



PowerShares US High Yield Fallen Angels UCITS ETF

31 December 2016

This document is directed at Professional Clients in the UK and Professional Clients and Financial Advisers in Austria, France, Germany, Italy, the Netherlands and Qualified Investors in Switzerland only and is not for consumer use.

ETF information	
Umbrella fund	PowerShares Global Funds Ireland plc
Fund manager	Invesco Global Asset Management DAC
Investment manager	Invesco PowerShares Capital Management LLC
Custodian	BNY Mellon Trust Company (Ireland) Limited
Inception date	01-Sep-2016
Ongoing charges ¹	0.45% p.a.
Income treatment	Distributing
Dividend schedule	Quarterly
UCITS compliant	Yes
Domicile	Ireland
UK reporting status	Yes
Investment method	Physical replication
Replication method	Sampling
Currency hedged	No
Total net assets	US\$ 26.84m
NAV per share	US\$ 25.56
Number of bond issues in index	194
Shares in issue	1,050,001
Financial year end	30 September
Base currency	US\$
EU savings directive	In scope
ISIN	IE00BDOQ9673
WKN	A2AN8T
SEDOL (US\$/Gbp)	BDBCMG5/ BDBCMH6
VALOREN	33418'873
Registrations for public distribution	AT, CH, DE, FR, IT, NL, UK
Benchmark index	Citi Time-Weighted US Fallen Angel Bond Select Index

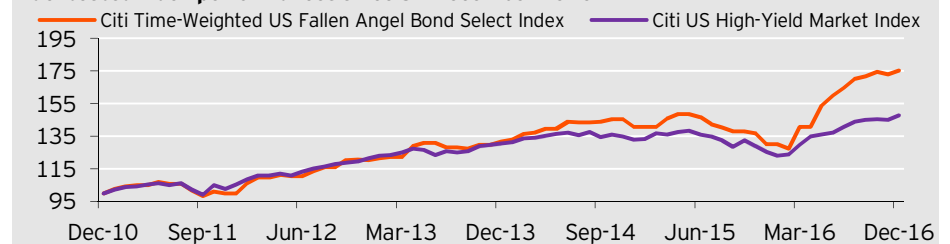
Investment objective

The PowerShares US High Yield Fallen Angels UCITS ETF aims to provide investors with investment results which, before expenses, correspond to the price and yield performance of the Citi Time-Weighted US Fallen Angel Bond Select Index ("the Benchmark") in US dollar terms by holding, as far as possible and practicable, a sample of the Index's constituents. The portfolio follows the Benchmark's monthly rebalancing.

Benchmark index description

The Benchmark is designed to measure the performance of "fallen angels" - bonds which were previously rated investment-grade, but were subsequently downgraded to high-yield². The Benchmark is based on the Citi Time-Weighted US Fallen Angel Bond Index which includes USD-denominated bonds issued by corporations³ domiciled in the US or Canada. Any such bonds with a rating changed from investment-grade to high-yield in the previous month are eligible for inclusion and will be held for a period of 60 months⁴, provided they continue to meet the inclusion criteria⁵. If a bond exits and then re-enters the Benchmark, the inclusion period is reset. Unlike indices where constituent weights are based on market value, the Benchmark's weights are determined based on the time from inclusion, with higher weights assigned to bonds that have more recently become "fallen angels" (aiming to capture the potential price rebound effect that fallen angels may experience soon after their initial downgrade to high-yield). An issuer cap of 5% is applied. For liquidity, each issue is also capped at 5x its original market value weight.

Backtested index performances since 31 December 2010



	Returns (%)			Annualised returns (%)		
	3 months	6 months	YTD	12 months	3 years	5 years
Citi Time-Weighted US Fallen Angel Bond Select Index	2.23	9.70	34.72	34.72	10.07	11.93
Citi US High-Yield Market Index	1.92	7.50	34.72	34.72	4.25	6.94

	Calendar year performance (%)					
	2015	2014	2013	2012	2011	2010
Citi Time-Weighted US Fallen Angel Bond Select Index	-7.43	6.93	9.30	20.63	-0.22	-
Citi US High-Yield Market Index	-5.56	1.83	7.22	15.70	5.52	-

Past and backtested performance is not a guide to future returns. Source: Citigroup Index LLC, as at 31.12.2016. Investors cannot invest in an index directly. The Citi Time-Weighted US Fallen Angel Bond Select Index returns represent backtested performance for the period 31.12.2010 to 17.07.2016 and actual performance from 18.07.2016, based on rules used in the creation of the index. Backtested performance does not represent actual performance and should not be interpreted as an indication of such performance; it is provided for illustration purposes only. Backtested performance has certain inherent limitations. For example, it ignores certain factors such as the trade timing, security liquidity and the fact that economic and market conditions in the future may differ significantly from those of the past. Accordingly, backtested performance is not a guide or an indicator of future returns.

