

PSJ

As of June 30, 2010

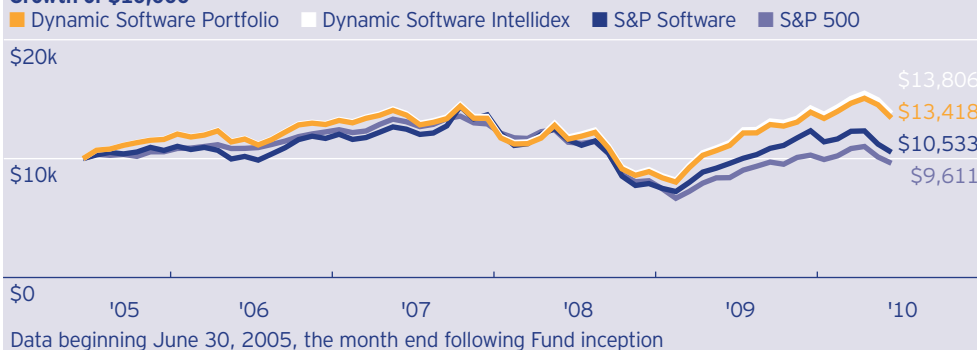
Fund Description

The PowerShares Dynamic Software Portfolio is based on the Dynamic Software Intellidex. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Intellidex thoroughly evaluates companies based on a variety of investment merit criteria, including fundamental growth, stock valuation, investment timeliness and risk factors. The Underlying Intellidex is comprised of stocks of 30 U.S. software companies. These are companies that are principally engaged in the research, design, production or distribution of products or processes that relate to software applications and systems and information-based services.

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. Concentrated industry investments involve greater risks than more diversified investments.

PowerShares Dynamic Software Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

| | 1 Year | 3 Year | 5 Year | 10 Year | Fund Inception ² |
|-----------------------------|--------|--------|--------|---------|-----------------------------|
| Underlying Index | | | | | |
| Dynamic Software Intellidex | 21.58 | 0.03 | 6.66 | - | 6.59 |
| Benchmark Indexes | | | | | |
| S&P Software | 9.71 | -5.49 | 1.04 | - | 1.04 |
| S&P 500 | 14.43 | -9.80 | -0.79 | - | -0.79 |
| Fund | | | | | |
| NAV | 20.77 | -0.59 | 6.06 | - | 5.99 |
| After Tax Held | 20.77 | -0.59 | 6.06 | - | 5.99 |
| After Tax Sold | 13.50 | -0.50 | 5.23 | - | 5.18 |
| Market Price | 20.64 | -0.59 | 6.03 | - | 5.97 |

Fund Data³

| | |
|----------------------------|--------|
| Dynamic Software Portfolio | PSJ |
| Intraday NAV (IIV) | PSJ.IV |

Underlying Index Data

| | |
|-----------------------------|-----------|
| Dynamic Software Intellidex | DZC |
| Index Provider | NYSE Arca |

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 |
|--------------|-------|------|-------------|
| S&P Software | 5.54 | 0.89 | 0.82 |
| S&P 500 | 8.16 | 1.03 | 0.75 |

Performance data quoted represents past performance. As stated in the Fund's prospectus, the gross annual fund operating expense ratio is 0.97%. 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 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 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^{1,3}

| | Performance (%) | Volatility (%) | Sharpe Ratio |
|-----------------------------|-----------------|----------------|--------------|
| Dynamic Software Intellidex | 6.66 | 19.93 | 0.21 |
| S&P Software | 1.04 | 20.31 | -0.07 |
| S&P 500 | -0.79 | 16.81 | -0.19 |

Fund Inception: June 23, 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 S&P SuperComposite Software & Services Index (S&P Software) consists of all software and services 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.

Shares are not FDIC insured, may lose value and have no bank guarantee.

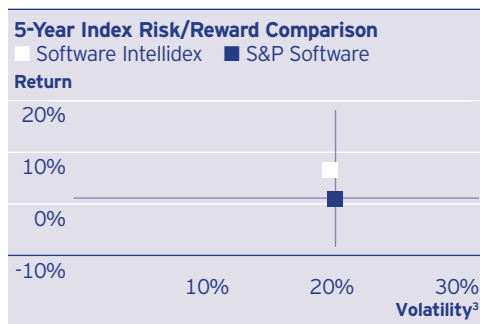
Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 50,000 Shares.



