Invesco

powerSHARES®

PWZ

PowerShares California AMT-Free Municipal Bond Portfolio

As of Sept. 30, 2014

Fund Description

The PowerShares California AMT-Free Municipal Bond Portfolio is based on The BofA Merrill Lynch California Long-Term Core Plus Municipal Securities Index. The Fund generally will invest at least 80% of its total assets in municipal securities that comprise the Index and that also are exempt from the federal alternative minimum tax. The Index is composed of US dollar-denominated, investment grade, tax-exempt debt publicly issued by California or any US territory, or their political subdivisions, in the US domestic market with a term of at least 15 years remaining to final maturity. The Index is adjusted monthly and its constituents are capitalization-weighted based on their current amount outstanding. The Fund and the Index are rebalanced and reconstituted monthly.

Effective 7/8/14, the Fund's name, investment objective, investment policy, investment strategies and underlying index changed. The Fund's name changed to PowerShares California AMT-Free Municipal Bond Portfolio, and the underlying index changed to BofA Merrill Lynch California Long-Term Core Plus Municipal Securities Index.

Fund Data

California AMT-Free Municipal Bond Portfolio	PWZ
Intraday NAV (IIV)	PWZIV
CUSIP	73936T441
Listing Exchange	NYSE Arca
Number of Securities	55
30-Day SEC Yield	2.14%
30-Day SEC Unsubsidized Yield	N/A
Years To Maturity	22.20
Effective Duration	7.75 Yrs
Total Expense Ratio	0.28%

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.

As of Dec. 31, 2013, the source of the calculation for these Fund characteristics was changed from Bloomberg to Aladdin (BRS).

Underlying Index Data

BofA Merrill Lynch California Long-Term Core Plus Municipal Securities	UCAP
Index Provider	BofA Merrill Lynch
Effective Duration	8.52 Yrs
Years To Maturity	22.81
Average Yield to Worst	2.74%
Number of Securities	954

Fund Inception: Oct. 11, 2007

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

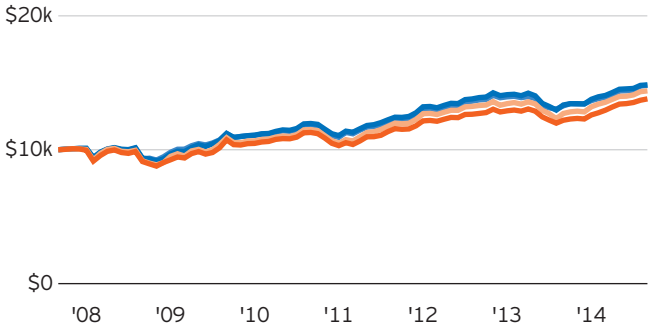
BofA Merrill Lynch California Long-Term Core Plus Municipal Securities Index* performance prior to 5/29/2009 reflects that of the original Underlying Index The BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index. From 5/29/2009 to 7/8/2014, the Index performance reflects that of the Underlying Index BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index. From 7/8/2014 forward, the Index performance reflects that of the Underlying Index BofA Merrill Lynch California Long-Term Core Plus Municipal Securities Index AND IS NOT INTENDED FOR ANY THIRD PARTY USE.

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.

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.

Growth of $10,000



- Barclays Municipal Bond 20 Year Index $14,846
- Barclays Municipal Insured Long 20 Year Index $14,808
- BofA Merrill Lynch California Long-Term Core Plus Municipal Securities Index* $14,396
- California AMT-Free Municipal Bond Portfolio $13,798

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

Fund Performance & Index History (%)

	YTD	1 year	3 year	5 year	10 year	Fund Inception
Underlying Index						
BofA Merrill Lynch CA Long-Term Core Plus Muni Securities Index	12.61	12.27	–	–	–	5.21
Benchmark Indexes						
Barclays Municipal Bond 20 Year Index	10.64	11.27	6.10	5.77	5.49	5.83
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index	10.96	12.00	5.90	5.48	–	5.25
Barclays Municipal Insured Long 20 Year Index	10.32	11.55	6.43	5.74	–	5.79
Fund						
NAV	12.22	13.09	6.04	5.14	–	4.72
After Tax Held	10.76	11.61	5.57	4.84	–	4.51
After Tax Sold	6.88	7.81	5.10	4.62	–	4.39
Market Price	13.10	14.08	6.13	5.24	–	4.66

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.

1-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
BofA Merrill Lynch CA Long-Term Core Plus Muni Securities Index	–	–	–	4.46	2.72
Barclays Municipal Bond 20 Year Index	-0.69	1.15	0.85	5.58	2.00
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index	-0.42	1.06	0.82	5.64	2.10
Barclays Municipal Insured Long 20 Year Index	2.23	0.86	0.63	5.70	2.00

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

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PowerShares California AMT-Free Municipal Bond Portfolio

As of Sept. 30, 2014

Top 10 Fund Holdings

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Guam Power Authority	5.000	10/1/2030	AA/A2	3.92
California State University	5.000	11/1/2039	AA-/Aa2	3.87
Pittsburg Unified School District	5.500	9/1/2046	AA/Aa3	3.82
Los Angeles Department of Water & Power	5.000	7/1/2043	AA/Aa2	3.80
San Francisco City & County Airports Comm-San Francisco Inte	5.000	5/1/2044	A+/A1	3.78
West Contra Costa Unified School District	5.000	8/1/2032	AA/Aa3	3.78
Guam Power Authority	5.000	10/1/2037	AA/A2	3.75
Yosemite Community College District	5.000	8/1/2032	AA/Aa2	3.33
Corona-Norca Unified School District	5.500	8/1/2039	AA/Aa2	2.97
County of Kern CA	5.750	8/1/2035	AA/A1	2.93

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

Credit Ratings (%)

	S&P	Moody's
AAA/Aaa	4.69	–
AA/Aa	85.26	55.76
A/A	7.42	39.02
BBB/Baa	–	0.68
BB/Ba	–	–
B/B	–	–
Not Rated/Not Rated	2.64	4.53

Maturity (years)

	Weight (%)
0-1	–
1-5	–
5-10	–
10-15	1.97
15-20	34.74
20-25	37.58
25+	25.71

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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.

Investments in fixed-income securities, such as notes and bonds, carry interest rate and credit risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health. Due to anticipated Federal Reserve Board policy changes, there is a risk that interest rates will rise in the near future.

There is no guarantee that the Fund's income will be exempt from federal or state income taxes.

Municipal insurance doesn't protect against losses in the fund.

Municipal securities may be affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. The market for municipal bonds may also be less liquid than for taxable bonds.

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.

Puerto Rico's current economic problems increase the risk of investing in Puerto Rican municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of Puerto Rican municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

California's current economic problems increase the risk of investing in California municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of California municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

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 Fund's underlying securities may be subject to call risk, which may result in the Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund's income.

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

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 **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. **Beta** is a measure of relative risk and the slope of regression. **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. **Average Yield to Worst** is the lowest of all yield to calls or the yield to maturity. **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.

The BofA Merrill Lynch California Insured Long-Term Core Municipal Securities Index is designed to track the performance of US dollar-denominated, investmentgrade, insured, tax-exempt debt publicly issued by California or Puerto Rico or their political subdivisions. The Barclays Municipal Insured Long 20 Year Index and the Barclays Municipal Bond 20 Year Index are unmanaged indexes of insured municipal securities with remaining maturities of 17 to 22 years.

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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.

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