

2011 Annual Report to Shareholders

April 30, 2011

PowerShares Buyback Achievers™ Portfolio (PKW)

PowerShares Dividend Achievers™ Portfolio (PFM)

PowerShares Financial Preferred Portfolio (PGF)

PowerShares High Yield Equity Dividend
Achievers™ Portfolio (PEY)

PowerShares International Dividend
Achievers™ Portfolio (PID)

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The Market Environment

For the fiscal year ended April 30, 2011, the market environment saw continued improvement. Global equities ended up 18.25% after declining the first two months of the period. Emerging markets led equities up during the fiscal year with the MSCI Emerging Markets Index returning 20.67%. Developed International and U.S. Equities followed closely behind emerging markets with the MSCI EAFE Index up 19.18% and the S&P 500® up 17.24%. Volatility continued to decline on a year-over-year basis with the CBOE Volatility Index® (VIX®) dropping 33.11% for the fiscal year. Fixed income markets moved higher for the fiscal year with the Barclays Aggregate Bond Index ending up 5.37%.

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Manager's Analysis

PowerShares Buyback Achievers™ Portfolio (ticker: PKW)

The PowerShares Buyback Achievers™ Portfolio (the “Fund”) seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the Share BuyBack Achievers™ Index (the “Index”).

For the fiscal year ended April 30, 2011, the Fund returned 22.34%. Over this same year, the Index returned 23.11%, while the S&P 500® Index returned 17.24% and the Russell 3000® Value Index returned 15.17%. The Fund benefited from positive performance of securities of companies in consumer discretionary and health care.

▼ Sector Breakdown (% of the Fund's Net Assets) as of April 30, 2011

Health Care	26.9
Consumer Discretionary	23.3
Information Technology	22.9
Consumer Staples	11.9
Financials	8.0
Industrials	6.0
Materials	0.9
Money Market Fund	0.1
Utilities	0.1
Telecommunication Services	0.0
Liabilities in excess of other assets	(0.1)

▼ Style Allocation (% of the Fund's Total Investments) as of April 30, 2011

Large-Cap Value	43.1
Large-Cap Growth	32.9
Mid-Cap Growth	9.6
Mid-Cap Value	9.4
Small-Cap Value	2.7
Small-Cap Growth	2.3

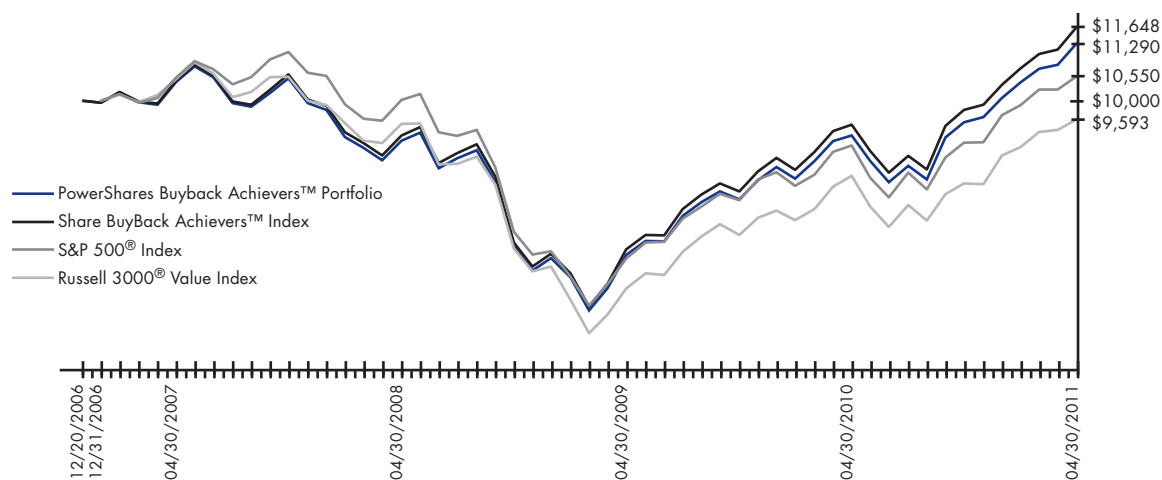
▼ Top Ten Fund Holdings (% of the Fund's Net Assets) as of April 30, 2011

Security	
Wal-Mart Stores, Inc.	5.0
International Business Machines Corp.	5.0
Hewlett-Packard Co.	4.9
UnitedHealth Group, Inc.	4.3
Amgen, Inc.	4.2
Bristol-Myers Squibb Co.	3.8
Texas Instruments, Inc.	3.3
Time Warner, Inc.	3.3
Walgreen Co.	3.1
DIRECTV, Class A	3.1
Total	40.0

Manager's Analysis (Continued)

PowerShares Buyback Achievers™ Portfolio (ticker: PKW)

▼ Growth of a \$10,000 Investment Since Inception†



▼ Fund Performance History (%)

As of April 30, 2011

		Avg Ann ^{††}		Fund Inception	
		1 Year	3 Year	Avg Ann ^{††}	Cumulative
Index	Share BuyBack Achievers™ Index	23.11%	8.09%	3.56%	16.48%
	Russell 3000® Value Index	15.17%	0.39%	-0.95%	-4.07%
	S&P 500® Index	17.24%	1.74%	1.24%	5.50%
Fund	Net Asset Value ("NAV") Return	22.34%	7.42%	2.82%	12.90%
	Share Price Return	22.29%	7.43%	2.78%	12.72%

Fund Inception: December 20, 2006

Performance quoted represents past performance. Past performance is not a guarantee of future results and 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 Adviser has waived fees and reimbursed other expenses, absent which, performance would have been lower. The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through August 31, 2012. According to the Fund's current prospectus, the total gross annual operating expense ratio was indicated as 0.97%. In the Financial Highlights section of this Shareholder Report, the Fund's net total operating expense ratio was determined to be 0.70%, while the Fund's gross total expense ratio was determined to be 1.00%. NAV and Share Price returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV and Share Price, respectively. The returns shown in the table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund Shares. See invescopowershares.com to find the most recent month-end performance numbers.

Index performance results are based upon a hypothetical investment in its constituent securities. Index returns do not represent Fund returns. An investor cannot invest directly in an index. The Index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the hypothetical 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 Russell 3000® Value Index and S&P 500® Index (the "Benchmark Indices") are unmanaged indices used as a measurement of change in stock market conditions based on the average performance of approximately 1,957 and 500 common stocks, respectively.

† Fund and underlying Index returns are based on the inception date of the Fund. Returns for the Benchmark Indices are based on the closest month-end to the Fund's inception date.

†† Average annualized.

Manager's Analysis

PowerShares Dividend Achievers™ Portfolio (ticker: PFM)

The PowerShares Dividend Achievers™ Portfolio (the “Fund”) seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the Broad Dividend Achievers™ Index (the “Index”).

For the fiscal year ended April 30, 2011, the Fund returned 18.39%. Over this same year, the Index returned 18.49%, while the S&P 500® Index returned 17.24% and the Russell 3000® Value Index returned 15.17%. The Fund benefited from positive performance of securities of companies in energy and consumer staples sectors. Fund performance was positive for securities of companies within each sector.

