Invesco

powerSHARES®

PXE

PowerShares Dynamic Energy Exploration & Production Portfolio

As of June 30, 2014

Fund Description

The PowerShares Dynamic Energy Exploration & Production Portfolio is based on the Dynamic Energy Exploration & Production Intellidex℠ Index. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Intellidex. The Intellidex thoroughly evaluates companies based on a variety of investment merit criteria, including price momentum, earnings momentum, quality, management action, and value. The Underlying Intellidex is composed of common stocks of 30 US companies involved in the exploration and production of natural resources used to produce energy. These companies include petroleum refineries that process the crude oil into finished products, such as gasoline and automotive lubricants, and companies involved in gathering and processing natural gas, and manufacturing natural gas liquid. The Fund is rebalanced and reconstituted quarterly in February, May, August and November.

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. Concentrated industry investments involve greater risks than more diversified investments.

Fund Data

Dynamic Energy Exploration & Production Portfolio	PXE
Intraday NAV (IIV)	PXEIV
CUSIP	73935X658
Listing Exchange	NYSE Arca
Number of Securities	32
30-Day SEC Yield	1.52%
30-Day SEC Unsubsidized Yield	N/A
Total Expense Ratio	0.69%
Net Expense Ratio	0.65%

The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least Aug. 31, 2014.

N/A indicates that during the 30-day period shown, Fund costs did not exceed the expense cap as outlined in the prospectus and the Adviser did not waive any fees in accordance with the Fee Waiver and Expense Assumption Agreement. Please see current prospectus for more information.

Underlying Index Data

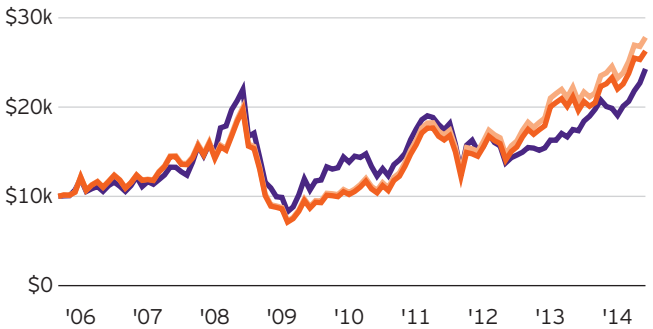
Dynamic Energy Exploration & Production Intellidex	DWE
Index Provider	NYSE Arca

A Smart Beta Portfolio

Fund Inception: Oct. 26, 2005

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

Growth of $10,000



- Dynamic Energy Exploration & Production Intellidex Index $27,815
- Dynamic Energy Exploration & Production Portfolio $26,278
- S&P Oil & Gas Exploration & Production Index $24,277

Data beginning Fund inception and ending June 30, 2014. Fund performance shown at NAV.

Fund Performance & Index History (%)

	YTD	1 year	3 year	5 year	10 year	Fund Inception
Underlying Index						
Dynamic Energy Exploration & Production Intellidex Index	13.27	34.92	18.11	25.75	–	12.51
Benchmark Index						
S&P Oil & Gas Exploration & Production Index	22.22	39.89	11.60	17.79	15.53	10.76
Fund						
NAV	12.86	33.96	17.21	24.80	–	11.78
After Tax Held	12.49	33.18	16.71	24.44	–	11.57
After Tax Sold	7.28	19.40	13.48	20.47	–	9.70
Market Price	13.01	33.85	17.21	24.81	–	11.77

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 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 (%)
Dynamic Energy Exploration & Production Intellidex Index	–	–	–	1.14	22.61
S&P Oil & Gas Exploration & Production Index	9.03	0.89	0.90	0.77	22.98

Alpha, beta and correlation are that of the underlying 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 S&P Composite 1500 Oil and Gas Exploration & Production (S&P Oil & Gas Exploration & Production) Index consists of all oil and gas exploration and production stocks included in the S&P Composite 1500 Index.

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.

PXE

PowerShares Dynamic Energy Exploration & Production Portfolio

As of June 30, 2014

Top 30 Fund Holdings (%)

Name	Weight
EOG Resources	5.27
Marathon Oil	5.20
Chesapeake Energy	5.17
Apache	5.15
ConocoPhillips	5.12
Southwestern Energy	4.78
Phillips 66	4.53
Valero Energy	4.27
Newfield Exploration	3.16
Carrizo Oil & Gas	3.14
RSP Permian	3.13
EP Energy Corp	2.99
Laredo Petroleum	2.92
Whiting Petroleum	2.91
W&T Offshore	2.91
Cimarex Energy	2.89
SM Energy	2.89
Clayton Williams Energy	2.87
Ultra Petroleum	2.86
QEP Resources	2.81
SandRidge Energy	2.79
Stone Energy	2.75
CVR Energy	2.67
EQT	2.61
Northern Tier Energy	2.50
CVR Refining	2.43
Alon USA Partners	2.40
Western Refining	2.38
HollyFrontier	2.31
PBF Energy	2.18

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

Annual Index Performance (%)

	Dynamic Energy Exploration & Production Intellidex Index	S&P Oil & Gas Exploration & Production Index
2006	12.85	3.57
2007	36.07	43.05
2008	-44.58	-37.33
2009	20.65	44.78
2010	40.98	13.52
2011	-0.84	-7.58
2012	24.72	2.07
2013	30.85	28.77
2014 YTD	13.27	22.22

Fund Details

P/B Ratio	2.13
P/E Ratio	16.01
Return on Equity	13.36%
Weighted Market Cap ($MM)	20,249

Fund Subindustry Allocations (%)

Oil & Gas Exploration & Production	74.61
Oil & Gas Refining & Marketing	25.67
Oil & Gas Equipment & Services	-0.28

Fund Market-Cap Allocations (%)

Large-Cap Blend	4.86
Large-Cap Growth	8.06
Large-Cap Value	30.28
Mid-Cap Blend	5.88
Mid-Cap Growth	8.96
Mid-Cap Value	14.15
Small-Cap Blend	14.18
Small-Cap Growth	6.37
Small-Cap Value	7.27

Leading the Intelligent ETF Revolution®

About risk

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

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

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.

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

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.

The Intellidex™ Indexes are trademarks of NYSE Euronext or its affiliates and are licensed for use by Invesco PowerShares Capital Management LLC in connection with the PowerShares Intellidex investment products. The products are not sponsored or endorsed by NYSE Arca, and NYSE Arca makes no warranty or representation as to the accuracy and/or completeness of the Indexes or results to be obtained by any person from use of the Indexes or the trading of the products.

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

PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd.

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 invescopowershares.com for the prospectus/summary prospectus.

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

© 2014 Invesco PowerShares Capital Management LLC