

PHO

As of December 31, 2011

Fund Change Information

Effective March 1, 2012, the Fund's Index will change from the Palisades Water Index[™] to the NASDAQ OMX US Water Index.

Fund Description

The PowerShares Water Resources Portfolio is based on the Palisades Water Index[™]. The Fund will normally invest at least 90% of its total assets in American depositary receipts and common stocks that comprise the Index. The Index seeks to identify a group of companies that focuses on the provision of potable water, the treatment of water and the technology and services that are directly related to water consumption. The modified equal-weighted portfolio is rebalanced and reconstituted quarterly.

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. The Fund's return may not match the return of the Underlying Index.

Fund Data³

Water Resources Portfolio	PHO
Intraday NAV (IIV)	PHO.IV
Options	Yes

Underlying Index Data

Palisades Water	ZWI
Index Provider	Hydrogen Ventures LLC

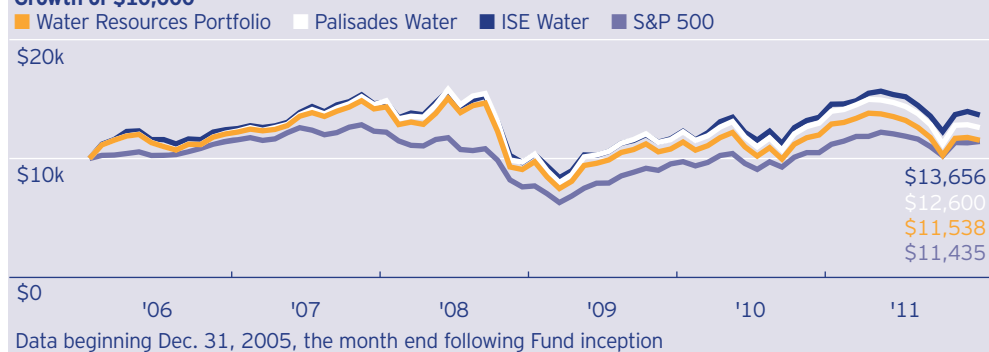
5-Year Alpha, Beta and Correlation^{1,3}

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

	Alpha	Beta	Correlation
ISE Water	-0.92	1.09	0.99
S&P 500	2.29	1.24	0.91

PowerShares Water Resources Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
Palisades Water	-9.87	6.67	0.45	-	3.75
Benchmark Indexes					
ISE Water	-6.27	9.73	1.75	-	5.36
S&P 500	2.11	14.12	-0.25	2.92	2.24
Fund					
NAV	-10.51	5.86	-1.16	-	2.27
After Tax Held	-10.70	5.62	-1.35	-	2.04
After Tax Sold	-6.83	4.89	-1.09	-	1.82
Market Price	-10.61	6.03	-1.16	-	2.09

Performance data quoted represents past performance. As stated in the Fund's prospectus, the total expense ratio and net expense ratio are 0.66%. 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. 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 between the highest bid and the lowest offer, as of the time that the Fund's NAV is calculated, generally around 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

5-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Sharpe Ratio
Palisades Water	0.45	25.76	-0.03
ISE Water	1.75	23.28	0.02
S&P 500	-0.25	18.88	-0.08

Fund Inception: Dec. 6, 2005

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 ISE Water Index is an unmanaged index composed of stocks of companies involved in the water industry. 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.



PowerShares Water Resources Portfolio

As of December 31, 2011

Top 30 Fund Holdings (%) ⁴ Name	Weight
Xylem Inc.	5.12
Calgon Carbon Corp.	5.04
Pall Corp.	4.95
Pentair Inc.	4.95
Aecom Technology Corp.	4.29
Veolia Environnement Sponsored ADR	4.28
Lindsay Manufacturing Co.	4.21
Valmont Industries Inc.	4.18
Tetra Tech Inc.	4.18
URS Corp.	4.14
Itron Inc.	3.59
Danaher Corp.	3.53
Flowserve Corp.	3.53
Badger Meter Inc.	3.52
Roper Industries Inc.	3.52
Mueller Water Products Inc. ADR	3.41
IDEX Corp.	3.40
Aegion Corp.	3.31
Layne Christensen Co.	3.26
Watts Water Technologies Inc. (CI A)	3.24
Gorman-Rupp Co.	3.23
Franklin Electric Co. Inc.	3.22
Northwest Pipe Co.	2.38
Aqua America Inc.	2.02
Companhia de Saneamento Basico Sponsored ADR	2.02
American States Water Co.	2.01
American Water Works Co.	2.00
Consolidated Water Co.	1.39
Met-Pro Corp.	1.06
Energy Recovery Inc.	1.03

Fund Details ³	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	16.40
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.44
Weighted Average Return on Equity	10.76%
Weighted Market Cap (mm)	3,675
Number of Holdings	30
Net Expense Ratio	0.66%
CUSIP	73935X575
Listing Exchange	NYSE Arca

Fund Industry Allocations (%) ⁵	
Machinery	45.83
Construction & Engineering	14.11
Water Utilities	9.44
Commercial Services & Supplies	7.44
Electrical Equipment	6.74
Chemicals	5.04
Multi-Utilities	4.28
Electronic Equipment, Instruments & Components	3.59
Industrial Conglomerates	3.53

	Annual Index Performance (%)	
	Palisades Water	ISE Water
2006	23.19	25.22
2007	20.67	17.96
2008	-30.16	-30.01
2009	17.92	18.93
2010	14.18	18.49
2011	-9.87	-6.27

Fund Market-Cap Allocations (%) ⁵	
Large-Cap Growth	3.53
Large-Cap Value	-
Mid-Cap Growth	11.88
Mid-Cap Value	32.34
Small-Cap Growth	21.62
Small-Cap Value	30.64

Fund Sector Allocations (%) ⁵	
Consumer Discretionary	-
Consumer Staples	-
Energy	-
Financials	-
Health Care	-
Industrials	77.65
Information Technology	3.59
Materials	5.04
Telecommunication Services	-
Utilities	13.72

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 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.

⁴ Please see the website for complete holdings information. Holdings are subject to change.

⁵ Security classifications used in calculating allocation tables are as of Nov. 30, 2011.

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

The Fund's 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.

The Fund may contain securities in the water industry. Companies engaged in this industry are subject to greater risks, and are more greatly impacted by market volatility, than more diversified investments.

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

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

Foreign securities have additional risks, including exchange-rate changes, decreased market liquidity, political instability and taxation by foreign governments.

The Fund is considered non-diversified and may be subject to greater risks than a diversified fund.

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 sell the 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.

The Palisades Water Index™ is a trademark of Hydrogen Ventures LLC and is licensed for use by Invesco PowerShares Capital Management LLC in connection with the PowerShares Water Resources Portfolio. Hydrogen Ventures' only relationship to

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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 for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.