▼ Sector Breakdown (% of the Fund's Net Assets) as of April 30, 2011

Consumer Staples	25.7
Energy	16.8
Industrials	13.5
Health Care	11.1
Consumer Discretionary	7.2
Information Technology	6.3
Financials	6.0
Telecommunication Services	5.8
Materials	4.1
Utilities	3.5
Other assets less liabilities	0.0

▼ Style Allocation (% of the Fund's Total Investments) as of April 30, 2011

Large-Cap Value	44.3
Large-Cap Growth	40.7
Mid-Cap Value	6.4
Mid-Cap Growth	5.9
Small-Cap Value	2.0
Small-Cap Growth	0.7

▼ Top Ten Fund Holdings (% of the Fund's Net Assets) as of April 30, 2011

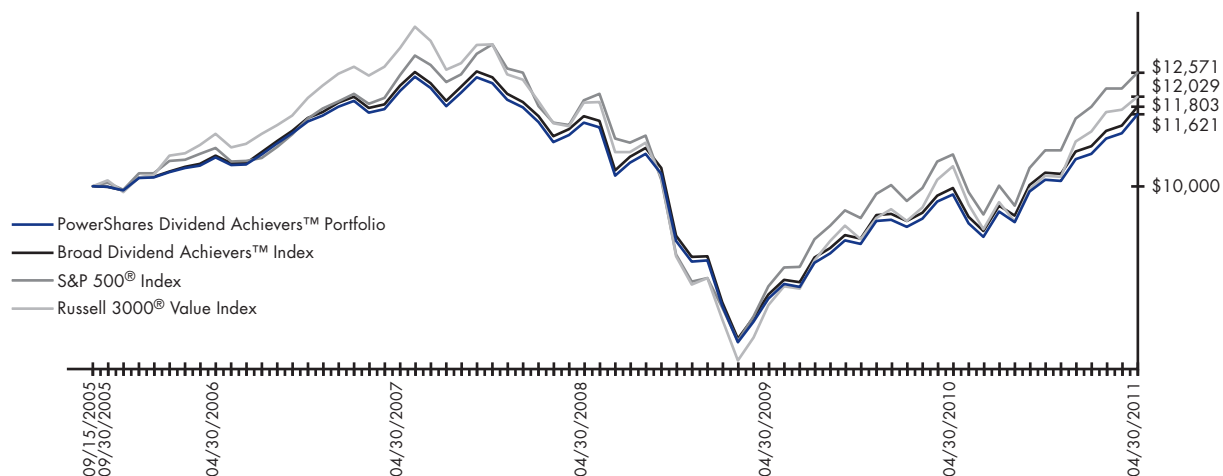
Security

Wal-Mart Stores, Inc.	5.1
Johnson & Johnson	5.1
AT&T, Inc.	5.0
International Business Machines Corp.	5.0
Procter & Gamble Co. (The)	4.8
Exxon Mobil Corp.	4.8
Chevron Corp.	4.8
Coca-Cola Co. (The)	4.6
ConocoPhillips	3.4
PepsiCo, Inc.	3.3
Total	45.9

Manager's Analysis (Continued)

PowerShares Dividend Achievers™ Portfolio (ticker: PFM)

▼ Growth of a \$10,000 Investment Since Inception†



▼ Fund Performance History (%)

				As of April 30, 2011		
		1 Year	Avg Ann ^{††} 3 Year	5 Year	Fund Inception Avg Ann ^{††}	Cumulative
Index	Broad Dividend Achievers™ Index	18.49%	0.64%	2.01%	2.99%	18.03%
	S&P 500® Index	17.24%	1.74%	2.95%	4.12%	25.71%
	Russell 3000® Value Index	15.17%	0.39%	1.47%	3.31%	20.29%
Fund	Net Asset Value ("NAV") Return	18.39%	0.55%	1.77%	2.71%	16.21%
	Share Price Return	18.39%	0.55%	1.76%	2.71%	16.21%

Fund Inception: September 15, 2005

Performance quoted represents past performance. Past performance is not a guarantee of future results and 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 Adviser has waived fees and reimbursed other expenses, absent which, performance would have been lower. The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through August 31, 2012. According to the Fund's current prospectus, the total gross annual operating expense ratio was indicated as 0.64%. In the Financial Highlights section of this Shareholder Report, the Fund's net total operating expense ratio was determined to be 0.60%, while the Fund's gross total expense ratio was determined to be 0.61%. NAV and Share Price returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV and Share Price, respectively. The returns shown in the table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund Shares. See invescopowershares.com to find the most recent month-end performance numbers.

Index performance results are based upon a hypothetical investment in its constituent securities. Index returns do not represent Fund returns. An investor cannot invest directly in an index. The Index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the hypothetical 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 and Russell 3000® Value Index (the "Benchmark Indices") are unmanaged indices used as a measurement of change in stock market conditions based on the average performance of approximately 500 and 1,957 common stocks, respectively.

† Fund and underlying Index returns are based on the inception date of the Fund. Returns for the Benchmark Indices are based on the closest month-end to the Fund's inception date.

†† Average annualized.

Manager's Analysis

PowerShares Financial Preferred Portfolio (ticker: PGF)

The PowerShares Financial Preferred Portfolio (the "Fund") seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the Wells Fargo® Hybrid & Preferred Securities Financial Index (the "Index").

For the fiscal year ended April 30, 2011, the Fund returned 15.57%. Over this same year the Index returned 16.94% while the S&P Preferred Stock Index returned 12.59% and the S&P 500® Index returned 17.24%. Because the Index does not comply with the tax diversification requirements to which the Fund must adhere, the Fund may not be able to invest in all of the stocks comprising the Index in proportion to their weightings in the Index at all times, which contributed to the difference between the Fund and the Index performance, beyond regular Fund expenses, can be attributed to the Fund's sampling methodology.

▼ Industry Breakdown (% of the Fund's Net Assets) as of April 30, 2011

Banks	66.6
Insurance	27.0
Diversified Financial Services	6.3
Other assets less liabilities	0.1

▼ Style Allocation (% of the Fund's Total Investments) as of April 30, 2011

Small-Cap Value	58.0
Mid-Cap Value	34.0
Large-Cap Value	8.0

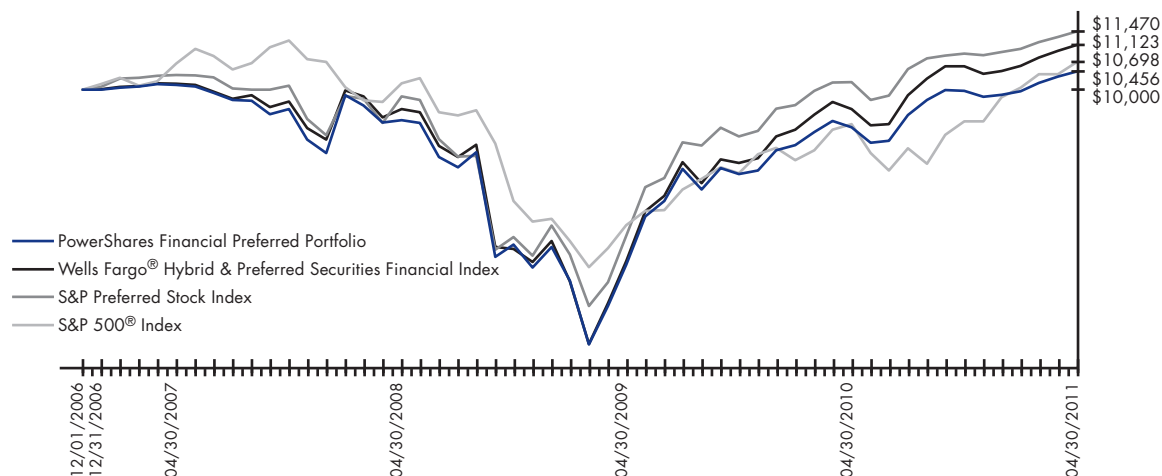
▼ Top Ten Fund Holdings (% of the Fund's Net Assets) as of April 30, 2011

