

<b>Index:</b>	FTSE RAFI US 1000 Index
<b>Inception:</b>	Dec. 19, 2005
<b>AUM:</b>	\$5.3 Billion
<i>(as of Dec. 31, 2017)</i>	
<b>Capital gains distribution:</b>	<b>0.00%</b> vs. Lipper peer group avg of <b>3.16%*</b>
<i>Since PRF's inception through Dec. 31, 2017.</i>	
<b>Gross expense ratio:</b>	0.41%
<b>Net expense ratio:</b>	0.39% <sup>1</sup>
<i>Lipper Multi-Cap Value Classification median expense ratio as of Dec. 31, 2017:<sup>*</sup> 0.98%</i>	

**Lipper peer group ranking:**  
10<sup>th</sup> percentile since inception  
(18 of 179)

*Multi-Cap Value Funds as of Dec. 31, 2017. The Lipper one-year rank is 38% (137 of 360), the three-year rank is 18% (54 of 309), the five-year rank is 20% (54 of 275) and ten-year rank is 11% (24 of 220).*

**Overall Morningstar Rating™:**



*Large Value (1090 funds) as of Dec. 31, 2017. The Morningstar three-year rating was 4 stars (1090 funds), five-year rating was 4 stars (965 funds), and 10-year rating was 4 stars (695 funds).*

**Morningstar ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly performance, placing more emphasis on 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 Multi-Cap Value Fund 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.*

This systematic rebalancing process is the driver of potential excess returns by selling what is popular and trendy while buying what is shunned and neglected.

*Source: Research Affiliates, LLC, as of Sept. 30, 2008 through Sept. 30, 2009. For illustrative purposes only. Please note these results may have included times of underperformance and that there is no guarantee of outperformance in the future.*

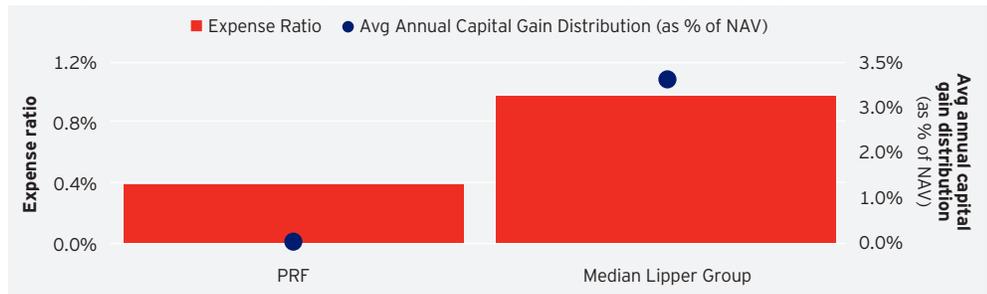
**Key features**

- **Strong historical performance in an efficient, lower cost option to the average active manager<sup>2</sup>**
- **Seeks to mitigate potential shortcomings by avoiding market bubbles inherent with market capitalization weighted indices**
- **Upside participation with potential excess returns through a disciplined annual rebalancing process**

**Strong historical performance in an efficient, lower cost option to the average active manager**

Since its inception Dec. 19, 2005, the PowerShares FTSE RAFI 1000 US Portfolio has outperformed the benchmark Russell 1000<sup>®</sup> Index and the S&P 500<sup>®</sup> Index while also having earned a tenth percentile Lipper peer group ranking (18 of 179), as of Dec. 31, 2017. Please note these results may have included times of underperformance and that there is no guarantee of outperformance in the future, and has done so with an expense ratio of 0.39% and no history of capital gains distribution due to its in-kind creation and redemption process<sup>3</sup>. By comparison, Lipper reports a median expense ratio of 0.98% and an average capital gains rate of 3.16% for multi-cap value funds.

