



QQQ Fund in Focus

QQQ: The power of innovation in one ETF

Index:	Nasdaq-100 (NDX)
Inception:	March 10, 1999
Total expense ratio:	0.20%
<i>Median expense ratio for Lipper Large-Cap Growth: 0.90%*</i>	
Capital gains distribution:	0.00% vs. Lipper peer group avg of 2.69%

Since QQQ's inception through Sept. 30, 2018.

Overall Morningstar Rating™



Large Growth (1258 funds) as of Sept. 30, 2018.

Lipper peer group ranking

	Percentile	Rank
1 year	21%	(142 of 677)
5 year	1%	(2 of 542)
10 year	1%	(2 of 410)
15 year	2%	(3 of 285)

Large-Cap Growth as of Sept. 30, 2018.

Morningstar ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly performance (excluding the effect of sales charges, loads and redemption fees) placing more emphasis on the downward variations and rewarding consistent performance. Since Inception Lipper Rank data begins the month-end date of the ETF's inception month. Lipper fund percentile rankings are based on total returns, excluding sales charges and including fees and expenses, and are versus mutual funds, ETFs and funds of funds in the category tracked by Lipper.

*Lipper Large-Cap Growth Classification median expense ratio and average annualized capital gains rate (% NAV) are based on open-end, no-load mutual funds and ETFs; excludes funds of funds.

Key features

QQQ is an exchange-traded fund (ETF) designed to track the Nasdaq-100 Index,[®] which comprises the 100 largest non-financial companies traded on the Nasdaq. QQQ provides access to some of the strongest, most innovative global companies in the world.

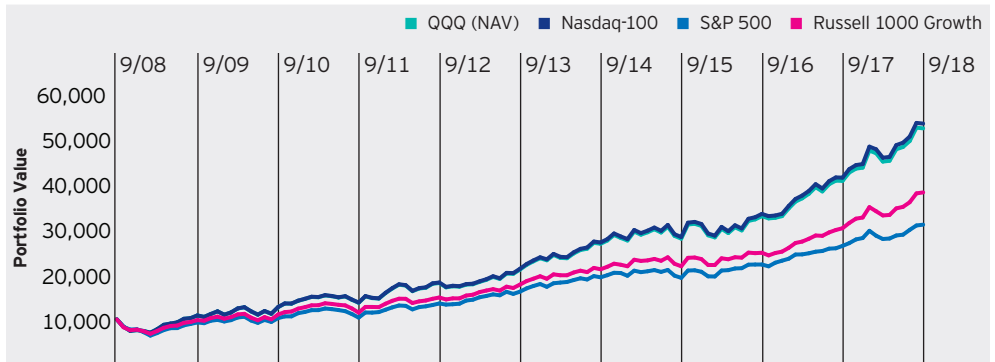
Key features of QQQ:

- **Leading large-cap growth fund with a history of long-term performance¹**
- **A legacy of innovation fueled by robust research and development (R&D) of the Nasdaq-100 Index**
- **Access to profitable, growing companies with strong fundamentals**
- **Diversification benefits within the US large-cap equity space**

Leading large-cap growth fund with a history of long-term performance¹

QQQ's legacy of innovation has made it the second-most-actively traded ETF and the fifth-largest ETF by assets under management in the US.² QQQ's history of long-term outperformance can be seen through the growth of a \$10,000 investment over 10 years.

Growth of \$10K



Source: Bloomberg L.P., as of Sept. 30, 2018.

Strong track record of long-term performance

Index	YTD %	1 Yr %	3 Yr %	5 Yr %	10 Yr %	Since Inception %
QQQ (NAV)	19.98	28.60	23.35	20.00	17.98	7.49
QQQ (Mkt Price)	19.86	28.57	23.36	20.01	17.98	7.48
Nasdaq-100 Index	20.18	28.91	23.63	20.28	18.23	7.72
S&P 500 Index	10.56	17.90	17.28	13.93	11.95	6.27
Russell 1000 Growth Index	17.09	26.30	20.53	16.57	14.30	5.84

Source: Bloomberg L.P., as of Sept. 30, 2018.

