

# PFIG

As of March 31, 2012

## Fund Description

The PowerShares Fundamental Investment Grade Corporate Bond Portfolio is based on the RAFI® Investment Grade Bond Index. The Fund will normally invest at least 80% of its total assets in the securities that comprise the Index. The Index is comprised of U.S. dollar-denominated bonds registered for sale in the United States whose issuers are public companies listed on major U.S. stock exchanges. Only securities with greater than one year to maturity qualify for inclusion in the Index. Based on the Fundamental Index® methodology developed by Research Affiliates, LLC, the Index is compiled and calculated by Ryan ALM, Inc. The Index is rebalanced monthly for rules and annually for weights.

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

Fundamental Investment Grade Corporate Bond Portfolio	PFIG
Intraday NAV (IIV)	PFIG.IV
CUSIP	73937B761
Listing Exchange	NYSE Arca
Number of Securities	145
30-Day SEC Yield	2.13%
Years To Maturity	5.49
Effective Duration	4.76
Modified Duration	4.68
Expense Ratio	0.22%

## Underlying Index Data

RAFI Investment Grade Bond Index Provider	RAFIG
Index Provider	Research Affiliates, LLC
Effective Duration	4.65
Modified Duration	4.57
Years To Maturity	5.41
Average Yield to Worst	2.41%
Average Coupon	5.18%
Number of Securities	444

## PowerShares Fundamental Investment Grade Corporate Bond Portfolio

### Fund Performance & Index History (%)

	1 Year	3 Year	5 Year	10 Year	Fund Inception
<b>Underlying Index</b>					
RAFI Investment Grade Bond Index	8.69	-	-	-	3.35
<b>Benchmark Indexes</b>					
Barclays U.S. Corporate Index	9.45	13.35	6.94	6.62	4.22
Barclays U.S. Aggregate Index	7.71	6.83	6.26	5.80	1.77
<b>Fund</b>					
NAV	-	-	-	-	2.40
After Tax Held	-	-	-	-	1.94
After Tax Sold	-	-	-	-	1.56
Market Price	-	-	-	-	2.96

*This is a new Fund and therefore does not have a full year of performance to report as of the most recent quarter end. 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 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

	Beta	Correlation	Sharpe Ratio	Volatility (%)
RAFI Investment Grade Bond Index	-	-	2.17	3.95
Barclays U.S. Corporate Index	0.63	0.94	1.58	5.89
Barclays U.S. Aggregate Index	1.03	0.95	2.08	3.65

Beta and correlation are relative to underlying index.

## Fund Inception: Sept. 15, 2011

**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 Barclays U.S. Aggregate Index is an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market.

The Barclays U.S. Corporate Investment Grade Index is

an unmanaged index considered representative of fixed-rate, investment-grade taxable bond debt.

**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.**



# PowerShares Fundamental Investment Grade Corporate Bond Portfolio

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## Top 10 Fund Holdings

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Avon Products Inc.	5.625	3/1/2014	BBB/A3	1.34
Berkshire Hathaway	5.400	5/15/2018	AA+/Aa2	1.11
AT&T Inc.	5.500	2/1/2018	A-/A2	1.10
JP Morgan Chase	6.000	1/15/2018	A/Aa3	1.08
Home Depot Inc.	4.400	4/1/2021	A-/A3	1.05
Cellco Partnership/Verizon Wireless	5.550	2/1/2014	A-/A2	1.01
Hartford Financial Services Group	5.500	3/30/2020	BBB/Baa3	1.00
Microsoft Corp.	3.000	10/1/2020	AAA/Aaa	0.99
Fifth Third Bancorp.	3.625	1/25/2016	BBB/Baa1	0.99
BB&T Corporation	3.200	3/15/2016	A-/A2	0.98

## Fund Sector Allocations (%)

Consumer Discretionary	9.75
Consumer Staples	14.24
Energy	7.28
Financials	23.11
Health Care	13.49
Industrials	10.53
Information Technology	8.02
Materials	4.58
Telecommunication Services	2.11
Utilities	6.90

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

## Credit Ratings (%)

	S&P	Moody's
AAA/Aaa	1.67	1.67
AA/Aa	10.07	12.51
A/A	50.99	46.43
BBB/Baa	37.26	39.39
BB/Ba	-	-
B/B	-	-
Not Rated	-	-

## Maturity (years)

	Weight (%)
0-1	0.65
1-5	42.96
5-10	56.39
10-15	-
15-20	-
20-25	-
25+	-

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### About risk

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.

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

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

Investments 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.

Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Fund invests in illiquid securities or current portfolio securities become illiquid, it may reduce the returns of the Fund because the Fund may be unable to sell the illiquid securities at an advantageous time or price.

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. **Credit ratings** are assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying bond issuers. The ratings range from AAA (highest) to D (lowest) and are subject to change. Not rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on rating methodologies, please visit the following NRSRO websites: standardandpoors.com and select "Understanding Ratings" under Rating Resources and moodys.com and select "Rating Methodologies" under Research and Ratings. **Average Yield to Worst** is the lowest of all yield to calls or the yield to maturity. **Effective Duration** is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. This duration measure is appropriate for bonds with embedded options. **Modified Duration** is a measure of a bond's sensitivity to interest rate changes that

reflects the change in a bond's price given a change in yield. This duration measure is appropriate for option-free bonds.

Fundamental Index®, Research Affiliates®, RAFI® and all other RA trademarks, trade names, patented and patent-pending concepts are the exclusive property of Research Affiliates, LLC. The RAFI® Investment Grade Bond Index is calculated and maintained by ALM Research Solutions, Inc. (a wholly owned subsidiary of Ryan ALM, Inc.) in conjunction with Research Affiliates, LLC and is the exclusive property of Research Affiliates.

**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.