

PZJ

As of Dec. 31, 2009

Fund Description

The PowerShares Zacks Small Cap Portfolio is based on the Zacks Small Cap 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 identify a group of small-cap stocks with the greatest potential to outperform both the Russell 2000 Index and professional small-capitalization asset managers. The constituent selection strategy developed by Zacks actively looks beyond growth and value characteristics to focus on absolute return potential.

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.

Fund Data³

Zacks Small Cap Portfolio PZJ
Intraday NAV (IIV) PZJ.IV

Underlying Index Data

Zacks Small Cap ZRS
Index Provider Zacks Investment Research

3-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 SmallCap 600	-7.58	1.03	0.97
Russell 2000	-6.34	1.03	0.98
S&P 500	-4.49	1.23	0.88

Fund Inception: Feb. 16, 2006

¹ Index returns do not represent Fund returns. An investor cannot invest directly in an index.

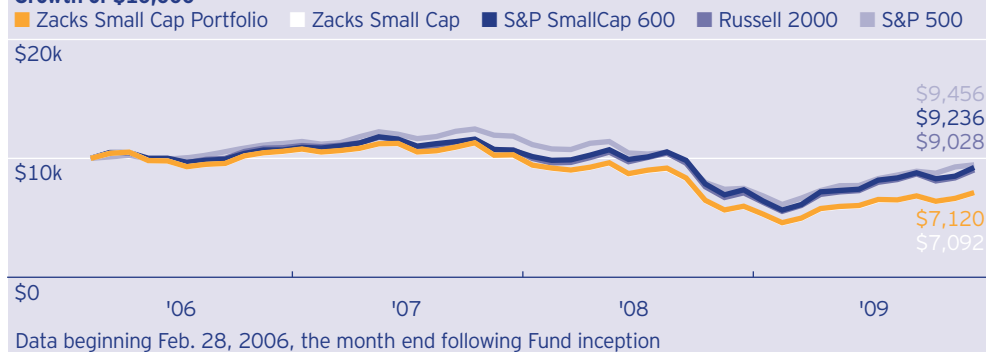
² Returns for the benchmark indexes are based on the closest month end to the Fund's inception date.

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

PowerShares Zacks Small Cap Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
Zacks Small Cap	19.29	-12.43	-	-	-8.48
Benchmark Indexes					
S&P SmallCap 600	25.57	-4.79	-	-	-2.05
Russell 2000	27.17	-6.07	-	-	-2.63
S&P 500	26.47	-5.62	-	-	-1.45
Fund					
NAV	19.17	-12.41	-	-	-8.39
After Tax Held	19.02	-12.60	-	-	-8.55
After Tax Sold	12.46	-10.41	-	-	-7.07
Market Price	19.21	-12.47	-	-	-8.46

Performance data quoted is price return and represents past performance. As stated in the Fund's prospectus, the gross annual fund operating expense ratio is 1.09%. 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 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^{1,3}

	Performance (%)	Volatility (%)	Sharpe Ratio
Zacks Small Cap	-12.43	26.17	-0.55
S&P SmallCap 600	-4.79	25.07	-0.27
Russell 2000	-6.07	25.19	-0.32
S&P 500	-5.62	19.89	-0.38

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 SmallCap 600 Index is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation. The Russell 2000[®] Index

and the S&P 500[®] Index are unmanaged indexes considered representative of small-cap stocks and the U.S. stock market, respectively. The Russell 2000 Index is a trademark/service mark of the Frank Russell Co. Russell[®] is a trademark of the Frank Russell Co.

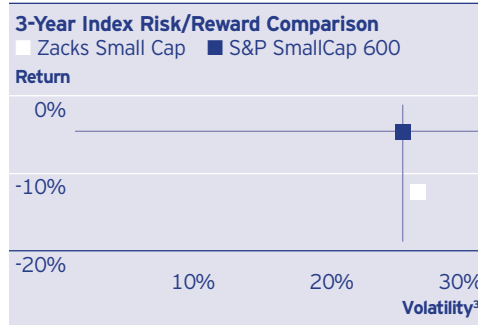
Shares are not FDIC insured, may lose value and have no bank guarantee.

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.

As of Dec. 31, 2009

PowerShares Zacks Small Cap Portfolio

Top 30 Fund Holdings (%) ⁴	
Name	Weight
Revlon Inc. (CI A)	0.72
SmartHeat Inc.	0.58
RehabCare Group Inc.	0.58
New York Times Co. (CI A)	0.56
Federal-Mogul Corp.	0.56
Hi-Tech Pharmacal Co. Inc.	0.55
Impax Laboratories Inc.	0.55
Gulfport Energy Corp.	0.54
Forestar Group Inc.	0.53
KHD Humboldt Wedag International Ltd.	0.53
Medical Action Industries Inc.	0.53
World Acceptance Corp.	0.51
Cyberonics Inc.	0.51
KVH Industries Inc.	0.50
Griffon Corp.	0.50
Steak N Shake Co.	0.50
Schawk Inc. (CI A)	0.50
Kirkland's Inc.	0.50
Zoll Medical Corp.	0.49
Patriot Coal Corp.	0.49
Shoe Carnival Inc.	0.49
Schweitzer-Mauduit International Inc.	0.49
Jo-Ann Stores Inc.	0.49
Dillard's Inc. (CI A)	0.49
Veeco Instruments Inc.	0.49
Skechers USA Inc. (CI A)	0.48
Neenah Paper Inc.	0.48
La-Z-Boy Inc.	0.48
China Green Agriculture Inc.	0.48
Wausau Paper Corp.	0.47



Fund Details³

Weighted Harmonic Average	
Stock Price-to-Earnings Ratio	14.90
Weighted Harmonic Average	
Stock Price-to-Book-Value Ratio	1.51
Weighted Average Return on Equity	4.77
Weighted Market Cap (mm)	560
Approximate Number of Securities	250
Expense Cap ⁵	0.60%
CUSIP	73935X674
Listing Exchange	NYSE Arca

Fund Industry Allocations (%)

Chemicals	3.53
Commercial Banks	3.55
Commercial Services & Supplies	3.95
Health Care Equipment & Supplies	4.37
Insurance	4.12
Machinery	4.20
Oil Gas & Consumable Fuels	3.96
Semiconductors & Semiconductor Equipment	5.78
Software	4.59
Specialty Retail	4.73

Annual Index Performance (%)

	Zacks Small Cap	S&P SmallCap	Russell 2000
2007	-2.87	-0.30	-1.57
2008	-42.05	-31.07	-33.79
2009	19.29	25.57	27.17

Fund Market-Cap Allocations (%)

Large-Cap Growth	-
Large-Cap Value	-
Mid-Cap Growth	-
Mid-Cap Value	0.38
Small-Cap Growth	53.95
Small-Cap Value	45.67

Fund Sector Allocations (%)

Consumer Discretionary	15.91
Consumer Staples	2.91
Energy	6.12
Financials	13.27
Health Care	11.75
Industrials	21.33
Information Technology	19.75
Materials	6.24
Telecommunication Services	0.37
Utilities	2.34

Leading the Intelligent ETF Revolution[®]

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 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.

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.

Shares are subject to risks including: Small and Medium-Sized Company Risk – investing in securities of small and medium-sized companies involves greater risk than is customarily associated with investing in more established companies.

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Zacks makes no warranty or representation as to the accuracy and/or completeness of the index or results to be obtained by any person from use of the index or the trading of the Product.

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Invesco PowerShares Capital Management LLC and Invesco Aim Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd.

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 for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.