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powerSHARES®

PPA PowerShares Aerospace & Defense Portfolio

As of June 30, 2014

Fund Description

The PowerShares Aerospace & Defense Portfolio is based on the SPADE™ Defense Index. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Index is designed to identify a group of companies involved in the development, manufacturing, operations and support of US defense, homeland security and aerospace operations. The Fund and the Index are rebalanced and reconstituted quarterly.

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.

Fund Data

Aerospace & Defense Portfolio	PPA
Intraday NAV (IIV)	PPAIV
CUSIP	73935X690
Listing Exchange	NYSE Arca
Number of Securities	52
30-Day SEC Yield	0.85%
30-Day SEC Unsubsidized Yield	N/A
Total Expense Ratio	0.79%
Net Expense Ratio	0.66%

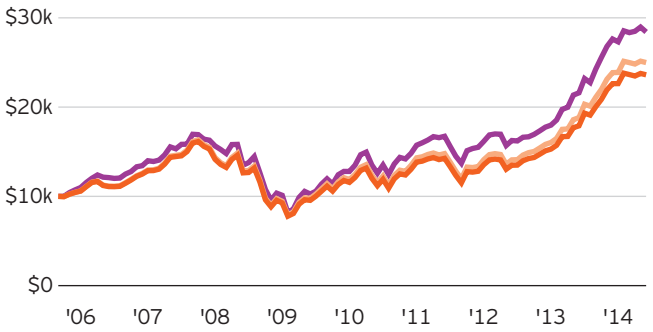
The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least Aug. 31, 2014.

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

SPADE Defense	DXS
Index Provider	ISBC, LLC

Growth of $10,000



- S&P Aerospace & Defense Index $28,411
- SPADE Defense Index $24,990
- Aerospace & Defense Portfolio $23,617

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						
SPADE Defense Index	4.73	32.81	19.11	20.64	–	11.13
Benchmark Index						
S&P Aerospace & Defense Index	2.84	31.55	19.31	22.59	12.63	12.78
Fund						
NAV	4.40	31.93	18.32	19.84	–	10.41
After Tax Held	4.31	31.55	17.98	19.56	–	10.22
After Tax Sold	2.49	18.26	14.44	16.21	–	8.53
Market Price	4.46	31.83	18.26	19.81	–	10.42

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 (%)
SPADE Defense Index	–	–	–	1.33	15.50
S&P Aerospace & Defense Index	-0.82	0.96	0.98	1.43	15.79

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

Fund Inception: Oct. 26, 2005

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.

Fund performance figures include the reinvestment of dividends, but the return figures for the respective underlying Index do not. As a result, Fund performance returns may appear to be more favorable when compared to the underlying Index's returns.

The S&P Composite 1500 Aerospace and Defense (S&P Aerospace & Defense) Index consists of all aerospace and defense 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.

PPA PowerShares Aerospace & Defense Portfolio

As of June 30, 2014

Top 30 Fund Holdings (%)

Name	Weight
Honeywell International	6.34
United Technologies	6.33
Lockheed Martin	6.27
Boeing	6.25
General Dynamics	5.52
Precision Castparts	5.05
Northrop Grumman	4.46
Raytheon	4.43
Textron	4.05
Rockwell Collins	4.00
L-3 Communications	3.98
Computer Sciences	3.55
TransDigm	3.42
Ball	3.37
Harris	3.11
FLIR Systems	1.90
Oshkosh	1.82
Huntington Ingalls	1.79
Alliant Techsystems	1.65
Hexcel	1.54
Esterline Technologies	1.42
Teledyne Technologies	1.41
Triumph	1.41
Heico	1.33
Moog 'A'	1.28
Exelis	1.25
Booz Allen Hamilton	1.23
URS	1.23
Leidos Holdings	1.11
Viasat	1.04

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

Annual Index Performance (%)

	SPADE Defense Index	S&P Aerospace & Defense Index
2007	23.27	21.27
2008	-37.10	-36.41
2009	24.06	23.51
2010	11.39	15.83
2011	-1.00	4.58
2012	18.62	14.54
2013	50.80	55.63
2014 YTD	4.73	2.84

Fund Details

P/B Ratio	3.04
P/E Ratio	17.63
Return on Equity	23.24%
Weighted Market Cap ($MM)	30,142

Fund Subindustry Allocations (%)

Aerospace & Defense	77.66
Communications Equipment	4.38
IT Consulting & Other Services	4.22
Data Processing & Outsourced Services	3.55
Metal & Glass Containers	3.37
Electronic Equipment & Instruments	2.41
Construction Machinery & Heavy Trucks	1.82
Construction & Engineering	1.23
Alternative Carriers	0.77
Trading Companies & Distributors	0.45

Fund Market-Cap Allocations (%)

Large-Cap Blend	23.52
Large-Cap Growth	5.08
Large-Cap Value	16.39
Mid-Cap Blend	6.63
Mid-Cap Growth	6.84
Mid-Cap Value	22.89
Small-Cap Blend	5.94
Small-Cap Growth	4.69
Small-Cap Value	8.02

Fund Sector Allocations (%)

Consumer Discretionary	–
Consumer Staples	–
Energy	–
Financials	–
Health Care	–
Industrials	81.16
Information Technology	14.70
Materials	3.37
Telecommunication Services	0.77
Utilities	–

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 aerospace and defense industry, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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

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.

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. **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.

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 SPADE Defense Index is a trademark of ISBC LLC and is licensed for use by Invesco PowerShares Capital Management LLC in connection with the PowerShares Aerospace & Defense Portfolio. ISBC's only relationship to Invesco PowerShares is ISBC's licensing to Invesco PowerShares certain ISBC trademarks, Indexes and trade names, which are composed by ISBC without regard to Invesco PowerShares, this Product or any investor, and ISBC makes no warranty or representation regarding the advisability of purchasing, holding or trading this Product.

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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.

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