

PMNA

PowerShares MENA Frontier Countries Portfolio

As of Dec. 31, 2009

Fund Description

The PowerShares MENA Frontier Countries Portfolio is based on the NASDAQ OMX Middle East North Africa IndexSM. The Fund will normally invest at least 80% of its total assets in securities that comprise the Index and American depositary receipts and global depositary receipts based on the securities in the Index.

The Index seeks to provide direct exposure to liquid stocks of companies residing in MENA frontier market countries, which include Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman, Lebanon, Egypt, Jordan and Morocco.

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. An investment in securities of frontier market countries involves risks not associated with investments in securities of developed countries.

Fund Data ³	
MENA Frontier Countries Portfolio	PMNA
Intraday NAV (IIV)	PMNA.IV

Underlying Index Data	
NASDAQ OMX Middle East North Africa	QMEA
Index Provider	NASDAQ

1-Year Alpha, Beta and Correlation ^{1,3}			
	Alpha	Beta	Correlation
MSCI Emerging Mkts	-14.45	0.45	0.23
MSCI EAFE	-2.78	0.47	0.23
S&P 500	8.73	0.12	0.02

Fund Inception: July 9, 2008

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

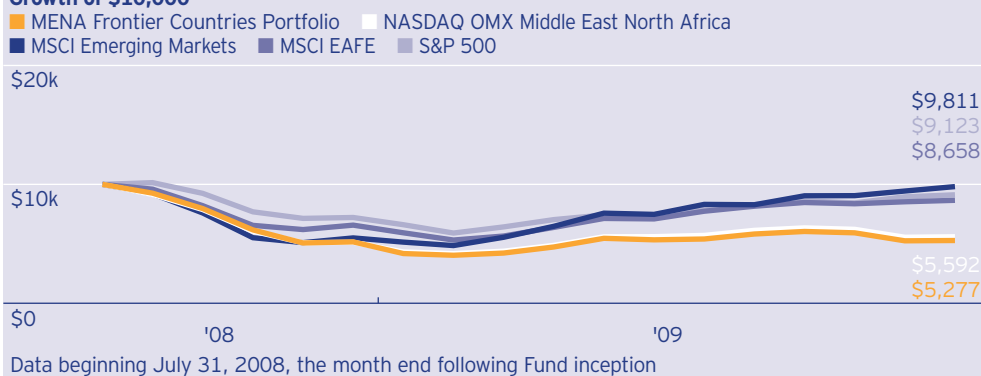
² Fund history and all performance since inception are based on the inception date of the Fund. All price history data for the NASDAQ OMX Middle East North Africa IndexSM is indicative and NASDAQ OMX makes no guarantee as to the accuracy of the back-tested data.

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.

An investment in securities of micro, small and medium-sized companies involves greater risk than is customarily associated with investing in more established, larger-sized companies.

It is likely that a substantial number of stocks included in the Underlying Index for certain of the

Growth of \$10,000¹



Fund Performance & Index History (%) ¹					
	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
NASDAQ OMX					
Middle East North Africa	9.16	-	-	-	-32.07
Benchmark Indexes					
MSCI Emerging Markets	78.51	-	-	-	-3.76
MSCI EAFE	31.78	-	-	-	-11.12
S&P 500	26.47	-	-	-	-6.47
Fund					
NAV	2.26	-	-	-	-35.83
After Tax Held	1.77	-	-	-	-36.04
After Tax Sold	1.47	-	-	-	-30.03
Market Price	3.49	-	-	-	-34.92

Performance data quoted represents past performance. The fund's expense ratio of 0.95% is expressed as a unitary fee; however, the Adviser has voluntarily waived 0.25% of its fee, thereby reducing the expense ratio to 0.70%. The Adviser may discontinue such voluntary waiver at any time. 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 (%)	Sharpe Ratio
NASDAQ OMX Middle East North Africa	9.16	24.90	0.36
MSCI Emerging Markets	78.51	26.97	2.87
MSCI EAFE	31.78	25.21	1.24
S&P 500	26.47	27.17	0.96

MENA frontier countries will be securities of banks and other financial institutions. When a Fund is focused in a specific industry or sector, it presents greater risks than if it were broadly diversified over numerous industries and sectors of the economy.

Unlike most exchange-traded funds, the Fund does not and will not generally make primarily in-kind redemptions. As such the Fund may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. Please see the prospectus for more complete information.

The MSCI Emerging Markets Index, the MSCI EAFE[®] Index and the S&P 500[®] Index are unmanaged indexes considered representative of stocks of developing

countries; stocks of Europe, Australasia and the Far East; and the U.S. stock market, respectively.

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 75,000 shares.

As of Dec. 31, 2009

Top 30 Fund Holdings (%) ⁴ Name	Weight
Emaar Properties PJSC	9.48
Arab Bank PLC	9.42
Banque Marocaine du Commerce Extérieur	6.98
Mobile Telecommunications Co. (MTC) K.S.C.	6.84
Orascom Construction Industries S.A.E.	5.89
DP World	4.96
Maroc Telecom	4.49
SOLIDERE GDR (Reg S Sh)	4.29
National Bank of Kuwait S.A.K.	4.09
Commercial International Bank (Egypt) S.A.E.	3.91
Kuwait Finance House K.S.C.	3.08
Arab Potash Co.	2.93
Orascom Telecom Holding	2.71
Douja Promotion Groupe Addoha	2.49
Dubai Financial Market PJSC	2.47
Masraf Al Rayan Q.S.C.	2.38
Air Arabia PJSC	2.16
Banque Centrale Populaire	2.02
Bank Muscat S.A.O.G.	1.98
Egyptian Co. for Mobile Services	1.70
EFG Hermes Holding S.A.E.	1.61
Telecom Egypt S.A.E.	1.51
Egypt Kuwait Holding Co. S.A.E.	1.46
Oman Telecommunications Co.	1.33
Dubai Islamic Bank PJSC	1.03
National Industries Group (Holding) S.A.K.	0.93
Public Warehousing Co. K.S.C.	0.90
Talaat Moustafa Group Holding	0.83
Elswedey Cables Holding Co.	0.79
Gulf Bank of Kuwait K.S.C.	0.76

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.