Security	
HSBC Holdings PLC, 8.00%	9.8
Bank of America Corp., 8.20%	7.6
HSBC Holdings PLC, 8.13%	5.7
ING Groep NV, 8.50%	5.6
Bank of America Corp., 8.63%	4.9
Wells Fargo & Co., 8.00%	4.7
JPMorgan Chase & Co., 8.63%	4.4
Credit Suisse Guernsey, 7.90%	4.3
MetLife, Inc., 6.50%	4.3
ING Groep NV, 7.38%	4.1
Total	55.4

Manager's Analysis (Continued)

PowerShares Financial Preferred Portfolio (ticker: PGF)

▼ Growth of a \$10,000 Investment Since Inception[†]



▼ Fund Performance History (%)

		Avg Ann ^{††}		As of April 30, 2011	
		1 Year	3 Year	Fund Inception Avg Ann ^{††}	Cumulative
Index	Wells Fargo [®] Hybrid & Preferred Securities Financial Index	16.94%	5.36%	2.44%	11.23%
	S&P Preferred Stock Index	12.59%	5.28%	3.15%	14.70%
	S&P 500 [®] Index	17.24%	1.74%	1.54%	6.98%
Fund	Net Asset Value ("NAV") Return	15.57%	4.24%	1.02%	4.56%
	Share Price Return	15.97%	4.12%	0.87%	3.87%

Fund Inception: December 1, 2006

Performance quoted represents past performance. Past performance is not a guarantee of future results and 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 Adviser has waived fees and reimbursed other expenses, absent which, performance would have been lower. The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through August 31, 2012. According to the Fund's current prospectus, the total gross annual operating expense ratio was indicated as 0.65%. In the Financial Highlights section of this Shareholder Report, the Fund's net and gross total operating expense ratios were determined to be 0.66%. NAV and Share Price returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV and Share Price, respectively. The returns shown in the table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund Shares. See investcopowershares.com to find the most recent month-end performance numbers.

Index performance results are based upon a hypothetical investment in its constituent securities. Index returns do not represent Fund returns. An investor cannot invest directly in an index. The Index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the hypothetical 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 Preferred Stock Index and S&P 500[®] Index (the "Benchmark Indices") are unmanaged indices used as a measurement of change in stock market conditions based on the average performance of approximately 224 preferred stocks and 500 common stocks, respectively.

[†] Fund and underlying Index returns are based on the inception date of the Fund. Returns for the Benchmark Indices are based on the closest month-end to the Fund's inception date.

^{††} Average annualized.

Manager's Analysis

PowerShares High Yield Equity Dividend Achievers™ Portfolio (ticker: PEY)

The PowerShares High Yield Equity Dividend Achievers™ Portfolio (the “Fund”) seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the Mergent Dividend Achievers™ 50 Index (the “Index”).

For the fiscal year ended April 30, 2011, the Fund returned 11.91%. Over this same year, the Index returned 10.71%, while the Dow Jones U.S. Select Dividend Index returned 17.71%, the S&P Citigroup Large Cap Value Index returned 15.52% and the S&P 500® Index returned 17.24%. The Fund benefited from positive performance of securities of companies in utilities and telecommunication services sectors. Fund performance was positive for securities of companies within each sector for the reporting period.

Industry Breakdown (% of the Fund's Net Assets) as of April 30, 2011

Electric	20.3
Gas	13.5
Insurance	9.9
Banks	8.0
Telecommunications	6.1
Agriculture	5.0
Savings & Loans	4.0
Household Products/Wares	3.6
Healthcare-Products	3.3
Office/Business Equipment	2.6
Pipelines	2.6
Miscellaneous Manufacturing	2.3
Water	2.0
Pharmaceuticals	1.9
Food	1.8
Chemicals	1.7
Commerical Services	1.6
Distribution/Wholesale	1.6
Iron/Steel	1.5
Oil & Gas	1.5
Packaging & Containers	1.5
Environmental Control	1.4
Computers	1.4
Textiles	0.8
Other assets less liabilities	0.1

Top Ten Fund Holdings (% of the Fund's Net Assets) as of April 30, 2011

Security	
CenturyLink, Inc.	3.4
Mercury General Corp.	3.0
Altria Group, Inc.	2.8
AT&T, Inc.	2.7
PPL Corp.	2.7
Pitney Bowes, Inc.	2.6
Enterprise Products Partners LP	2.6
Old Republic International Corp.	2.6
Vectren Corp.	2.5
People's United Financial, Inc.	2.5
Total	27.4

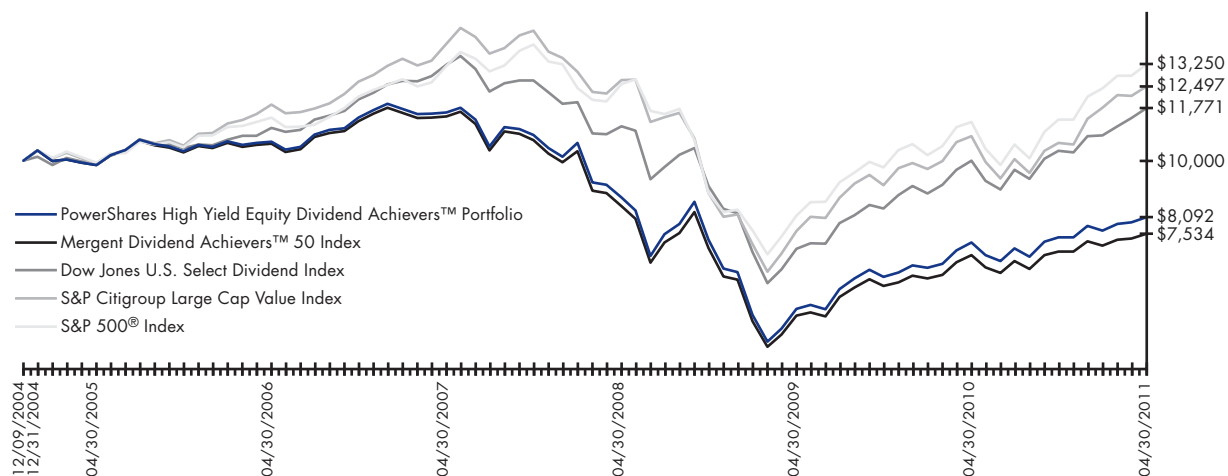
Style Allocation (% of the Fund's Total Investments) as of April 30, 2011

Small-Cap Value	35.2
Mid-Cap Value	26.5
Large-Cap Value	24.7
Mid-Cap Growth	8.5
Large-Cap Growth	3.4
Small-Cap Growth	1.7

Manager's Analysis (Continued)

PowerShares High Yield Equity Dividend Achievers™ Portfolio (ticker: PEY)

▼ Growth of a \$10,000 Investment Since Inception†



▼ Fund Performance History (%)

As of April 30, 2011

		Avg Ann ^{††}			Fund Inception	
		1 Year	3 Year	5 Year	Avg Ann ^{††}	Cumulative
Index	Mergent Dividend Achievers™ 50 Index	10.71%	-3.80%	-6.54%	-4.34%	-24.66%
	Dow Jones U.S. Select Dividend Index	17.71%	1.82%	1.18%	2.57%	17.71%
	S&P Citigroup Large Cap Value Index	15.52%	-0.58%	1.00%	3.53%	24.97%
	S&P 500® Index	17.24%	1.74%	2.95%	4.48%	32.50%
Fund	Net Asset Value ("NAV") Return	11.91%	-2.59%	-5.32%	-3.26%	-19.08%
	Share Price Return	11.91%	-2.59%	-5.30%	-3.25%	-19.03%

Fund Inception: December 9, 2004

Performance quoted represents past performance. Past performance is not a guarantee of future results and 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 Adviser has waived fees and reimbursed other expenses, absent which, performance would have been lower. The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through August 31, 2012. According to the Fund's current prospectus, the total gross annual operating expense ratio was indicated as 0.65%. In the Financial Highlights section of this Shareholder Report, the Fund's net total operating expense ratio was determined to be 0.60%, while the Fund's gross total expense ratio was determined to be 0.62%. NAV and Share Price returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV and Share Price, respectively. The returns shown in the table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund Shares. See invescopowershares.com to find the most recent month-end performance numbers.

