor may pay. Please refer to the prospectus for a complete fee schedule.

The Global Industry Classification Standard was developed by and is the exclusive property and a service mark of MSCI, Inc. and Standard & Poor's.

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

The Fund contains securities in the consumer discretionary sector. Companies engaged in this sector are subject to greater risks, and are more greatly impacted by market volatility, than more diversified investments.

There may be a large degree of portfolio turnover, and could result in high brokerage costs and an increase in taxable capital gains distributions to the Fund's shareholders.

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**An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. For this and more complete information about the Fund call 800 983 0903 or visit [invescopowershares.com](http://invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.