

PCEF

As of December 31, 2011

Fund Description

The PowerShares CEF Income Composite Portfolio is based on the S-Network Composite Closed-End Fund IndexSM. The Fund will normally invest at least 90% of its total assets in securities of funds included in the Index. The Fund is a "fund of funds," as it invests its assets in the common shares of funds included in the Index rather than in individual securities. The Index is a rules-based index intended to give investors a means of tracking the overall performance of a global universe of U.S. – listed closed-end funds. The Index is reconstructed on a quarterly basis from a universe of approximately 350 closed-end funds.

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 Data³

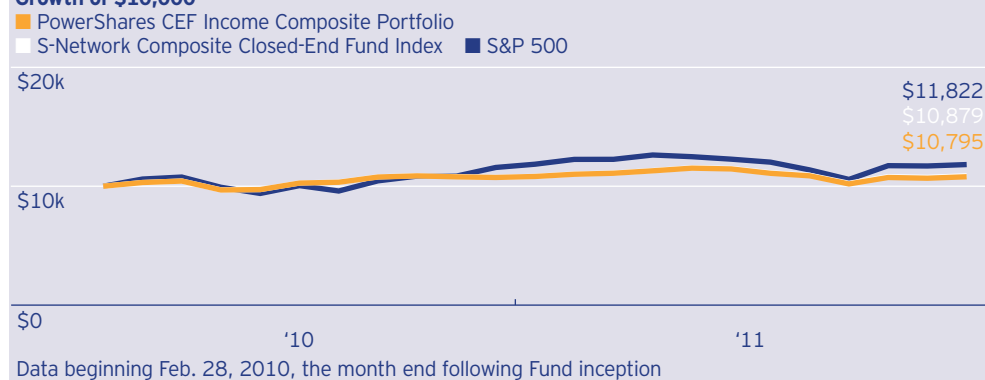
PowerShares CEF Income Composite Portfolio	PCEF
Intraday NAV (IIV)	PCEF.IV
30-Day SEC Yield	8.67%
Options	Yes

Underlying Index Data

S-Network Composite Closed-End Fund	CEFSTR
Index Provider	S-Network Global Indexes, LLC

PowerShares CEF Income Composite Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
S-Network Composite Closed-End Fund	1.22	–	–	–	5.30
Benchmark Index					
S&P 500	2.11	14.12	-0.25	2.92	9.54
Fund					
NAV	0.61	–	–	–	4.80
After Tax Held	-2.29	–	–	–	1.71
After Tax Sold	0.42	–	–	–	2.34
Market Price	0.56	–	–	–	4.75

Performance data quoted represents past performance. As stated in the Fund's prospectus, the expense ratio of 1.62% is composed of a 0.50% unitary fee to cover expenses incurred in connection with managing the portfolio. The Acquired Fund Fees and Expenses are 1.12%. 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 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 between the highest bid and the lowest offer, as of the time that the Fund's NAV is calculated, generally around 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

1-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
S-Network Composite Closed-End Fund	1.22	10.17	–	0.12	–
S&P 500	2.11	15.94	0.57	0.14	0.89

Fund Inception: Feb. 19, 2010

¹ Index returns do not represent Fund returns. An investor cannot invest directly in an index.

² Returns for the benchmark indexes are based on the closest month end to the Fund's inception date.

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 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 December 31, 2011

