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|------------------------------|-----------------------------------|
| <b>Underlying index:</b>     | S&P 500 High Momentum Value Index |
| <b>Inception:</b>            | April 6, 2017                     |
| <b>Weighted methodology:</b> | Value Score                       |
| <b>Exchange:</b>             | Bats Exchange, Inc.               |
| <b>Total expense ratio:</b>  | 0.30%                             |

**Key features**

The PowerShares S&P 500 Value With Momentum Portfolio (SPVM) is designed to provide a more robust approach to the value factor using a two-step screening process that includes a momentum overlay:

- **First, the fund's underlying index uses a value screen to identify the 200 stocks from S&P 500<sup>®</sup> with the highest value scores**
- **Next is a momentum screen to select the 100 stocks with the highest momentum scores**
- **Momentum overlay seeks to enhance value methodology by identifying early movers and avoiding value traps**

**What is a value strategy?**

A value strategy focuses on stocks that are trading at a discount to their intrinsic value, with the conviction that they will eventually approach or exceed their intrinsic value.

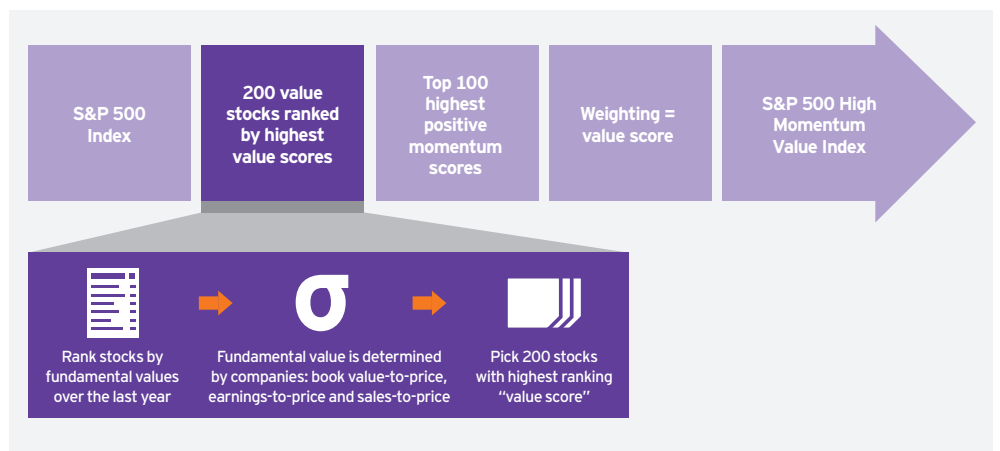
**When do value strategies have the potential to perform best?**

- Periods of rising interest rates
- Weak dollar environments
- During times of accelerating economic growth

**The fund's underlying index uses a value screen to identify the 200 stocks from the S&P 500 with the highest value scores**

SPVM's underlying index features an enhanced value methodology that goes beyond single factor investing. By including a momentum overlay, SPVM may provide a more robust approach to value investing by identifying early movers and avoiding value traps.

The first step in the construction of the index uses value screens based on three price metrics: price-to-book, price-to-earnings and price-to-sales.



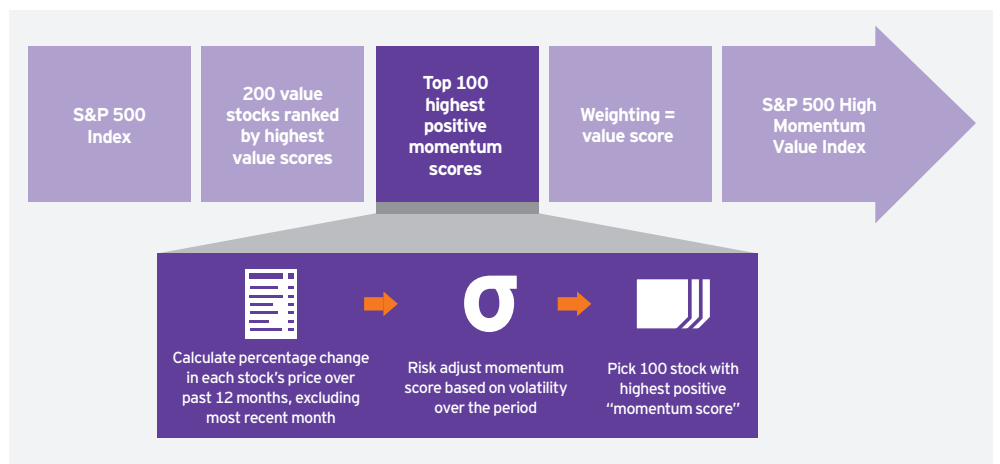
*For illustrative purposes only.*

The resulting stock universe is then assigned a value score, with the 200 most attractively valued stocks selected for a momentum screen.

**What is a momentum strategy?**

Momentum strategies make use of price trends under the premise that stocks with strong recent performance will continue to outperform over the near term, and stocks with weak recent performance will continue to underperform over the near term.

**A momentum screen selects the 100 stocks with the highest momentum scores**



*For illustrative purposes only.*

A value trap is a stock that appears to be cheap by traditional valuation metrics, such as price-to-book. The trap springs when investors buy into the company at low prices and the stock never improves

### Momentum overlay seeks to enhance value methodology by identifying early movers and avoiding value traps

To help avoid value traps, SPVM's underlying methodology employs a momentum overlay. Looking at the trailing 12-month returns, excluding the most recent month, it identifies 100 securities with the highest return. The momentum overlay may also help capture stocks that are beginning upward price movement.

SPVM is offered by PowerShares by Invesco, an ETF industry innovator and smart beta pioneer. Contact us to learn more:

Financial Advisors

800.983.0903

Registered Investment Advisors and Institutions

866.406.5693

#### Definitions

A **price-to-book ratio** is the market price of a stock divided by the book value per share. A **price-to-sales ratio** is a valuation metric calculated by dividing a company's market capitalization by its total sales over a 12-month period. A **price-to-earnings ratio** measures a stock's valuation by dividing its share price by its earnings per share. **Intrinsic value** represents the inherent business value of portfolio holdings during a two- to three-year investment horizon, based on their estimates of future cash flow. **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 in active or passive vehicles. Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.

**S&P 500 High Momentum Value Index** is composed of the 100 highest value securities in the S&P 500 Index that have the highest value and positive momentum scores. An investment cannot be made into an index.

#### Risk Information

Factor investing is an investment strategy in which securities are chosen based on certain characteristics and attributes.

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. 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.

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

The fund is non-diversified and may experience greater volatility than a more diversified investment.

Momentum style of investing is subject to the risk that the securities may be more volatile than the market as a whole or returns on securities that have previously exhibited price momentum are less than returns on other styles of investing.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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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 powershares.com for the prospectus/summary prospectus***

