



Information Circular 09-046

Date: February 24, 2009

Re: PowerShares Actively Managed Exchange-Traded Fund Trust ETFs

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. ("BATS" or the "Exchange"), this Information Circular is being issued to advise you that the following security has been approved for trading on the Exchange as a UTP Derivative Security pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Shares" or "Funds")</u>	<u>Symbol</u>
PowerShares Active Mega Cap Fund	PMA
PowerShares Active AlphaQ Fund	PQY
PowerShares Active Alpha Multi-Cap Fund	PQZ

Commencement of Trading: February 25, 2009

Issuer: PowerShares Actively Managed Exchange-Traded Fund Trust

Issuer Website: www.invescopowershares.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-08-35 (April 11, 2008)

Issuer Registration Statement: Nos. 333-147622 and 811-22148

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

Background Information on the Funds

The Trust is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of several exchange-traded funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the three Funds listed above. The shares of each of the Funds listed above are referred to herein as "Shares." Invesco PowerShares Capital Management LLC (the "Adviser") serves as the investment adviser for the Funds. AER Advisors, Inc. ("AER") is the investment Sub-Adviser for PQY and PQZ. Invesco Institutional, Inc. ("Invesco") is the investment Sub-Adviser for PMA.

PQY seeks to achieve its investment objective by investing, under normal market conditions, at least 95% of its total assets in Nasdaq-listed stocks selected by AER pursuant to a proprietary stock screening

methodology, which utilizes fundamental and quantitative criteria. Using this methodology, AER tracks and rates the stocks of companies with a market capitalization of over \$400 million that are traded in the United States. On a weekly basis, AER generates its "Master Stock List" which ranks a universe of approximately 3,000 stocks, segmented by market capitalization. AER then narrows its universe to the 100 largest stocks listed on the Nasdaq Global Market from the Master Stock List for PQY (the "Q Universe"), excluding securities traded on other exchanges. Utilizing a proprietary methodology, PQY then generally selects and purchases approximately 50 stocks included in the Q Universe.

On the last business day of each week, AER reviews the Q Universe based on its proprietary ranking methodology generally to maintain the portfolio in the highest-ranking stocks within the Q Universe. AER currently may eliminate up to three stocks each week from PQY whose rankings fall below a prescribed threshold and replace those stocks with the highest ranking stocks not currently held in PQY. PQY will seek to remain fully invested with approximately equal-weighted positions, i.e., 2.0% for each stock, and AER will rebalance weightings to the initial equal weight when the position reaches 3.0%. Proceeds from stocks sold will be reinvested in the replacement stocks on an equal-weighted basis.

AER's proprietary stock screening methodology was developed by AER in 1998 to combine the quantitative aspects of stock money flow with traditional fundamental security analysis. AER's investment methodology is designed to achieve returns in excess of the NASDAQ 100 Index ("NASDAQ-100") by focusing on the stocks within the Q Universe identified through its proprietary stock screening methodology as strong performers and avoiding or eliminating from PQY's portfolio stocks identified as weak performers.

PQZ seeks to achieve its investment objective by investing, under normal market conditions, at least 95% of its total assets in stocks in the Multi-Cap Universe (as defined below) selected by AER pursuant to a proprietary stock screening methodology, which utilizes fundamental and quantitative criteria. AER employs its unique stock screening methodology in the management of PQZ. Using its methodology, AER tracks and rates the stocks of companies with a market capitalization of over \$400 million that are traded in the United States. On a weekly basis, AER generates its "Master Stock List" which ranks a universe of approximately 3,000 stocks, segmented by market capitalization. AER then narrows its universe to the 2,000 largest stocks of companies with varying capitalizations from the Master Stock List for PQZ (the "Multi-Cap Universe"). Utilizing a proprietary methodology, PQZ then generally selects and purchases approximately 50 stocks from the Multi-Cap Universe.

On the last business day of each week, AER reviews the Multi-Cap Universe based on its proprietary ranking methodology to generally maintain the portfolio in the highest-ranking stocks within the Multi-Cap Universe. AER currently may eliminate up to three stocks each week from PQZ whose rankings fall below a prescribed threshold and replace those stocks with the highest ranking stocks, not currently held in PQZ. PQZ will seek to remain fully invested with approximately equal-weighted positions, i.e. 2.0% for each stock, and AER will rebalance weightings to the initial equal weight when the position reaches 3.0%. Proceeds from stocks sold will be reinvested in the replacement stocks on an equal-weighted basis.

AER's proprietary stock screening methodology was developed by AER in 1998 to combine the quantitative aspects of stock money flow with traditional fundamental security analysis. AER's investment methodology is designed to achieve returns in excess of the S&P 500 Index ("S&P 500") by focusing on the stocks within the Multi-Cap Universe identified through its proprietary stock screening methodology as strong performances and avoiding or eliminating from the portfolio stocks identified as weak performers.

