

# PXH PowerShares FTSE RAFI Emerging Markets Portfolio



As of Dec. 31, 2014

## Fund Description

The PowerShares FTSE RAFI Emerging Markets Portfolio is based on the FTSE RAFI Emerging Markets Index. The Fund will normally invest at least 90% of its total assets in securities that comprise the Index and American Depositary Receipts (ADRs) based on the securities in the Index. The Index is designed to track the performance of the largest emerging market equities, selected based on the following four fundamental measures of firm size: book value, cash flow, sales and dividends. The equities with the highest fundamental strength are weighted according to their fundamental scores. The Index is computed using the net return, which withholds applicable taxes for non-resident investors. The Fund and the Index are reconstituted annually.

Equity risk states that the value of equity securities, including common stocks, may fall due to both changes in general economic and political conditions that impact the market as a whole, as well as factors that directly relate to a specific company or industry. 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.

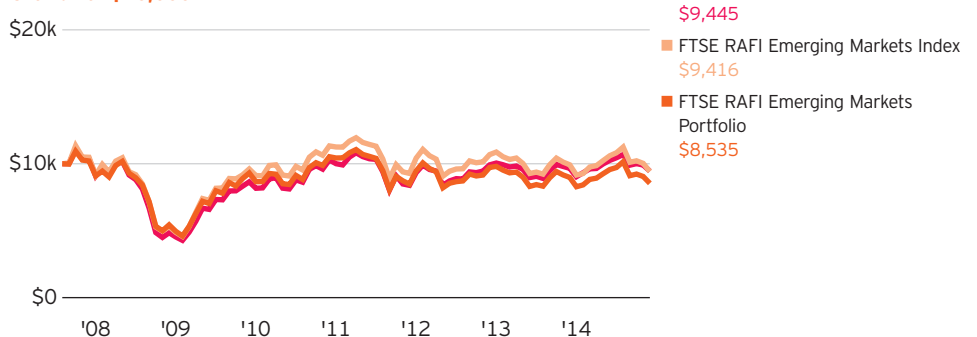
## Fund Data

FTSE RAFI Emerging Markets Portfolio	PXH
Intraday NAV (IIV)	PXHIV
CUSIP	73936T763
Listing Exchange	NYSE Arca
Number of Securities	331
30-Day SEC Yield	2.88%
30-Day SEC Unsubsidized Yield	2.88%
Total Expense Ratio	0.49%

## Underlying Index Data

FTSE RAFI Emerging Markets	TFREMNU
Index Provider	FTSE International Limited

## Growth of \$10,000



Data beginning Fund inception and ending Dec. 31, 2014. Fund performance shown at NAV.

## Fund Performance & Index History (%)

	1 year	3 year	5 year	10 year	Fund Inception
<b>Underlying Index</b>					
FTSE RAFI Emerging Markets Index	-5.08	0.50	-0.40	-	-0.83
<b>Benchmark Index</b>					
MSCI Emerging Markets Index	-2.19	4.04	1.78	8.43	-0.78
<b>Fund</b>					
NAV	-4.91	0.23	-1.71	-	-2.16
After Tax Held	-6.08	-0.31	-2.01	-	-2.41
After Tax Sold	-2.72	0.30	-1.03	-	-1.39
Market Price	-6.51	-0.19	-1.98	-	-2.56

Returns less than one year are cumulative. Performance data quoted represents past performance. 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. 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. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower.

## 5-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
FTSE RAFI Emerging Markets Index	-	-	-	-0.02	19.11
MSCI Emerging Markets Index	-2.08	1.01	0.98	0.09	18.55

Alpha, beta and correlation are that of the underlying index.

## A Smart Beta Portfolio

Fund Inception: Sept. 27, 2007

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

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 MSCI Emerging Markets Index is an unmanaged index considered representative of stocks of developing countries. The index is computed using the net return,

which withholds applicable taxes for non-resident investors.

