

# KBWY

As of March 31, 2012

## Fund Description

The PowerShares KBW Premium Yield Equity REIT Portfolio is based on the KBW Premium Yield Equity REIT Index. The Fund will normally invest at least 90% of its total assets in the securities that comprise the Index. The Index is calculated using a dividend yield weighted methodology that seeks to reflect the performance of approximately 24 to 40 small- and mid-cap equity REITs in the United States.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Underlying Index.

### Fund Data

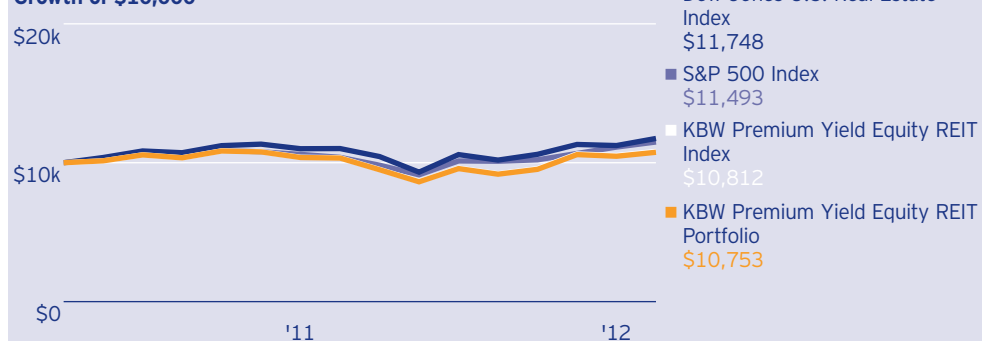
KBW Premium Yield Equity REIT Portfolio	KBWY
Intraday NAV (IIV)	KBWY.IV
CUSIP	73936Q819
Listing Exchange	NYSE Arca
Number of Securities	31
Expense Ratio	0.36%

### Underlying Index Data

KBW Premium Yield Equity REIT	KYXTR
Index Provider	Keefe, Bruyette & Woods, Inc.

## PowerShares KBW Premium Yield Equity REIT Portfolio

### Growth of \$10,000



Data beginning Dec. 31, 2010, the month end following Fund inception and ending March 31, 2012.

### Fund Performance & Index History (%)

	1 Year	3 Year	5 Year	10 Year	Fund Inception
<b>Underlying Index</b>					
KBW Premium Yield Equity REIT Index	4.36	38.39	-	-	8.01
<b>Benchmark Indexes</b>					
Dow Jones U.S. Real Estate Index	9.59	40.78	-1.36	-	14.75
S&P 500 Index	8.51	23.40	2.01	4.12	13.64
<b>Fund</b>					
NAV	3.86	-	-	-	7.59
After Tax Held	1.79	-	-	-	5.41
After Tax Sold	2.40	-	-	-	5.13
Market Price	3.91	-	-	-	7.81

Performance data quoted represents past performance. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. See [invescopowershares.com](http://invescopowershares.com) to find the most recent month-end performance numbers. After Tax Held represents total return after taxes on distributions and assumes Shares have not been sold. After Tax Sold represents total return after taxes on distributions and the sale of Fund Shares. After-tax returns reflect the highest federal income tax rate but exclude state and local taxes. Market returns are based on the midpoint of the bid/ask spread at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

### 3-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
KBW Premium Yield Equity REIT Index	-	-	-	1.42	26.99
Dow Jones U.S. Real Estate Index	-2.20	1.02	0.96	1.60	25.46
S&P 500 Index	8.33	1.25	0.75	1.44	16.22

Alpha, beta and correlation are relative to underlying index.

### Fund Inception: Dec. 2, 2010

**Index returns do not represent Fund returns. An investor cannot invest directly in an index.**

Neither the underlying Index nor the benchmark indexes charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown; nor do any of the indexes lend securities, and no revenues from securities lending were added to the performance

shown. In addition, the results actual investors might have achieved would have differed from those shown because of differences in the timing, amounts of their investments, and fees and expenses associated with an investment in the Fund.

The Dow Jones U.S. Real Estate Index is an unmanaged index considered representative of the U.S. real estate market.

The S&P 500® Index is an unmanaged index

considered representative of the U.S. stock market.

