

www.powershares.com | 800.983.0903

As of 30 June 2006

PRFQ

▼ Fund Data (Anticipated)

FTSE [™] RAFI Telecom & Tech Sector Portfolio	PRFQ
Share Price	\$50.00
Intraday NAV (IIV)	PRFQI
Options	Yes

▼ Index Data

FTSE [™] RAFI Telecom & Tech Sector Index	FRUST
Index Providers	FTSE [™] & RAFI
Objective	Capital Appreciation

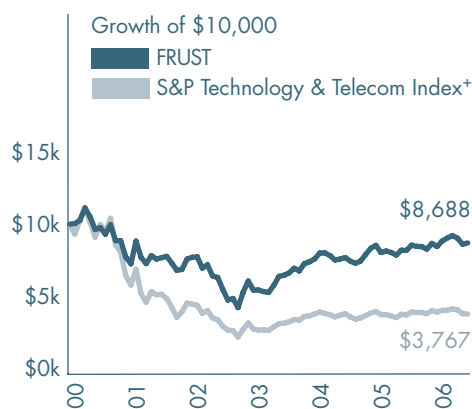
▼ PowerShares Benefits

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

▼ 5-Year Index Statistics^Ü

	Performance	Volatility	Beta	Sharpe	Correlation
FRUST	2.58%	23.3%	0.82	0.02	0.93
S&P Technology [†]	6.03%	26.5%	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 Telecom & Technology 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 Telecommunications & Technology

Sector Portfolio is based on the FTSE[™] Research Affiliates Fundamentals Telecommunications & Technology Sector Index. The Index is designed to track the performance of the largest U.S. telecommunications and technology equities, selected based on the following four fundamental measures of firm size: book value, income, sales and dividends. The U.S. telecommunication and technology 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 Telecom & Tech Sector Index	6.13	10.63	2.58	
S&P Technology Index [†]	1.59	6.39	-6.03	
Dow Jones Technology Index [†]	3.64	7.77	-4.47	
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 Technology Index and Dow Jones Technology Index are unmanaged indexes used as a measurement of change in stock market conditions based on the average performance of approximately 88 and 252 common stocks, respectively.

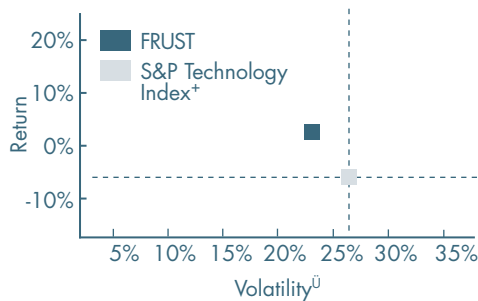
PowerShares FTSE™ RAFI Telecom & Technology Sector Portfolio

Top 30 Index Holdings

See website for a current list of holdings.

	Ticker	Weight
Microsoft Corp.	MSFT	12.42%
Verizon Communications	VZ	11.10%
AT&T	T	10.13%
International Bus Machines Corp.	IBM	6.24%
Hewlett-Packard	HPQ	4.95%
Bellsouth Corp.	BLS	4.84%
Intel Corp.	INTC	4.33%
Cisco Systems	CSCO	3.06%
Motorola	MOT	2.18%
Oracle Corp.	ORCL	2.10%
Sprint Nextel	S	1.96%
Dell	DELL	1.87%
Alltel Corp.	AT	1.67%
Qwest Communications	Q	1.61%
Electronic Data Systems Corp.	EDS	1.31%
Texas Instruments	TXN	1.28%
Google	GOOG	1.03%
Computer Sciences	CSC	0.98%
Qualcomm	QCOM	0.97%
EMC Corp.	EMC	0.96%
Ingram Micro	IM	0.95%
Sun Microsystems	SUNW	0.94%
Xerox Corp.	XRX	0.93%
Yahoo	YHOO	0.83%
NTL Inc.	NTLI	0.79%
Micron Technology	MU	0.75%
Seagate Technology	STX	0.72%
Apple Computer	AAPL	0.72%
Applied Materials	AMAT	0.71%
Tech Data	TECD	0.66%

5-Year Risk Reward Comparison



Index Details^Ü

Average Stock Price to Earnings Ratio	18.61
Average Stock Price to Book Value Ratio	2.61
Return on Equity	18.15
Average Market Capitalization	\$85,373 MM
Number of Securities	109
Expense Cap [#]	0.60%
CUSIP	73935X5484
Listing Exchange	NASDAQ

Annual Index Performance (%)

	FRUST	S&P Technology ⁺	DJ Technology ⁺
2000	-27.81	-42.18	-36.98
2001	6.43	-22.97	-28.45
2002	-30.00	-38.66	-38.82
2003	40.61	38.10	50.38
2004	12.62	4.62	1.37
2005	-0.98	-1.14	2.74
2006YTD	3.01	-3.47	-4.68

Index Market-Cap Allocations (%)

Large-Cap Growth	39.30
Large-Cap Value	39.85
Mid-Cap Growth	9.87
Mid-Cap Value	8.33
Small-Cap Growth	0.36
Small-Cap Value	2.30

Index Category Allocations (%)

Fixed Line Telecommunications	30.01
Software	17.47
Computer Hardware	14.06
Semiconductors	12.03
Computer Services	9.34
Telecommunications Equipment	9.04
Mobile Telecommunications	4.44
Internet	1.86
Electronic Office Equipment	1.75

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

^Ü 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 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.

PowerShares is a trademark of PowerShares Capital Management LLC ("PowerShares"). Shares of the Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by, the London Stock Exchange Plc ("Exchange") or by, The Financial Times Limited ("FT") or by Research Affiliates LLC ("RA"), and neither FTSE nor Exchange nor FT nor RA makes any warranty or representation whatsoever, expressly or implicitly, as to the results to be obtained from the use of the FTSE Telecommunications & Technology Sector Index ("Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with RA; however, neither FTSE nor Exchange nor FT nor RA shall be liable (whether in negligence or otherwise) to any person for any error in the Index, and neither FTSE nor the Exchange nor FT nor RA shall be under any obligation to advise any person of any error therein. "FTSE" is a trade mark of the London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. "Research Affiliates" and "Fundamental Index" are trade marks of Research Affiliates.

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.