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powerSHARES®

PFEM PowerShares Fundamental Emerging Markets Local Debt Portfolio

As of June 30, 2015

Fund Description

The PowerShares Fundamental Emerging Markets Local Debt Portfolio is based on the Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index. The Fund generally will invest at least 80% of its total assets in the bonds issued by the national governments of emerging market countries that comprise the Index. The Index measures the performance of local currency bonds issued by the national governments from a set of emerging market countries. The Fund and the Index are reconstituted annually in October and rebalanced monthly.

Fund Data

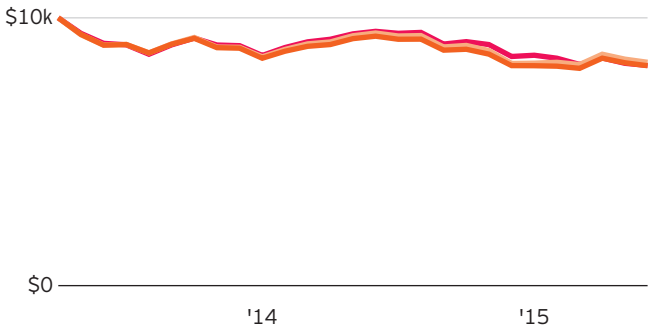
Fundamental Emerging Markets Local Debt Portfolio	PFEM
Intraday NAV (IIV)	PFEMIV
CUSIP	73936Q736
Listing Exchange	NYSE Arca
Number of Securities	44
30-Day SEC Yield	5.33%
30-Day SEC Unsubsidized Yield	5.33%
Years To Maturity	6.49
Effective Duration	4.64 Yrs
Total Expense Ratio	0.50%

As of June 5, 2015, the source of the calculation for these fund characteristics was changed from Aladdin (BRS) to Bloomberg.

Underlying Index Data

Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency	CCRFEMEU
Index Provider	Citigroup Index, LLC
Effective Duration	5.25 Yrs
Years To Maturity	7.60
Average Yield to Worst	6.20%
Number of Securities	328

Growth of $10,000



- Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index $8,340
- BofA ML Local Debt Markets Plus Index $8,222
- Fundamental Emerging Markets Local Debt Portfolio $8,212

Data beginning Fund inception and ending June 30, 2015. Fund performance shown at NAV.

Fund Performance & Index History (%)

	YTD	1 year	3 year	5 year	10 year	Fund Inception
Underlying Index						
Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index	0.55	-11.59	-1.17	–	–	-8.12
Benchmark Index						
BofA ML Local Debt Markets Plus Index	-3.91	-13.41	-1.95	1.65	–	-8.73
Fund						
NAV	-0.04	-11.84	–	–	–	-8.79
After Tax Held	-1.15	-13.09	–	–	–	-9.53
After Tax Sold	-0.02	-6.64	–	–	–	-6.88
Market Price	-6.23	-12.63	–	–	–	-9.18

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 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 between the highest bid and the lowest offer, as of the time that the Fund's NAV is calculated, generally around 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.

Effective April 1, 2015, Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index data was recalculated by the index provider to account for revised treatment of Brazil, Chile and Israel bonds.

3-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index	–	–	–	-0.13	9.36
BofA ML Local Debt Markets Plus Index	0.85	1.02	0.97	-0.22	8.93

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

A Smart Beta Portfolio

Fund Inception: May 9, 2013

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 BofA Merrill Lynch Local Debt Markets Plus Index is designed to track the performance of sovereign debt publicly issued and denominated in the issuer's own domestic market and currency other than the more established top-tier sovereign markets.

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.

PFEM

PowerShares Fundamental Emerging Markets Local Debt Portfolio

As of June 30, 2015

Top 10 Fund Holdings

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Korea Treasury Bond	4.250	6/10/2021	AA-/Aa3	6.59
Brazil Notas do Tesouro Nacional Serie F	10.000	1/1/2021	BBB+/Baa2	5.72
Russian Federal Bond - OFZ	7.600	7/20/2022	BBB-/Ba1	4.85
Russian Federal Bond - OFZ	6.800	12/11/2019	BBB-/Ba1	4.44
Chile Government International Bond	6.000	1/1/2020	AA+/Aa3	4.29
Indonesia Treasury Bond	11.000	9/15/2025	BB+/Baa3	3.98
Mexican Bonos	8.500	5/31/2029	A/A3	3.68
Israel Government Bond - Fixed	5.500	1/31/2022	A+/A1	3.65
China Government Bond	2.560	6/29/2017	AA-/Aa3	3.53
Turkey Government Bond	10.500	1/15/2020	BBB-/Baa3	2.96

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

Fund Country Allocations (%)

Russia	11.57
Brazil	11.19
Mexico	8.00
Indonesia	7.93
South Korea	7.84
Philippines	4.73
Malaysia	4.73
Chile	4.29
Israel	4.28
Turkey	4.16

Credit Ratings (%)

	S&P	Moody's
AA/Aa	19.77	15.80
A/A	28.94	28.80
BBB/Baa	35.13	38.46
BB/Ba	11.77	16.67
B/B	–	–
Not Rated/Not Rated	4.38	0.28

Maturity (years)

	Weight (%)
0-1	0.71
1-5	38.78
5-10	39.48
10-15	15.32
15-20	4.52
20-25	1.20
25+	–

Leading the Intelligent ETF Revolution®

About risk

The Fund's use of a representative sampling approach will result in its holding a smaller number of bonds than are in the underlying Index, and may be subject to greater volatility.

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

Non-investment grade securities may be subject to greater price volatility due to specific corporate developments, interest-rate sensitivity, negative perceptions of the market, adverse economic and competitive industry conditions and decreased market liquidity.

The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

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 may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

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.

Fixed-income investments are subject to credit risk of the issuer and the effects of changing interest rates. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating. Due to anticipated Federal Reserve Board policy changes, there is a risk that interest rates will rise in the near future.

The Fund is non-diversified and may experience greater volatility than a more diversified investment.

Government obligors in emerging market countries are among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial instruments. Issuers of sovereign debt or the governmental authorities that control repayment may be unable or unwilling to repay principal or interest when due, and the Fund may have limited recourse in the event of default. Without debt holder approval, some governmental debtors may be able to reschedule or restructure their debt payments or declare moratoria on payments.

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. **Credit ratings** are assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying bond issuers. The ratings range from AAA (highest) to D (lowest) and are subject to change. Not rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. Futures and other derivatives are not eligible for assigned credit ratings by any NRSRO and are excluded from quality allocations. For more information on rating methodologies, please visit the following NRSRO websites: standardandpoors.com and select "Understanding Ratings" under Rating Resources and moodys.com and select "Rating Methodologies" under Research and Ratings. **Effective Duration** is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. This duration measure is appropriate for bonds with embedded options.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.

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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.

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