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SPLV

Fund in Focus
S&P 500® Low Volatility Portfolio

Index:	S&P 500 Low Volatility Index
Inception:	May 5, 2011
AUM: *(as of Sept. 30, 2016)*	$7.09 Billion
Total expense ratio:	0.25%

Key features

- **One of the purest approaches to harvesting the low volatility anomaly[1]**
- **Potential to mitigate downside risk and participate in rising markets**
- **Unconstrained methodology may allow for dynamic sector allocation in an attempt to avoid sector bubbles and allow for excess return potential across market cycles**
- **Historically offered lower downside capture in drawdown periods versus an optimized minimum volatility strategy[2]**

One of the purest approaches to harvesting the low volatility anomaly

Not all low volatility approaches are alike. SPLV provides access to the low volatility factor without imposing sector constraints. It's a simple, transparent approach that allows SPLV's underlying index to rotate, through quarterly scheduled rebalancing, out of the most volatile sectors to provide risk mitigation potential.

We refer to it as a "pure" approach to low volatility. Investors have exposure to stocks with the lowest volatility in their universe, without the sector constraints that may arbitrarily skew low volatility allocations. This contrasts with an optimized minimum volatility strategy, which applies a mathematical, "black-box" process of portfolio optimization to derive a portfolio of low volatility stocks, using arbitrary constraints chosen by the creator of the optimization model. The constraints may result in unintended consequences of less protection with the inclusion of stocks that may not be the lowest volatility stocks within their universe.

For illustrative purposes only.

Potential to mitigate downside risk and participate in rising markets

SPLV provided significant protection during each of the large drawdown periods since its inception

Large drawdown periods	S&P 500 Index return	SPLV return (NAV)	% of market decline captured by SPLV
7/7/2011 - 10/3/2011	-18.4%	-8.0%	43.5%
4/2/2012 - 6/1/2012	-9.6%	-2.4%	25.0%
9/18/2014 - 10/15/2014	-7.3%	-2.3%	31.5%
5/21/2015 - 2/11/2016	-12.8%	-1.3%	10.2%

Source: Bloomberg L.P., as of Sept. 30, 2016. ***Past performance does not guarantee future results.*** *An investment cannot be made directly into an index. Index returns do not represent fund returns. Drawdown periods are periods during which the S&P 500 Index had its largest declines from peak to trough, May 5, 2011 to Sept. 30, 2016.*

SPLV has offered participation in rising markets since inception

Since its inception, SPLV generated an annualized excess return of 2% relative to the S&P 500 Index.

	1-year	3-year	5-year	Annualized return since SPLV inception (5/5/2011)	Sharpe ratio[3]
SPLV NAV	17.8%	12.5%	14.8%	13.0%	1.39
S&P 500 Index	15.4%	11.2%	16.4%	11.8%	1.0
Excess return	**2.4%**	**1.3%**	**-1.6%**	**1.2%**	-

Source: Bloomberg L.P., as of Sept. 30, 2016. 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 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.

1 A common assumption in finance is that increasing a portfolio's risk exposure should generate a higher return. In contrast, the low volatility anomaly refers to the observation that historically, portfolios of lower-volatility stocks produced higher risk-adjusted returns than portfolios with high-volatility stocks.

2 The Fund is considered non-diversified and may be subject to greater risks than a diversified fund. The Fund's unconstrained approach can result in industry or sector concentration, which may subject it to greater risk and impact by market volatility than investments with sector constraints, such as optimized minimum volatility strategies.

3 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.

The results of mitigating downside exposure

SPLV's since-inception outperformance of the broad equity market, as represented by the S&P 500 Index, included one of the strongest bull markets in history and was accomplished by avoiding large drawdowns and reducing volatility of returns.

