



PowerShares Russell Pure Style Portfolios

Precision that takes style investing to another level



powerSHARES®

PowerShares Russell Pure Style Portfolios

Growth

- 💡 **PXLG** PowerShares Russell Top 200 Pure Growth Portfolio
- 💡 **PXMG** PowerShares Russell Midcap Pure Growth Portfolio
- 💡 **PXSG** PowerShares Russell 2000 Pure Growth Portfolio

Value

- 💡 **PXLV** PowerShares Russell Top 200 Pure Value Portfolio
- 💡 **PXMV** PowerShares Russell Midcap Pure Value Portfolio
- 💡 **PXSV** PowerShares Russell 2000 Pure Value Portfolio

💡 **Indicates Smart Beta Portfolios**

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 may outperform a benchmark or reduce portfolio risk, or both in active or passive vehicles.**

To learn more about our approach to smart beta investing, please visit powershares.com/smart-beta

*For example, a beta of one means that the security is expected to move with the market. A beta of less than one means the security is expected to be less volatile than the overall market. Betas greater than one are expected to exhibit more volatility or movement than the general market.

**Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.



Taking Style Investing to Another Level

The primary objective of size and style investing is to improve performance and reduce overall portfolio risk. With these goals in mind, asset managers carefully craft client portfolios by seeking an optimum balance between growth and value segments within large-, mid- and small-cap companies.

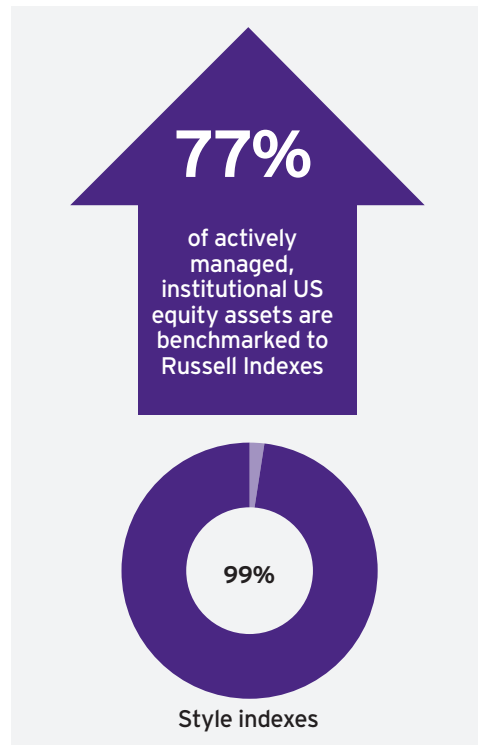
The Russell Pure Style Indexes are designed to provide precise style segregation. Investors can gain access to this methodology by investing in PowerShares Russell Pure Style Portfolios. Structured as an exchange-traded fund (ETF), these sophisticated tools can be implemented either as core components of a client's strategic allocation or they can serve as tactical tools to dynamically tilt an existing style allocation based upon market outlook.

The PowerShares Russell Pure Style ETFs may help build a better investment portfolio when it is imperative the style allocation be sharp, focused and stylistically pure.

Demonstrated Leadership in Equity Style Indexes

Russell US equity indexes are among the most widely utilized in the world with their style methodology broadly adopted by both institutional and retail investors for its elegance in measuring the growth and value segments of equity markets. Since Russell launched the first value and growth indexes in 1987, Russell Style Indexes have become the primary benchmark for style investing in the US institutional segment. As of the end of 2014, over 50% of all US institutional equity products are benchmarked to a style index. Of that, 99% are benchmarked to a Russell Style Index.

Russell Indexes – US Institutional Index of choice



\$5.7 trillion assets benchmarked to the Russell Indexes

Source: Russell Product & Market Research using data from Morningstar Direct database, as of Dec. 31, 2014, the most current data available.

Considering the global availability of different variables and their comparability across markets, Russell Research found that book-to-price and medium-term growth forecast estimates, combined with sales-per-share growth are robust, effective and consistent variables for determining growth and value style.

Growth Variables

Medium-term growth forecast (2 yrs)

Sales-per-share growth (5 yr)

Value Variable

Book/Price ratio

From their inception, the objectives of the Russell Style Indexes have been twofold:

- Serve as benchmarks for active managers with a different approach and focus – one searches for stocks considered to be bargains (value) while the other searches for stocks with high expected earnings and sales trends (growth).
- Serve as proxies in the asset allocation process. Investors segment their equity allocation across broad segments of the market seeking to improve performance and reduce portfolio risk.

Russell Pure Style Indexes

Precision that takes style investing to another level

The PowerShares Russell Pure Style ETFs may help build a better investment portfolio when it is imperative the style allocation be sharp, focused and stylistically pure.

Today, many investors use size and style investing primarily to attempt to improve performance and reduce overall portfolio risk. While standard style indexes are useful for benchmarking and strategic asset allocation, some investors want even greater control over style exposures within their portfolios. These investors seek to carefully construct portfolios by striking a balance between growth and value across large-, mid-, and small-cap exposures. Dynamic and tactical

tilting may also be part of their strategy and they want those exposures to be sharp, focused and nonoverlapping.