Alpha is a measure of performance on a risk-adjusted basis.

Stock Price-to-Earnings Ratio is the share price divided by earnings per share. It is measured on a 12-month trailing basis.

Stock Price-to-Book-Value 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.

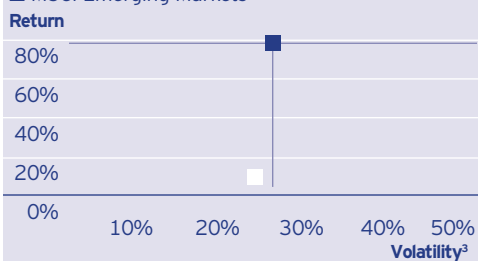
⁴ Please see the website for complete holdings information. Holdings are subject to change.

An investment in securities of frontier market countries involves risks not associated with investments in securities of developed countries, including, but not limited to: those risks associated with investing in non-U.S. issuers and securities of emerging market countries. Frontier markets have generally smaller economies or less developed capital markets than traditional emerging markets. Other risks include: economies that are less correlated to global economic cycles than those of their more developed counterparts, low trading volumes, potential for extreme price volatility and illiquidity, substantial government influence over the private sector, government action,

Annual Index Performance (%)	NASDAQ OMX		MSCI
	EMEA	Emerging	Emerging
2009	9.16	78.51	

1-Year Index Risk/Reward Comparison

■ NASDAQ OMX Middle East North Africa
■ MSCI Emerging Markets



Fund Country Allocations (%)

Egypt	21.01
United Arab Emr	20.11
Kuwait	19.09
Morocco	15.98
Jordan	13.10
Lebanon	4.29
Oman	4.05
Qatar	2.38

heavy dependency upon international trade that has been and may continue to be, adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade, and risks associated with certain foreign governments in countries in which the Fund invests levy withholding or other taxes on dividend and interest income, sanctions or embargoes imposed by the U.S. government and the United Nations and/or countries identified by the U.S. government as state sponsors of terrorism and foreign investment holdings limitations, among others.

The Fund initially expects to invest up to 20% of its net assets in P-notes in seeking to track the performance of Kuwaiti securities included in the Underlying Index.

P-notes generally are issued by banks or broker-dealers and are promissory notes designed to offer a return linked to the performance of a particular underlying equity security or market. The return on a P-note linked to a particular underlying security generally is increased by any dividends paid in connection with the underlying security. The holder of a P-note typically does not receive voting rights as it would if it directly owned the underlying security. P-notes constitute direct, general and unsecured contractual obligations of the banks or broker-dealers issuing them, which subjects the Fund to counterparty risk.

P-notes involve certain risks in addition to those associated with a direct investment in the underlying foreign companies or foreign securities markets whose returns they seek to replicate. There can be no assurance that there will be a trading market for a P-note or that the trading price will equal the underlying value of the foreign company or foreign securities market. The Fund relies on the creditworthiness of the counterparty issuing the P-note and has no rights under a P-note against the issuer of the underlying security. If the counterparty were to become insolvent, the Fund would lose its investment. The risk that the Fund may lose its investments due to counterparty insolvency may be amplified because the Fund intends to purchase P-notes issued by as few as one issuer. In seeking to limit counterparty risk, the Fund will limit investment in P-notes of any one issuer to \$5 million at the time of purchase and to counterparties who meet the creditworthiness standard required of issuers whose securities are eligible for investment by money market funds. P-notes include transaction costs in addition to those applicable to a direct investment. P-notes may

Fund Details ³	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	13.40
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	1.61
Weighted Average Return on Equity	17.44
Weighted Market Cap (mm)	6,483
Approximate Number of Securities	38
Expense Ratio*	0.95%
CUSIP	73936Q603
Listing Exchange	NASDAQ

*The Adviser has voluntarily agreed to waive 0.25% of its Advisory Fee for its investment advisory services to the Fund through April 30, 2010. After giving effect to such voluntary waiver, the Advisory Fee will be 0.70%. The Adviser may discontinue such voluntary waiver at any time.

Fund Market-Cap Allocations (%)

Large-Cap Growth	27.93
Large-Cap Value	-
Mid-Cap Growth	39.15
Mid-Cap Value	29.55
Small-Cap Growth	2.08
Small-Cap Value	1.28

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cause the Fund's performance to deviate from the performance of the portion of the Underlying Index to which the Fund is gaining exposure through the use of P-notes.

Liquidity and transfer restrictions may cause the secondary markets on which P-notes are traded to be less liquid than the markets for other securities - or completely illiquid - which may lead to the absence of readily available market quotations and delays in the redemption of Fund Shares. In addition, the Fund's ability to value its securities becomes more difficult and the judgment in the application of fair value procedures may play a greater role in the valuation of the Fund's securities due to reduced availability of reliable objective pricing data. Consequently, while such determinations will be made in good faith, it may be more difficult for the Fund to accurately assign a daily value to such securities.

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

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

An investor should consider the Fund's investment objectives, 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.