**PRF expense ratio and capital gains exposure compared to Lipper peer group**

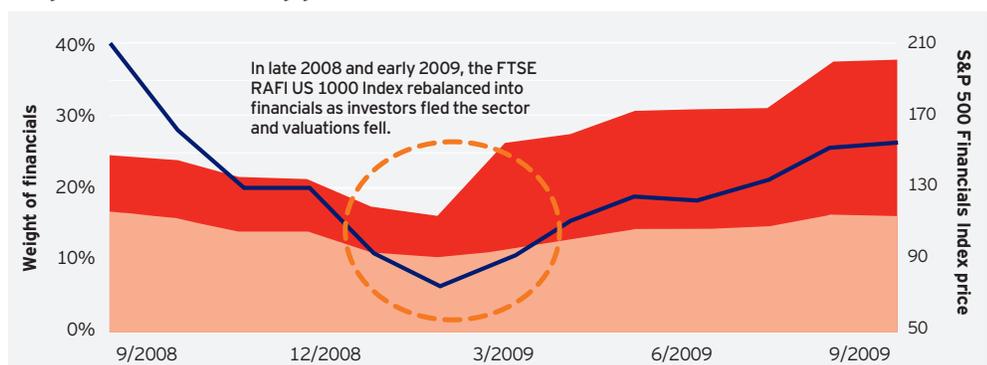


Source: Lipper, as of Dec. 31, 2017

**Seeks to mitigate potential shortcomings by avoiding market bubbles inherent with market capitalization weighted indices**

PowerShares FTSE RAFI US 1000 Portfolio is based on Fundamental Index<sup>®</sup> strategy providing exposure to the 1,000 largest US stocks weighted using four measures of fundamental size - five-year averages of sales, cash flow, dividends and most-recent-year-ending book value. Fundamental Index strategies employ a disciplined rebalancing process that seeks to outperform market-cap-weighted indexes by severing the link between stock price and portfolio weight. The strategy systematically sells overvalued stocks and buys undervalued stocks annually, weighting constituents based on the fundamental measures of company size.

**Weight in financials during global financial crisis (%)**



<sup>1</sup> The adviser has contractually agreed to waive fees and/or pay certain fund expenses through at least Aug. 31, 2018.

<sup>2</sup> Since ordinary brokerage commissions apply for each buy and sell transaction, frequent trading activity may increase the cost of ETFs.

<sup>3</sup> While it is not PowerShares intention, there is no guarantee that the fund will not distribute capital gains to its shareholders.

## Historical excess returns vs. the Russell 1000 Index

	FTSE RAFI US 1000 Index
<b>Index Launch:</b>	11/28/05
<b>1-year rolling win rate:*</b>	43.61%
<b>3-year rolling win rate:*</b>	61.47%
<b>Annualized excess return:</b>	0.72%

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

\*Rolling win rate is calculated by taking the number of monthly periods where the excess return is positive vs its benchmark, the Russell 1000 Index, divided by the total number of periods.

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. **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. After-tax returns reflect the highest federal income tax rate but exclude state and local taxes. Fund performance reflects applicable fee waivers, absent which, performance data quoted would have been lower. After Tax Held and After Tax Sold are based on NAV. Returns less than one year are cumulative.

**S&P 500® Financials Index** is an unmanaged index considered representative of the financials sector within the S&P 500® Index.

**FTSE RAFI US 1000 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.

**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.

### 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 funds' return may not match the return of the underlying index. The fund is subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the fund.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

**Morningstar rating:** 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.

## Relative performance during global financial crisis

The Fundamental Index strategy's disciplined objectivity enabled the index to ignore market emotion and increase its allocation to a sector that ultimately proved to be undervalued leading to significant excess return over the full cycle.

	Global Financial Crisis 3/31/08 - 3/31/09	March 2009 recovery 4/1/09 - 12/31/09	Full cycle 3/31/08 - 12/31/09
FTSE RAFI US 1000 Index	-42.7%	64.9%	-5.5%
S&P 500 Index	-38.1%	42.1%	-12.0%
S&P 500 Financials Index	-63.0%	64.7%	-39.1%

**Past performance is not a guarantee of future results. An investment cannot be made in an index.**

## Upside participation with potential excess returns through disciplined annual rebalancing

Since its inception in 2005 through Dec. 31, 2017, the FTSE RAFI US 1000 Index has delivered excess return versus the Russell 1000 Index. Please note these results may have included times of underperformance and that there is no guarantee of outperformance in the future.

## Standardized performance (as of Dec. 31, 2017)

	1 year	5 year	10 year	Since fund inception (12/19/05)
PowerShares FTSE RAFI US 1000 Portfolio NAV	15.95	14.89	8.96	9.08
PowerShares FTSE RAFI US 1000 Portfolio Market Price	16.10	14.95	9.00	9.12
FTSE RAFI US 1000 Index	16.37	15.31	9.35	9.54
Russell 1000 Index	21.69	15.71	8.59	8.82
S&P 500 Index	21.83	15.79	8.50	8.73

Morningstar ratings are as of Dec. 31, 2017, and are subject to change every month. 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.

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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, 100,000 or 200,000 shares.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial advisor/financial consultant before making any investment decisions.

**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 prospectus/summary prospectus.**

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