

PNQI

As of Dec. 31, 2009

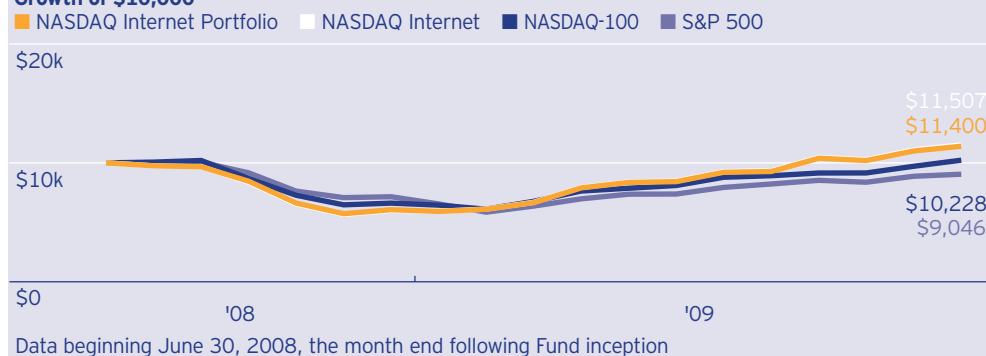
Fund Description

The PowerShares NASDAQ Internet Portfolio is based on the NASDAQ Internet IndexSM, which is designed to track the performance of the largest and most liquid U.S.-listed companies that are engaged in Internet-related businesses and that are listed on one of the three major U.S. stock exchanges. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index.

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 NASDAQ Internet Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
NASDAQ Internet	91.82	-	-	-	5.52
Benchmark Indexes					
NASDAQ-100	54.61	-	-	-	-4.84
S&P 500	26.47	-	-	-	-11.21
Fund					
NAV	88.05	-	-	-	4.94
After Tax Held	88.05	-	-	-	4.91
After Tax Sold	57.24	-	-	-	4.19
Market Price	88.33	-	-	-	3.88

Fund Data³

NASDAQ Internet Portfolio	PNQI
Intraday NAV (IIV)	PNQI.IV

Underlying Index Data

NASDAQ Internet	QNET
Index Provider	NASDAQ

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

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

	Alpha	Beta	Correlation
NASDAQ-100	20.29	1.09	0.85
S&P 500	52.49	1.01	0.78

Performance data quoted represents past performance. As stated in the Fund's prospectus, the expense ratio of 0.60% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. 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.

1-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Sharpe Ratio
NASDAQ Internet	91.82	31.23	2.90
NASDAQ-100	54.61	26.41	2.04
S&P 500	26.47	27.17	0.96

Fund Inception: June 12, 2008

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.

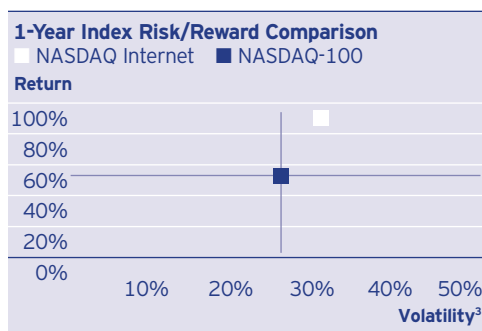
The NASDAQ-100 Index includes 100 of the largest domestic and international nonfinancial securities listed on The Nasdaq Stock Market based on market capitalization. The S&P 500[®] Index is an unmanaged index considered representative of the U.S. stock market.

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.

As of Dec. 31, 2009

Top 30 Fund Holdings (%) ⁴ Name	Weight
Yahoo! Inc.	8.61
Google Inc. (CI A)	8.17
Amazon.com Inc.	7.61
eBay Inc.	7.39
Baidu Inc. (ADS)	7.28
VeriSign Inc.	4.10
priceline.com Inc.	3.92
Expedia Inc.	3.87
Akamai Technologies Inc.	3.82
Equinix Inc.	3.64
Netflix Inc.	2.65
Netease.com Inc. (ADS)	2.42
Rackspace Hosting Inc.	2.25
Vistaprint N.V.	2.15
SINA Corp.	2.15
IAC/InterActive Corp.	2.15
Open Text Corp.	2.01
MercadoLibre Corp.	2.01
WebMD Health Corp.	1.96
Sohu.com Inc.	1.94
GSI Commerce Inc.	1.33
Asiainfo Holdings Inc.	1.25
Clearwire Corp. (CI A)	1.17
Ariba Inc.	0.99
Digital River Inc.	0.92
SkillSoft PLC (ADS)	0.88
NutriSystem Inc.	0.85
Blue Nile Inc.	0.81
j2 Global Communications Inc.	0.81
EarthLink Inc.	0.78



Fund Details ³	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	30.67
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	3.26
Weighted Average Return on Equity	13.83
Weighted Market Cap (mm)	27,545
Approximate Number of Holdings	58
Expense Ratio	0.60%
CUSIP	73935X146
Listing Exchange	NASDAQ

Fund Industry Allocations (%)	
Diversified Telecommunication Services	1.56
Internet & Catalog Retail	20.76
Internet Software & Services	74.11
Software	3.58

Annual Index Performance (%)	Annual Index Performance (%)	
	NASDAQ Internet	NASDAQ-100
2008	-49.96	-41.57
2009	91.82	54.61

Fund Market-Cap Allocations (%)	
Large-Cap Growth	34.12
Large-Cap Value	7.40
Mid-Cap Growth	29.96
Mid-Cap Value	3.88
Small-Cap Growth	21.33
Small-Cap Value	3.32

Fund Sector Allocations (%)	
Consumer Discretionary	20.76
Consumer Staples	-
Energy	-
Financials	-
Health Care	-
Industrials	-
Information Technology	77.68
Materials	-
Telecommunication Services	1.56
Utilities	-

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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.

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.

The Fund is considered to be concentrated in the Internet software and services sector. This involves risks not associated with a more diversified investment. These risks include, but are not limited to, the Internet software and services sector can be significantly affected by competitive pressures, such as technological developments, fixed-rate pricing and the ability to attract and retain skilled employees, and the success of companies in the industry is subject to the continued demand for Internet services. For example, as product cycles shorten and manufacturing capacity increases, these companies could become increasingly subject to aggressive pricing, which hampers profitability. Profitability can also be affected by changing domestic and international demand, research and development costs, availability and price of components and product obsolescence.

Investing in securities of small and medium capitalization companies involves greater risk than is customarily associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the overall securities market. Often small and medium capitalization companies and the industries in which they are focused are still evolving and this may make them more sensitive to changing market conditions.

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Invesco Aim Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust.

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For this and more complete information about the Fund call 800 983 0903 or visit www.invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.