

# PRFZ

As of June 30, 2011

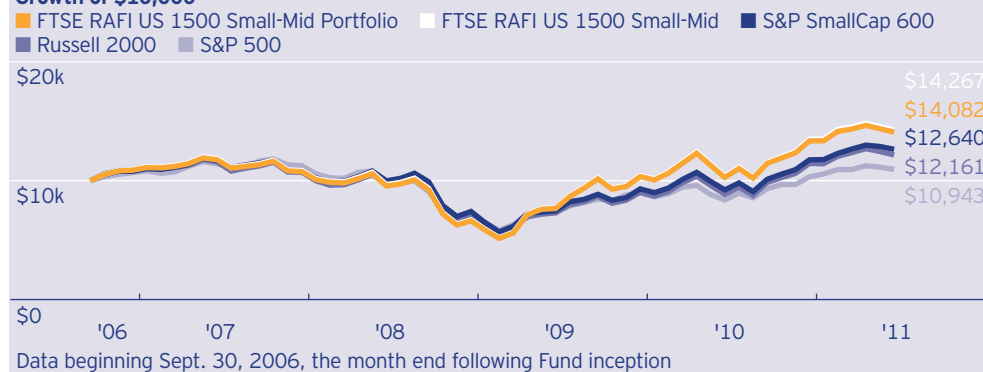
## Fund Description

The PowerShares FTSE RAFI US 1500 Small-Mid Portfolio is based on the FTSE RAFI US 1500 Small-Mid Index. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The objective of the Index is to track the performance of small and medium-sized U.S. companies. Companies are selected based on the following four fundamental measures of size: sales, income, book value and dividends. Each of the equities with a fundamental weight ranking of 1,001 to 2,500 is then selected and assigned a weight equal to its fundamental weight. The Fundamental Index<sup>®</sup> portfolio is rebalanced and reconstituted annually.

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.

## PowerShares FTSE RAFI US 1500 Small-Mid 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>					
FTSE RAFI US 1500 Small-Mid	37.59	13.84	7.55	-	7.55
<b>Benchmark Indexes</b>					
S&P SmallCap 600	37.03	8.16	4.61	-	5.06
Russell 2000	37.41	7.77	4.08	-	4.20
S&P 500	30.68	3.34	2.95	-	1.91
<b>Fund</b>					
NAV	37.17	13.84	-	-	7.24
After Tax Held	36.74	13.48	-	-	6.93
After Tax Sold	24.13	11.73	-	-	6.06
Market Price	37.23	13.82	-	-	7.24

Performance data quoted represents past performance. As stated in the Fund's prospectus, the total expense ratio is 0.51%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in a net expense ratio of 0.39%. These waivers and reimbursement contracts extend through at least Aug. 31, 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
FTSE RAFI US 1500 Small-Mid	7.55	26.34	0.22
S&P SmallCap 600	4.61	22.29	0.13
Russell 2000	4.08	22.76	0.10
S&P 500	2.95	17.86	0.07

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 S&P 500<sup>®</sup> Index and the Russell 2000<sup>®</sup> Index are unmanaged indexes considered representative of the U.S. stock market and small-cap stocks, respectively. The Russell 2000

Index is a trademark/service mark of the Frank Russell Co. Russell<sup>®</sup> 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.**

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

FTSE RAFI US 1500 Small-Mid Portfolio	PRFZ
Intraday NAV (IIV)	PRFZI

### Underlying Index Data

FTSE RAFI US 1500 Small-Mid	FR15US
Index Providers	FTSE

### 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 SmallCap 600	2.91	1.16	0.98
Russell 2000	3.52	1.13	0.97
S&P 500	5.35	1.35	0.91

### Fund Inception: Sept. 20, 2006

<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.

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

As of June 30, 2011

Top 30 Fund Holdings (%) <sup>4</sup> Name	Weight
Wellcare Health Plans Inc.	0.24
Green Mountain Coffee Roasters Inc.	0.23
Polycom Inc.	0.22
Ashford Hospitality Trust	0.21
OM Group Inc.	0.21
Genesco Inc.	0.21
Old Dominion Freight Line Inc.	0.20
PolyOne Corp.	0.20
TransDigm Group Inc.	0.20
Macquarie Infrastructure Co. LLC	0.20
Hercules Offshore Inc.	0.20
Equinix Inc.	0.19
Basic Energy Services Inc.	0.19
Chipotle Mexican Grill Inc.	0.19
Graco Inc.	0.19
DSW Inc. CI A	0.19
IDEX Corp.	0.19
Steelcase Inc.	0.19
El Paso Electric Co.	0.19
Applied Industrial Technologies Inc.	0.19
Dollar General Corp.	0.19
Plexus Corp.	0.19
A.O. Smith Corp.	0.19
Hexcel Corp.	0.19
Global Payments Inc.	0.19
HealthSouth Corp.	0.19
HealthSpring Inc.	0.19
US Airways Group Inc.	0.19
First Industrial Realty Trust Inc.	0.19
Post Properties Inc.	0.19

Fund Details <sup>3</sup>	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	17.04
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.62
Weighted Average Return on Equity	9.07
Weighted Market Cap (mm)	1,609
Number of Securities	1,461
Net Expense Ratio	0.39%
CUSIP	73935X567
Listing Exchange	NASDAQ

Fund Industry Allocations (%)	
Commercial Banks	6.04
Real Estate Investment Trusts (REITS)	6.00
Machinery	4.31
Hotels Restaurants & Leisure	3.94
Oil Gas & Consumable Fuels	3.76
Specialty Retail	3.75
Semiconductors & Semiconductor Equipment	3.69
Software	3.53
Health Care Providers & Services	3.34
Commercial Services & Supplies	3.08

	Annual Index Performance (%)		
	FTSE RAFI US 1500	S&P SmallCap 600	Russell 2000
2007	-0.64	-0.30	-1.57
2008	-38.28	-31.07	-33.79
2009	55.74	25.57	27.17
2010	29.36	26.31	26.85
2011 YTD	5.67	7.54	6.21

Fund Market-Cap Allocations (%)	
Large-Cap Growth	0.32
Large-Cap Value	-
Mid-Cap Growth	9.68
Mid-Cap Value	2.61
Small-Cap Growth	39.89
Small-Cap Value	47.50

Fund Sector Allocations (%)	
Consumer Discretionary	17.70
Consumer Staples	3.50
Energy	6.24
Financials	18.55
Health Care	8.41
Industrials	18.85
Information Technology	17.54
Materials	6.09
Telecommunication Services	1.36
Utilities	1.78

## 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.

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 may contain securities in the financials, consumer discretionary, technology and industrials sectors. Companies engaged in these sectors 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.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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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.