Index performance results are based upon a hypothetical investment in its constituent securities. Index returns do not represent Fund returns. An investor cannot invest directly in an index. The Index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the hypothetical 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. Select Dividend Index, S&P Citigroup Large Cap Value Index and S&P 500® Index (the "Benchmark Indices") are unmanaged indices used as a measurement of change in stock market conditions based on the average performance of approximately 100, 1,086 and 500 common stocks, respectively.

† Fund and underlying Index returns are based on the inception date of the Fund. Returns for the Benchmark Indices are based on the closest month-end to the Fund's inception date.

†† Average annualized.

Manager's Analysis

PowerShares International Dividend Achievers™ Portfolio (ticker: PID)

The PowerShares International Dividend Achievers™ Portfolio (the “Fund”) seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the International Dividend Achievers™ Index (the “Index”).

For the fiscal year ended April 30, 2011, the Fund returned 21.95%. Over this same year, the Index returned 21.32%, while the Dow Jones EPAC Select Dividend Index returned 27.01%, the MSCI EAFE® Value Index returned 16.86% and the S&P 500® Index returned 17.24%. The Fund benefited from positive performance of securities of companies in energy, telecommunication services and consumer staples sectors. Fund performance was positive for securities of companies within each sector. The Fund benefited from positive performance of securities of companies in Canada and the United Kingdom.

▼ Sector Breakdown (% of the Fund's Net Assets) as of April 30, 2011

Telecommunication Services	24.7
Energy	17.5
Health Care	12.1
Consumer Staples	12.0
Financials	8.4
Consumer Discretionary	7.5
Utilities	5.9
Information Technology	4.7
Industrials	3.8
Materials	3.6
Liabilities in excess of other assets	(0.2)

▼ Style Allocation (% of the Fund's Total Investments) as of April 30, 2011

Large-Cap Value	54.2
Large-Cap Growth	27.7
Mid-Cap Value	12.9
Mid-Cap Growth	2.6
Small-Cap Growth	1.5
Small-Cap Value	1.1

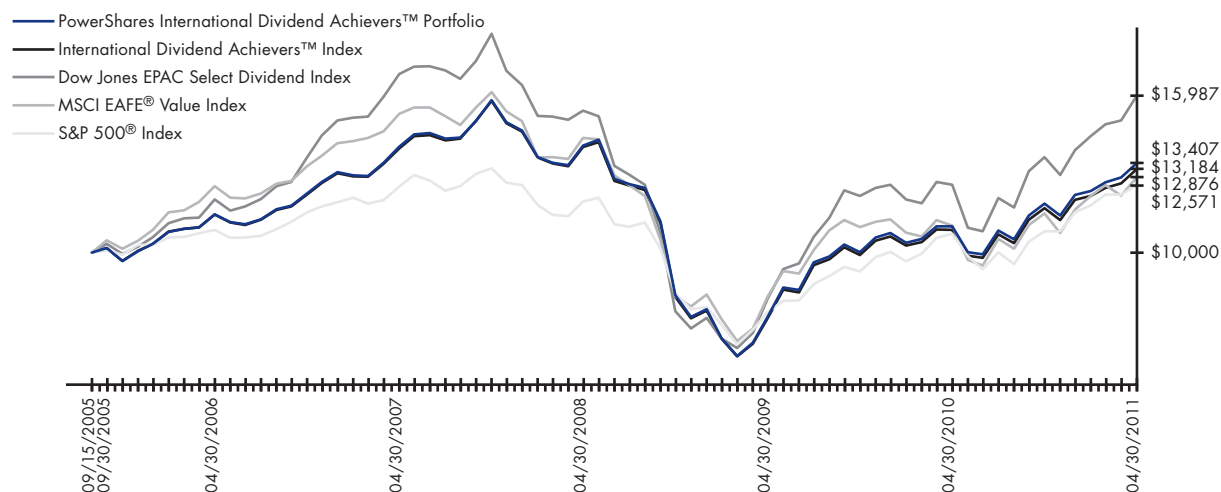
▼ Top Ten Fund Holdings (% of the Fund's Net Assets) as of April 30, 2011

Security	
Partner Communications Co. Ltd. ADR	5.0
Philippine Long Distance Telephone Co. ADR	4.0
Telefonica SA ADR	3.6
National Grid PLC ADR	3.3
Teekay LNG Partners LP	3.3
GlaxoSmithKline PLC ADR	3.1
AstraZeneca PLC ADR	3.0
Vodafone Group PLC ADR	2.6
British American Tobacco PLC ADR	2.5
Telefonos de Mexico SAB de CV, Series L ADR	2.5
Total	32.9

Manager's Analysis (Continued)

PowerShares International Dividend Achievers™ Portfolio (ticker: PID)

▼ Growth of a \$10,000 Investment Since Inception†



▼ Fund Performance History (%)

As of April 30, 2011

		Avg Ann ^{††}			Fund Inception	
		1 Year	3 Year	5 Year	Avg Ann ^{††}	Cumulative
Index	International Dividend Achievers™ Index	21.32%	-2.03%	2.87%	5.04%	31.84%
	Dow Jones EPAC Select Dividend Index	27.01%	1.24%	5.86%	8.63%	59.87%
	MSCI EAFE® Value Index	16.86%	-3.60%	0.55%	4.56%	28.76%
	S&P 500® Index	17.24%	1.74%	2.95%	4.12%	25.71%
Fund	Net Asset Value ("NAV") Return	21.95%	-1.62%	3.21%	5.35%	34.07%
	Share Price Return	22.23%	-1.50%	3.25%	5.40%	34.38%

Fund Inception: September 15, 2005

Performance quoted represents past performance. Past performance is not a guarantee of future results and 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 Adviser has waived fees and reimbursed other expenses, absent which, performance would have been lower. The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through August 31, 2012. According to the Fund's current prospectus, the total gross annual operating expense ratio was indicated as 0.57%. In the Financial Highlights section of this Shareholder Report, the Fund's net and gross total operating expense ratios were determined to be 0.58%. NAV and Share Price returns assume that dividends and capital gain distributions have been reinvested in the Fund at NAV and Share Price, respectively. The returns shown in the table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Fund Shares. See investcopowershares.com to find the most recent month-end performance numbers.

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The Dow Jones EPAC Select Dividend Index, MSCI EAFE® Value Index and S&P 500® Index (the "Benchmark Indices") are unmanaged indices used as a measurement of change in stock market conditions based on the average performance of approximately 100, 300 and 500 common stocks, respectively.