Performance data quoted represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than performance data quoted. See invesco.com to find the most recent month end performance numbers. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower. 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. Index returns do not reflect Fund returns. An investor cannot invest directly in an index. Returns less than one year are cumulative.

Nasdaq-100 Index rolling win rate (monthly)

Index	1 year %	3 year %	5 year %	10 year %
S&P 500 Index	64.1	71.5	76.2	86.7
Russell 1000 Growth Index	68.2	76.7	80.6	92.3

Source: Bloomberg L.P., as of Feb. 28, 1985 through Sept. 30, 2018.

Win rate refers to the percentage of periods a fund or index outperforms a benchmark index.

QQQ's underlying index outperformed the S&P 500 Index **86.7%** of the time and the Russell 1000 Growth Index **92.3%** of the time on a 10-year monthly rolling basis.

A legacy of innovation fueled by robust R&D of the Nasdaq-100 Index

QQQ provides access to some of the world's most innovative names – including leading technology, healthcare and consumer companies. These are firms that have developed disruptive technologies through cutting-edge research and development. In fact, since 2015, the innovative firms within QQQ's underlying Nasdaq-100 Index have consistently invested more in R&D than other index constituents.

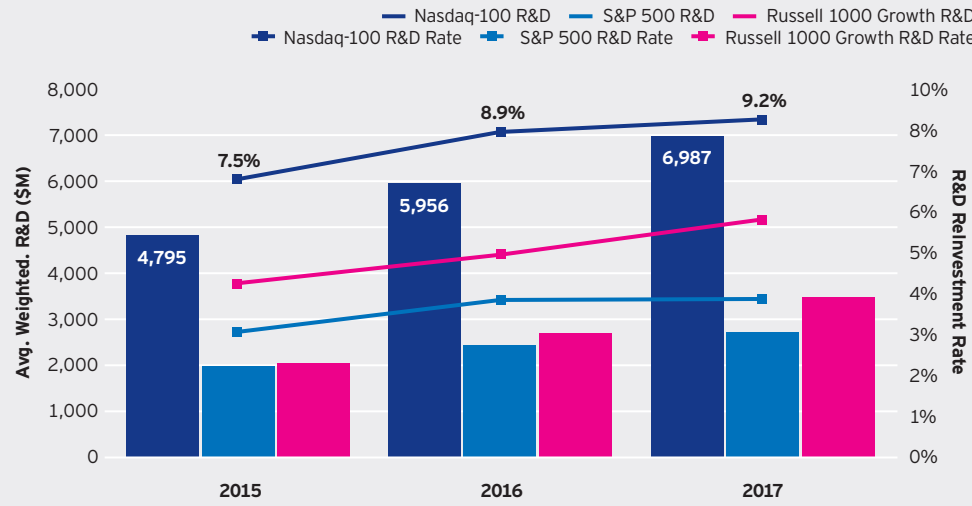
QQQ companies have historically invested a higher percentage of sales in R&D – providing the potential for cutting-edge product innovation and sustainable earnings growth.

The Nasdaq-100 R&D advantage: The foundation of innovation

Companies comprising the Nasdaq-100 in aggregate:

- Invest 2x more in R&D than companies in competing indexes
- Spend a higher percentage of sales on R&D than competing index constituents

R&D: Nasdaq-100 vs. S&P 500 and Russell 1000 Growth indexes



Source: Bloomberg L.P., S&P and FactSet Inc., as of Dec. 31, 2017.



QQQ: A technology powerhouse

QQQ constituents are global technology leaders. But not all technology companies are the same. In fact, QQQ's information technology (IT) sector has outperformed IT sectors in both the S&P 500 Index and Russell 1000 Growth Index.

