



EDGA Exchange, Inc. & EDGX Exchange, Inc.			
Regulatory Information Circular			
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Subject: PowerShares China A-Share Portfolio

Background Information on the Trust

As more fully explained in the [Registration Statement](#) (No. 333-147622 and No. 811-22148), PowerShares Actively Managed Exchange-Traded Fund Trust (the "Trust") is an open-end management investment company registered under the Investment Company Act of 1940, as amended. The Trust currently consists of three investment portfolios which includes the PowerShares China A-Share Portfolio (the "Fund"). The shares of the Fund are referred to herein as the "Shares."

Invesco PowerShares Capital Management LLC serves as the investment advisor for the Fund (the "Adviser"). Invesco Distributors, Inc. serves as the distributor of Creation Units for the Fund on an agency basis (the "Distributor"). BNY Mellon is the administrator, custodian and fund accounting and transfer agent for each Fund.

Ticker	Trust Name	CUSIP
CHNA	PowerShares China A-Share Portfolio	73935B888

Description of the Fund

The PowerShares China A-Share Portfolio (the "Fund") seeks to provide long-term capital appreciation.

The Fund is an actively managed exchange-traded fund ("ETF") that seeks to achieve its investment objective by providing exposure to the China "A-Shares" market using a quantitative, rules-based investment strategy. Under normal circumstances, the Fund will invest in a combination of (i) futures contracts (the "Futures") on the FTSE China A50 Index (the "Benchmark"); (ii) ETFs that provide exposure to the largest companies within the China A-Shares market ("Underlying ETFs"); and (iii) A-Shares, to the extent permissible under Chinese law. The Fund expects to invest its remaining assets in U.S. government securities, money market instruments, cash and cash equivalent securities (i.e., corporate commercial paper) to collateralize its investments in the Futures or for other purposes. The Fund is actively managed by the Adviser and is not obligated to invest in the instruments included in the Benchmark or to

track the performance of the Benchmark or of any index. Although the Fund seeks to exceed the performance of the Benchmark, there can be no assurance that the Fund will do so at any time.

The Benchmark is comprised of China's domestic market A-Shares, which are securities issued by companies that are incorporated in mainland China and that trade in Renminbi on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. The Benchmark includes the A-share securities of the largest 50 A-Share companies (as determined by market capitalization) listed on those two exchanges.

Because it currently cannot invest in A-Shares directly, the Fund will invest primarily in futures contracts on the Benchmark that provide exposure to the China A-Shares market. These futures contracts are listed on the Singapore Exchange. By investing in the Futures, the Fund will have no direct ownership of the A-Shares of the companies included in the Benchmark, but the Fund will gain exposure to the performance of those companies.

The Fund will invest in the Futures as a significant part of its investment strategy. Generally, futures contracts are a type of derivative whose value depends upon, or is derived from, the value of an underlying asset, reference rate, or index. The Fund's use of futures contracts will be underpinned by investments in short-term, high quality U.S. Treasury Securities, money market instruments, cash, and cash equivalent securities. The Futures will be used to simulate full investment in China A-Share securities.

Due to strict controls imposed by the Chinese government, the Fund currently cannot invest directly in A-Shares, which are available only to domestic Chinese investors and a limited pool of foreign investors, including foreign investors who have been approved as a Qualified Foreign Institutional Investor ("QFII") by the China Securities Regulatory Commission ("CSRC") and have obtained a QFII license and a quota. The Adviser currently is in the process of applying for a QFII license on behalf of the Fund for the Fund to invest directly in A-Shares. There are no assurances that such a QFII license will be granted, or that such a license, if granted, would permit the Fund to purchase A-Shares, or that the Adviser would invest the Fund, in an amount necessary to provide the Fund with sufficient A-Shares exposure.

The Adviser will continuously monitor the Fund's holdings. If, in the future, the Adviser is unable to obtain a QFII license, the Fund is unable to invest in A-Shares, the Adviser concludes that direct investments in China A-Shares is not prudent, the market for the Futures presents liquidity constraints, or the Fund is unable to obtain.