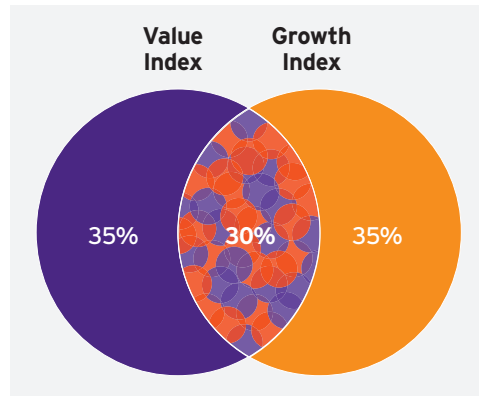
One aspect of Russell's traditional style methodology is an overlap of approximately 30% of the total market weight. This results in a reduction in the strength of the style exposure which may not suit the needs of all investors.

To address this need, Russell developed the Russell Pure Style Indexes which have the following characteristics:

- Include only stocks with pure growth and pure value characteristics.
- Eliminate the constituent overlap inherent in the traditional Russell methodology.
- Weight constituents according to their relative style attractiveness instead of traditional market capitalization weighting.

The Russell Pure Style Indexes eliminate any stock that overlaps both growth and value as well as those stocks that do not demonstrate strong style characteristics.

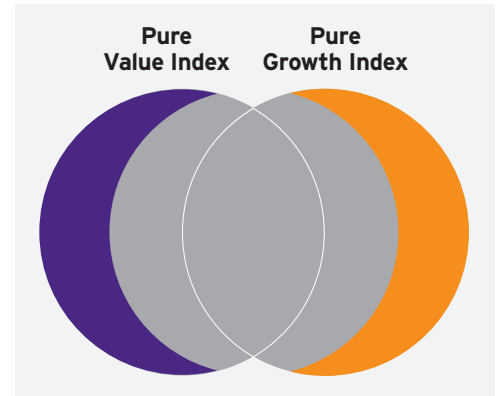
Russell Traditional Style Indexes



Source: Bloomberg L.P., as of May 31, 2016

Russell Pure Style Indexes

Style Accuracy - Pure and Precise



For illustrative purposes only.

Russell Style Indexes – Holdings Examples

	Stock	% Net Assets			
		Pure Growth Index	Growth Index	Value Index	Pure Value Index
Overlapping Exposure (stocks in both growth & value)	IBM Corp.	-	1.03%	0.88%	-
	Microsoft Corp.	-	3.23%	2.64%	-
	Lockheed Martin Corp.	-	0.61%	0.26%	-
	FedEx Corp.	-	0.21%	0.40%	-
Growth Only	EcoLab, Inc.	2.36%	0.41%	-	-
	Starbucks Corp.	2.11%	1.09%	-	-
Value Only	ConocoPhillips	-	-	0.77%	2.15%
	PNC Financial Services Group, Inc.	-	-	0.66%	2.88%

Source: Bloomberg L.P., as of May 31, 2016

Holdings are subject to change and are not buy/sell recommendations. An investment cannot be made directly into an index. The pure growth index, growth index, value index and pure value index are represented by the Russell Top 200 Pure Growth Index, Russell Top 200 Growth Index, Russell Top 200 Value Index and the Russell Top 200 Pure Value Index. The PowerShares Russell Pure Style Portfolios strive to fully replicate their underlying Indexes, therefore the holding percentages listed above are the same percentage as the Index.

Russell Pure Style Index Methodology

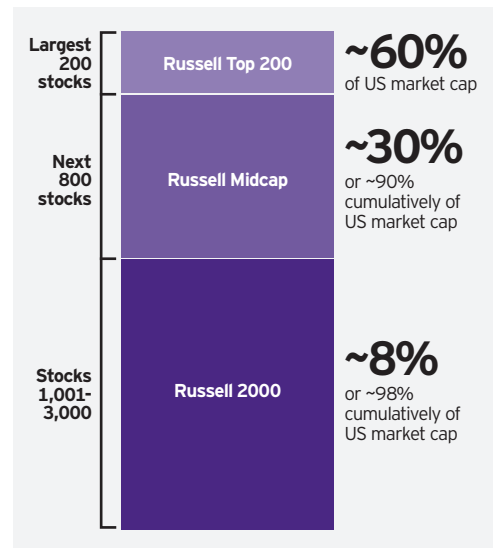
The following three steps are used to construct the Russell Pure Style Indexes:

Define universe by parent Russell index size and style

Russell indexes partition the largest 3,000 US companies (around 98% of US market cap) into exclusive size tiers.