† Fund and underlying Index returns are based on the inception date of the Fund. Returns for the Benchmark Indices are based on the closest month-end to the Fund's inception date.

†† Average annualized.

Frequency Distribution of Discounts & Premiums

Since Inception through April 30, 2011

Ticker	Fund Name	Inception	Trading Days	Closing Price Above NAV (bps)					
				0-24	25-49	50-99	100-149	150-199	200+
PKW	PowerShares Buyback Achievers™ Portfolio	12/20/06	1097	451	35	8	1	2	1
PFM	PowerShares Dividend Achievers™ Portfolio	09/15/05	1416	711	66	15	3	0	3
PGF	PowerShares Financial Preferred Portfolio	12/01/06	1110	450	199	88	29	24	68
PEY	PowerShares High Yield Equity Dividend Achievers™ Portfolio	12/09/04	1609	610	54	8	6	0	1
PID	PowerShares International Dividend Achievers™ Portfolio	09/15/05	1416	699	63	17	4	2	1

Closing Price Below NAV (bps)					
-0-24	-25-49	-50-99	-100-149	-150-199	-200+
585	11	3	0	0	0
604	11	2	1	0	0
211	21	13	3	2	2
822	91	14	1	1	1
506	74	38	7	4	1

Fees and Expenses

As a shareholder of a Fund of the PowerShares Exchange-Traded Fund Trust, you incur advisory fees and other Fund expenses. The expense examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended April 30, 2011.

Actual Expenses

The first line in the following table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During the Six-Month Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line in the following table provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed annualized rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only, and do not reflect any transactional costs such as sales charges and brokerage commissions. Therefore the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value November 1, 2010	Ending Account Value April 30, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares Buyback Achievers™ Portfolio				
Actual	\$1,000.00	\$1,185.67	0.70%	\$3.79
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.32	0.70%	\$3.51
PowerShares Dividend Achievers™ Portfolio				
Actual	\$1,000.00	\$1,145.10	0.60%	\$3.19
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.82	0.60%	\$3.01
PowerShares Financial Preferred Portfolio				
Actual	\$1,000.00	\$1,049.06	0.67%	\$3.40
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.47	0.67%	\$3.36
PowerShares High Yield Equity Dividend Achievers™ Portfolio				
Actual	\$1,000.00	\$1,092.81	0.60%	\$3.11
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.82	0.60%	\$3.01

Fees and Expenses (Continued)

	Beginning Account Value November 1, 2010	Ending Account Value April 30, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares International Dividend Achievers™ Portfolio				
Actual	\$1,000.00	\$1,129.98	0.59%	\$3.12
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.87	0.59%	\$2.96

- (1) Expenses are calculated using the annualized expense ratio, which represents the ongoing expenses as a percentage of net assets for the six months ended April 30, 2011. Expenses are calculated by multiplying the Fund's annualized expense ratio by the average account value for the period; then multiplying the result by 181 and then dividing the result by 365. Expense ratios for the most recent half-year may differ from expense ratios based on the annualized data in the Financial Highlights.

Schedule of Investments (Continued)

PowerShares Buyback Achievers™ Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)			Common Stocks and Other Equity Interests (Continued)		
12,573	WellPoint, Inc.	\$ 965,481	8,981	Xilinx, Inc.	\$ 313,078
6,665	Zimmer Holdings, Inc.*	434,891	46,028	Yahoo!, Inc.*	816,997
		<u>11,719,531</u>			<u>9,992,718</u>
	<i>Industrials—6.0%</i>			<i>Materials—0.9%</i>	
1,704	CBIZ, Inc.*	12,490	5,967	Ball Corp.	222,629
5,067	Cintas Corp.	157,330	645	Kaiser Aluminum Corp.	32,321
1,256	Dycor Industries, Inc.*	18,664	473	NewMarket Corp.	87,183
1,458	FTI Consulting, Inc.*	58,174	2,626	Worthington Industries, Inc.	56,643
5,465	KBR, Inc.	209,692			<u>398,776</u>
12,132	Lockheed Martin Corp.	961,461		<i>Telecommunication Services—0.0%</i>	
10,144	Northrop Grumman Corp.	645,260	1,471	General Communication, Inc., Class A*	16,916
1,723	Ryder System, Inc.	92,181			
1,091	Toro Co. (The)	74,090		<i>Utilities—0.1%</i>	
1,114	Tredegar Corp.	24,374	4,078	Dynegey, Inc., Class A*	25,855
2,443	W.W. Grainger, Inc.	370,359			
		<u>2,624,075</u>		Total Common Stocks and Other Equity Interests	
	<i>Information Technology—22.9%</i>			(Cost \$39,805,875)	<u>43,628,319</u>
6,940	Amdocs Ltd. (Guernsey)*	213,405			
2,115	Benchmark Electronics, Inc.*	35,743		Money Market Fund—0.1%	
2,403	Brightpoint, Inc.*	24,318		Goldman Sachs Financial Square Prime Obligations Institutional Share Class	
4,347	Broadridge Financial Solutions, Inc.	101,024	67,464	(Cost \$67,464)	<u>67,464</u>
7,734	Compuware Corp.*	87,626		Total Investments	
1,645	DST Systems, Inc.	81,115		(Cost \$39,873,339)—100.1%	43,695,783
1,633	Electronics for Imaging, Inc.*	29,329		Liabilities in excess of other assets—(0.1%)	(59,147)
1,403	Fair Isaac Corp.	41,922		Net Assets—100.0%	<u>\$43,636,636</u>
10,774	Fidelity National Information Services, Inc.	356,619			
2,203	Global Cash Access Holdings, Inc.*	7,270		Investment Abbreviations:	
52,999	Hewlett-Packard Co.	2,139,570		REIT—Real Estate Investment Trust	
2,902	IAC/InterActiveCorp.*	104,791		Notes to Schedule of Investments:	
5,098	Integrated Device Technology, Inc.*	41,472		* Non-income producing security.	
12,767	International Business Machines Corp.	2,177,795			
1,120	LoopNet, Inc.*	20,810			
21,824	LSI Corp.*	159,970			
263	MicroStrategy, Inc., Class A*	37,162			
536	MTS Systems Corp.	23,729			
833	Multi-Fineline Electronix, Inc.*	22,183			
3,153	Novellus Systems, Inc.*	101,211			
699	Oplink Communications, Inc.*	13,840			
3,794	QLogic Corp.*	68,216			
12,452	SAIC, Inc.*	216,665			
16,286	Seagate Technology PLC (Ireland)	286,959			
501	Stamps.com, Inc.	6,774			
1,617	Tech Data Corp.*	85,911			
1,979	TeleTech Holdings, Inc.*	39,323			
40,922	Texas Instruments, Inc.	1,453,959			
1,116	Tyler Technologies, Inc.*	27,666			
2,826	ValueClick, Inc.*	47,335			
5,969	VeriSign, Inc.	220,614			
5,665	Vishay Intertechnology, Inc.*	108,088			
22,599	Western Union Co. (The)	480,229			

See Notes to Financial Statements.

