

PHO

As of June 30, 2011

Fund Description

The PowerShares Water Resources Portfolio is based on the Palisades Water Index™. The Fund will normally invest at least 90% of its total assets in American depository receipts and common stocks that comprise the Index. The Index seeks to identify a group of companies that focuses on the provision of potable water, the treatment of water and the technology and services that are directly related to water consumption. The modified equal-weighted 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.

Fund Data ³	
Water Resources Portfolio	PHO
Intraday NAV (IIV)	PHO.IV
Options	Yes

Underlying Index Data	
Palisades Water	ZWI
Index Provider	Hydrogen Ventures LLC

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
ISE Water	-0.08	1.08	0.99
S&P 500	3.25	1.21	0.90

Fund Inception: Dec. 6, 2005

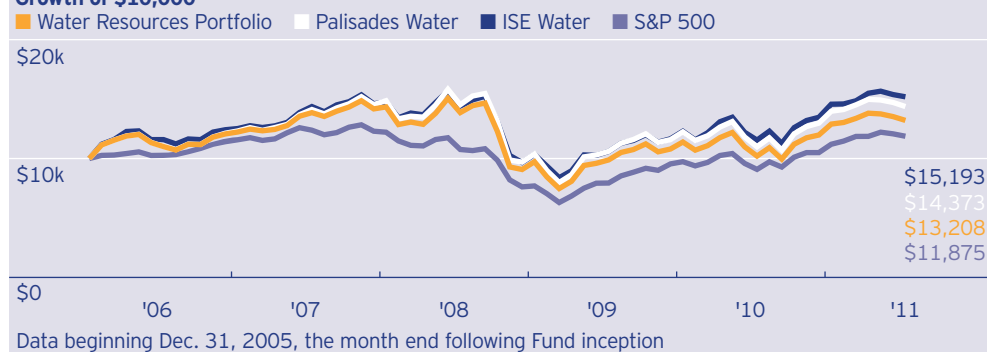
¹ Index returns do not represent Fund returns. An investor cannot invest directly in an index.

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

PowerShares Water Resources Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%) ¹	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
	Underlying Index				
Palisades Water	30.83	-0.36	5.43	-	6.59
Benchmark Indexes					
ISE Water	31.50	1.76	5.56	-	7.89
S&P 500	30.68	3.34	2.95	-	3.13
Fund					
NAV	29.39	-1.61	3.71	-	4.99
After Tax Held	29.03	-1.83	3.48	-	4.75
After Tax Sold	19.10	-1.50	3.05	-	4.16
Market Price	29.56	-1.61	3.74	-	4.79

Performance data quoted represents past performance. As stated in the Fund's prospectus, the total expense ratio and net expense ratio are 0.64%. 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
Palisades Water	5.43	24.20	0.15
ISE Water	5.56	22.13	0.17
S&P 500	2.95	17.86	0.07

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 ISE Water Index is an unmanaged index composed of stocks of companies involved in the water industry. 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.



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Top 30 Fund Holdings (%) ⁴ Name	Weight
Lindsay Corp.	4.47
Valmont Industries Inc.	4.36
Veolia Environnement S.A. ADS	4.31
AECOM Technology Corp.	4.27
URS Corp.	4.25
Tetra Tech Inc.	4.10
Danaher Corp.	3.75
Itron Inc.	3.74
Badger Meter Inc.	3.62
Mueller Water Products Inc.	3.55
Nalco Holding Co.	3.50
ITT Corp.	3.50
Pentair Inc.	3.49
Pall Corp.	3.47
Insituform Technologies Inc. (CI A)	3.43
IDEX Corp.	3.39
Layne Christensen Co.	3.39
Watts Water Technologies Inc. (CI A)	3.38
Franklin Electric Co. Inc.	3.35
Calgon Carbon Corp.	3.33
Flowserve Corp.	3.28
Gorman-Rupp Co.	3.26
Roper Industries Inc.	3.22
Ameron International Corp.	3.07
Aqua America Inc.	2.02
American States Water Co.	2.01
American Water Works Co.	2.00
Companhia de Saneamento Basico do Estado de Sao Paulo ADS	1.99
Northwest Pipe Co.	1.88
Consolidated Water Co. Inc.	1.05

Fund Details ³	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	17.28
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.75
Weighted Average Return on Equity	11.56
Weighted Market Cap (mm)	4,517
Number of Securities	32
Net Expense Ratio	0.64%
CUSIP	73935X575
Listing Exchange	NYSE Arca

Fund Industry Allocations (%)	
Machinery	41.60
Construction & Engineering	17.21
Water Utilities	9.07
Chemicals	6.84
Electrical Equipment	6.57
Multi-Utilities	4.31
Commercial Services & Supplies	4.10
Electronic Equipment Instruments & Components	3.74
Aerospace & Defense	3.50
Building Products	3.07

	Annual Index Performance (%)	
	Palisades Water	ISE Water
2006	23.19	25.22
2007	20.67	17.96
2008	-30.16	-30.01
2009	17.92	18.93
2010	14.18	18.49
2011 YTD	2.81	4.28

Fund Market-Cap Allocations (%)	
Large-Cap Growth	3.75
Large-Cap Value	7.80
Mid-Cap Growth	27.97
Mid-Cap Value	10.65
Small-Cap Growth	38.69
Small-Cap Value	11.13

Fund Sector Allocations (%)	
Consumer Discretionary	-
Consumer Staples	-
Energy	-
Financials	-
Health Care	-
Industrials	76.05
Information Technology	3.74
Materials	6.84
Telecommunication Services	-
Utilities	13.38

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 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.

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 water 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.

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

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.