	Volatility[1]	Maximum drawdown since SPLV inception[2]	Downside capture[1]	Upside capture[1]
SPLV (NAV)	9.3%	-12.6%	0.42	0.75
S&P 500 Index	11.8%	-18.4%	1.00	1.00

1 Source: Bloomberg L.P., from May 5, 2011 to Sept. 30, 2016.
2 Source: Bloomberg L.P., from May 5, 2011 to Sept. 30, 2016. Maximum drawdown represents the largest period of decline from peak to trough. SPLV's maximum drawdown occurred July 7, 2011 to August 8, 2011. The S&P 500 Index's maximum drawdown occurred July 7, 2011 to October 3, 2011. ***Past performance does not guarantee future results****. An investment cannot be made directly into an index. Index returns do not represent fund returns.*

Through its pure exposure to the low volatility factor, SPLV:

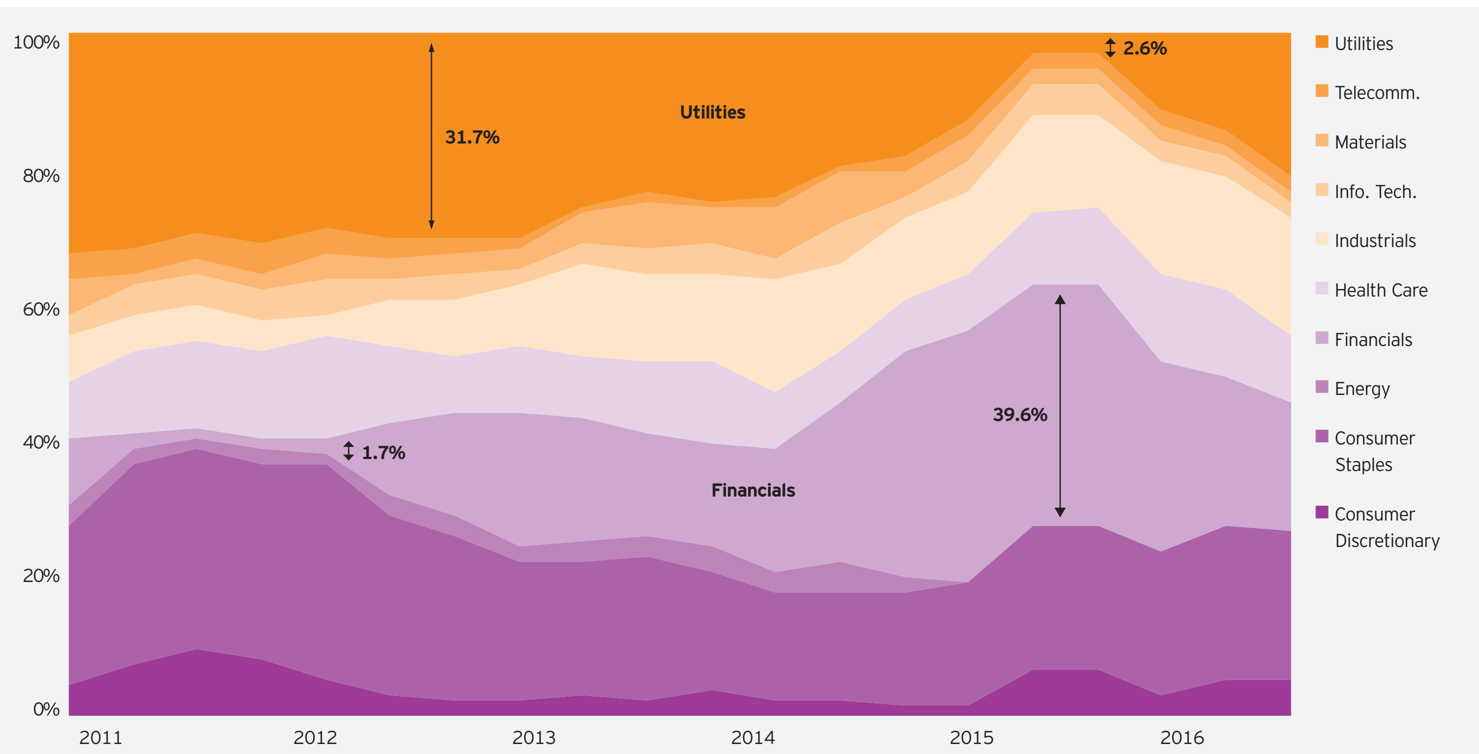
- captured only 42% of the broad equity market's downside
- experienced a smaller maximum drawdown than the broad equity market