5-Year IT Sector Performance (Cumulative)

QQQ	S&P 500 Index	Russell 1000 Growth Index
204.4%	177.9%	183.7%

Not all technology companies are the same.

Source: FactSet Research Systems, Inc. Cumulative returns are based on attribution from Sept. 30, 2013 through Sept. 30, 2018. Attribution figures should be used for illustrative and descriptive purposes only. These figures are estimated based on daily holdings and do not account for trading costs or fund expenses. **Past performance is not a guarantee of future results.**

Profitable, growing companies with strong fundamentals

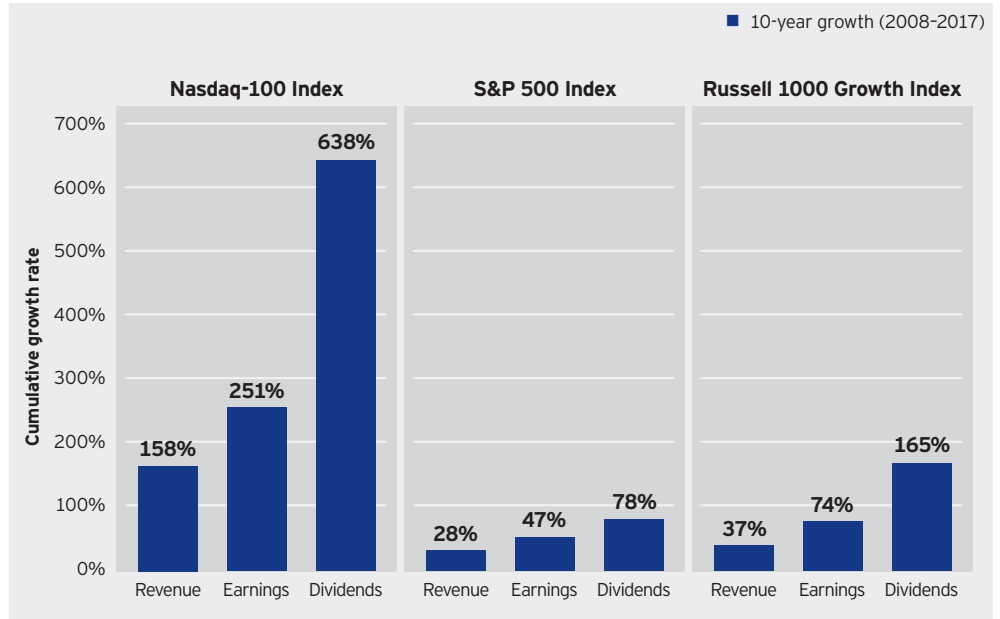
The Nasdaq-100 is made up of cutting-edge blue-chip companies with distinct competitive advantages and a proven ability to convert innovation into profits.

- QQQ constituents have demonstrated robust revenue, earnings and dividend growth
- QQQ companies have strong brand equity, valuable patents and economies of scale that may drive product demand and pricing power

Since 2008, QQQ's underlying index constituents have generated higher growth rates across revenue, earnings and dividends than those of the S&P 500 Index and Russell 1000 Growth Index.

10-year cumulative growth rates across revenue, earnings and dividends averaged 349% for the Nasdaq-100 Index, which was **6.8x** higher than the S&P 500 Index and **3.8x higher** than the Russell 1000 Growth Index.

Revenue, earnings and dividend growth: 10 years (2008-2017)



Source: Bloomberg L.P., as of Dec. 31, 2007 through Dec. 31, 2017.

Diversification benefits within US large-cap equity space

Modern portfolio theory suggests that combining assets that are not perfectly correlated can result in a more diversified portfolio. QQQ's underlying Nasdaq-100 Index offers the lowest average asset correlation of the four leading US large-cap indexes – creating the potential for risk reduction without sacrificing return. In addition, the Nasdaq-100 Index has the lowest average correlation to the S&P 500 Index at 0.83.

