

# PRF PowerShares FTSE RAFI US 1000 Portfolio

As of Dec. 31, 2014

## Fund Description

The PowerShares FTSE RAFI US 1000 Portfolio is based on the FTSE RAFI US 1000 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 track the performance of the largest US equities, selected based on the following four fundamental measures of firm size: book value, cash flow, sales and dividends. The 1,000 equities with the highest fundamental strength are weighted by their fundamental scores. The Fund and the Index are reconstituted annually.

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

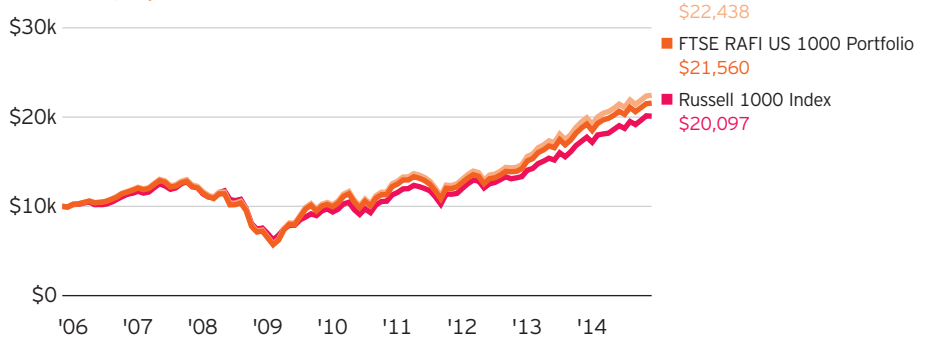
FTSE RAFI US 1000 Portfolio	PRF
Intraday NAV (IIV)	PRFIV
CUSIP	73935X583
Listing Exchange	NYSE Arca
Number of Securities	1,032
30-Day SEC Yield	1.87%
30-Day SEC Unsubsidized Yield	1.85%
Total Expense Ratio	0.41%
Net Expense Ratio	0.39%

The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least Aug. 31, 2015.

## Underlying Index Data

FTSE RAFI US 1000	FR10XTR
Index Provider	Research Affiliates, LLC

## Growth of \$10,000



Data beginning Fund inception and ending Dec. 31, 2014. Fund performance shown at NAV.

## Fund Performance & Index History (%)

	1 year	3 year	5 year	10 year	Fund Inception
<b>Underlying Index</b>					
FTSE RAFI US 1000 Index	12.63	21.44	16.55	-	9.36
<b>Benchmark Index</b>					
Russell 1000 Index	13.24	20.62	15.64	7.96	8.03
<b>Fund</b>					
NAV	12.20	20.98	16.10	-	8.88
After Tax Held	11.35	20.38	15.63	-	8.52
After Tax Sold	6.89	16.48	12.93	-	7.17
Market Price	12.38	20.99	16.12	-	8.92

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](http://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 (%)
FTSE RAFI US 1000 Index	-	-	-	1.20	13.78
Russell 1000 Index	0.43	1.03	0.99	1.17	13.27

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

## A Smart Beta Portfolio

Fund Inception: Dec. 19, 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.

The Russell 1000® Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 Index is a trademark/service mark of the

Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

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.

# PRF PowerShares FTSE RAFI US 1000 Portfolio

As of Dec. 31, 2014

Top Fund Holdings (%)	
Name	Weight
Exxon Mobil	2.70
AT&T	1.89
Chevron	1.84
JPMorgan Chase	1.79
Bank of America	1.75
General Electric	1.66
Wells Fargo	1.59
Berkshire Hathaway 'B'	1.48
Apple	1.36
Citigroup	1.31
Microsoft	1.22
Johnson & Johnson	1.21
Pfizer	1.21
Procter & Gamble	1.20
Verizon Communications	1.18
Intel	1.15
Wal-Mart Stores	1.13
ConocoPhillips	0.98
Hewlett-Packard	0.80
Merck	0.77
IBM	0.73
Coca-Cola	0.69
PepsiCo	0.68
CVS Caremark	0.64
Philip Morris International	0.61
Goldman Sachs	0.58
UnitedHealth	0.58
Home Depot	0.58
Altria	0.54
American International	0.54

Annual Index Performance (%)		
	FTSE RAFI US 1000 Index	Russell 1000 Index
2006	19.68	15.46
2007	3.05	5.77
2008	-39.99	-37.60
2009	41.98	28.43
2010	19.98	16.10
2011	0.07	1.50
2012	17.21	16.42
2013	35.66	33.11
2014	12.63	13.24

Fund Details	
P/B Ratio	1.63
P/E Ratio	16.83
Return on Equity	22.64%
Weighted Market Cap (\$MM)	108,033

Fund Industry Allocations (%)	
Oil, Gas & Consumable Fuels	9.29
Banks	8.51
Insurance	4.65
Pharmaceuticals	4.54
Health Care Providers & Services	3.78
Diversified Telecommunication Services	3.59
Food & Staples Retailing	3.44
Electric Utilities	3.04
Media	2.99
Technology Hardware, Storage & Peripherals	2.78

Fund Market-Cap Allocations (%)	
Large-Cap Blend	24.48
Large-Cap Growth	15.63
Large-Cap Value	36.50
Mid-Cap Blend	5.59
Mid-Cap Growth	2.90
Mid-Cap Value	10.08
Small-Cap Blend	1.35
Small-Cap Growth	0.35
Small-Cap Value	3.13

Fund Sector Allocations (%)	
Consumer Discretionary	11.22
Consumer Staples	10.28
Energy	10.55
Financials	21.17
Health Care	11.02
Industrials	10.73
Information Technology	12.17
Materials	3.76
Telecommunication Services	3.65
Utilities	5.44

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

## Leading the Intelligent ETF Revolution®

### About risk

Investments focused in a particular 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.

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. Shares of the Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), or by the London Stock Exchange Plc ("Exchange"), or by The Financial Times Limited ("FT") or by Research Affiliates LLC ("RA"), and neither FTSE nor Exchange nor FT nor RA makes any warranty or representation whatsoever, expressly or

implicitly, as to the results to be obtained from the use of the FTSE RAFI US 1000 Index ("Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with RA; however, neither FTSE nor Exchange nor FT nor RA shall be liable (whether in negligence or otherwise) to any person for any error in the Index, and neither FTSE nor the Exchange nor FT nor RA shall be under any obligation to advise any person of any error therein. "FTSE" is a trademark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under license. "Research Affiliates" and "Fundamental Index" are trademarks of Research Affiliates.

**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](http://invescopowershares.com) for the prospectus/summary prospectus.**

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