Unconstrained methodology results in dynamic sector allocation

The unconstrained methodology of the S&P 500 Low Volatility Index results in dynamic sector allocation, which through scheduled quarterly rebalancing:

- **May help avoid major sector downturns and bubbles**, such as the technology bubble of 2000 and the financial crisis of 2008. Conversely, an optimized minimum volatility index approach would have constrained its sector exposure to closely track the broader market, which would have resulted in extended exposure to out-of-favor sectors.
- **Allows for the possibility of excess returns across market cycles**. SPLV's exposure to the underperforming utilities sector was reduced from 32% to as low as 3% by mid-2015, while its exposure to recovering financial stocks increased from 2% to 37 % between October 2012 and March 2015 – an example of how SPLV's unconstrained methodology can produce excess returns over time.

SPLV's dynamic sector allocation across market cycles



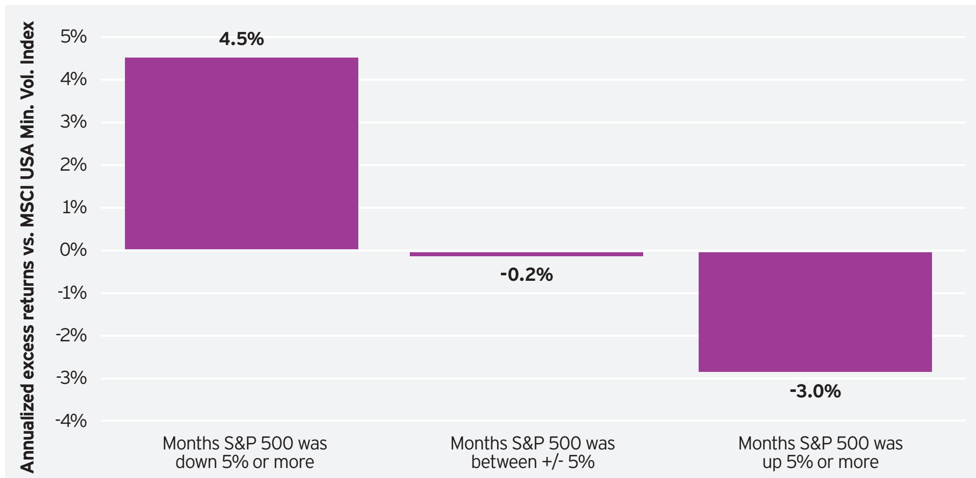
Source: Bloomberg, L.P., from May 31, 2011 to Sept. 30, 2016.
The Fund and the S&P 500 Low Volatility Index shown above rebalance on the third Friday in Feb., May, Aug., and Nov. Investors cannot invest directly in an index.

Historically offered lower downside capture in drawdown periods versus an optimized minimum volatility strategy

- In drawdown periods, a pure low volatility strategy like the S&P 500 Low Volatility Index has historically outperformed the market and provided greater relative downside protection than the MSCI USA Minimum Volatility Index, which utilizes an optimized minimum volatility approach. We believe this relative outperformance is attributable to our pure, unconstrained approach, which does not impose sector constraints.
- With a correlation of 0.68, the S&P 500 Low Volatility Index was less correlated to the S&P 500 Index ("the market") during drawdowns than the MSCI USA Minimum Volatility Index, which had a correlation of 0.81.* This relatively lower correlation to the market has meant the S&P 500 Low Volatility Index has historically offered greater downside protection relative to the MSCI USA Minimum Volatility Index.
- The S&P 500 Low Volatility Index is designed to participate in rising markets but will tend to underperform the broader market in an uptrend.

**Source: Bloomberg, LP, July 7, 2011 through February 11, 2016.*
Drawdown periods are periods during which the S&P 500 Index had its largest declines from peak to trough, May 5, 2011 to Sept. 30, 2016.