PMA seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in a portfolio of equity securities of mega-capitalization companies. The 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed. The principal type of equity securities purchased by PMA is common stock.

PMA considers a company to be a mega-capitalization company if it has a market capitalization, at the time of purchase, equal to or greater than the market capitalization of the smallest company in the Russell Top 200 Index (PMA's "Benchmark Index"). PMA uses a universe of securities that are selected using the

Benchmark Index as a guide in structuring and selecting its investments, but will invest in securities included in the Benchmark Index as well as securities not included in the Benchmark Index.

In implementing its investment strategy, PMA may invest without limitation in derivative instruments, including, but not limited to, futures contracts. PMA's investments in derivative instruments will be counted toward the 80% policy discussed above to the extent they have economic characteristics similar to the securities included within that policy.

PMA's investments may vary from time to time, and at any time, PMA may not be invested in all types of securities described in the Prospectus.

In seeking to outperform the Benchmark Index, Invesco evaluates fundamental and behavioral factors to forecast individual security returns and applies proprietary and non-proprietary risk and transaction cost models to forecast individual security risk and transaction costs. Based on the individual security forecasts, Invesco seeks to construct the optimal portfolio holdings for PMA and to manage risk.

PMA will invest in securities that Invesco believes have favorable prospects for above average growth while attempting to maintain a high correlation between the return of the Benchmark Index and the return of PMA's portfolio. PMA will attempt to overweight securities with prospects for above average growth and favorable risk profile characteristics identified in the evaluation process and underweight securities with less advantageous characteristics. The security and portfolio evaluation process is generally repeated once per month.

Invesco will consider selling or reducing a security position (i) if the forecasted return of a security becomes less attractive relative to industry peers, or (ii) if a particular security's risk profile changes.

For more information regarding each Fund's investment strategy, please read the prospectus for the Funds.

As described more fully in the Trust's prospectus and Statement of Additional Information ("SAI"), the Funds issue and redeem Shares at net asset value ("NAV") only in large blocks of 50,000 Shares (each block of Shares called a "Creation Unit") or multiples thereof. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Ordinarily, dividends from net investment income, if any, are declared and paid annually. Each Fund distributes its net realized capital gains, if any, to shareholders annually.

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

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or "ET") of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

Investors should also note that the Funds may engage in transactions in futures contracts and that the Commodity Futures Trading Commission has regulatory jurisdiction over the trading of futures contracts. The registration statement for the Funds describes the various fees and expenses for the Funds' Shares.

For a more complete description of the Funds and the underlying indexes, visit the Issuer's Website.

Purchases and Redemptions in Creation Unit Size

Members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and SAI, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, derivatives risk, equity risk, portfolio turnover risk, credit risk, call risk, interest rate, high yield securities risk, large company risk and small and medium-sized company risk.

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

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, the Fund is exempted from Rule 101 pursuant to paragraph (c)(4) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Shares to bid for or purchase Shares during their participation in such distribution. The Fund is exempted under Rule 102(d)(4), permitting a Fund to redeem Shares during the continuous offering of Shares.

Rule 10b-17 (Untimely Announcement of Record Dates)

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

Section 11(d)(1); Rule 11d1-2 (Customer Margin)

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on BATS is subject to BATS equity trading rules.

Trading Hours

The value of the Indexes underlying the Shares will be disseminated to data vendors every 15 seconds during Regular Trading Hours.

The Shares will trade on BATS between 8:00 a.m. and 4:00 p.m. ET. Please note that trading in the Shares during the Exchange's pre-opening session may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the pre-opening session, (2) the indicative value may not be updated during the pre-opening session, (3) lower liquidity in the pre-opening session may impact pricing, (5) higher volatility in the pre-opening session may impact pricing, (6) wider spreads may occur in the pre-opening session, and (7) because the indicative value is not calculated or widely disseminated during the pre-opening session, an investor who is unable to calculate an implied value for the Shares in that session may be at a disadvantage to market professionals.

Delivery of a Prospectus

BATS Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The prospectus for a Fund does not contain all of the information set forth in the Fund's 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 Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, BATS Rule 14.1(c)(3) requires that BATS Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, BATS Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a BATS member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [*the UTP Derivative Securities*] has been prepared by the [*open-ended management investment company name*] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [*the UTP Derivative Securities*]."

A BATS member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to BATS member under this rule.

Upon request of a customer, BATS Members also shall provide a copy of the Prospectus.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

BATS will halt trading in the Shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the Shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Eric Swanson, 212.378.8523, eswanson@batstrading.com, with any inquiries regarding this Information Circular.