

# PXH PowerShares FTSE RAFI Emerging Markets Portfolio



As of Dec. 31, 2017

## 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.

## Fund Data

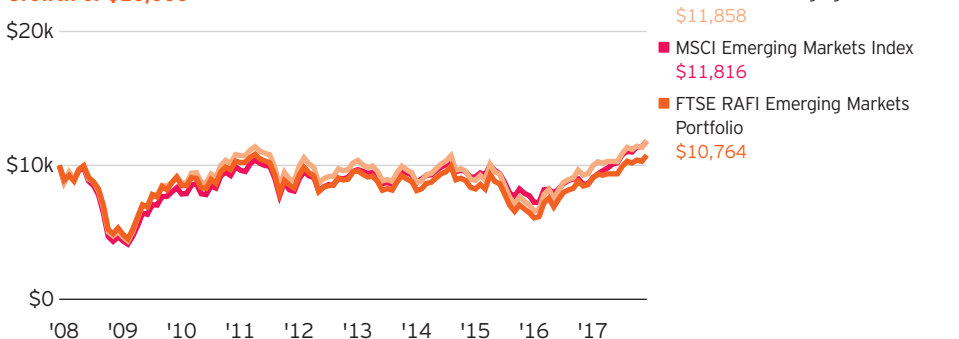
FTSE RAFI Emerging Markets Portfolio	PXH
Intraday NAV (IIV)	PXHIV
CUSIP	73936T763
Listing Exchange	NYSE Arca
Number of Securities	331
30-Day SEC Yield	2.33%
30-Day SEC Unsubsidized Yield	2.33%
Total Expense Ratio	0.50%
Net Expense Ratio	0.49%

The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least August 31, 2018.

## Underlying Index Data

FTSE RAFI Emerging Markets	TFREMNU
Index Provider	FTSE International Limited

## Growth of \$10,000



Data beginning 10 years prior to the ending date of Dec. 31, 2017. 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	26.33	9.70	3.08	1.72	2.14
<b>Benchmark Index</b>					
MSCI Emerging Markets Index	37.28	9.10	4.35	1.68	2.01
<b>Fund</b>					
NAV	25.70	8.77	2.48	0.74	0.92
Market Price	26.72	9.17	2.32	0.74	0.73

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 shown. Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. See powershares.com to find the most recent month-end performance numbers. 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.

## 10-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
FTSE RAFI Emerging Markets Index	-	-	-	0.06	24.42
MSCI Emerging Markets Index	0.21	1.04	0.97	0.06	22.82

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.

# PXH PowerShares FTSE RAFI Emerging Markets Portfolio

As of Dec. 31, 2017

Top Fund Holdings (%)	
Name	Weight
China Construction Bank	3.77
Industrial and Commercial Bank of China 'H'	2.83
Taiwan Semiconductor	2.78
Gazprom ADR	2.53
iShares MSCI India ETF	2.24
Lukoil ADR	2.04
Vale	1.91
China Mobile	1.83
Bank of China	1.76
Sberbank of Russia	1.66

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

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
2015		-21.65	-14.92
2016		33.37	11.19
2017		26.33	37.28

Fund Country Allocations (%)	
China	28.28
Taiwan	13.31
Brazil	13.18
South Africa	9.40
Russia	9.22
India	7.87
Mexico	4.32
Thailand	3.80
Malaysia	2.67
Turkey	2.39

Fund Market-Cap Allocations (%)	
Large-Cap Blend	31.26
Large-Cap Growth	11.18
Large-Cap Value	48.29
Mid-Cap Blend	2.74
Mid-Cap Growth	0.82
Mid-Cap Value	5.37
Small-Cap Blend	0.04
Small-Cap Growth	-
Small-Cap Value	0.30

Fund Sector Allocations (%)	
Consumer Discretionary	3.91
Consumer Staples	5.18
Energy	17.66
Financials	31.57
Health Care	0.38
Industrials	2.84
Information Technology	10.73
Investment Companies	3.15
Materials	10.07
Real Estate	3.24
Telecommunication Services	8.40
Utilities	2.84

## 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 is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund.

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 risks of investing in securities of foreign issuers, including emerging market issuers, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

ADRs and GDRs may be subject to certain of the risks associated with direct investments in the securities of foreign companies, such as currency, political, economic and market risks, because their values depend on the performance of the non-dollar denominated underlying foreign securities.

Investing in securities of Chinese companies involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the U.S. in such respects as structure, development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others; the central government has historically exercised 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 authorities continue to have a substantial effect on economic conditions in China.

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.

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

Shares of the Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International

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This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

**Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the Fund call 800 983 0903 or visit powershares.com for the prospectus/summary prospectus.**

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

