



## **Invesco PowerShares to Launch the First Variable Rate Preferred ETF**

**CHICAGO – April 21, 2014** - Invesco PowerShares Capital Management LLC, a leading global provider of exchange-traded funds (ETFs), today announced the anticipated listing of the PowerShares Variable Rate Preferred Portfolio (VRP) on May 1, 2014, on the NYSE Arca. VRP will provide income-seeking investors efficient access to a portfolio of variable-rate preferred securities.

Variable-rate preferred securities are typically issued at rates below fixed-rate preferred securities of similar quality, in exchange for the issuer bearing most of the risk for changes in interest rates. Accordingly, variable-rate preferred securities are priced more like short-term instruments, rather than long-term instruments, and are generally less sensitive than fixed-rate preferred securities to changes in interest rates.

“Investors today are challenged for ways to increase yield and meet their investment income objectives, while balancing portfolio exposure to the risk of rising interest rates,” said Lorraine Wang, Invesco PowerShares Global Head of ETF Products and Research. “We believe VRP offers investors the potential for high current income and lower interest-rate sensitivity than traditional fixed-rate preferred securities. Dividends from variable-rate preferred securities also receive preferential tax rates compared to interest income, which makes them particularly attractive for top tax bracket investors.+”

**The PowerShares Variable Rate Preferred Portfolio (VRP)** is based on the Wells Fargo<sup>®</sup> Hybrid and Preferred Securities Floating and Variable Rate Index (Index). The Fund will generally invest at least 90% of its total assets in preferred securities that comprise the Index. The Index is a market capitalization-weighted index designed to track the performance of preferred stock, as well as certain types of “hybrid securities” that are functionally equivalent to preferred stock, that are issued by US-based or foreign issuers and that pay a floating or variable rate dividend or coupon. The Fund and the Index are rebalanced monthly.

**+ Invesco PowerShares does not offer tax advice. Please consult your own tax adviser for information regarding your own tax situation.**

**Preferred securities may be less liquid than many other securities, and in certain circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. Please see below for additional risk information.**

### **About Invesco PowerShares Capital Management LLC and Invesco, Ltd.**

Invesco PowerShares Capital Management LLC is leading the Intelligent ETF Revolution<sup>®</sup> through its family of more than 140 domestic and international exchange-traded funds, which seek to outperform traditional benchmark indexes while providing advisors and investors access to an innovative array of focused investment opportunities. With franchise assets of nearly \$100 billion\* as of March 31, 2014, PowerShares ETFs trade on both US stock exchanges. For more information, please visit us at [invescopowershares.com](http://invescopowershares.com) or follow us on Twitter [@PowerShares](https://twitter.com/PowerShares).

Invesco Ltd. is a leading independent global investment management firm, dedicated to helping investors worldwide achieve their financial objectives. By delivering the combined power of our distinctive investment management capabilities, Invesco provides a wide range of investment strategies and

vehicles to our clients around the world. Operating in more than 20 countries, the firm is listed on the New York Stock Exchange under the symbol IVZ. Additional information is available at [www.invesco.com](http://www.invesco.com).

*\*US franchise assets include QQQs, BLDRS and DB Funds. ALPS Distributors, Inc. is the distributor of PowerShares QQQ, BLDRS Funds and PowerShares DB Funds. PowerShares QQQ and BLDRS Funds are unit investment trusts. Invesco PowerShares and Invesco Distributors, Inc. are not affiliated with ALPS Distributors, Inc.*

## **Not FDIC Insured | May Lose Value | No Bank Guarantee**

### **Important Risk Information**

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. The Fund's return may not match the return of the Underlying Index.

Investments in preferred securities carry interest rate risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

The Fund's underlying securities may be subject to call risk, which may result in the Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund's income.

Variable and floating-rate securities may be subject to liquidity risk, meaning that there may be limitations on the Fund's ability to sell the securities at any given time. Due to their variable or floating-rate features, these securities generally will pay higher levels of income in a rising interest rate environment; however, there can be no guarantee that a dividend paid by a floating-rate security will increase as interest rates rise.

If the Fund owns a preferred security that is deferring or suspending payments of dividends, the Fund may be required to report the distribution on its tax returns, even though it may not have received any income.

Moreover, in the event an issuer of preferred securities experiences economic difficulties, the issuer's preferred securities may lose substantial value due to the reduced likelihood that the issuer's board of directors will declare a dividend and the fact that the preferred securities may be subordinated to other securities of the same issuer.

Convertible securities are subject to the risks of both debt securities and equity securities. As with equity securities, declining common stock values may cause the value of the Fund's investments to decline. A debt security tends to decrease in value when interest rates rise. Moreover, many convertible securities are subject to the same risks as lower rated debt securities.

Hybrid securities potentially are more volatile than traditional equity securities and may carry credit risk and liquidity risk.

Perpetual subordinated debt typically has lower credit ratings and lower priority than other obligations of an issuer during bankruptcy, presenting a greater risk for nonpayment, and increasing as the priority of the obligation becomes lower.

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.

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 is considered non-diversified and may be subject to greater risks than a diversified fund.

Investing in securities of small and medium-sized companies may involve greater risk than is customarily associated with investing in large companies.

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.

Note: Not all products, materials or services available at all firms.

### **Trademarks & Other Information**

Wells Fargo is the Index Provider for the Fund. The Wells Fargo<sup>®</sup> Hybrid and Preferred Securities Floating and Variable Rate Index is a service mark of Wells Fargo & Company and has been licensed for use by the Adviser. The Fund is not sponsored, issued or advised by Wells Fargo & Company, Wells Fargo Securities, LLC or their subsidiaries and affiliates (collectively, "Wells Fargo") and Wells Fargo makes no representation regarding the advisability of investing in the Fund. The Fund is entitled to use the Underlying Index pursuant to a sub-licensing agreement with the Adviser.

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

PowerShares<sup>®</sup> is a registered trademark of Invesco PowerShares Capital Management LLC (Invesco PowerShares). Invesco PowerShares Capital Management LLC and Invesco 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. The prospectus contains this and other information about the Fund. 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.***

P-VRP-PR-1-E 5227 04/14 x 04/15

### **Media Contacts:**

Kristin Sadlon  
Porter Novelli  
212-601-8192  
[kristin.sadlon@porternovelli.com](mailto:kristin.sadlon@porternovelli.com)

Bill Conboy  
303-415-2290  
[bill@bccapitalpartners.com](mailto:bill@bccapitalpartners.com)

####