Invesco PowerShares Expands Fundamental Fixed-Income Line
with Emerging Market Local Currency Sovereign Debt Portfolio

CHICAGO – May 9, 2013 – Invesco PowerShares Capital Management LLC, a leading global provider of exchange-traded funds (ETFs), announced today the launch of the PowerShares Fundamental Emerging Markets Local Debt Portfolio (PFEM) on the NYSE Arca.

PFEM is designed to provide investors fundamentals-weighted exposure to emerging market sovereign debt denominated in local currencies. The Fund has an expense ratio of 0.50% and is expected to issue monthly distributions.

“Emerging market sovereign debt represents an attractive asset class potentially offering investors higher yields and lower debt to GDP ratios relative to most developed markets,” said Andrew Schlossberg, head of US distribution & global ETFs. “Consistent with our leadership position in providing a value-added approach, the PowerShares Fundamental Emerging Markets Local Debt Portfolio (PFEM) is the first ETF to provide investors a fundamentals-weighted exposure to emerging market sovereign debt denominated in local currencies.”

Traditional bond indexes generally use some form of market-cap weighting where constituent weights are a function of both the amount of debt issued and the debt’s current price. This approach can result in greater weights being assigned to issuers that have issued more debt. In contrast, the Fundamental Index® approach developed by Research Affiliates, LLC weights bonds based on each country’s economic footprint, resulting in a portfolio that is correlated to a country’s debt service capacity.

“Weighting by fundamentals gives higher portfolio weights to issuers with lower leverage and better debt service capacity, resulting in generally lower credit risk compared to the cap-weight benchmark,” said Shane Shepherd, senior vice president and head of fixed-income research at Research Affiliates, LLC. “In addition, a regular rebalance back to fundamental weights takes advantage of potential market inefficiencies in credit spreads by buying cheaper bonds and selling more expensive ones,” Mr. Shepherd said.

“The PowerShares Fundamental Emerging Markets Local Debt Portfolio (PFEM) expands our Fundamentals Weighted fixed-income lineup which currently includes ETFs targeting the High Yield (PHB) and Investment Grade Corporate (PFIG) markets,” added Lorraine Wang, Invesco PowerShares senior vice president of new product development. “We believe the PowerShares suite of Fundamentals Weighted fixed-income ETFs provides investors an attractive alternative to cap-weighted strategies.”

- PowerShares Fundamental Emerging Markets Local Debt Portfolio (PFEM)
- PowerShares Fundamental High Yield® Corporate Bond Portfolio (PHB)
- PowerShares Fundamental Investment Grade Corporate Bond Portfolio (PFIG)

The PowerShares Fundamental Emerging Markets Local Debt Portfolio (PFEM) is based on the Citi RAFI Bonds Sovereign Emerging Markets Extended Local Currency Index (Index). The Fund generally will invest at least 80% of its total assets in bonds that comprise the Index. The Index measures the potential return of a portfolio of bonds issued by the national governments of 18 emerging market countries, all in the respective local currency. To qualify for the Index, countries must have at least a minimum domestic sovereign debt rating of “CC” by S&P and “Ca” by Moody’s. Research Affiliates, LLC
and Citigroup Index LLC jointly select the emerging market countries in the Index and country weights are determined once per year based on the RAfi methodology. The Fund and the Index are rebalanced quarterly.

As of April 30, 2013, the Index included bonds issued by the national governments of Brazil, Chile, China (Offshore), Colombia, the Czech Republic, Hungary, Indonesia, Israel, Malaysia, Mexico, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Thailand and Turkey.

A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. NR indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on rating methodologies, please visit the following NRSRO websites: www.standardandpoors.com and select ‘Understanding Ratings’ under Rating Resources on the homepage; www.moodys.com and select ‘Rating Methodologies’ under Research and Ratings on the homepage.

Invesco PowerShares Capital Management LLC is leading the Intelligent ETF Revolution® through its family of more than 140 domestic and international exchange-traded funds, which seek to outperform traditional benchmark indexes while providing advisors and investors access to an innovative array of focused investment opportunities. With franchise assets over $77 billion as of March 31, 2013, PowerShares ETFs trade on both US stock exchanges. For more information, please visit us at invescopowershares.com or follow us on Twitter @PowerShares.

Invesco, Ltd. is a leading independent global investment management firm, dedicated to helping investors worldwide achieve their financial objectives. By delivering the combined power of our distinctive investment management capabilities, Invesco provides a wide range of investment strategies and vehicles to our retail, institutional and high net worth clients around the world. Operating in more than 20 countries, the firm is listed on the New York Stock Exchange under the symbol IVZ. Additional information is available at www.invesco.com.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply.

Investments in fixed-income securities, such as notes and bonds, carry interest rate and credit risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Credit risk is the risk of loss on an investment due to the deterioration of an issuer’s financial health.

Sovereign debt securities are subject to the additional risk that — under some political, diplomatic, social or economic circumstances — some developing countries that issue lower quality debt securities may be unable or unwilling to make principal or interest payments as they come due. The fund may have limited legal recourse against the issuer and/or guarantor of sovereign debt when default occurs. As a holder of government debt, the Fund may be requested to participate in the rescheduling of such debt and to extend further loans to government debtors.

Government obligors in emerging market countries are among the world’s largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. The Fund invests in the bonds of governments located in emerging market countries and much of the income received by the Fund will be in foreign currencies.

Much of the income received by the Fund will be in foreign currencies. Because the Fund’s net asset value (NAV) is determined in US dollars, the Fund’s NAV could decline if the currency of the non-US markets in which the Fund invests depreciate against the US dollar.
The Fund may invest in non-investment grade, or high-yield, securities (junk bonds). High-yield securities have additional risks, including interest rate changes, decreased market liquidity and a larger amount of outstanding debt than investment grade securities.

There are additional risks involved in writing (selling) covered call options. The Fund, by writing covered call options on this Index, will give up the opportunity to benefit from potential increases in the value of the index stocks above the exercise prices of the options, but will continue to bear the risk of declines in the value of the Index.

The Fund will invest in foreign bonds and, because foreign exchanges may be open on days when the Fund does not price its shares, the value of the non-U.S. securities in the Fund’s portfolio may change on days when you will not be able to purchase or sell your Shares.

The Fund’s use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund’s investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

The Fund is considered non-diversified and may be subject to greater risks than a diversified fund.

Shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 100,000 shares.

Shares are not FDIC insured, may lose value and have no bank guarantee.

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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 invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.
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