

www.powershares.com | 800.983.0903

As of 30 June 2006

PRFM

▼ Fund Data (Anticipated)

FTSE [™] RAFI Basic Materials Sector Portfolio PRFM	
Share Price	\$50.00
Intraday NAV (IIV)	PRFMI
Options	Yes

▼ Index Data

FTSE [™] RAFI Basic Materials Sector Index FRUSBM	
Index Providers	FTSE [™] & RAFI
Objective	Capital Appreciation

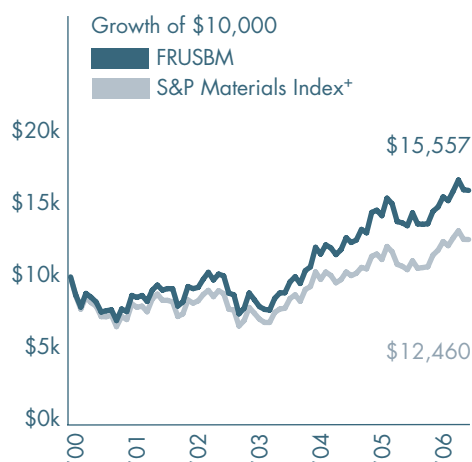
▼ PowerShares Benefits

- ▶ Enhanced Index
- ▶ Tax Efficient
- ▶ Low Cost
- ▶ Intraday Access¹
- ▶ Liquid²
- ▶ Transparent
- ▶ Fully Invested
- ▶ Diversification

▼ 5-Year Index Statistics^Ü

	Performance	Volatility	Beta	Sharpe	Correlation
FRUSBM	11.19%	19.4%	1.03	0.46	0.99
S&P Materials ⁺	7.89%	18.7%	1.00	0.31	1.00

▼ Index Performance*



- Shares may be sold throughout the day on the exchange through any brokerage account. Shares may only be redeemed directly from the Portfolio by Authorized Participants in large blocks consisting of 100,000 Shares.
 - Shares are subject to risks similar to stocks, including those regarding short selling and margin account maintenance.
- Ü See description of statistics in disclosures on back.
* Index return does not represent Fund return.

See important disclosures on back.

PowerShares FTSE[™] RAFI Basic Materials Sector Portfolio

PowerShares Capital Management LLC is passionate about our goal of delivering the highest quality investment management available through the replication of intelligent indexes in one of the more benefit rich investment vehicles, the exchange-traded fund.

PowerShares provides institutional caliber asset management through the replication of enhanced indexes. These indexes derive their investment decisions from methodologies that incorporate technically advanced and robust institutional investment research.

The PowerShares FTSE[™] RAFI Basic Materials Sector Portfolio is based

on the FTSE[™] Research Affiliates Fundamentals Basic Materials Sector Index. The Index is designed to track the performance of the largest U.S. basic materials equities, selected based on the following four fundamental measures of firm size: book value, income, sales and dividends. The U.S. basic materials equities with the highest fundamental strength are weighted by their fundamental scores. The fundamentally weighted portfolio is rebalanced and reconstituted annually.

Shares are ETF investments and have risks similar to stocks, including the possible loss of money. Ordinary brokerage commissions apply.

▼ Fund Performance & Index History (%)

As of 30 June 2006

	1 Year	3 Year	5 Year	Inception
Index				
FTSE [™] RAFI Basic Materials Index	17.06	20.08	11.19	
S&P Materials Index ⁺	18.58	15.87	7.89	
Dow Jones Basic Materials Index ⁺	20.58	16.51	7.31	
Fund				
NAV				
After Tax Held	Anticipated Listing: September 21, 2006			
After Tax Sold				
Share Price Return				

Anticipated Fund Inception: September 21, 2006

Performance data quoted represents past performance. Past performance is not a guarantee of future results, and current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate, and Shares, when redeemed, may be worth more or less than their original cost. The Shares' performance reflects fee waivers, absent which, performance would have been lower. See powershares.com to find the most recent month-end performance numbers. After Tax Held represents total return after taxes on distributions and assumes Shares have not been sold. After Tax Sold represents total return after taxes on distributions and the sale of Fund Shares.

The Index performance results are hypothetical; Index returns do not represent Fund returns. An investor cannot invest directly in an index. The Index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the hypothetical performance shown nor does the Index lend securities, and no revenues from securities lending were added to the performance shown. In addition, the results actual investors might have achieved would have differed from those shown because of differences in the timing, amounts of their investments, and fees and expenses associated with an investment in the Fund.

⁺The S&P Materials Index and Dow Jones Basic Materials Index are unmanaged indexes used as a measurement of change in stock market conditions based on the average performance of approximately 30 and 90 common stocks, respectively.

