

# PRF

As of Dec. 31, 2009

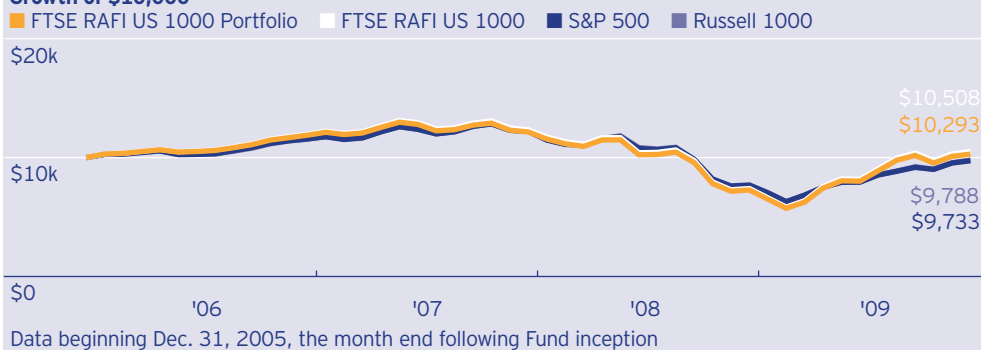
## Fund Description

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.

## 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	41.98	-4.25	-	-	1.06
<b>Benchmark Indexes</b>					
S&P 500	26.47	-5.62	-	-	-0.67
Russell 1000	28.43	-5.36	-	-	-0.53
<b>Fund</b>					
NAV	41.51	-4.68	-	-	0.55
After Tax Held	40.63	-5.29	-	-	-0.03
After Tax Sold	26.89	-4.30	-	-	0.13
Market Price	41.33	-4.69	-	-	0.61

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

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

### Underlying Index Data

FTSE RAFI US 1000	FR10
Index Provider	FTSE

### 3-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	3.85	1.22	0.92
Russell 1000	3.24	1.19	0.92

Performance data quoted represents past performance. As stated in the Fund's prospectus, the gross annual fund operating expense ratio is 0.46%. 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](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.

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

	Performance (%)	Volatility (%)	Sharpe Ratio
FTSE RAFI US 1000	-4.25	25.12	-0.25
S&P 500	-5.62	19.89	-0.38
Russell 1000	-5.36	20.33	-0.36

### 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.**

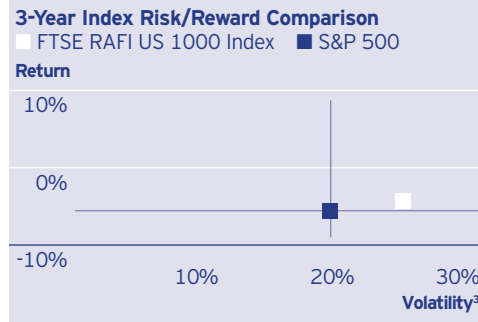
**Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 50,000 Shares.**



# PowerShares FTSE RAFI US 1000 Portfolio

As of Dec. 31, 2009

Top 30 Fund Holdings (%) <sup>4</sup>	Weight
Bank of America Corp.	3.87
Citigroup Inc.	3.53
Exxon Mobil Corp.	2.84
General Electric Co.	2.09
Ford Motor Co.	2.08
AT&T Inc.	1.78
Chevron Corp.	1.68
JPMorgan Chase & Co.	1.58
Avis Budget Group Inc.	1.46
Verizon Communications Inc.	1.39
Microsoft Corp.	1.38
Wal-Mart Stores Inc.	1.38
INVESCO Ltd.	1.27
Wells Fargo & Co.	1.25
Procter & Gamble Co.	1.09
Dow Chemical Co.	1.02
Pfizer Inc.	0.92
Genworth Financial Inc. (CI A)	0.79
ConocoPhillips	0.77
Hartford Financial Services Group Inc.	0.70
Berkshire Hathaway Inc. (CI B)	0.68
Goldman Sachs Group Inc.	0.66
Hewlett-Packard Co.	0.59
Intel Corp.	0.56
American Express Co.	0.56
Fifth Third Bancorp	0.55
Altria Group Inc.	0.55
International Business Machines Corp.	0.53
Morgan Stanley	0.52
Prudential Financial Inc.	0.52



Fund Details <sup>3</sup>	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	18.16
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.15
Weighted Average Return on Equity	1.55
Weighted Market Cap (mm)	60,481
Approximate Number of Securities	981
Expense Cap <sup>5</sup>	0.39%
CUSIP	73935X583
Listing Exchange	NYSE Arca

Fund Sector Allocations (%)	
Consumer Discretionary	14.89
Consumer Staples	7.51
Energy	9.25
Financials	27.27
Health Care	6.62
Industrials	12.15
Information Technology	9.76
Materials	5.32
Telecommunication Services	3.85
Utilities	3.37

Annual Index Performance (%)			
	FTSE RAFI US 1000	S&P 500	Russell 1000
2006	19.68	15.78	15.46
2007	3.05	5.49	5.77
2008	-39.99	-36.99	-37.60
2009	41.98	26.47	28.43

Fund Market-Cap Allocations (%)	
Large-Cap Growth	18.91
Large-Cap Value	33.22
Mid-Cap Growth	15.38
Mid-Cap Value	15.58
Small-Cap Growth	5.25
Small-Cap Value	11.65

Fund Industry Allocations (%)	
Capital Markets	3.51
Commercial Banks	3.99
Diversified Financial Services	9.31
Diversified Telecommunication Services	3.44
Food & Staples Retailing	2.56
Industrial Conglomerates	2.82
Insurance	6.08
Media	3.71
Oil Gas & Consumable Fuels	8.00
Pharmaceuticals	2.68

## 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 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.

<sup>4</sup> Please see the website for complete holdings information. Holdings are subject to change.

<sup>5</sup> 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.

The Fund may contain securities in the consumer discretionary and financials sectors. Companies engaged in these sectors 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 involves greater risk than is customarily associated with investing in more established 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 [www.invescopowershares.com](http://www.invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.