For professional clients only

30 September 2017

PowerShares Preferred Shares UCITS ETF

Investment objective

The investment objective of the PowerShares Preferred Shares UCITS ETF is to deliver the performance of the BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index, minus expenses.

Source ETF structure

The ETF uses physical replication to achieve the target index performance. For more information, please contact your Powershares representative or visit our website.

About the benchmark

The index tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. Index constituents are capitalisation-weighted subject to a 10% issuer cap (Additionally, no more than 40% of the index can be comprised of issuers that individually account for more than 5% of the index) . Securities must be rated at least B3 based on an average of three leading ratings agencies: Moody's, S&P, and Fitch, and must have an investment-grade country risk profile. The Fund and the Index are rebalanced and reconstituted on a monthly basis.

Investment risks

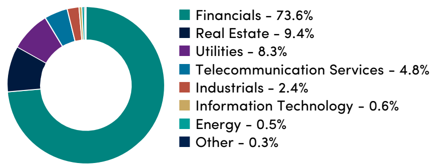
- No capital protection; you may not get back the amount you invested
- Changes in interest rates and exchange rates may affect returns
- Debt-like instruments are exposed to credit risk, which is the ability of the borrower to repay the interest and capital on the repayment date

Top 10 ETF holdings

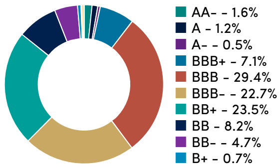
Company	Weighting
HSBC HLDGS PLC 8.0 CNV PFD	2.80%
BARCLAYS BK PLC 8.1250%	1.91%
HSBC HLDGS PLC (HSBC) 8.125%	1.63%
DB CONT CAP TRUST III PFD	1.41%
WELLS FARGO + CO NEW 5.85 PFD	1.30%
WELLS FARGO CO.	1.30%
CITIGROUP INC PFD	1.20%
PNC FINL SVCS GROUP INC PFD	1.19%
JPMORGAN CHASE + CO 6.1 PFD	1.06%
HSBC HLDGS PLC 6.2 PFD	1.06%

BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index (Data as of 30 September 2017)

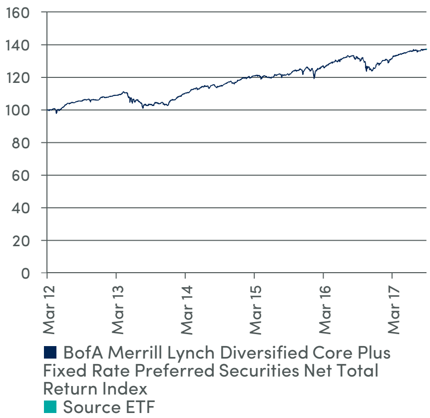
Sector exposure



Rating breakdown



5 year performance



Risk/return profile

Year	Index performance	Volatility[1]	Sharpe ratio[2]
2017 YTD	9.40%	6.17%	-
2016	-0.10%	5.45%	-0.13
2015	6.91%	5.60%	1.20
2014	14.15%	2.86%	4.91

Source: Bloomberg

Past performance is not a reliable indicator of future returns.

Index portfolio characteristics[3]

Yield to maturity	5.64%
Effective duration	3.67

[1] Annualised volatility based on daily log returns
[2] Sharpe ratio is adjusted for risk free rate, taken as the yield on 12 month US Treasuries
[3] As an Irish domiciled fund, the PowerShares Preferred Shares UCITS ETF will be subject to a 15% withholding tax on all US source dividends.
[4] Includes management fee, custody and administration costs but excludes transaction costs such as swap costs

Trading information

Exchange listing:	LSE
Trading currency:	USD
Trading times:	08:00 - 16:30 London time
ISIN:	IE00BDVJF675
Bloomberg:	PRFD LN
Bloomberg (iNAV):	PRFDIN
Reuters:	PRFD.L
Reuters (iNAV):	0K5RINAV.DE

Index information

Index:	BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index
Currency:	USD
No. constituents:	287
Bloomberg:	PCDP
Reuters:	.MERPCDP

ETF information

Replication method:	Physical
Issuer:	Source Markets II plc
Manager:	Source Investment Management Limited
Investment manager:	Invesco PowerShares Capital Management LLC
Depositary:	BNY Mellon Trust Company (Ireland) Limited
Fund inception:	28 Sep 2017
Ongoing charge[4]	0.50% p.a.
Dividends:	Distributing
Open-ended:	Yes
UCITS:	Yes
Domicile:	Ireland
Base currency:	USD
Minimum investment:	1 unit

For more information

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Available at powersharesetf.com
Assets under Management
NAV & iNAV
Prospectus & KIID

About PowerShares

We are a forward-thinking fund provider that wants you to get more from your portfolio. We offer over 80 exchange traded funds (ETFs) in Europe, from simple funds tracking well-known indices to "smart beta" strategies that could improve performance. We focus only on ETFs, so we have the market knowledge to help you trade them efficiently too. Because we are part of Invesco, you also benefit from the ideas and expertise of one of the world's largest independent asset managers. Whatever your investment objective, we can help you meet it.

Buying and selling PowerShares ETFs

PowerShares ETFs can be traded both on exchange and over the counter. The ETFs have multiple dealers and market makers, encouraging tight bid offer spreads and high liquidity. For guidance and intelligence concerning trading in PowerShares products, please contact our Capital Markets group on +44 (0) 20 3370 1154 or capitalmarkets@powersharesETF.com.

Key features

Liquidity

PowerShares's multi broker/dealer platform enhances daily liquidity and provides robust bid-offer spreads both OTC and on exchange. PowerShares ETFs have similar liquidity characteristics to their underlying traded securities.

Flexibility

By using PowerShares ETFs on a number of indices, an investor can build or customise a range of exposures and with intraday liquidity can adjust these exposures dynamically. PowerShares ETFs can be lent and borrowed, allowing investors to go long and short indices.

Transparency

PowerShares ETFs aim to replicate the performance of the underlying index. Additionally, they benefit from a transparent fund and cost-structure. Benchmark constituents and weightings are published daily.

Simplicity

PowerShares ETFs help investors to gain exposure to a wide range of indices while executing only one trade.

Accessibility

PowerShares ETFs are traded and settled on regulated stock exchanges and can be purchased and held in ordinary brokerage or custodial accounts.

Cost-effectiveness

PowerShares ETFs have significantly lower management fees or total expense ratios (TERs) than many actively managed funds.

Key Disclaimer Information:

Investors in PowerShares products should note that the price of your investment may go down as well as up. As a result you may not get back the amount of capital you invest.

This factsheet which contains a summary description of the above mentioned ETF is for discussion purposes only and is intended for professional investors pursuant to Directive 2004/39/EC (MIFID) Annex II Section I. A complete description of the shares is set out in the prospectus of the above mentioned ETF. This factsheet is not for distribution to, or for the attention of, US or Canadian persons. The prospectus documenting the issue of Source and PowerShares ETFs can be downloadable from www.powersharesetf.com.

Without limitation, this factsheet does not constitute an offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation and any prospectus relating to the transaction and not this summary. Investment strategies involve numerous risks.

Investors should consult their own business, tax, legal and accounting advisors with respect to this proposed transaction and they should refrain from entering into a transaction with us unless they have fully understood the associated risks and have independently determined that the transaction is appropriate for them. In no way should we be deemed to be holding itself out as a financial adviser or a fiduciary of the recipient hereof.

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German investors may obtain the offering documents in paper or electronic form free of charge from the German information and paying agent: (Marcard, Stein & Co AG, Ballindamm 36, 20095 Hamburg, Germany).

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