

Information Circular: PowerShares Exchange-Traded Fund Trust

To: Head of BX Trading
 Head of ETF Trading
 Structured Products Traders
 Compliance Officers

From: BX Listing Qualifications Department

Date: January 15, 2009

Overview

The following PowerShares Exchange-Traded Fund Trust Funds will commence trading under the following trading symbols and CUSIP numbers¹:

Fund Name	Symbol	CUSIP
PowerShares FTSE RAFI US 1500 Small-Mid Portfolio	PRFZ	73935X 56 7
PowerShares FTSE RAFI Energy Sector Portfolio	PRFE	73935X 55 9
PowerShares FTSE RAFI Basic Materials Sector Portfolio	PRFM	73935X 54 2
PowerShares FTSE RAFI Industrials Sector Portfolio	PRFN	73935X 53 4
PowerShares FTSE RAFI Consumer Goods Sector Portfolio	PRFG	73935X 52 6
PowerShares FTSE RAFI Healthcare Sector Portfolio	PRFH	73935X 51 8
PowerShares FTSE RAFI Consumer Services Sector Portfolio	PRFS	73935X 49 2
PowerShares FTSE RAFI Telecommunications & Technology Sector Portfolio	PRFQ	73935X 48 4
PowerShares FTSE RAFI Utilities Sector Portfolio	PRFU	73935X 47 6
PowerShares FTSE RAFI Sector Financials Portfolio	PRFF	73935X 23 7

The Funds seeks to provide investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of the following FTSE RAFI Indices:

Fund Name	FTSE Index
PowerShares FTSE RAFI US 1500 Small-Mid Portfolio	FTSE RAFI US 1500 Small-Mid Index
PowerShares FTSE RAFI Energy Sector Portfolio	FTSE RAFI Energy Sector Index
PowerShares FTSE RAFI Basic Materials Sector Portfolio	FTSE RAFI Basic Materials Sector Index
PowerShares FTSE RAFI Industrials Sector Portfolio	FTSE RAFI Industrials Sector Index
PowerShares FTSE RAFI Consumer Goods Sector Portfolio	FTSE RAFI Consumer Goods Sector Index
PowerShares FTSE RAFI Healthcare Sector Portfolio	FTSE RAFI Healthcare Sector Index
PowerShares FTSE RAFI Consumer Services Sector Portfolio	FTSE RAFI Consumer Services Sector Index
PowerShares FTSE RAFI Telecommunications & Technology	FTSE RAFI Telecommunications &

¹ The CUSIP Number on this notice is not provided by the American Banking Association and has been independently gathered.

Sector Portfolio	Technology Sector Index
PowerShares FTSE RAFI Utilities Sector Portfolio	FTSE RAFI Utilities Sector Index
PowerShares FTSE RAFI Sector Financials Portfolio	FTSE RAFI Sector Financials Index

For further information on the PowerShares Exchange-Traded Fund Trust Funds, please refer to the prospectus (SEC file No. 811-21265).

Description

The Funds are managed PowerShares Capital Management LLC (PowerShares). PowerShares serves as advisor or subadvisor for 47 exchange-traded funds. As of September 18, 2006, PowerShares became a wholly-owned subsidiary of AMVESCAP PLC. AIM Distributors, Inc. (AIM) is the principal underwriter and distributor of the Funds' shares.

The Funds seek to provide investment results that correspond generally to the price and yield (before the Fund's fees and expenses) of the Underlying Indices. The FTSE RAFI indices are fundamentally weighted indices based on the following four fundamental measures of firm size: book value, cash flow, sales and dividends. Each Fund will normally invest at least 90% of its total assets in common stocks that comprise each FTSE RAFI Index but it may also employ sampling techniques or other techniques discussed in more detail in the Fund's prospectus to meet its objectives.

Like any index fund, the Funds earn dividends, interest, and other income from its investments and distributes this income (less expenses or losses) to shareholders as dividends. The Fund also realizes capital gains from its investments, and distributes these gains (less any losses) to shareholders as capital gain distributions. The Funds normally pay dividends, if any, on a quarterly basis. Capital gain distributions are paid annually.

The Depository Trust Company (DTC), or its nominee, is the registered owner of all outstanding shares of the Funds.

Creation Units

The Funds issue and redeem shares in each Fund only in Creation Unit Aggregations on a continuous basis through the distributor, AIM, without a sales load, at its net asset value (NAV), as more fully disclosed in the prospectus. Each creation unit consists of a block of 100,000 shares. To be eligible to place orders with AIM to purchase a creation unit of the Funds, an entity must be an "Participating Party" which is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation, a clearing agency that is registered with the SEC; or (ii) a DTC participant, and, in each case, must have executed an agreement with AIM, with respect to creations and redemptions of creation units.