Purchase and Redemption of Shares

The Fund will issue and redeem Shares at NAV only with authorized participants ("APs") and only in large blocks of 50,000 Shares (each block of Shares is called a "Creation Unit") or multiples thereof ("Creation Unit Aggregations") principally in exchange for cash. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.

Individual Shares of the Fund may be purchased and sold only in secondary market transactions through brokers. Shares of the Fund will be listed for trading on NYSE Arca, Inc.

("NYSE Arca") and because the Shares will trade at market prices rather than NAV, Shares of the Fund may trade at prices greater than NAV (at a premium), at NAV, or less than NAV (at a discount).

Ordinarily, dividends from net investment income, if any, are declared and paid annually by the Fund. The Fund also intends to distribute its net realized capital gains, if any, to shareholders annually. Dividends and other distributions may be declared and paid more frequently to comply with the distribution requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, and to avoid a federal excise tax imposed on regulated investment companies.

Distributions in cash may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available.

Shares are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ("DTC") or its nominee is the record owner of all outstanding Shares of the Fund and is recognized as the owner of all Shares for all purposes.

The NAV per Share of the Fund will be determined as of the close of trading (normally, 4:00 p.m. Eastern Time) on each day that the primary listing exchange is open for business. The NAV will be available from the Distributor and is also available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trust's Registration Statement describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund and the Benchmark, visit www.invescopowershares.com.

Principal Risks

Interested persons are referred to the prospectus of the Fund (the "[Prospectus](#)") for a description of risks associated with an investment in the Shares of each Fund. These risks include Management Risk; Future Contract Risk; China Investment Risk; Chinese A-Shares Market Risk; Risk of Investments in Underlying ETFs, Risk of Direct Investment in Foreign Securities, Liquidity Risk; Valuation Risk; Interest Rate Risk; Tax Risk; Non-Diversified Fund Risk; Market Risk; Market Trading Risk; and Commodity Pool Risk.

The Adviser is registered as a Commodity Pool Operator ("CPO"), and the Fund will be operated in accordance with CFTC rules. Registration as a CPO subjects the registrant to additional laws, regulations and enforcement policies, all of which could increase compliance costs and may affect the operations and financial performance of funds whose adviser is required to register as a CPO. Registration as a commodity pool may have negative effects on the ability of the Fund to engage in its planned investment program.

In addition, as noted in the [Prospectus](#), the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with

changes in NAV as well as the supply and demand for the Shares on the Exchange.

Please see the Fund's Registration Statement for additional information regarding risks of an investment in shares of the Fund. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

The Fund's [Prospectus](http://www.invescopowershares.com) describing correlation and other risks is available at www.invescopowershares.com.

Trading Hours

Trading in the Shares on EDGA Exchange, Inc. and EDGX Exchange, Inc. (together, the "Exchanges") is on a UTP basis and is subject to the Exchanges equity trading rules. The Shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of the Benchmark value or intraday indicative value ("IIV"). For certain derivative securities products, an updated Benchmark value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the Benchmark value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Halts

The Exchanges will halt trading in the Shares in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares if the primary market de-lists the Shares.

Suitability

Trading in the Shares on the Exchanges will be subject to the provisions of Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability

analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Trust (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Trust's [website](#). The [Prospectus](#) does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Trust, please refer to the [Registration Statement](#).

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Trust. Members are referred to the No-Action Letters, available at www.sec.gov, for additional information.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the fund for redemption does not constitute a bid for or purchase of any of the fund's securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter relating to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of fund (1) to redeem fund shares in creation unit aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase fund shares during such tender offer. In addition, a No-Action has been issued under Rule 14e-5 states that if a broker-dealer acting as a dealer-manager of a tender offer for a security of the fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more creation unit aggregations of shares, it must be made in conformance with the following:

1. such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
2. purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the index; and
3. such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD (now FINRA) Rule 2830 (I)(5)(A), (B) or (C). See letter dated November 22, 2005 from Brian A Bussey, Assistant Chief Counsel, SEC Division of Market Regulation, to Barclays Global Investors, N.A., dated November 22, 2005. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act now states that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

This Regulatory Information Circular is not a statutory [Prospectus](#). Members should consult the Trust's [Registration Statement](#) and [website](#) for relevant information.