

PHB

As of Dec. 31, 2009

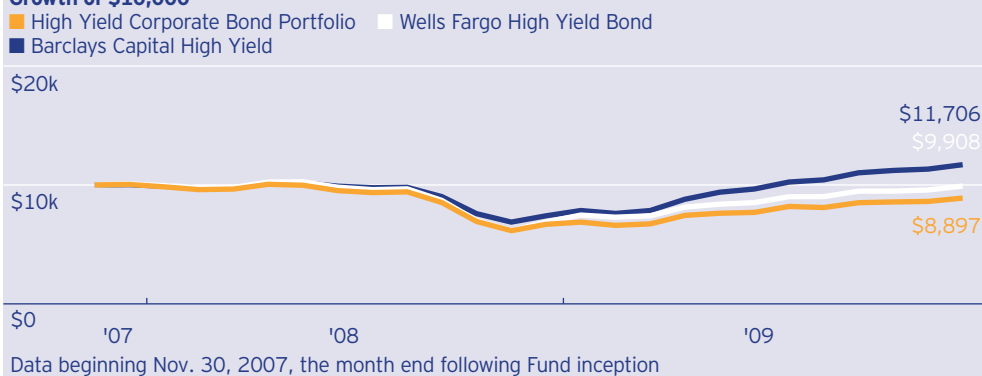
Fund Description

The PowerShares High Yield Corporate Bond Portfolio is based on the Wells Fargo® High Yield Bond Index. The Fund will normally invest at least 80% of its total assets in securities that comprise the Index. This Index measures potential returns of a theoretical portfolio of high-yield corporate bonds that are rated below investment grade by Moody's, S&P or Fitch and are payable in U.S. dollars. The Index evaluates securities quarterly using an equal-weighting methodology based on a defined set of qualifying criteria established by Wells Fargo Securities.

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, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply.

PowerShares High Yield Corporate Bond Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
Wells Fargo High Yield Bond	43.94	-	-	-	-0.80
Benchmark Index					
Barclays Capital High Yield	58.21	-	-	-	6.46
Fund					
NAV	32.95	-	-	-	-5.30
After Tax Held	28.51	-	-	-	-8.43
After Tax Sold	21.02	-	-	-	-6.30
Market Price	24.52	-	-	-	-6.03

Performance data quoted represents past performance. As stated in the Fund's prospectus, the expense ratio of 0.50% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. 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. The Shares' performance reflects fee waivers, absent which performance would have been lower. 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 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.

1-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
Wells Fargo High Yield Bond	43.94	8.34	-	5.19	-
Barclays Capital High Yield	58.21	7.23	0.92	7.94	0.63

Fund Inception: Nov. 15, 2007

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 Barclays Capital High Yield Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Please consult your tax adviser for information regarding your own tax situation. Ordinary brokerage commissions apply.

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 100,000 Shares.

Fund Data³

High Yield Corporate Bond Portfolio	PHB
Intraday NAV (IIV)	PHB.IV
# of Holdings	51
CUSIP	73936T557
Listing Exchange	NYSE Arca
Weighted Average Maturity	10/16/2016
30-Day SEC Yield	8.13%
Average Duration	4.02
Average Credit Quality	B+/B2
Expense Ratio	0.50%

Underlying Index Data³

Average Duration	4.05
Average Credit Quality	B+/B2
Weighted Average Maturity	1/1/2017
Average Yield to Worst	8.05
# of Holdings	50



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Top 10 Fund Holdings ⁴				
Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Freescale Semiconductor	8.875	12/15/2014	CCC/Caa2	2.30
Hexion U.S. Fin./Nova Scotia Wi.	9.75	11/15/2014	CCC/Caa1	2.23
Rite Aid Corp. Series 144a	9.50	6/15/2017	CCC/Caa3	2.09
Forrest Oil	7.25	6/15/2019	BB-/B1	2.08
Chesapeake Energy Corp.	6.50	8/15/2017	BB/Ba3	2.08
Opti Canada Inc.	8.25	12/15/2014	B/Caa3	2.06
BE Aerospace Inc.	8.50	7/1/2018	BB/Ba3	2.05
Level 3 Financing Inc.	9.25	11/1/2014	CCC/Caa1	2.05
Ford Motor Credit	7.00	10/1/2013	B-/B3	2.04
Sungard	10.25	8/15/2015	B-/Caa1	2.03

