

# PXN

As of September 30, 2010

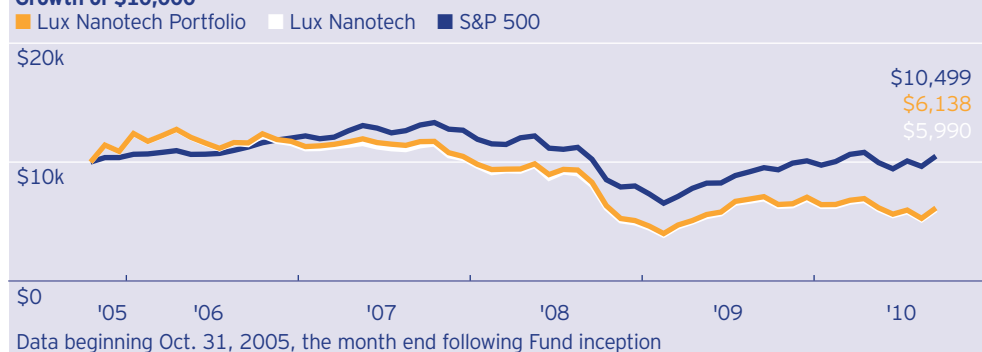
## Fund Description

The PowerShares Lux Nanotech Portfolio is based on the Lux Nanotech Index<sup>™</sup>. 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 developing, manufacturing and funding nanotechnology applications. Companies may be involved in one or more stages of Lux's Nanotechnology Value Chain framework: Nanomaterials, Nanointermediates, Nano-enabled Products and Nanotools. The modified equal-weight 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. Concentrated industry investments involve greater risks than more diversified investments.

## PowerShares Lux Nanotech 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>					
Lux Nanotech	-13.31	-19.23	-10.66	-	-10.25
<b>Benchmark Index</b>					
S&P 500	10.18	-7.15	0.64	-	1.00
<b>Fund</b>					
NAV	-13.43	-19.40	-	-	-9.80
After Tax Held	-13.43	-19.42	-	-	-9.85
After Tax Sold	-8.73	-15.90	-	-	-8.07
Market Price	-13.45	-19.39	-	-	-9.84

Performance data quoted represents past performance. As stated in the Fund's prospectus, the gross annual fund operating expense ratio is 1.20%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in the total net operating expense of 1.05%. These waivers and reimbursement contracts extend through at least Aug. 30, 2011. 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.

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

	Performance (%)	Volatility (%)	Sharpe Ratio
Lux Nanotech	-10.66	28.37	-0.46
S&P 500	0.64	17.59	-0.10

### Fund Inception: Oct. 26, 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. 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.

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<sup>®</sup> 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.**

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

Lux Nanotech Portfolio	PXN
Intraday NAV (IIV)	PXN.IV

### Underlying Index Data

Lux Nanotech	LUXNI
Index Provider	Lux Research Inc.

### 5-Year Alpha, Beta and Correlation<sup>1,3</sup>

Data shown are that of the underlying Index relative to each respective benchmark index.

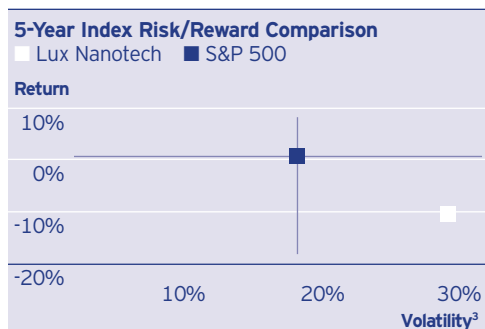
	Alpha	Beta	Correlation
S&P 500	-8.97	1.39	0.74



# PowerShares Lux Nanotech Portfolio

As of September 30, 2010

Fund Holdings (%) <sup>4</sup> Name	Weight
Nanosphere Inc.	8.31
ShengdaTech Inc.	7.52
Elan Corp. PLC ADS	7.35
Accelrys Inc.	6.68
FEI Co.	6.66
Ener1 Inc.	6.38
Harris & Harris Group Inc.	5.37
Headwaters Inc.	5.04
Abraxis BioScience Inc.	4.70
Veeco Instruments Inc.	4.56
A123 Systems Inc.	4.43
Flamel Technologies S.A. ADS	4.34
Hewlett-Packard Co.	3.67
3M Co.	3.62
Intel Corp.	3.60
International Business Machines Corp.	3.58
General Electric Co.	3.56
Toyota Motor Corp. ADS	3.55
Air Products & Chemicals Inc.	3.55
E.I. DuPont de Nemours & Co.	3.54



**Fund Details<sup>3</sup>**

Weighted Harmonic Average Stock Price-to-Earnings Ratio	13.81
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.98
Weighted Average Return on Equity	-2.84
Weighted Market Cap (mm)	28,577
Number of Securities	20
Expense Cap <sup>5</sup>	0.60%
CUSIP	73935X633
Listing Exchange	NYSE Arca

**Annual Index Performance (%)**

	Lux Nanotech	S&P 500
2006	6.31	15.78
2007	-11.00	5.49
2008	-52.53	-36.99
2009	40.65	26.47
2010 YTD	-12.87	3.91

**Fund Market-Cap Allocations (%)**

Large-Cap Growth	10.77
Large-Cap Value	17.90
Mid-Cap Growth	7.35
Mid-Cap Value	-
Small-Cap Growth	63.98
Small-Cap Value	-

**Fund Sector Allocations (%)**

Consumer Discretionary	3.76
Consumer Staples	-
Energy	-
Financials	-
Health Care	33.15
Industrials	19.00
Information Technology	23.32
Materials	20.77
Telecommunication Services	-
Utilities	-

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

The Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

The Fund may contain securities in the electronics and nanotechnology industries. Companies engaged in these industries are subject to greater risks, and are more greatly impacted by market volatility, than more diversified investments.

Investing in securities of small 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](http://invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.