Schedule of Investments

PowerShares Dividend Achievers™ Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests—100.0%			Common Stocks and Other Equity Interests (Continued)		
<i>Consumer Discretionary—7.2%</i>			<i>Financials—6.0%</i>		
7,901	Family Dollar Stores, Inc.	\$ 428,313	14,146	Kinder Morgan Energy Partners LP	\$ 1,093,769
10,183	Genuine Parts Co.	546,827	12,492	Murphy Oil Corp.	967,880
3,310	John Wiley & Sons, Inc., Class A	168,578	9,564	Plains All American Pipeline LP	614,391
9,421	Leggett & Platt, Inc.	247,678	2,986	TC Pipelines LP	144,463
85,150	Lowe's Cos., Inc.	2,235,188			<u>36,570,462</u>
1,912	Matthews International Corp., Class A	76,748			
67,025	McDonald's Corp.	5,248,728	30,369	Aflac, Inc.	1,706,434
19,667	McGraw-Hill Cos., Inc. (The)	795,923	992	BancFirst Corp.	39,948
2,376	Meredith Corp.	79,406	1,104	Bank of the Ozarks, Inc.	49,161
2,199	Polaris Industries, Inc.	231,841	9,191	Brown & Brown, Inc.	237,587
7,590	Ross Stores, Inc.	559,307	18,963	Chubb Corp. (The)	1,236,198
10,800	Stanley Black & Decker, Inc.	784,620	10,528	Cincinnati Financial Corp.	333,527
44,764	Target Corp.	2,197,912	5,622	Commerce Bancshares, Inc.	239,272
25,167	TJX Cos., Inc. (The)	1,349,455	2,157	Community Bank System, Inc.	53,968
7,021	VF Corp.	706,032	994	Community Trust Bancorp, Inc.	28,130
		<u>15,656,556</u>	4,331	Corporate Office Properties Trust REIT	152,495
			3,955	Cullen/Frost Bankers, Inc.	234,294
			7,667	Eaton Vance Corp.	258,915
			3,215	Erie Indemnity Co., Class A	232,862
135,203	Altria Group, Inc.	3,628,849	2,080	Essex Property Trust, Inc. REIT	281,798
41,162	Archer-Daniels-Midland Co.	1,523,817	4,017	Federal Realty Investment Trust REIT	351,729
28,195	Avon Products, Inc.	828,369	839	First Financial Corp.	26,982
5,725	Brown-Forman Corp., Class B	411,398	14,407	Franklin Resources, Inc.	1,860,232
2,450	Casey's General Stores, Inc.	95,623	2,169	Getty Realty Corp. REIT	55,114
4,615	Church & Dwight Co., Inc.	380,645	1,735	Harleysville Group, Inc.	55,659
8,889	Clorox Co. (The)	619,208	7,412	HCC Insurance Holdings, Inc.	241,187
148,239	Coca-Cola Co. (The)	10,000,203	25,931	HCP, Inc. REIT	1,027,386
31,678	Colgate-Palmolive Co.	2,672,039	34,018	Hudson City Bancorp, Inc.	324,192
17,247	Hormel Foods Corp.	507,234	5,171	Investors Real Estate Trust REIT	48,659
7,494	J.M. Smucker Co. (The)	562,575	3,541	Mercury General Corp.	140,719
26,033	Kimberly-Clark Corp.	1,719,740	5,462	National Retail Properties, Inc. REIT	143,869
1,783	Lancaster Colony Corp.	108,959	16,743	Old Republic International Corp.	212,134
7,752	McCormick & Co., Inc.	380,778	23,226	People's United Financial, Inc.	317,964
103,371	PepsiCo, Inc.	7,121,228	3,021	Prosperity Bancshares, Inc.	138,513
162,012	Procter & Gamble Co. (The)	10,514,579	8,119	Realty Income Corp. REIT	288,630
37,635	Sysco Corp.	1,088,028	1,358	RLI Corp.	80,448
2,329	Tootsie Roll Industries, Inc.	69,032	11,952	SEI Investments Co.	266,888
1,515	Universal Corp.	65,721	1,075	Southside Bancshares, Inc.	23,381
4,819	Vector Group Ltd.	88,477	2,954	StanCorp Financial Group, Inc.	127,317
59,126	Walgreen Co.	2,525,863	16,775	T. Rowe Price Group, Inc.	1,077,794
201,432	Wal-Mart Stores, Inc.	11,074,731	5,250	Tanger Factory Outlet Centers, Inc. REIT	145,058
		<u>55,987,096</u>	4,035	Transatlantic Holdings, Inc.	198,885
			2,616	UMB Financial Corp.	110,160
			2,816	United Bankshares, Inc.	73,667
			817	Universal Health Realty Income Trust REIT	35,221
5,500	Buckeye Partners LP	357,830	1,339	Urstadt Biddle Properties, Inc., Class A REIT	26,352
1,496	CARBO Ceramics, Inc.	240,766	2,552	W.P. Carey & Co. LLC	91,540
95,676	Chevron Corp.	10,470,782	4,255	Washington REIT	137,862
94,027	ConocoPhillips	7,421,551			
54,490	Enterprise Products Partners LP	2,357,782			
17,322	EOG Resources, Inc.	1,955,827			
119,203	Exxon Mobil Corp.	10,489,864			
6,867	Helmerich & Payne, Inc.	455,557			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Dividend Achievers™ Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)					
460	Wesco Financial Corp.	\$ 180,320	1,260	Universal Forest Products, Inc.	\$ 40,685
1,874	Westamerica Bancorp	95,180	4,485	W.W. Grainger, Inc.	679,926
		<u>12,987,631</u>			<u>29,416,881</u>
<i>Health Care—11.1%</i>					
99,956	Abbott Laboratories	5,201,710	32,062	<i>Information Technology—6.3%</i>	
4,602	Beckman Coulter, Inc.	381,276	4,246	Automatic Data Processing, Inc.	1,742,570
14,281	Becton, Dickinson and Co.	1,227,309	2,982	Diebold, Inc.	143,515
5,584	C.R. Bard, Inc.	596,092	64,117	FactSet Research Systems, Inc.	326,260
22,589	Cardinal Health, Inc.	986,914	5,565	International Business Machines Corp.	10,937,078
167,688	Johnson & Johnson	11,020,455	14,650	Jack Henry & Associates, Inc.	189,043
69,067	Medtronic, Inc.	2,883,547		Linear Technology Corp.	509,820
2,646	Meridian Bioscience, Inc.	65,383			<u>13,848,286</u>
4,116	Owens & Minor, Inc.	141,796		<i>Materials—4.1%</i>	
25,117	Stryker Corp.	1,481,903	13,881	Air Products & Chemicals, Inc.	1,325,913
2,161	West Pharmaceutical Services, Inc.	102,086	5,919	Albemarle Corp.	417,585
		<u>24,088,471</u>	4,334	AptarGroup, Inc.	227,318
<i>Industrials—13.5%</i>					
45,974	3M Co.	4,469,133	6,899	Bemis Co., Inc.	216,215
2,968	A.O. Smith Corp.	130,503	14,987	Ecolab, Inc.	790,714
3,424	ABM Industries, Inc.	83,272	3,192	H.B. Fuller Co.	69,745
972	Badger Meter, Inc.	36,848	20,412	Nucor Corp.	958,548
3,175	Brady Corp., Class A	119,729	10,402	PPG Industries, Inc.	984,757
10,528	C.H. Robinson Worldwide, Inc.	844,135	19,609	Praxair, Inc.	2,086,790
3,988	Carlisle Cos., Inc.	197,565	8,423	RPM International, Inc.	197,941
41,640	Caterpillar, Inc.	4,805,672	6,927	Sherwin-Williams Co. (The)	570,023
9,384	Cintas Corp.	291,373	7,867	Sigma-Aldrich Corp.	555,253
3,256	CLARCOR, Inc.	147,139	6,476	Sonoco Products Co.	223,811
4,966	Donaldson Co., Inc.	304,068	695	Stepan Co.	50,019
12,051	Dover Corp.	819,950	6,198	Valspar Corp. (The)	243,643
48,705	Emerson Electric Co.	2,959,316			<u>8,918,275</u>
13,695	Expeditors International of Washington, Inc.	743,228	351,901	<i>Telecommunication Services—5.8%</i>	
9,520	Fastenal Co.	638,697	993	AT&T, Inc.	10,951,159
1,507	Franklin Electric Co., Inc.	67,981	38,738	Atlantic Tele-Network, Inc.	36,473
24,115	General Dynamics Corp.	1,756,054	1,510	CenturyLink, Inc.	1,579,736
1,089	Gorman-Rupp Co. (The)	44,050	3,642	Shenandoah Telecommunications Co.	28,418
3,887	Graco, Inc.	194,467		Telephone & Data Systems, Inc.	122,225
5,207	Harsco Corp.	185,369			<u>12,718,011</u>
32,207	Illinois Tool Works, Inc.	1,881,211	1,203	<i>Utilities—3.5%</i>	
1,569	McGrath Rentcorp	44,544	8,926	American States Water Co.	41,997
2,358	Mine Safety Appliances Co.	93,565	5,841	Aqua America, Inc.	201,281
439	NACCO Industries, Inc., Class A	46,196	2,545	Atmos Energy Corp.	203,792
4,406	Nordson Corp.	251,010	1,338	Black Hills Corp.	88,439
10,456	Parker Hannifin Corp.	986,210	18,876	California Water Service Group	50,469
6,355	Pentair, Inc.	255,217	4,653	Consolidated Edison, Inc.	983,817
13,166	Pitney Bowes, Inc.	323,357	12,194	Engen Corp.	302,492
1,167	Raven Industries, Inc.	63,438	1,491	MDU Resources Group, Inc.	291,315
6,158	Roper Industries, Inc.	532,605	1,007	MGE Energy, Inc.	62,637
1,232	Tennant Co.	50,537	5,319	Middlesex Water Co.	19,012
59,498	United Technologies Corp.	5,329,831	2,673	National Fuel Gas Co.	389,883
			27,254	New Jersey Resources Corp.	117,024
				NextEra Energy, Inc.	1,541,759