S&P 500 Low Volatility Index annualized excess return versus MSCI USA Minimum Volatility Index



*Diversification does not guarantee a profit or eliminate the risk of loss. Source: Bloomberg, L.P. from May 31, 2011 to Sept. 30, 2016. **Past Performance does not guarantee future results**. An investment cannot be made directly into an index. Index returns do not represent fund returns. During the period May 31, 2011 through Sept. 30, 2016, the annualized return for the S&P 500 Low Volatility Index was 13.26%, and the annualized return for the MSCI USA Minimum Volatility Index was 13.28%.*

Across large drawdown periods since SPLV's inception, its underlying index provided greater downside protection than the MSCI USA Minimum Volatility Index.

S&P 500 Low Volatility Index across drawdown periods vs. MSCI USA Minimum Volatility Index

Large drawdown periods	S&P 500 return	S&P 500 Low Vol Index (pure low vol.)	MSCI USA Min Vol Index (optimized min. vol.)	S&P 500 Low Vol excess return vs. MSCI USA Min Vol
7/7/2011 - 10/3/2011	-18.4%	-7.9%	-10.0%	+2.1%
4/2/2012 - 6/1/2012	-9.6%	-2.4%	-3.5%	+1.1%
9/18/2014 - 10/15/2014	-7.3%	-2.3%	-3.5%	+1.1%
5/21/2015 - 2/11/2016	-12.8%	-1.1%	-3.3%	+2.2%
Average	**-12.0%**	**-3.4%**	**-5.1%**	**+1.6%**

*Source: Bloomberg L.P., as of Sept. 30, 2016. **Past performance does not guarantee future results**.*
An investment cannot be made directly into an index. Index returns do not represent fund returns.
Drawdown periods are periods during which the S&P 500 Index had its largest declines from peak to trough, May 5, 2011 to Sept. 30, 2016.

Standardized performance as of Sept. 30, 2016 (%)

	YTD	1-year	3-year	5-year	10-year	Since inception
SPLV NAV	9.29	17.79	12.53	14.83	N/A	12.96
SPLV Market Price	9.20	17.79	12.59	14.80	N/A	12.97
S&P 500 Low Volatility Index	9.49	18.10	12.83	15.12	N/A	13.26
S&P 500 Index	7.84	15.43	11.16	16.37	7.24	11.78

The Fund's total expense ratio is 0.25%. ***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 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. An investment cannot be made directly into an index. Index returns do not represent fund returns.*

PowerShares is an ETF industry innovator and smart beta pioneer. In addition to SPLV, we offer a suite of low volatility ETFs to give investors access to products that seek low volatility on a global level. Contact us to learn more:

Financial Advisors
800.983.0903

Registered Investment Advisors and Institutions
866.406.5693

Index information
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.

The S&P 500® Low Volatility Index measures performance of the 100 stocks with lowest realized volatility over the past 12 months from the S&P 500®. The index benchmarks low volatility or low variance strategies for the US stock market. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights.

The MSCI USA Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the US large- and mid-cap equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI USA Index.

Definitions
A **bull market** is a period in which prices are rising or expected to rise in a financial market of a group of securities, which encourages buying.

Correlation is the degree to which two investments have historically moved in relation to each other.

Down(side) capture measures how much performance loss a fund captures relative to a benchmark index in down markets.

Low volatility describes using volatility rankings while seeking to minimize the effects of market fluctuations.

Maximum drawdown is an indicator of the risk of a portfolio chosen based on a certain strategy. It measures the largest single drop from peak to bottom in the value of a portfolio (before a new peak is achieved).

Up(side) capture measures how much performance gain a fund captures relative to a benchmark index in up markets.

Volatility measures the standard deviation from a mean of historical prices of a security or portfolio over time.

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 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.

There is no assurance that the strategies or funds listed in this material will achieve their investment objectives.

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

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

There is no assurance that the Fund will provide low volatility.

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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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, 75,000, 100,000 or 200,000 shares.

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Note: Not all products are available through all firms.

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.

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