



PSP

PowerShares Global Listed Private Equity Portfolio (PSP)

What is PSP?

PSP offers investors access to listed private equity securities whose underlying portfolios may invest in unlisted securities.

PSP is based on the Global Listed Private Equity Index (Index). PSP will normally invest at least 90% of its total assets in securities, which may include American depositary receipts and global depositary receipts, that comprise the Index. The Index includes between 40 and 60 publicly listed private equity companies, including business development companies and other financial institutions or vehicles whose principal business is to invest in and lend capital to privately held companies. The Index is rebalanced and reconstituted quarterly.

Fund Stats

Current Holdings	60
Exchange	NYSE Arca
Short Selling	Yes
Options	Yes

Fund Details

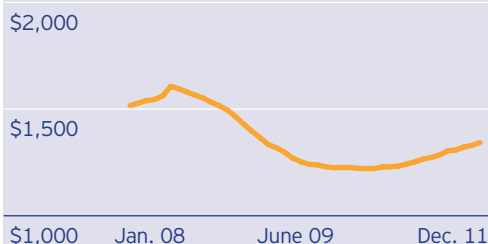
Fund Ticker	PSP
Intraday NAV (IIV)	PSP.IV
CUSIP	73935X195
Index Name	Global Listed Private Equity Index
Index Ticker	GLPEX

Index Provider Red Rocks Capital LLC

Data as of Dec. 31, 2011

According to the Federal Reserve, although the level of business loans outstanding at commercial banks has started to recover, it is still down 17% from its peak in October 2008. Private equity may prove to be a particularly valuable source of capital in the midst of a rigid bank-lending environment.

■ Business Loans (\$ in Bil.)



Source: Federal Reserve Bank of St. Louis, as of Dec. 31, 2011

Insights:

Insights provide product-specific market analysis and investment strategies. These informative briefs are intended to help investors incorporate specific PowerShares ETFs into their portfolio.

For more Insights please visit invescopowershares.com/resources/insights

Index Diversification¹

Stage of Investment*		Geographic	
Early	5.5%	UK, Europe, Russia, S. America	44.1%
Mid	31.3%	N. America and Canada	43.3%
Late	63.2%	Other	12.6%

Industry**

Industrials	25.9%
Consumer Discretionary	14.8%
Financial Services	16.8%
Information Technology	8.6%

Why Might This ETF be Relevant to Endowments and Foundations?

The PowerShares Global Listed Private Equity Portfolio seeks to provide low cost,² liquidity³ and transparent⁴ beta exposure⁵ to listed private equity.

Strategy	Example
Short-Term Cash Management	Endowments may utilize PSP to equitize cash and obtain beta exposure ⁵ to private equity to potentially reduce cash drag on a portfolio.
Transition Management	Institutions may utilize PSP for transition management purposes. For example, an endowment that recently fired a private equity manager can hold PSP for transition purposes. This enables beta ⁵ participation while completing the new manager search.
Asset Allocation	Institutions may utilize PSP for asset allocation purposes. Smaller institutions may hold PSP instead of private equity while larger institutions may utilize a blend of PSP and traditional private equity issues.
Hedging	An institution that wishes to hedge their private equity exposure may short PSP. Short selling may require investors to meet margin requirements and potential losses may be accelerated.
Alpha Porting	An institution may wish to isolate the alpha ⁶ of a particular private equity manager by holding the manager long while shorting PSP.

For illustrative purposes only. This is not an offer to buy or sell. Invesco PowerShares does not offer investment advice.

*Stage of investment refers to the process by which firms raise money for private equity activities, and may help with the diversification of the portfolio.

** The industry category is highlighting the top industries.

Not FDIC Insured | May Lose Value | No Bank Guarantee

- 1 Source: Red Rocks Capital LLC, "Global Listed Private Equity," Dec. 31, 2011
- 2 Since ordinary brokerage commissions apply for each buy and sell transaction, frequent trading activity may increase the cost of ETFs.
- 3 Shares are not individually redeemable and owners of the shares may acquire those shares from the Funds and tender those shares for redemption to the Funds in Creation Unit aggregations only, typically consisting of 50,000 shares.
- 4 ETFs disclose their full portfolio holdings daily.
- 5 Beta is a measure of systematic risk of a security or a portfolio compared to the overall market.
- 6 Alpha, also known as excess return, is a measure of performance on a risk adjusted basis.

A Word About Risk

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 related to short selling and margin maintenance. Ordinary brokerage commissions may apply.

There are certain risks inherent in investing in Business Development Corporations (BDCs). The Investment Company Act of 1940, as amended, imposes certain restraints upon the operations of a BDC. Generally, little public information exists for private and thinly traded companies and there is a risk that investors may not be able to make a fully informed investment decision. With investments in debt instruments, there is a risk that the issuer may default on its payments or declare bankruptcy. Additionally, a BDC may only incur indebtedness in amounts such that the BDC's asset coverage equals at least 200% after such incurrence. These limitations on asset mix and leverage may prohibit the way that the BDC raises capital. BDCs generally invest in less mature private companies which involve greater risk than well-established publicly-traded companies. To the extent that the Fund invests a portion of its assets in BDCs, a shareholder in the Fund will bear not only his or her proportionate share of the expenses of the Fund, but also, indirectly the expenses of the BDCs.

The product is not sponsored, endorsed, sold or promoted by Red Rocks Capital LLC, and Red Rocks makes no representation regarding the advisability of investing in this fund.

A significant portion of the Underlying Index is composed of BDCs or other investment companies. The Fund may not acquire greater than 3% of the total outstanding shares of such companies. As a result, the Fund would be required to use sampling techniques, which could increase the risk of tracking error.

An MLP is an entity receiving partnership taxation treatment under the U.S. Internal Revenue Code, and whose partnership interests or "units" are traded on securities exchanges like shares of corporate stock. Investments in MLP units are subject to certain risks inherent in the structure of MLPs, including tax risks and management risks.

Investments made by listed private equity companies are generally subject to legal and other restrictions on resale and are otherwise less liquid than publicly traded securities. If there is a need for a listed private equity company in which the Fund invests to liquidate its portfolio quickly, it may realize a loss on its investments. Furthermore, little public information generally exists for thinly traded companies and there is a risk that investors may not be able to make a fully informed investment decision.

Listed private equity companies may have investment portfolios consisting of a relatively small number of holdings.

Market disruptions, including a downturn in capital markets in general, or a downgrade of the credit rating of a listed private equity company held by the Fund may increase the cost of borrowing to that company, thereby increasing its cost of borrowing and adversely impacting the Fund's returns. Fair value of the investments of a listed private equity company may differ significantly from the values that would be reflected if the securities were traded in an established market, potentially resulting in material differences between the net asset value per share and the market value of a listed private equity company.

Many listed private equity companies invest in subordinated and/or unsecured securities of privately held companies, and may not be rated by a credit rating agency. With investments in debt instruments, there is a risk that the issuer may default on its payments or declare bankruptcy.

Foreign securities have additional risks, including exchange-rate changes, decreased market liquidity, political instability and taxation by foreign governments.

Investments focused in a particular industry are subject to greater risk, 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.

Securities lending involves a risk of loss because the borrower may fail to return the securities in a timely manner or at all. If a Fund is not able to recover the securities loaned, it may sell the collateral and purchase a replacement security in the market. Lending securities entails a risk of loss to the Funds if and to the extent that the market value of the loaned securities increases and the collateral is not increased accordingly.

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.

Note: Not all products are available through all firms.

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

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.