PowerShares Dynamic Software Portfolio

As of June 30, 2010

| Top 30 Fund Holdings (%) ⁴ | |
|--------------------------------------------|--------|
| Name | Weight |
| Symantec Corp. | 5.26 |
| Oracle Corp. | 5.10 |
| Dolby Laboratories Inc. (CI A) | 5.10 |
| VMware Inc. | 5.08 |
| BMC Software Inc. | 5.02 |
| CA Inc. | 4.88 |
| Microsoft Corp. | 4.79 |
| Adobe Systems Inc. | 4.42 |
| TIBCO Software Inc. | 3.10 |
| Solera Holdings Inc. | 3.06 |
| Jack Henry & Associates Inc. | 2.91 |
| Compuware Corp. | 2.85 |
| Synopsys Inc. | 2.85 |
| Maximus Inc. | 2.83 |
| Blackbaud Inc. | 2.83 |
| Teradata Corp. | 2.79 |
| Manhattan Associates Inc. | 2.79 |
| DST Systems Inc. | 2.76 |
| Progress Software Corp. | 2.75 |
| Renaissance Learning Inc. | 2.75 |
| Micros Systems Inc. | 2.73 |
| Synchronoss Technologies Inc. | 2.72 |
| Ansys Inc. | 2.72 |
| Informatica Corp. | 2.71 |
| Websense Inc. | 2.65 |
| CSG Systems International Inc. | 2.62 |
| Lawson Software Inc. | 2.59 |
| Epicor Software Corp. | 2.52 |
| Allscripts-Misys Healthcare Solutions Inc. | 2.51 |
| Bottomline Technologies Inc. | 2.33 |



| Fund Details ³ | |
|-----------------------------------------------------------|-----------|
| Weighted Harmonic Average Stock Price-to-Earnings Ratio | 15.66 |
| Weighted Harmonic Average Stock Price-to-Book-Value Ratio | 3.07 |
| Weighted Average Return on Equity | 18.21 |
| Weighted Market Cap (mm) | 19,835 |
| Approximate Number of Securities | 30 |
| Expense Cap ⁵ | 0.60% |
| CUSIP | 73935X773 |
| Listing Exchange | NYSE Arca |

| Fund Sector Allocations (%) | |
|-----------------------------|-------|
| Consumer Discretionary | - |
| Consumer Staples | - |
| Energy | - |
| Financials | - |
| Health Care | 2.51 |
| Industrials | - |
| Information Technology | 97.49 |
| Materials | - |
| Telecommunication Services | - |
| Utilities | - |

| Annual Index Performance (%) | | |
|------------------------------|---------------------|--------------|
| | Software Intellidex | S&P Software |
| 2006 | 11.08 | 9.46 |
| 2007 | 4.63 | 16.92 |
| 2008 | -32.98 | -42.22 |
| 2009 | 57.10 | 56.14 |
| 2010 YTD | -3.19 | -14.65 |

| Fund Market-Cap Allocations (%) | |
|---------------------------------|-------|
| Large-Cap Growth | 24.27 |
| Large-Cap Value | 5.26 |
| Mid-Cap Growth | 26.64 |
| Mid-Cap Value | 2.85 |
| Small-Cap Growth | 33.09 |
| Small-Cap Value | 7.89 |

| Fund Subindustry Allocations (%) | |
|---------------------------------------|-------|
| Application Software | 40.39 |
| Computer Hardware | 2.79 |
| Data Processing & Outsourced Services | 5.38 |
| Electronic Components | 5.10 |
| Health Care Technology | 2.51 |
| Home Entertainment Software | 2.75 |
| IT Consulting & Other Services | 2.83 |
| Systems Software | 38.26 |

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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 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 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. Please refer to the prospectus for a complete fee schedule.

The Fund contains securities in the software 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.

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

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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.