

# PRF

As of December 31, 2011

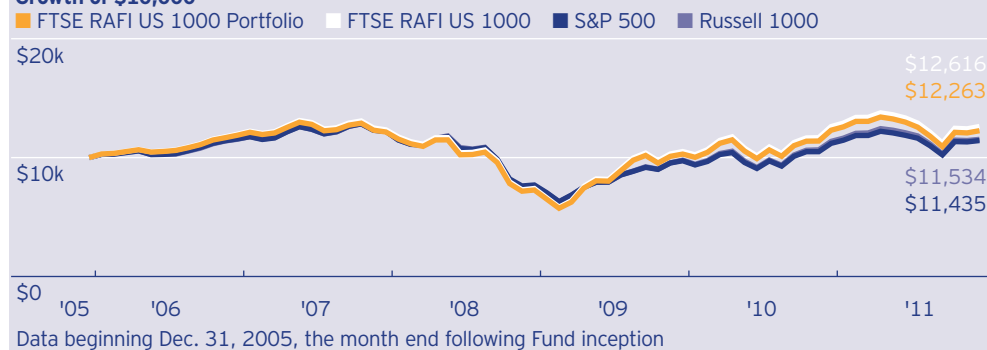
## Fund Description

The PowerShares FTSE RAFI US 1000 Portfolio is based on the FTSE RAFI US 1000 Index. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Index is designed to track the performance of the largest U.S. equities, selected based on the following four fundamental measures of firm size: book value, income, sales and dividends. The 1,000 equities with the highest fundamental strength are weighted by their fundamental scores. The Fundamental Index® portfolio is rebalanced and reconstituted annually.

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.

## PowerShares FTSE RAFI US 1000 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>					
FTSE RAFI US 1000	0.07	19.47	1.06	-	3.81
<b>Benchmark Indexes</b>					
S&P 500	2.11	14.12	-0.25	2.92	2.26
Russell 1000	1.50	14.82	-0.02	3.35	2.41
<b>Fund</b>					
NAV	-0.31	19.02	0.63	-	3.32
After Tax Held	-1.03	18.27	-0.01	-	2.71
After Tax Sold	-0.21	16.08	0.15	-	2.48
Market Price	-0.44	19.00	0.64	-	3.38

Performance data quoted represents past performance. As stated in the Fund's prospectus, the total expense ratio is 0.44%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in a net expense ratio of 0.39%. These waivers and reimbursement contracts extend through at least Aug. 31, 2012. 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 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.

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

FTSE RAFI US 1000 Portfolio	PRF
Intraday NAV (IIV)	PRF.IV

### Underlying Index Data

FTSE RAFI US 1000	FR10XTR
Index Provider	FTSE

### 5-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 500	2.03	1.16	0.97
Russell 1000	1.68	1.14	0.97

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

	Performance (%)	Volatility (%)	Sharpe Ratio
FTSE RAFI US 1000	1.06	22.62	-0.01
S&P 500	-0.25	18.88	-0.08
Russell 1000	-0.02	19.29	-0.07

### Fund Inception: Dec. 19, 2005

<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 500® Index and the Russell 1000® Index are unmanaged indexes considered representative of the U.S. stock market and large-cap stocks, respectively. The Russell 1000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

**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 FTSE RAFI US 1000 Portfolio

As of December 31, 2011

Top 30 Fund Holdings (%) <sup>4</sup> Name	Weight
Exxon Mobil Corp.	3.26
AT&T Inc.	2.51
Chevron Corp.	2.05
General Electric Co.	2.05
Wal-Mart Stores Inc.	1.85
Pfizer Inc.	1.82
Verizon Communications Inc.	1.63
JPMorgan Chase & Co.	1.41
ConocoPhillips	1.38
Procter & Gamble Co.	1.32
Johnson & Johnson	1.24
Wells Fargo & Co.	1.24
Microsoft Corp.	1.14
Berkshire Hathaway	1.14
International Business Machines Corp.	1.09
Citigroup Inc.	1.08
Bank of America Corp.	0.99
Intel Corp.	0.96
Merck & Company Inc.	0.94
Altria Group Inc.	0.85
The Coca-Cola Co.	0.73
Apple Inc.	0.72
Home Depot Inc.	0.66
Bristol-Myers Squibb Co.	0.60
Abbott Laboratories	0.60
Cisco Systems Inc.	0.59
PepsiCo Inc.	0.59
Philip Morris International	0.58
Kraft Foods Inc.	0.57
UnitedHealth Group Inc.	0.57

Fund Details <sup>3</sup>	
Weighted Harmonic Average	
Stock Price-to-Earnings Ratio	12.23
Weighted Harmonic Average	
Stock Price-to-Book-Value Ratio	1.60
Weighted Average Return on Equity	17.43%
Weighted Market Cap (mm)	78,916
Number of Holdings	991
Net Expense Ratio	0.39%
CUSIP	73935X583
Listing Exchange	NYSE Arca

Fund Industry Allocations (%) <sup>5</sup>	
Oil, Gas & Consumable Fuels	10.13
Pharmaceuticals	5.92
Insurance	5.27
Diversified Telecommunication Services	4.50
Food & Staples Retailing	4.09
Diversified Financial Services	3.80
Health Care Providers & Services	3.46
Commercial Banks	3.38
Electric Utilities	3.20
Media	3.02

	Annual Index Performance (%)		
	FTSE RAFI US 1000	S&P 500	Russell 1000
2006	19.68	15.79	15.46
2007	3.05	5.49	5.77
2008	-39.99	-37.00	-37.60
2009	41.98	26.46	28.43
2010	19.98	15.06	16.10
2011	0.07	2.11	1.50

Fund Market-Cap Allocations (%) <sup>5</sup>	
Large-Cap Growth	23.03
Large-Cap Value	52.25
Mid-Cap Growth	6.14
Mid-Cap Value	13.51
Small-Cap Growth	1.56
Small-Cap Value	3.51

Fund Sector Allocations (%) <sup>5</sup>	
Consumer Discretionary	10.91
Consumer Staples	11.97
Energy	11.41
Financials	17.27
Health Care	11.56
Industrials	10.90
Information Technology	10.93
Materials	3.56
Telecommunication Services	4.88
Utilities	6.61

## 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> 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.

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.

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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.