

# PPA

As of March 31, 2012

## Fund Description

The PowerShares Aerospace & Defense Portfolio is based on the SPADE™ Defense Index. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Index seeks to identify a group of companies involved in the development, manufacturing, operations and support of U.S. defense, homeland security and aerospace operations. The modified market-cap 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 Data	
Aerospace & Defense Portfolio	PPA
Intraday NAV (IIV)	PPA.IV
CUSIP	73935X690
Listing Exchange	NYSE Arca
Number of Securities	51
Expense Ratio	0.73%
Net Expense Ratio	0.66%

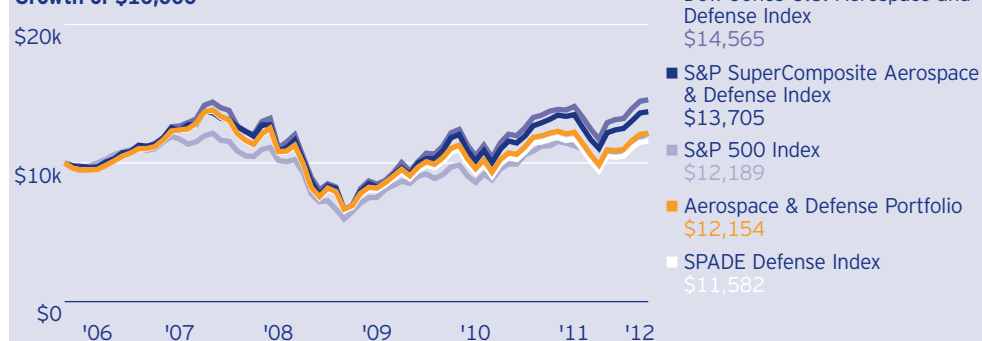
The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least Aug. 31, 2012.

## Underlying Index Data

SPADE Defense	DXS
Index Provider	ISBC, LLC

## PowerShares Aerospace & Defense Portfolio

### Growth of \$10,000



Fund inception precedes index data - data beginning April 30, 2006, the month end following most recent Index publication date, and ending March 31, 2012.

### Fund Performance & Index History (%)

	1 Year	3 Year	5 Year	10 Year	Fund Inception
<b>Underlying Index</b>					
SPADE Defense Index	-1.17	19.33	0.77	-	4.76
<b>Benchmark Indexes</b>					
S&P SuperComposite Aerospace & Defense Index	4.21	25.48	3.86	7.75	8.59
Dow Jones U.S. Aerospace and Defense Index	5.98	28.15	4.98	-	-
S&P 500 Index	8.51	23.40	2.01	4.12	4.82
<b>Fund</b>					
NAV	-0.06	20.59	1.67	-	5.58
After Tax Held	-0.42	20.13	1.36	-	5.30
After Tax Sold	-0.06	17.64	1.23	-	4.66
Market Price	-0.01	20.79	1.66	-	5.59

Performance data quoted represents past performance. 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](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.

### 5-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
SPADE Defense Index	-	-	-	-0.01	22.52
S&P SuperComposite Aerospace & Defense Index	-2.85	0.94	0.98	0.12	23.49
Dow Jones U.S. Aerospace and Defense Index	-3.82	0.91	0.98	0.17	24.24
S&P 500 Index	-0.73	1.09	0.93	0.05	19.07

Alpha, beta and correlation are relative to underlying index.

### Fund Inception: Oct. 26, 2005

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

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.

Fund performance figures include the reinvestment of dividends, but the return figures for the respective underlying Index do not. As a result, Fund performance returns may appear to be more favorable when compared to the underlying Index's returns.

The S&P SuperComposite Aerospace and Defense Index consists of all aerospace and defense stocks included in the S&P SuperComposite 1500 Index.

The S&P 500® Index is an unmanaged index

considered representative of the U.S. stock market.

The Dow Jones U.S. Aerospace & Defense Index is an unmanaged index considered representative of U.S. aerospace and defense companies.

