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PowerShares Wants ETFs With Hot Sauce

Joanne Von Alroth

Seems like investment companies come out with a new exchange traded fund every week. But none have outpaced PowerShares Capital Management, which has released 69 new ETFs in the last four years. It offers 86 ETFs total with \$10 billion in assets.

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PowerShares, of Wheaton, Ill., expects to come out with another 45 ETFs in the coming months. How does the 43-year-old Bond keep rolling out the funds? IBD spoke with him last week to find out.

IBD: You've launched more ETFs than any other company out there. How long does the process take?

Bond: About 120 days from idea and inception to actual trading. But before that, first you have to prove exemptive relief to the SEC for either domestic, international or fixed-income funds, and that can take one to two years. But once you've received approval to open funds, it's 120 days. It's about partnerships -- you can't introduce an index fund based on your own index.

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IBD: Apart from the Intellidex approach, what makes PowerShares unique?

Bond: First, all of our ETFs are very transparent; there isn't that much behind our criteria. They're objective and rules-based, and the rules are clear and strict; investors know they'll be rebalanced every quarter. Investors can track everything that's done. And we're very careful to make sure there's a true opportunity (when we offer a new fund). Sometimes it doesn't look like that to others: When we came out with the Lux Nanotech Fund (AMEX:[PXN](#) - [News](#)) or WilderHill Clean Energy (AMEX:[PBW](#) - [News](#)), people were skeptical because they seemed trendy. But we'd done the research, and we were right. Both of those ETFs are now strong performers.

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