Trading information

Stock Exchange	Exchange code	Trading currency	Bloomberg ticker	Bloomberg iNAV	Reuters RIC	Trading hours (Local time)	Minimum investment	Settlement
Borsa Italiana	HYFA	EUR	HYFA IM	iHYFAEU Index	HYFA.MI	09:00 - 17:30	1 share	t+2
Deutsche Börse (XETRA)	FAHY	EUR	FAHY GY	iHYFAEU Index	FAHY.DE	09:00 - 17:30	1 share	t+2
Euronext Paris	HYFA	EUR	HYFA FP	iHYFAEU Index	HYFA.PA	09:00 - 17:30	1 share	t+2
London Stock Exchange	HYFA	USD	HYFA LN	iHYFAUS Index	HYFA.L	08:00 - 16:30	1 share	t+2
London Stock Exchange	FAHY	Gbp	FAHY LN	N/A	FAHY.L	08:00 - 16:30	1 share	t+2
SIX Swiss Exchange	HYFA	USD	HYFA SW	iHYFAUS Index	HYFA.S	09:00 - 17:30	1 share	t+2



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Top 10 Index Issuers (%)

Name	# of issues	Market weight (%)	Average coupon (%)	Average life (years)	Average yield to maturity (%)	Average effective duration (years)
CENTURYLINK INC	6	1.32	6.75	11.90	6.54	6.32
DCP MIDSTREAM LLC	6	3.23	6.86	10.73	5.31	6.62
DELL INC	6	1.85	5.86	10.72	4.98	6.42
FREEMPORT-MCMORAN INC	8	3.25	4.04	9.08	4.96	6.07
NAVIENT CORP	8	3.16	6.42	5.53	4.91	4.15
TECK RESOURCES LTD	9	4.89	5.00	15.06	5.30	8.53
TRANSOCEAN INC	7	4.03	7.08	10.90	7.98	5.75
WILLIAMS COMPANIES INC	7	4.58	6.55	12.78	5.41	8.02
YUM BRANDS INC	7	4.46	5.04	9.60	4.28	5.91
CF INDUSTRIES INC	6	3.84	5.49	13.66	5.26	7.85

Source: Citigroup Index LLC, as at 31 Dec. 2016. Please see www.invescopowershares.net for ETF holdings information. Holdings are subject to change.

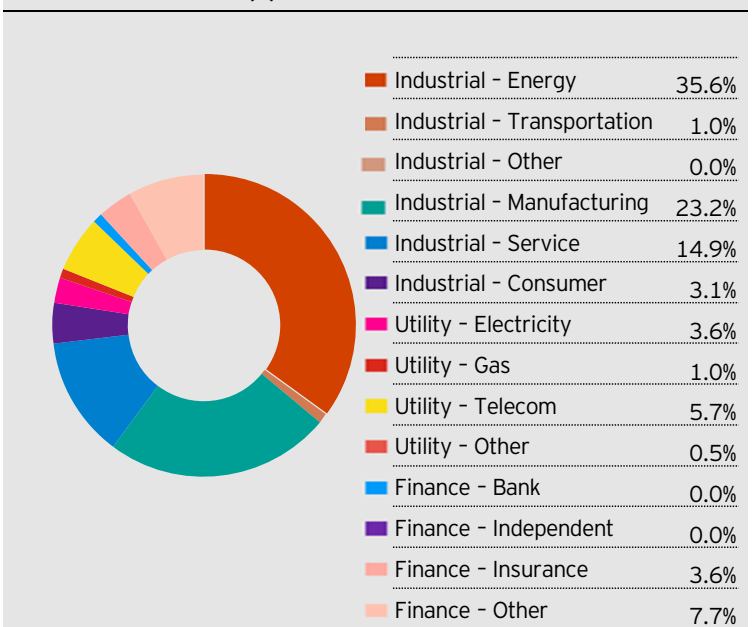
Index Yield & Maturity Characteristics ⁶	(%)
Weighted average coupon	5.73
Yield to worst	6.14
Weighted average yield to maturity	6.17
(years)	
Weighted average maturity	10.15
Effective duration	5.83
Modified duration	5.84
(bps)	
OAS	405.40

Source: Citigroup Index LLC, as at 31 Dec. 2016

Credit rating breakdown			
	(%)		(%)
BBB-	1.03	CCC+	2.06
BB+	25.77	CCC	0.00
BB	23.71	CCC-	1.03
BB-	23.20	CC	0.00
B+	7.22	C	0.00
B	12.37	D	1.55
B-	2.06		
Total			100

Source: Citigroup Index LLC, as at 31 Dec. 2016

Index sector allocation (%)



Source: Citigroup Index LLC, as at 31 Dec. 2016

Risk warnings

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

In tracking the Index, the ETF will be concentrated in a single country or a small number of countries. Investors should be prepared to accept a higher degree of risk than for a fund that is geographically diversified.