Segment stocks into parent Russell Style Indexes using three factors:

- Book-to-price ratio (value variable)
- Medium-term earnings per share (EPS) growth forecast (growth variable)
- Historical sales-per-share growth (growth variable)

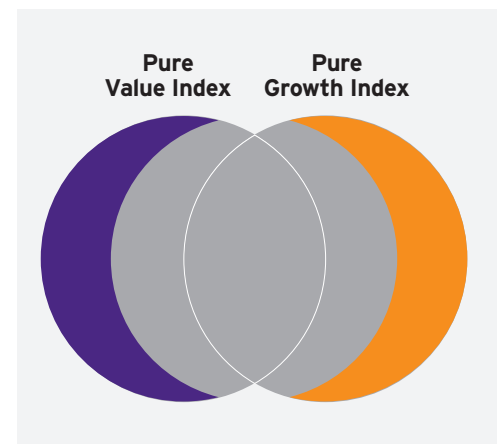


Isolate style - accurate segregation

The Russell Pure Style Index methodology isolates stocks for accurate and precise style delineation as follows:

- Identify those stocks that are exclusive to each of the respective parent Russell Style Indexes (thereby eliminating those that are included in both the growth and value indexes).
- Rank by strength of style and include the 50% with highest style score (except top 200).

Russell Pure Style Indexes Style Accuracy - Pure and Precise



For illustrative purposes only.

Weight securities

Traditional style indexes weight constituents based upon market capitalization allowing the market to dictate the weight a stock receives in the index. By comparison, the Russell Pure Style Index methodology delivers enhanced style precision by:

- Weighting constituents based upon their strength of style score while capping sector weights at 10% above the corresponding weight in the parent style index.
- Reconstituting annually (consistent with the parent Russell Style Indexes) to systematically refresh the portfolios.¹

¹ The PowerShares Russell Pure Style Portfolios and their underlying Indexes are rebalanced and reconstituted annually.

By employing the strict construction discipline, the Russell Pure Style Indexes isolate a much smaller number of companies that exhibit stronger style characteristics for inclusion in the portfolio. As a result, the Russell Pure Style Indexes demonstrate a significant reduction in correlation compared to the benchmark Russell Style Indexes.

Comparing Russell Pure Style Versus Russell Style

	Russell Pure Style Indexes	Russell Style Indexes
Objective	Concentrated passive style exposure	Benchmark or passive style exposure
Universe coverage	Selective coverage	Exhaustive coverage - includes all parent index stocks
Style overlap?	No	Yes - includes stocks that have growth and value characteristics
Size overlap (Russell Top 200, Midcap, 2000)	No	No
Weighting	Style score	Market capitalization
Exposure	Targeted	Full coverage

Number of Stocks: Russell Pure Style Indexes Versus Parent Russell Style Indexes

	Value	Value (no overlap)	Pure Value		Growth	Growth (no overlap)	Pure Growth
Russell Top 200	126	65	65	Russell Top 200	135	74	73
Russell Midcap	566	336	166	Russell Midcap	465	235	118
Russell 2000	1,361	829	356	Russell 2000	1,177	645	305

Source: Russell Investments, as of June 30, 2016

Correlation Between Styles

	Pure Value/ Pure Growth	Value/ Growth	% Reduction in Correlation
Russell Top 200	0.59	0.80	26%
Russell Midcap	0.45	0.75	40%
Russell 2000	0.65	0.84	23%
Average	0.56	0.80	30%

Source: Russell Investments, from July 1998-June 2016

About Risk

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 Funds are subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Funds.

There is no assurance that the Funds listed in this material will achieve their investment objectives. Please be aware that the funds mentioned are subject to additional specific risks. Please see each Fund's prospectus for additional information regarding the risks associated with an investment.

Stock price-to-book value ratio the ratio of a stock's market price to a company's net asset value.

Earnings per share (EPS) is total earnings divided by the number of shares outstanding.

The sales-per-share ratio is used to evaluate a company's business activities in comparison to share price.

Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.

Size and Style Risk Information

The returns on "growth" and "core" common stocks may or may not move in tandem with the returns on other styles of investing or the overall stock market. A "value" style of investing emphasizes undervalued companies. There is a risk that the valuations may never improve or that the returns on "value" equity securities will decrease.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

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.

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The Russell Top 200® Index measures the performance of the largest cap segment of the US equity universe. The Russell Midcap® Index is an unmanaged index considered representative of mid-cap stocks. The Russell 2000® Index is an unmanaged index considered representative of small-cap stocks. The Russell Top 200® Value Index measures the performance of the large-cap segment of the US equity universe that exhibit value characteristics. The Russell Top 200® Pure Value Index captures the performance of the large-cap value segment of the US equity universe that exhibit the strongest value signal based on Russell's standard style methodology.

The Russell Top 200® Growth Index measures the performance of the large-cap segment of the US equity universe that exhibit growth characteristics. The Russell Top 200® Pure Growth Index captures the performance of the large-cap growth segment of the US equity universe that exhibit the strongest growth signal based on Russell's standard style methodology. The Russell Top 200® Index, Russell Midcap® Index, Russell 2000® Index, Russell Top 200® Value Index, Russell Top 200® Pure Value Index, Russell Top 200® Growth Index and the Russell Top 200® Pure Growth Index are trademark/service marks of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The Russell Pure Style Indexes are trademarks of Frank Russell Company and have been licensed for use by Invesco PowerShares. The Products are not sponsored, endorsed, sold or promoted by Frank Russell Company and Frank Russell Company makes no representation regarding the advisability of investing in the Products.

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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 are available through all firms.