

PGF

As of Sept. 30, 2009

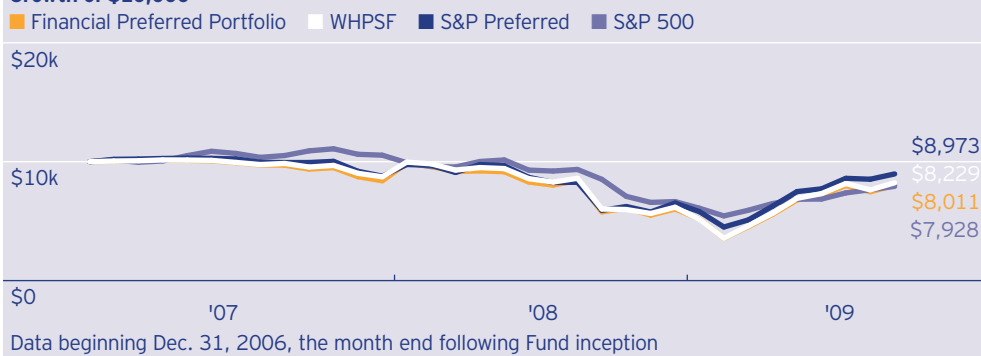
Fund Description

The PowerShares Financial Preferred Portfolio is based on the Wells Fargo® Hybrid and Preferred Securities Financial Index (WHPSF). The Fund will normally invest at least 90% of its total assets in preferred securities that comprise the Index. The Index tracks the performance of U.S.-listed securities issued by financial institutions. The Underlying Index is currently comprised of preferred securities of approximately 41 financial institutions that have received an industrial sector classification of "financial" from the Bloomberg Professional Service®. The Index is rebalanced monthly.

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. Concentrated industry investments involve greater risks than more diversified investments.

PowerShares Financial Preferred Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
WHPSF	36.72	-	-	-	-6.63
Benchmark Indexes					
S&P Preferred	51.80	-	-	-	-3.51
S&P 500	-6.91	-	-	-	-7.42
Fund					
NAV	38.66	-	-	-	-7.52
After Tax Held	33.09	-	-	-	-10.27
After Tax Sold	24.14	-	-	-	-7.88
Market Price	30.76	-	-	-	-7.65

Performance data quoted represents past performance. As stated in the Fund's prospectus, the gross annual Fund operating expense ratio was 0.68%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in a lower fee actually paid by investors. These waivers and reimbursement contracts are reviewed by the Board annually and extend through at least Aug. 30, 2010. 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 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.

Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
WHPSF	36.72	75.17	-	0.64	-
S&P Preferred	51.80	59.04	0.95	1.12	0.56
S&P 500	-6.91	42.82	1.07	-0.05	0.37

Fund Inception: Dec. 1, 2006

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

² 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 Preferred Index is an unmanaged index consisting of U.S.-listed preferred stocks. The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market.

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 Data³

Preferred Portfolio	PGF
Intraday NAV (IIV)	PGF.IV
# of Holdings	39
CUSIP	73935X229
Listing Exchange	NYSE Arca
Weighted Average Maturity	-
30-Day SEC Yield	8.56%
Average Duration	9.32
Average Credit Quality	BB+/Ba1
Expense Cap ⁴	0.60%
Options	Yes

Underlying Index Data³

Average Duration	11.24
Average Credit Quality	BB+/Ba1
Average Yield to Worst	9.09
# of Holdings	50



PowerShares Financial Preferred Portfolio

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Top 10 Fund Holdings ⁵ Name	Coupon	S&P/Moody's Rating	Weight (%)
Bank of America Corp.	8.20	B/B3	7.68
Barclays Bk. Plc.	8.125	BBB+/Baa2	7.68
Wells Fargo Co.	8.00	A-/Ba3	5.32
JP Morgan Chase	8.625	BBB+/A2	5.03
Bank of America	8.625	B/B3	4.87
HSBC Holdings Plc.	8.125	A-/NR	4.61
Metlife Inc.	6.50	BBB-/Baa1	4.45
Allianz Se	8.375	A+/A3	4.36
Credit Suisse	7.90	BBB+/Aa3	4.02
ING Groep NV	8.50	BBB/Ba1	3.97

	Annual Index Performance (%)	
	WHPSF	S&P Preferred
2007	-12.69	-12.17
2008	-29.33	-25.76
2009 YTD	33.37	37.61

	Credit Ratings Breakdown (%) ³	
	S&P	Moody's
AAA/Aaa	-	-
AA/Aa	-	4.02
A/A	20.70	18.26
BBB/Baa	48.73	25.72
BB/Ba	4.07	16.98
B/B	17.81	26.50
Other	8.69	8.52

Leading the Intelligent ETF Revolution[®]

Underlying Index performance does not represent Fund performance.

³ 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 monthly 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.

Weighted Average Maturity is the weighted average date to the final payment of each issue.

The credit quality of the Fund's holdings represents the weighted average quality rating of the securities in the portfolio as assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying securities. The ratings range from AAA (highest) to D (lowest).

Average Yield to Worst is the average yield to maturity if the worst possible bond repayment takes place.

⁴ 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.

⁵ Please see the website for complete holdings information. Holdings are subject to change.

Shares are subject to risks including: Small and Medium-Sized Company Risk – investing in securities of small and medium-sized companies involves greater risk than is customarily associated with investing in more established companies.

The Fund is concentrated in a single sector, which involved substantially greater risk of loss and price fluctuations than an investment diversified across multiple industries or sector segments.

Because the Fund may utilize a sampling approach, its return may not correlate as well with the return on the Underlying Index, as would be the case if it purchased all of the stocks in the underlying Index.

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Note: Not all products available through all firms.