Debt instruments are exposed to credit risk which is the ability of the borrower to repay the interest and capital on the redemption date.

Changes in interest rates will result in fluctuations in the value of the ETF.

The ETF may hold a significant amount of debt instruments which are of lower credit quality and this may result in large fluctuations of the value of the ETF as well as impacting its liquidity under certain circumstances.

Contact us

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¹ The ongoing charges figure is based on annualised expenses. It excludes portfolio transaction costs.

² The Benchmark index also includes bonds that were originally rated high-yield, subsequently rated investment grade, then downgraded again to high-yield.

³ Includes Industrial, Utility and Finance sectors.

⁴ The inclusion period for each bond is measured in terms of consecutive months. The maximum inclusion period rule will be suspended should the number of issuers in the index fall below 20 to mitigate issuer concentration risk. Such suspension of the rule will be maintained until at least 20 issuers are eligible for inclusion in the index.

⁵ Design criteria and calculation methodology:

Coupon: Fixed-rate. Currency: USD. Minimum Maturity: At least one year.

Maximum inclusion period: 60 months⁴. Minimum issue size: USD 250 million.

Credit quality: Maximum quality: BB+ by Index quality. Minimum quality: C by Index quality (excludes defaulted bonds).

Composition: Cash-pay, zero-to-full (ZTF), pay-in-kind (PIK), step-coupon bonds, and Rule 144A bonds issued by corporations domiciled in the United States or Canada.

Index quality is defined to be the rating assigned by Standard & Poor's Financial Services LLC ("S&P") when it exists. If a bond is not rated by S&P, but it is rated by Moody's Investor Services, Inc. ("Moody's"), the S&P equivalent of the Moody's rating is assigned. If a bond is split-rated, that is rated investment-grade by S&P or Moody's and high-yield by the other, index quality is taken to be the S&P equivalent of the investment-grade rating. For more information on how "Index quality" is defined and the weighting methodology, please see their respective sections in the Citi Fixed Income Index Guide (http://www.yieldbook.com/f/m/pdf/citi_indices/intro.us.fallen.angels.pdf).

⁶ The yields shown are expressed as % per annum of current NAV of the fund. They are estimates for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. They are not guaranteed. They do not reflect the entry charge of the fund. Investors may be subject to tax on distributions. Cash income is estimated coupons from bonds and, where applicable, estimated dividends from equities.

Weighted average coupon: The coupon is the annual interest rate paid by a bond issuer on the face value of the bond. The Benchmark index's (or the ETF's) weighted average coupon is calculated as the average of the underlying bonds' coupon rates, adjusted to take account of their weight (size) within the Benchmark index (or the ETF).

Yield to worst: The lowest yield an investor can expect when investing in a callable bond.

Weighted average yield to maturity: The Benchmark index's (or the ETF's) rate of return anticipated on a bond if held until maturity. Yield to maturity of the Benchmark index (or the ETF) is calculated as the average of the underlying bonds' yields, adjusted to take account of their relative weight (size) within the Benchmark index (or the ETF).

Weighted average maturity: A bond's maturity is the length of time until the bond's principal amount is due to be repaid. Weighted average maturity of the Benchmark index (or the ETF) is calculated as the average of the underlying bonds' maturities, adjusted to take account of their relative weight (size) within the Benchmark index (or the ETF).

Effective duration: A measure of the potential impact on a bond's (or a portfolio of bonds') price of a 1% change in interest rates, across all maturities. This measure takes into account the possible changes in expected bond cash flows for bonds with embedded optionality (for example, the bond issuer's right to redeem bonds at a pre-determined price on certain dates) due to the 1% change in interest rates.

Modified Duration: The approximate percentage change (price sensitivity) in a bond's price for a 1% change in yield, assuming that the bond's expected cash flow does not change when the yield changes.

OAS (Option-Adjusted Spread): The measurement of the spread of a bond rate and the risk-free rate of return, adjusted to take into account an embedded option.

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