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, 2014

**Top Fund Holdings (%)**

Name	Weight
China Construction Bank	3.30
Gazprom	3.24
Industrial and Commercial Bank of China	2.98
China Mobile	2.78
Bank of China	2.70
Taiwan Semiconductor	2.47
LUKOil Oil	1.98
Itau Unibanco	1.96
Hon Hai Precision Industry	1.89
Reliance	1.85
Petrobras	1.70
China Petroleum & Chemical 'H'	1.70
Bank Bradesco	1.46
America Movil	1.42
Petrobras	1.40
MTN Group	1.28
PetroChina	1.21
State Bank of India	1.09
ICICI Bank	1.06
Banco do Brasil SA	1.05

Please see the website for complete holdings information. Holdings are subject to change.

**Leading the Intelligent ETF Revolution®****About risk**

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.

The Fund may invest a significant portion of its total assets in securities of issuers from China. Investing in securities of Chinese companies involves additional risks, including, but not limited to: China's economy differing, often unfavorably, from the US economy; the central government historically exercising substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government continuing to have a substantial effect on economic conditions in China.

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

Investment in securities in emerging market countries involves risks not associated with investments in securities in developed countries.

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

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

American Depositary Receipts (ADRs) involve many of the same risks as those associated with direct investment in foreign securities. In addition, the underlying issuers of certain depositary receipts, particularly unsponsored or unregistered depositary receipts, are under no obligation to distribute shareholder communications to the holders of such receipts or to pass through to them any voting rights with respect to the deposited securities.

The dollar value of the fund's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Global Depositary Receipts involve the same risks as those associated with ADRs. They are also subject to currency, political, economic and market risks because their values depend on the performance of non-dollar denominated underlying foreign securities.

**Annual Index Performance (%)**

	FTSE RAFI Emerging Markets Index	MSCI Emerging Markets Index
2008	-49.48	-53.33
2009	81.45	78.51
2010	17.91	18.88
2011	-18.13	-18.42
2012	15.14	18.22
2013	-7.12	-2.60
2014	-5.08	-2.19

**Fund Country Allocations (%)**

China	20.23
Brazil	16.27
Taiwan	14.89
South Africa	8.58
Russia	8.27
India	7.66
Hong Kong	5.38
Mexico	4.30
Turkey	3.16
Malaysia	2.54

A natural or other disaster could occur in a geographic region in which the Fund invests, which could adversely impact the Fund's investments in the affected region.

The United States and the European Union have imposed economic sanctions on certain Russian individuals and entities, and could potentially issue future sanctions. Both the existing and potential future sanctions may result in the decline of the value or liquidity of Russian securities, and therefore may negatively impact the Fund.

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.

**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. **Weighted Harmonic Average Stock Price-to-Earnings Ratio (P/E Ratio)** is the share price divided by earnings per share. It is measured on a 12-month trailing basis. **Weighted Harmonic Average Stock Price-to-Book-Value Ratio (P/B 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. The **30-Day SEC Yield** is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The **30-Day SEC Unsubsidized Yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers. **Beta** is a measure of risk representing how a security is expected to respond to general market movements. **Smart Beta** represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, or both. Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.

Typically, security classifications used in calculating allocation tables are as of the last trading day of the previous month.

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

Large-Cap Blend	26.56
Large-Cap Growth	16.70
Large-Cap Value	46.15
Mid-Cap Blend	2.20
Mid-Cap Growth	2.15
Mid-Cap Value	5.39
Small-Cap Blend	0.22
Small-Cap Growth	0.12
Small-Cap Value	0.51

**Fund Sector Allocations (%)**

Consumer Discretionary	3.97
Consumer Staples	4.52
Energy	18.97
Financials	33.48
Health Care	0.37
Industrials	4.22
Information Technology	11.91
Materials	8.69
Telecommunication Services	10.32
Utilities	3.55

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

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Note: Not all products available through all firms or in all jurisdictions.