**Shares are not FDIC insured, may lose value and have no bank guarantee.**

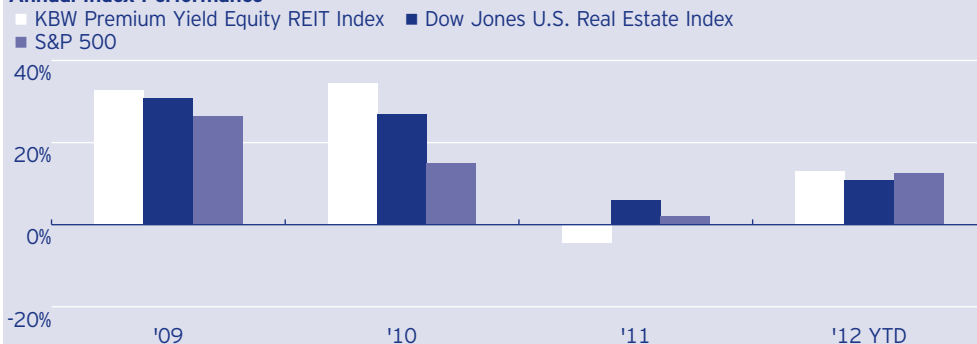
**Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 50,000 Shares.**

As of March 31, 2012

Top 30 Fund Holdings (%)	
Name	Weight
Commonwealth REIT	5.30
Sabra Health Care REIT Inc.	4.40
Stag Industrial Inc.	4.06
Omega Healthcare Investors Inc.	4.04
One Liberty Properties Inc.	3.97
Medical Properties Trust Inc.	3.90
Hospitality Properties Trust	3.69
Government Properties Income Trust	3.55
Inland Real Estate Corp.	3.33
Entertainment Properties Trust	3.23
Universal Health Realty Income	3.22
Agree Realty Corp.	3.15
Capital Lease Funding Inc.	3.13
Mack-Cali Realty Corp.	3.13
Ramco-Gershenson Properties	3.05
Winthrop Realty Trust	3.03
Healthcare Realty Trust Inc.	3.03
First Potomac Realty Trust	2.97
Sun Communities Inc.	2.94
Getty Realty Corp.	2.87
National Retail Properties	2.84
Liberty Property Trust	2.84
Washington Real Estate Inv.	2.82
Lexington Corporate Properties Trust	2.79
Excel Trust Inc.	2.78
Brandywine Realty Trust	2.71
Highwoods Properties Inc.	2.71
Kite Realty Group Trust	2.67
Health Care REIT Inc.	2.66
Urstadt Biddle Properties Inc. (CI A)	2.64

Please see the website for complete holdings information. Holdings are subject to change.

### Annual Index Performance



### Fund Details

P/E Ratio	54.43
P/B Ratio	1.34
Return on Equity	3.79%
Weighted Market Cap (\$MM)	1,574

### Fund Subindustry Allocations (%)

Specialized REITs	28.17
Retail REITs	25.88
Office REITs	20.19
Diversified REITs	15.79
Industrial REITs	7.03
Residential REITs	2.94

### Fund Market-Cap Allocations (%)

Large-Cap Growth	-
Large-Cap Value	-
Mid-Cap Growth	-
Mid-Cap Value	14.57
Small-Cap Growth	22.79
Small-Cap Value	62.65

### Leading the Intelligent ETF Revolution®

#### About risk

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

At times, high yielding, dividend paying securities may be out of favor and underperform other market segments.

Investments in real estate related instruments may be affected by economic, legal, cultural, environment or technological factors that affect the property values, rents or occupancies of real estate related to the Fund's holdings.

Although the Fund will not invest in real estate directly, the REITs in which the Fund will invest will be subject to risks inherent in the direct ownership of real estate.

Investing in securities of small and medium-sized companies may involve greater risk than is customarily associated with investing in large companies.

The **Intraday NAV** is a symbol representing estimated fair value based on the most recent intraday price of underlying assets. **Volatility** is the annualized standard deviation of index returns. **Beta** is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure

calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe Ratio indicates better risk-adjusted performance. **Correlation** indicates the degree to which two investments have historically moved in the same direction and magnitude. **Alpha** is a measure of performance on a risk-adjusted basis.

**Weighted Harmonic Average Stock Price-to-Earnings Ratio (P/E Ratio)** is the share price divided by earnings per share. It is measured on a 12-month trailing basis. **Weighted Harmonic Average Stock Price-to-Book-Value Ratio (P/B Ratio)** is the ratio of a stock's market price to a company's net asset value. **Weighted Harmonic Average** is a method of calculating an average value that lessens the impact of large outliers and increases the impact of small ones. **Weighted Average Return on Equity** is net income divided by net worth. **Weighted Market Capitalization** is the sum of each underlying securities' market value.

Security classifications used in calculating allocation tables are as of Feb. 29, 2012.

The Global Industry Classification Standard was developed by and is the exclusive property and a service mark of MSCI, Inc. and Standard & Poor's.

"Keefe, Bruyette & Woods, Inc.," "KBW Premium Yield Equity REIT Index" and "KBW" are trademarks of KBW

and have been licensed for use by Invesco PowerShares Capital Management LLC. The PowerShares KBW Premium Yield Equity REIT Portfolio is not sponsored, endorsed, sold or promoted by KBW and KBW makes no representation regarding the advisability of investing in The PowerShares KBW Premium Yield Equity REIT Portfolio. Invesco PowerShares Capital Management LLC is not affiliated with KBW.

**Invesco Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust II.**

**PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd.**

**An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund. For this and more complete information about the Fund call 800 983 0903 or visit [invescopowershares.com](http://invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.