Top 30 Fund Holdings (%) ⁴ Name	Weight
Eaton Vance Tax-Managed Global Diversified Equity Income Fund	5.67
Alliancebernstein Income Fund Inc.	4.00
Eaton Vance Tax-managed Diversified Equity Income Fund	3.03
Eaton Vance Limited Duration Income Fund	3.01
Aberdeen Asia-Pac Income Fund Inc.	2.55
Nuveen Multi-Strategy Income & Growth Fund 2	2.42
Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund	2.40
BlackRock Build America Bond Trust	2.16
NFJ Dividend Interest & Premium Strategy Fund	2.04
Eaton Vance Risk-Managed Diversified Equity Income Fund	1.78
Nuveen Quality Preferred Income Fund 2	1.69
Nuveen Multi-strategy Income And Growth Fund	1.68
Western Asset/Claymore Inflation-Linked Opportunities & Income Fund	1.62
Eaton Vance Tax-Managed Buy-Write Opportunities Fund	1.56
AB World Dollar Governamnet Fund II	1.55
Nuveen Equity Premium Opportunity Fund	1.44
BlackRock Global Opportunities Equity Trust	1.38
Templeton Global Income Fund	1.33
Eaton Vance Senior Floating-Rate Fund	1.32
BlackRock Energy And Resources Trust	1.31
BlackRock Credit Allocation Income Trust IV	1.31
Nuveen Multi-Currency Short-Term Government Income Fund	1.23
BlackRock International Growth And Income Trust	1.23
Wells Fargo Advantage Multi-Sector Income Fund	1.18
Western Asset Emerging Markets Debt Fund Inc.	1.10
Eaton Vance Enhanced Equity Income Fund	1.08
ING Global Equity Dividend & Premium Opportunity	1.08
ING Prime Rate Trust	1.05
Pimco Corporate Opportunity Fund	1.01
First Trust High Income Long/Short Fund	0.98

Annual Index Performance (%)		
	S-Network Composite Closed-End Fund	S&P 500
2010	10.22	15.06
2011	1.22	2.11

Fund Details	
Number of Holdings	123
Expense Ratio	1.62%
CUSIP	73936Q843
Listing Exchange	NYSE Arca

Fund Category Allocations (%)	
Bond	45.50
Option Income	34.85
Bond/High Yield	19.64

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Underlying Index performance does not represent Fund performance.

³ The Intraday NAV is a symbol representing estimated fair value based on the most recent intraday price of underlying assets.

⁴ Please see the website for complete holdings information. Holdings are subject to change. The Fund pursues its investment objective by investing its assets in the Underlying Funds.

The Fund's investment performance, because it is a fund of funds, depends on the investment performance of the Underlying Funds in which it invests. An investment in the Fund is subject to the risks associated with the Underlying Funds that comprise the Underlying Index. The Fund will indirectly pay a proportional share of the fees of the Underlying Funds in which it invests. At times, certain of the segments of the market represented by constituent Underlying Funds in the Underlying Index may be out of favor and underperform other segments.

The market value of the shares of closed-end investment companies may differ from their NAV. In addition, the shares of closed-end investment companies frequently trade at a discount to their NAV. As an investor in closed-end investment companies, the Fund would bear its ratable share of that closed-end investment companies' expenses, including its investment advisory and administration fees, while continuing to pay its own advisory and administration fees and other expenses. As a result,

shareholders will be absorbing duplicate levels of fees with respect to investments in closed-end investment companies.

The securities of closed-end investment companies in which the Fund may invest may be leveraged. As a result, the Fund may be indirectly exposed to leverage through an investment in such securities.

An investment in securities of closed-end investment companies that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund's long-term returns on such securities (and, indirectly, the long-term returns of the Shares) will be diminished.

Investment in the Underlying Funds may subject the Fund to the following risks: Investment and Market Risk; Risk of Market Price Discount from Net Asset Value; Interest Rate Risk; Credit Risk; Below Investment Grade Securities Risk; Risks Associated with Options on Securities; Over-The-Counter ("OTC") Option Risk; Index Option Risk; Senior Loans Risk; Municipal Bond Risk; Foreign and Emerging Market Securities Risk; Liquidity Risk; Concentration Risk; Inflation Risk; Deflation Risk; Derivatives Risk; Leverage Risk; Counterparty Risk; Mortgage- and Asset-Backed Securities Risk; Small and Medium Capitalization Company Risk; Micro Capitalization Company Risk; Recent Developments in Financial Markets; Anti-Takeover Provisions Risk. See the prospectus for additional risk information.

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

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

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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.

Note: Not all products available through all firms.