

### PXQ - Dangerous Rating

#### PowerShares Dynamic Networking



★★☆☆☆	<b>Predictive Rating</b>	Dangerous
<b>Business Strength</b>		
★★★★☆	Quality of Earnings	Positive EE
★★★★★	Size of the Moat (ROIC)	27.34%
<b>Valuation</b>		
★★★☆☆	Free Cash Flow Yield	1.44%
★☆☆☆☆	Price to Economic Book Value	4.16
★☆☆☆☆	Market-Implied Duration of Moat	54 years

- We recommend investors avoid PowerShares Dynamic Networking (PXQ).
- PXQ ranks in the 36th percentile of the 400+ ETFs we cover.
- Positive EE means that economic earnings are positive because the ETF's ROIC is greater than its WACC.
- The Price to Economic Book Value ratio compares market expectations for future cash flows to existing cash flows. When the ratio is greater than one, the market predicts cash flows will increase, and vice versa.
- Market-Implied Duration of Moat measures the number of years of future profit growth implied by the stock price.

### ETF Details

Net Asset Value (\$MM)	\$91.42
Issuer	Invesco PowerShares
Category	Technology Equities
Index	Dynamic Networking Intellidex
Management Style	Passive
Exposure	Long
Inception Date	06/23/05
Number of Holdings	30
Premium (Discount)	-0.21%
Avg. Daily Volume (3 Mo.)	60,569
Geography	U.S.

### Predictive Rating Methodology

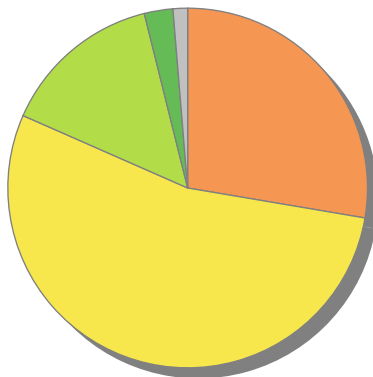
Our rating is based on the aggregation of our financial models for the ETF's holdings, which enables us to assess the profitability and valuation of the ETF just like a stock.

Our predictive ETF rating system is the same as our stock rating system, consistently [top-ranked](#) by Barron's.

### Expense Analysis

Expense Ratio	0.60%
Rank (percentile)	17.49%
10-Year Cost	\$1,514.89

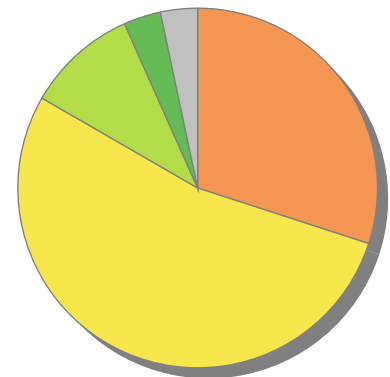
PXQ's fees will cost an investor \$1,514.89 over 10 years assuming a \$10,000 investment and 10% returns.



### Allocations

0.00%	Very Dangerous ☆☆☆☆	0
28.40%	Dangerous ★★☆☆	9
55.35%	Neutral ★★★☆☆	16
12.27%	Attractive ★★★★☆	3
2.64%	Very Attractive ★★★★★	1
1.34%	Unrated	1

### Holdings



### Top 5 Holdings

F5 Networks, Inc. (FFIV)	6.08%
Citrix Systems, Inc. (CTXS)	5.43%
Motorola Solutions, Inc. (MSI)	4.90%
VMware Inc. (VMW)	4.86%
QUALCOMM Inc. (QCOM)	4.83%

### Capitalization Exposure

Large Cap	29.17%
Mid Cap	34.39%
Small Cap	36.45%

## Explanation of Predictive ETF Rating System

Our ETF research aggregates results from our Company Valuation models for each of the companies held by an ETF. Our rating system grades ETFs according to the 5 most important criteria for assessing the risk versus reward of an ETF. Our analysis results in the 5 ratings: Very Attractive corresponds to a "Strong Buy" rating, Attractive to "Buy", Very Dangerous to a "Sell or Short", and everything in-between to a "Hold" rating.

Predictive Risk/Reward Rating	Business Strength		Valuation		
	Quality of Earnings	Size of Moat (ROIC)	FCF Yield	Price to Economic Book Value	Market-Implied Duration of Moat
Very Dangerous ☆☆☆☆	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50
Dangerous ☆☆☆☆	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50
Neutral ☆☆☆☆	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20
Attractive ☆☆☆☆	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10
Very Attractive ☆☆☆☆	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3

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