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Dividend Achievers™ Portfolio

April 30, 2011

<u>Number of Shares</u>		<u>Value</u>
	Common Stocks and Other Equity Interests (Continued)	
11,412	Northeast Utilities	\$ 406,267
1,721	Northwest Natural Gas Co.	79,579
6,690	NSTAR	309,747
4,637	Piedmont Natural Gas Co., Inc.	147,225
36,499	PPL Corp.	1,001,168
11,443	Questar Corp.	201,053
8,269	SCANA Corp.	343,329
1,181	SJW Corp.	27,446
1,929	South Jersey Industries, Inc.	110,821
2,284	Suburban Propane Partners LP	128,384
7,176	UGI Corp.	238,961
2,369	Unisource Energy Corp.	87,961
5,278	Vectren Corp.	150,845
3,291	WGL Holdings, Inc.	130,060
		<u>7,656,763</u>
	Total Investments	
	(Cost \$181,516,465)—100.0%	217,848,432
	Other assets less liabilities—0.0%	10,822
	Net Assets—100.0%	<u><u>\$217,859,254</u></u>

Investment Abbreviations:

REIT—Real Estate Investment Trust

See Notes to Financial Statements.

Schedule of Investments

PowerShares Financial Preferred Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
Preferred Stocks—99.9%			Preferred Stocks (Continued)		
<i>Banks—66.6%</i>			<i>Insurance—27.0%</i>		
1,414,604	Bank of America Corp., 6.20%, Series D	\$ 32,649,060	1,060,253	Aegon NV, 6.38%(Netherlands)	\$ 24,661,485
1,920,517	Bank of America Corp., 7.25%, Series J	48,665,901	343,755	Aegon NV, 6.50%(Netherlands)	7,940,741
5,333,282	Bank of America Corp., 8.20%, Series H	138,665,332	492,134	Aegon NV, 6.88%(Netherlands)	11,830,901
3,301,363	Bank of America Corp., 8.63%, Series MER	88,872,692	1,742,395	Aegon NV, 7.25%(Netherlands)	43,612,147
422,765	Barclays Bank PLC, 6.63%, Series 2 (United Kingdom)	10,442,296	442,567	Axis Capital Holdings Ltd., 7.25%, Series A	11,090,729
578,288	Barclays Bank PLC, 7.75%, Series 4 (United Kingdom)	15,035,488	865,638	ING Groep NV, 6.13%(Netherlands)	18,706,437
2,429,330	Barclays Bank PLC, 8.13%, Series 5 (United Kingdom)	64,620,178	1,709,530	ING Groep NV, 6.38%(Netherlands)	37,370,326
379,102	Deutsche Bank Capital Funding Trust IX, 6.63%	9,371,401	3,094,940	ING Groep NV, 7.38%(Netherlands)	75,268,941
1,236,930	Deutsche Bank Contingent Capital Trust III, 7.60%	33,050,770	3,923,540	ING Groep NV, 8.50%(Netherlands)	102,522,100
718,635	Deutsche Bank Contingent Capital Trust V, 8.05%	19,546,872	3,059,586	MetLife, Inc., 6.50%, Series B	78,172,422
1,898,835	Goldman Sachs Group, Inc. (The), 6.20%, Series B	47,432,898	560,409	PartnerRe Ltd., 6.75%, Series C	13,926,164
6,566,686	HSBC Holdings PLC, 8.00%, Series 2 (United Kingdom)	180,124,197	460,801	Principal Financial Group, Inc., 6.52%, Series B	11,510,809
3,826,044	HSBC Holdings PLC, 8.13% (United Kingdom)	104,910,127	665,894	Prudential PLC, 6.50%(United Kingdom)	16,654,009
1,238,176	HSBC USA, Inc., 6.50%, Series H	30,954,400	612,913	Prudential PLC, 6.75%(United Kingdom)	15,384,116
2,934,376	JPMorgan Chase & Co., 8.63%, Series J	81,106,153	486,659	RenaissanceRe Holdings Ltd., 6.08%, Series C	11,280,756
1,314,446	National Bank of Greece SA, 9.00%(Greece)	23,673,172	594,657	RenaissanceRe Holdings Ltd., 6.60%, Series D	14,902,104
1,475,675	Royal Bank of Scotland Group PLC, 5.75%, Series L (United Kingdom)	28,111,609			<u>494,834,187</u>
381,354	Royal Bank of Scotland Group PLC, 6.35%, Series N (United Kingdom)*	6,871,999		Total Investments	1,831,274,178
522,548	Royal Bank of Scotland Group PLC, 6.60%, Series S (United Kingdom)*	9,541,726		(Cost \$1,497,617,912)—99.9%	1,241,334
327,150	Royal Bank of Scotland Group PLC, 6.75%, Series Q (United Kingdom)*	6,071,904		Other assets less liabilities—0.1%	<u><u>\$1,832,515,512</u></u>
2,030,479	Royal Bank of Scotland Group PLC, 7.25%, Series T (United Kingdom)*	40,731,409		Net Assets—100.0%	
2,017,508	Santander Finance Preferred SA Unipersonal, 10.50%, Series 10 (Spain)	58,084,055			
993,996	U.S. Bancorp, 7.88%, Series D	27,583,389			
2,998,593	Wells Fargo & Co., 8.00%, Series J	86,629,352			
1,041,124	Zions Bancorp, 9.50%, Series C	27,995,824			
		<u>1,220,742,204</u>			
	<i>Diversified Financial Services—6.3%</i>				
2,909,858	Credit Suisse Guernsey, 7.90% (Switzerland)	79,497,321			
1,521,028	HSBC Finance Corp., 6.36%, Series B	36,200,466			
		<u>115,697,787</u>			

Notes to Schedule of Investments:

This Fund has holdings greater than 10% of net assets in the following countries:

United Kingdom	27.2%
Netherlands	17.6%

* Non-income producing security.