Fund Sector Allocations (%)	
Communications	16.59
Consumer Discretionary	2.08
Consumer Staples	1.99
Consumer, Cyclical	5.99
Consumer, Non-cyclical	18.79
Energy	16.85
Financial	10.76
Industrial	10.46
Technology	6.69
Telecommunication Services	2.07
Utilities	7.72

	Annual Index Performance (%)	
	Wells Fargo HY Bond	Barclays HY
2008	-31.73	-26.16
2009	43.94	58.21

	Credit Ratings Breakdown (%) ³	
	S&P	Moody's
BBB/Baa	-	-
BB/Ba	39.95	27.80
B/B	45.99	44.16
CCC/Caa	14.06	28.04
CC/Ca	-	-
C/C	-	-

Maturity (years)	Weight (%)
1 - 5	18.48
5 - 10	78.06
10 - 15	-
15 - 20	-
20 - 25	3.47
25+	-

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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.

Volatility is the annualized standard deviation of monthly 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.

Weighted Average Maturity is the weighted average date to the final payment of each issue.

The credit quality of the Fund's holdings represents the weighted average quality rating of the securities in the portfolio as assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying securities. The ratings range from AAA (highest) to D (lowest).

Average Yield to Worst is the average yield to maturity if the worst possible bond repayment takes place.

⁴ Please see the website for complete holdings information. Holdings are subject to change.

Shares are subject to risks similar to those of investing in any fund of securities rated below investment grade, including credit, interest rate and general market risks, as well as those risks related to short selling and margin maintenance.

Generally, the prices of income securities tend to fall as interest rates rise.

Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices.

The Fund is also subject to risks associated with an investment in preferred securities.

Please see the prospectus for more complete information regarding an investment in the Fund.

There are special risks associated with investing in high yield bonds, including, but not limited to: high-yield securities generally offer a higher current yield than that available from higher grade issues, but typically involve greater risk. Securities rated below investment grade are commonly referred to as "junk bonds." The ability of issuers of high-yield securities to make timely payments of interest and principal may be adversely impacted by adverse changes in general economic conditions, changes in the financial condition of their issuers and price fluctuation in response to changes in interest. Periods of economic downturn or rising interest rates may cause the issuers of high-yield securities to experience financial distress, which could adversely impact their ability to make timely payments of principal and interest and increase the possibility of default. The market value and liquidity of high-yield securities may be negatively impacted by adverse publicity and investor perceptions, whether or not based on fundamental analysis, especially in markets characterized by a low volume of trading. Global bonds are subject to the same risks as other debt issues, notably credit risk, market risk and liquidity risk. To a limited extent, they may also be subject to certain sovereign risks. Generally, investments in the securities of non-U.S. issuers involve risks beyond those associated with investments in U.S. securities. Please see the prospectus for more complete risk information.

Wells Fargo Securities and Wells Fargo Securities, LLC (collectively, "Wells Fargo Securities") serve as Index Provider for the PowerShares High Yield Corporate Bond Portfolio and own intellectual property rights

in the underlying index. The Wells Fargo[®] High Yield Bond Index is a trademark of Wells Fargo Securities and has been licensed for use by the Adviser. The Fund is not sponsored, endorsed, sold or promoted by Wells Fargo Securities or its affiliates, and Wells Fargo Securities makes no representation regarding the advisability of investing in the Fund. The PowerShares High Yield Corporate Bond Portfolio is entitled to use its respective Underlying Index pursuant to a sub-licensing agreement with the Adviser.

Invesco Aim 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 www.invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.