

PowerShares **Convertible** **Securities** Portfolio (CVRT)





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Fund Details

Ticker	CVRT
Underlying Index Ticker	VXAO
Expense Ratio	0.35%
Index Rebalance	Daily
Distribution	Monthly
Listing Exchange	NYSE Arca

The PowerShares Convertible Securities Portfolio seeks investment results that correspond (before fees and expenses) generally to the price and yield of The BofA Merrill Lynch All U.S. Convertibles IndexSM (the Underlying Index).

The Fund will invest at least 80% of its total assets in the component securities that comprise the Underlying Index. The Underlying Index is designed to track the performance of U.S. dollar-denominated investment grade and non-investment grade convertible securities sold into the U.S. market and publicly traded in the United States, including the over-the-counter (OTC) market.

The BofA Merrill Lynch All U.S. Convertibles Index

Launched in 1995, the BofA Merrill Lynch All U.S. Convertibles Index is designed to be an unbiased proxy for the broad U.S. convertible market. All members of the Underlying Index must satisfy the following criteria:¹

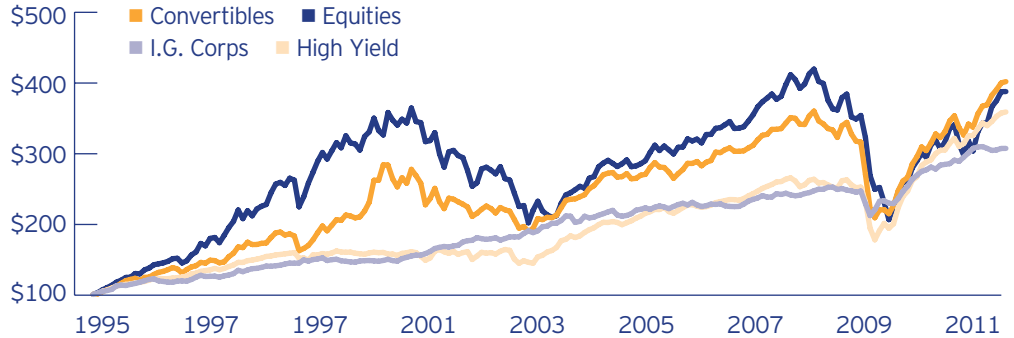
- ≥\$50mm aggregate market value at issuance
- Sold into the U.S. market and publicly traded in the U.S.
- New issues added on issue date
- Significant company footprint in the U.S.
- Redeemed issues removed on last conversion day if a forced conversion, and on redemption day if a cash call
- Not currently in bankruptcy (chapter 11 issuers removed on filing date)
- Appreciated issues added at quarter end
- Convertible into U.S. dollar-denominated common stock, American depository receipts (ADRs), or cash equivalent
- Depreciated/converted issues removed at quarter end (<\$40mm)
- Not a synthetic (defined as an exchangeable or equity-linked security issued by a broker dealer with proceeds going directly to the broker-dealer)
- USD-denominated

1 Source: BofA Merrill Lynch Convertible Research, as of May 2011

The Case for Investing in Convertible Bonds

Convertible bonds combine the features of stocks and bonds in a single investment, and have historically provided an attractive risk reward profile:

Normalized Index Returns



Performance Table

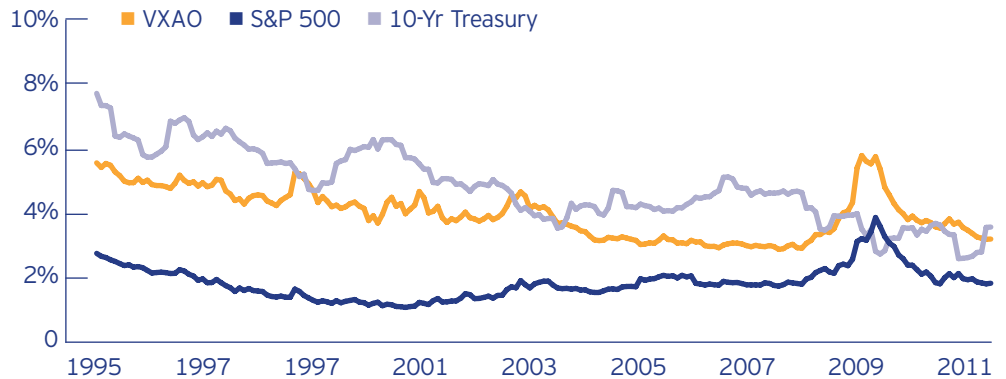
	Convertibles	I.G. Corps	High Yield	Equities
Return (%)	8.96	7.19	8.21	8.72
Standard Deviation	0.13	0.06	0.09	0.16
Beta vs. S&P 500	0.69	0.09	0.36	1.00

Source: Bloomberg L.P., as of March 31, 2011

Attractive Yield

Since 1995, the VXA0's current yield (coupon ÷ price) has, on average, been 85 basis points less than the current 10-Yr Treasury yield, but 216 basis points more than the trailing 12-month dividend yield of the S&P 500:

Yield Comparison



Sources: BofA Merrill Lynch and Bloomberg L.P., as of March 31, 2011

A Par Value with Upside Equity Participation

Out of 185 rolling 12-month periods since 1995, the S&P 500 had negative performance for 51 of them. The VXA0 outperformed the S&P 500 during 44 of those 51 periods, by an average of 7.6%, participating on average* in only 61% of the S&P 500's downside.

In the remaining 134 periods of positive S&P 500 performance, the VXA0 participated on average in 83% of the upside.¹

¹ Source: Bloomberg L.P., as of March 31, 2011

Past performance cannot guarantee future results. An investment cannot be made directly in an index.

Investment-grade (I.G.) corporate bonds are represented by the BofA Merrill Lynch U.S. Corporate Master Index. High-yield bonds are represented by the BofA Merrill Lynch U.S. High Yield Master II Index. Convertibles are represented by the BofA Merrill Lynch All U.S. Convertibles Index. Data for the 10-Yr Treasury Yield is from the BofA Merrill Lynch U.S. Treasury Current 10 Yr Index. Equities are represented by the S&P 500, which is an unmanaged index considered representative of the U.S. stock market.

* For downside and upside participation, a harmonic average was used, which is a method of calculating an average that lessens the impact of large outliers and increases the impact of small ones.

Volatility is the annualized standard deviation of index returns. Beta is a measure of relative risk and is the slope of regression.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions may apply.

Shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 100,000 shares.

The value of convertible securities tends to vary with fluctuations in the market value of the underlying securities. Convertible securities are subject to the risk of default by the issuer.

The Fund may invest in fixed-income securities, such as notes and bonds, which carry interest rate and credit risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health.

The Fund's underlying securities may be subject to call risk, which may result in the Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund's income.

Non-investment grade securities have additional risks, including higher default risk and decreased market liquidity.

The Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

The Fund may be subject to Tracking Error Risk and may not match the return of the Underlying Index.

The Fund is considered non-diversified and may be subject to greater risks than a diversified fund.

Foreign securities have additional risks, including exchange-rate changes, decreased market liquidity, political instability and taxation by foreign governments.

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Note: Not all products available through all firms.

An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. For this and more complete information about the Fund call 800 983 0903 or visit invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.