Continuous Offering

The method by which creation units of shares are created and traded may raise certain issues under applicable securities laws. Because new creation units of shares are issued and sold by the Funds on an ongoing basis, at any point a "distribution," as such term is used in the 1933 Act, may occur. Broker-dealers and other persons

are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the 1933 Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes creation units after placing an order with AIM, the Funds' distributor, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the 1933 Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters," but are effecting transactions in shares of the Funds, whether or not participating in the distribution of shares, are generally required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act of 1933, as amended, is not available in respect of such transactions as a result of Section 24(d) of the Investment Company Act of 1940, as amended. The Funds, however, has received from the Securities and Exchange Commission an exemption from the prospectus delivery obligation in ordinary secondary market transactions under certain circumstances, on the condition that purchasers are provided with a product description of the Funds. As a result, broker-dealer firms should note that dealers who are not underwriters but are participating in a distribution (as contrasted with ordinary secondary market transactions) and thus dealing with the Funds' shares that are part of an overallotment within the meaning of Section 4(3)(a) of the Securities Act would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. A prospectus-delivery obligation under Section 5(b)(2) of the Securities Act owed to a broker or dealer in connection with a sale of the shares of the Funds on BX may be satisfied through the prospectus delivery mechanism of Securities Act Rule 153 if all of the conditions contained in that Rule are met.

Other Information and Risk Factors

Principal Risks of Investing in the Funds

One or more of the Funds may be subject to the principal risks noted below. Some or all of these risks may adversely affect the Fund's NAV, trading price, yield, total return and its ability to meet its investment objective.

Market Risk. One of the principal risks of investing in the Funds is market risk. Market risk is the risk that a particular stock owned by the Funds, Fund Shares or stocks in general may fall in value. Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in stock prices. Overall stock values could decline generally or could underperform other investments.

Index Tracking Risk. You should anticipate that the value of the Shares will decline, more or less, in correlation with any decline in the value of the Underlying Indices.

Non-Correlation Risk. The Funds' return may not match the return of the Underlying Indices for a number of reasons. For example, the Funds incur operating expenses

not applicable to the underlying indices, and incur costs in buying and selling securities, especially when rebalancing the Funds' securities holdings to reflect changes in the composition of the Underlying Indices. In addition, the Funds' portfolio holdings may not exactly replicate the securities included in the Underlying Indices or the ratios between the securities included in the Underlying Indices.

The Funds may not be fully invested at times, either as a result of cash flows into the Funds or reserves of cash held by the Funds to meet redemptions and expenses. If the Funds utilize a sampling approach or invest in futures or other derivative positions, their return may not correlate as well with the return on the Underlying Indices, as would be the case if it purchased all of the stocks in the Underlying Indices with the same weightings as the Technology Index. While the Funds seek to have a correlation of 0.95 or better, before expenses, between the Funds' performance and the performance of the Underlying Indices, there can be no assurance that the Funds will be able to achieve such a correlation. Accordingly, the Funds' performance may correlate to a lesser extent and may possibly vary substantially from the performance of the Underlying Indices.

Replication Management Risk. The Fund is also exposed to additional market risk due to its policy of investing principally in the securities included in the Underlying Indices. As a result of this policy, securities held by the Funds will generally not be bought or sold in response to market fluctuations and the securities may be issued by companies concentrated in a particular industry. As a result of this policy, the Funds would generally not sell a stock because the stock's issuer was in financial trouble, unless that stock is removed or is anticipated to be removed from the Underlying Indices.

Non-Diversification Risk. Because the Funds are non-diversified, the Funds are exposed to additional market risk. A non-diversified fund may invest a relatively high percentage of its assets in a limited number of issuers. Non-diversified funds are more susceptible to any single political, regulatory or economic occurrence and to the financial condition of individual issuers in which it invests.

Small Cap and Mid Cap Company Risk. The Funds may invest in small capitalization and mid-capitalization companies. Such companies may be more vulnerable to adverse general market or economic developments, and their securities may be less liquid and may experience greater price volatility than larger, more established companies as a result of several factors, including limited trading volumes, products or financial resources, management inexperience and less publicly available information. Accordingly, such companies are generally subject to greater market risk than larger, more established companies.

Concentration Risk. The Funds may be concentrated in the securities of a given industry. A concentration makes the Funds more susceptible to any single occurrence affecting the industry or sector and may subject the Funds to greater market risk than more diversified funds. Due to the Funds' policy of primarily investing in the securities of the Underlying Indices, the Fund may or may not be concentrated in the securities of a given industry from time to time.

Members should be mindful of their obligations under NASD Rule 2310 (a) and (b) and the NASD Notice to Members 03-71. The NASD Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement

appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

When evaluating the necessity of imposing a trading halt in an ETF, BX may consider, among other factors:

- The extent to which trading has ceased in the underlying security(s);
- Whether trading has been halted or suspended in the primary market(s) for any combination of underlying securities accounting for 20% or more of the applicable current index group value. The value being established to be the value at the close of the prior trading day;
- The presence of other unusual conditions or circumstances deemed to be detrimental to the maintenance of a fair and orderly market.

The trading of an ETF, that has been the subject of a trading halt or suspension, may resume when BX determines that the conditions which led to the halt or suspension are no longer present or that the interests of a fair and orderly market are served by a resumption of trading.

Trading Hours

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on BX between 8:00 a.m. and 7:00 p.m. ET. For trading during BX's Pre-Market and Post-Market Sessions, market participants should note that additional risks may exist with respect to trading the Funds during these sessions, when the underlying index's values may not be disseminated.

Contact Information

For more complete information on the Fund visit www.powershares.com, or call PowerShares Capital Management LLC at 800.983.0903.

Any additional questions can be directed to:

- BX Listing Qualifications, at 301.978.8088.
- BX Financial Products, at 301.978.8416.

ETFs are subject to market fluctuations of their underlying investments. Diversification does not ensure a profit or guarantee against loss in a declining market.