**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.**



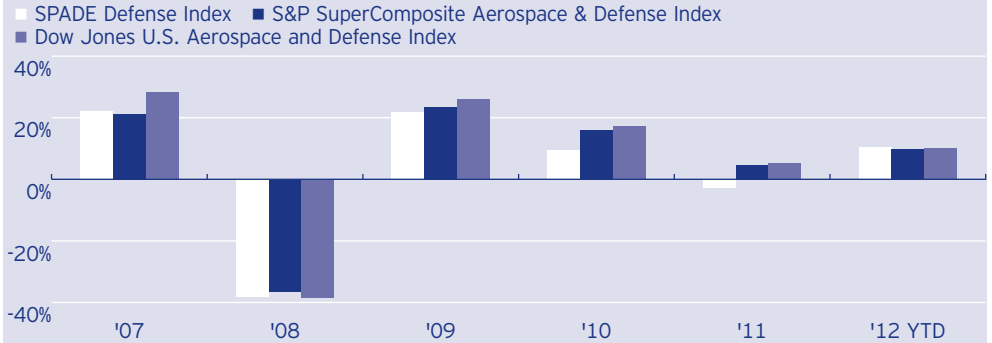
As of March 31, 2012

# PowerShares Aerospace & Defense Portfolio

Top 30 Fund Holdings (%)	
Name	Weight
United Technologies Corp.	5.75
Honeywell International Inc.	5.74
Boeing Co.	5.73
Lockheed Martin Corp.	5.17
General Dynamics Corp.	4.67
Goodrich Corp.	4.54
Northrop Grumman Corp.	4.53
Raytheon Co.	4.52
Precision Castparts Corp.	4.48
Textron Inc.	4.04
L-3 Communications Holdings Inc.	4.00
Rockwell Collins Inc.	3.96
Ball Corp.	3.92
Transdigm Group Inc.	3.43
Harris Corp.	3.01
Computer Sciences Corp.	2.72
SAIC Inc.	2.64
Flir Systems Inc.	2.28
URS Corp.	1.90
Triumph Group Inc.	1.80
Booz Allen Hamilton Holding	1.45
Hexcel Corp.	1.40
Teledyne Technologies Inc.	1.36
Exelis Inc.	1.35
Esterline Technologies Corp.	1.28
Heico Corp.	1.26
Oshkosh Truck Corp.	1.24
ViaSat Inc.	1.21
Huntington Ingalls Industries	1.15
Moog Inc.	1.14

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

## Annual Index Performance



## Fund Details

P/E Ratio	12.62
P/B Ratio	2.39
Return on Equity	20.91%
Weighted Market Cap (\$MM)	18,688

## Fund Subindustry Allocations (%)

Aerospace & Defense	76.45
IT Consulting & Other Services	5.85
Communications Equipment	4.58
Metal & Glass Containers	3.92
Electronic Equipment & Instruments	2.99
Data Processing & Outsourced Services	2.72
Construction & Engineering	1.90
Construction & Farm Machinery & Heavy Trucks	1.24
Electronic Manufacturing Services	0.24
Wireless Telecommunication Services	0.10

## Fund Market-Cap Allocations (%)

Large-Cap Growth	4.48
Large-Cap Value	40.65
Mid-Cap Growth	19.70
Mid-Cap Value	15.45
Small-Cap Growth	15.36
Small-Cap Value	4.37

## Fund Sector Allocations (%)

Consumer Discretionary	-
Consumer Staples	-
Energy	-
Financials	-
Health Care	-
Industrials	79.59
Information Technology	16.38
Materials	3.92
Telecommunication Services	0.10
Utilities	-

## Leading the Intelligent ETF Revolution®

### About risk

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

The Fund contains securities in the aerospace and defense 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.

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. **Weighted Harmonic Average Stock Price-to-Earnings Ratio (P/E Ratio)** is the share price divided by earnings per share. It is measured on a 12-month trailing basis. **Weighted Harmonic Average Stock Price-to-Book-Value Ratio (P/B 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.

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

Security classifications used in calculating allocation tables are as of Feb. 29, 2012.

The SPADE Defense Index is a trademark of ISBC LLC and is licensed for use by Invesco PowerShares Capital Management LLC in connection with the PowerShares Aerospace & Defense Portfolio. ISBC's only relationship

to Invesco PowerShares is ISBC's licensing to Invesco PowerShares certain ISBC trademarks, indexes and trade names, which are composed by ISBC without regard to Invesco PowerShares, this Product or any investor, and ISBC makes no warranty or representation regarding the advisability of purchasing, holding or trading this Product.

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

**PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd.**

**An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund. 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.