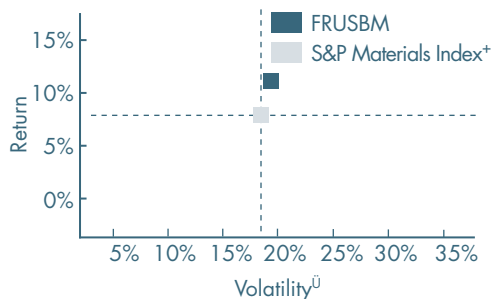
PowerShares FTSE™ RAFI Basic Materials Sector Portfolio

Top 30 Index Holdings

See website for a current list of holdings.

	Ticker	Weight
Du Pont De Nemours	DD	11.73%
Dow Chemical	DOW	11.29%
Alcoa	AA	8.74%
International Paper	IP	6.95%
Weyerhaeuser	WY	5.67%
PPG Industries	PPG	3.27%
Air Products And Chemcom	APD	2.99%
Nucor Corp.	NUE	2.86%
United States Steel Corp.	X	2.82%
Phelps Dodge Corp. Cap	PD	2.73%
Monsanto Co.	MON	2.70%
Rohm & Haas	ROH	2.57%
Praxair	PX	2.53%
Newmont Mining	NEM	2.49%
Lyondell Chemical	LYO	2.08%
Ashland Inc.	ASH	1.86%
Eastman Chemical	EMN	1.79%
Celanese	CE	1.50%
Avery Dennison Corp.	AVY	1.49%
Ecolab	ECL	1.33%
Freeport/McMoRan Copper & Gold B	FCX	1.32%
Peabody Energy Corp.	BTU	1.03%
Mosaic Co.	MOS	0.94%
Southern Copper Corp.	PCU	0.94%
Consol Energy	CNX	0.89%
Lubrizol Corp.	LZ	0.83%
RPM Inc.	RPM	0.81%
Commercial Metals	CMC	0.79%
Allegheny Technologies	ATI	0.77%
Worthington Industries	WOR	0.76%

5-Year Risk Reward Comparison



Index Details^U

Average Stock Price to Earnings Ratio	13.86
Average Stock Price to Book Value Ratio	2.53
Return on Equity	16.74
Average Market Capitalization	\$18,544 MM
Number of Securities	51
Expense Cap [#]	0.60%
CUSIP	73935X542
Listing Exchange	NASDAQ

Annual Index Performance (%)

	FRUSBM	S&P Materials ⁺	DJ Basic Mat. ⁺
2000	-11.88	-17.09	-17.46
2001	4.96	0.57	-0.82
2002	-7.63	-7.79	-10.61
2003	39.34	34.74	32.22
2004	20.01	11.17	10.62
2005	1.43	2.16	2.73
2006YTD	7.36	5.89	8.18

Index Market-Cap Allocations (%)

Large-Cap Growth	9.69
Large-Cap Value	52.95
Mid-Cap Growth	8.59
Mid-Cap Value	23.52
Small-Cap Growth	0.08
Small-Cap Value	5.16

Index Category Allocations (%)

Commodity Chemicals	34.86
Specialty Chemicals	21.97
Steel	9.75
Aluminum	8.74
Paper	7.66
Forestry	5.67
Nonferrous Metals	4.59
Coal	2.94
Gold Mining	2.49
General Mining	1.32

Index performance does not represent Fund performance. An investor can not invest directly in an index. Earliest available performance data begins in 2000.

^U Volatility is the annualized standard deviation of monthly index returns. Beta is a measure of relative risk and is the slope of regression. Sharpe is the risk adjusted return and is the return less the risk free rate divided by the standard deviation. Correlation is the similarity in performance. Average Stock Price to Book Value is the ratio of a stock's market price to a company's net asset value. Return on Equity is net income divided by net worth. Average Market Capitalization is the average of each company's market value.

[#] The weighted costs excluded from the 0.60% expense cap include: legal fees pertaining to the 0.60% expense cap include: legal fees pertaining to the Fund's shares offered for sale, SEC and state registration fees, initial fees paid to be listed on an exchange and sub-licensing fees.

There are risks involved with investing in ETFs, including the possible loss of money. The Fund is not actively managed and is subject to risk similar to stocks, including those related to short selling and margin maintenance. Shares are subject to risks including: Small and Medium-Sized Company Risk- investing in securities of small and medium-sized companies involves greater risk than is customarily associated with investing in more established companies. Shares are not FDIC insured, may lose value and have no bank guarantee.

The Fund is concentrated in a single sector which involves substantially greater risk of loss and price fluctuations than an investment diversified across multiple industries or sector segments.

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ALPS Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust.

An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. For this and more complete information about the Fund call 800.983.0903 or visit the website www.powershares.com for a prospectus. Please read the prospectus carefully before investing.

The information in the prospectus is not complete and may be changed. The portfolio may not sell its Shares until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell the portfolio Shares, nor is the portfolio soliciting an offer to buy its Shares in any jurisdiction where the offer or sale is not permitted.