The Nasdaq-100 Index has the lowest average correlation to its competitors (0.82). Low levels of correlation can provide potential diversification benefits.

Correlation matrix of Nasdaq-100 Index versus standard large-cap equity indexes

Index	S&P 500 Index	Russell 1000 Index	Russell 1000 Value Index	Russell 1000 Growth Index	Nasdaq-100 Index
S&P 500 Index	1.00	1.00	0.96	0.96	0.83
Russell 1000 Index	1.00	1.00	0.96	0.97	0.84
Russell 1000 Value Index	0.96	0.96	1.00	0.87	0.70
Russell 1000 Growth Index	0.96	0.97	0.87	1.00	0.91
Nasdaq-100 Index	0.83	0.84	0.70	0.91	1.00
Average	0.94	0.94	0.87	0.93	0.82

Source: Bloomberg L.P., daily total returns from Dec. 31, 1990 through Sept. 30, 2018. Totals may vary due to rounding.

Contact us to learn more:

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1 QQQ is ranked in the top 1% for Lipper's Large-Cap Growth category as of Sept. 30, 2018 for the past 10-year period (2 of 410 funds).
2 Bloomberg L.P., as of Sept. 30, 2018.

The **Russell 1000[®] Growth Index**, a trademark/service mark of the Frank Russell Co.,[®] is an unmanaged index considered representative of large-cap growth stocks.

The **Russell 1000[®] Value Index**, a trademark/service mark of the Frank Russell Co.,[®] is an unmanaged index considered representative of large-cap value stocks.

Risk & other information

While it is not PowerShares intention, there is no guarantee that the Funds will not distribute capital gains to its shareholders.

The fund shown may currently be experiencing negative performance. For the most recent month-end performance data, please visit powershares.com. Please note that it is possible for a four- or five-star fund to exhibit low or negative performance within a given period.

Investors should be aware of the material differences between mutual funds and ETFs. ETFs generally have lower expenses than actively managed mutual funds due to their different management styles. Most ETFs are passively managed and are structured to track an index, whereas many mutual funds are actively managed and thus have higher management fees. Unlike ETFs, actively managed mutual funds have the ability to react to market changes and the potential to outperform a stated benchmark. Since ordinary brokerage commissions apply for each ETF buy and sell transaction, frequent trading activity may increase the cost of ETFs. ETFs can be traded throughout the day, whereas, mutual funds are traded only once a day. While extreme market conditions could result in illiquidity for ETFs. Typically they are still more liquid than most traditional mutual funds because they trade on exchanges. Investors should talk with their advisers regarding their situation before investing.

Morningstar Ratings

As of Sept. 30, 2018 the Fund had an overall rating of 5 stars out of 1258 funds, 5 stars out of 1258 funds for the 3-year period, 5 stars out of 1129 funds for the 5-year period and 5 stars out of 818 funds for the 10-year period, respectively in the Large Growth Category.

Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Ratings are calculated for funds with at least a three year history. The overall rating is derived from a weighted average of three-, five- and 10-year rating metrics, as applicable, excluding sales charges and including fees and expenses. Had fees not been waived and/or expenses reimbursed currently or in the past, the Morningstar rating would have been lower. ©2018 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance does not guarantee future results. The top 10% of funds in a category receive five stars, the next 22.5% four stars, the next 35% three stars, the next 22.5% two stars and the bottom 10% one star. Ratings are subject to change monthly. Ratings for other share classes may differ due to different performance characteristics.

Important information

There are risks involved with investing in ETFs, including possible loss of money. The Funds are not actively managed and are subject to risks similar to those of stocks, including those related to short selling and margin maintenance. 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.

Diversification does not guarantee a profit or eliminate the risk of loss.

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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 10,000, 50,000, 75,000, 80,000, 100,000 150,000 or 200,000 shares.

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 funds call 800 983 0903 or visit invesco.com for prospectus/summary prospectus.