See Notes to Financial Statements.

Schedule of Investments

PowerShares High Yield Equity Dividend Achievers™ Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
	Common Stocks and Other Equity Interests—99.9%			Common Stocks and Other Equity Interests (Continued)	
	<i>Agriculture—5.0%</i>			<i>Healthcare-Products—3.3%</i>	
220,766	Altria Group, Inc.	\$ 5,925,359	56,049	Johnson & Johnson	\$ 3,683,540
103,105	Universal Corp.	4,472,695	127,914	Meridian Bioscience, Inc.	3,160,755
		<u>10,398,054</u>			<u>6,844,295</u>
	<i>Banks—8.0%</i>			<i>Household Products/Wares—3.6%</i>	
163,730	Community Bank System, Inc.	4,096,524	45,173	Clorox Co. (The)	3,146,751
156,999	Community Trust Bancorp, Inc.	4,443,072	65,839	Kimberly-Clark Corp.	4,349,325
158,323	Southside Bancshares, Inc.	3,443,525			<u>7,496,076</u>
177,748	United Bankshares, Inc.	4,649,888		<i>Insurance—9.9%</i>	
		<u>16,633,009</u>	149,539	Cincinnati Financial Corp.	4,737,396
	<i>Chemicals—1.7%</i>		134,894	Harleysville Group, Inc.	4,327,399
150,960	RPM International, Inc.	3,547,560	156,912	Mercury General Corp.	6,235,683
		<u>3,547,560</u>	423,573	Old Republic International Corp.	5,366,670
	<i>Commercial Services—1.6%</i>				<u>20,667,148</u>
120,932	McGrath Rentcorp	3,433,260		<i>Iron/Steel—1.5%</i>	
		<u>3,433,260</u>		Nucor Corp.	3,230,284
	<i>Computers—1.4%</i>		68,788		
85,068	Diebold, Inc.	2,875,298		<i>Miscellaneous Manufacturing—2.3%</i>	
		<u>2,875,298</u>	183,562	Leggett & Platt, Inc.	4,825,845
	<i>Distribution/Wholesale—1.6%</i>				
63,517	Genuine Parts Co.	3,410,863		<i>Office/Business Equipment—2.6%</i>	
		<u>3,410,863</u>		Pitney Bowes, Inc.	5,438,861
	<i>Electric—20.3%</i>		221,452		
128,903	Black Hills Corp.	4,479,379		<i>Oil & Gas—1.5%</i>	
92,027	Consolidated Edison, Inc.	4,796,447	40,515	ConocoPhillips	3,197,849
119,354	MDU Resources Group, Inc.	2,851,367			
89,591	MGE Energy, Inc.	3,763,718	91,904	<i>Packaging & Containers—1.5%</i>	
70,941	NextEra Energy, Inc.	4,013,132		Sonoco Products Co.	3,176,202
90,607	Northeast Utilities	3,225,609			
80,798	NSTAR	3,740,947	75,203	<i>Pharmaceuticals—1.9%</i>	
202,436	PPL Corp.	5,552,820		Abbott Laboratories	3,913,564
122,557	SCANA Corp.	5,088,567			
127,130	Unisource Energy Corp.	4,720,337	125,442	<i>Pipelines—2.6%</i>	
		<u>42,232,323</u>		Enterprise Products Partners LP	5,427,875
	<i>Environmental Control—1.4%</i>		343,100		
74,939	Mine Safety Appliances Co.	2,973,580	372,432	<i>Savings & Loans—4.0%</i>	
		<u>2,973,580</u>		Hudson City Bancorp, Inc.	3,269,743
	<i>Food—1.8%</i>			People's United Financial, Inc.	5,098,594
127,771	Sysco Corp.	3,693,860			<u>8,368,337</u>
		<u>3,693,860</u>		<i>Telecommunications—6.1%</i>	
	<i>Gas—13.5%</i>		181,364	AT&T, Inc.	5,644,048
117,565	Atmos Energy Corp.	4,101,843	174,703	CenturyLink, Inc.	7,124,388
78,161	New Jersey Resources Corp.	3,421,889			<u>12,768,436</u>
82,459	Northwest Natural Gas Co.	3,812,904		<i>Textiles—0.8%</i>	
123,535	Piedmont Natural Gas Co., Inc.	3,922,236	52,482	Cintas Corp.	1,629,566
201,152	Questar Corp.	3,534,241			
182,321	Vectren Corp.	5,210,734	216,045	<i>Water—2.0%</i>	
103,654	WGL Holdings, Inc.	4,096,406		Middlesex Water Co.	4,078,930
		<u>28,100,253</u>			
				Total Investments	
				(Cost \$190,586,563)—99.9%	208,361,328
				Other assets less liabilities—0.1%	109,203
				Net Assets—100.0%	<u><u>\$208,470,531</u></u>

See Notes to Financial Statements.

Schedule of Investments

PowerShares International Dividend Achievers™ Portfolio

April 30, 2011

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests—100.2%			Common Stocks and Other Equity Interests (Continued)		
<i>Australia—1.0%</i>			<i>Ireland—1.9%</i>		
56,660	BHP Billiton Ltd. ADR	\$ 5,736,258	87,820	Accenture PLC, Class A	\$ 5,017,157
<i>Bahamas—3.3%</i>			81,836	Cooper Industries PLC	5,397,084
478,918	Teekay LNG Partners LP	18,160,571	<i>Israel—5.7%</i>		
<i>Belgium—1.0%</i>			1,405,522	Partner Communications Co. Ltd. ADR	27,224,961
63,157	Delhaize Group SA ADR	5,422,660	95,193	Teva Pharmaceutical Industries Ltd. ADR	4,353,176
<i>Bermuda—3.5%</i>			<i>Japan—2.6%</i>		
300,364	Alterra Capital Holdings Ltd.	6,602,001	<i>Canon, Inc. ADR</i>		
226,131	Axis Capital Holdings Ltd.	7,995,992	216,467		10,210,749
65,873	RenaissanceRe Holdings Ltd.	4,629,554	38,033	Kyocera Corp. ADR	4,180,207
			14,390,956		
			<i>Mexico—4.4%</i>		
<i>Brazil—0.8%</i>			47,193	America Movil SAB de CV, Series L ADR	2,699,440
159,769	Cia de Bebidas DAS Americas ADR	4,201,925	96,425	Coca-Cola Femsa SAB de CV ADR	7,691,822
<i>Canada—18.2%</i>			737,445	Telefonos de Mexico SAB de CV, Series L ADR	13,804,970
137,879	Cameco Corp.	4,064,673	24,196,232		
69,900	Canadian National Railway Co.	5,412,357	<i>Netherlands—1.7%</i>		
47,245	Canadian Natural Resources Ltd.	2,218,625	280,305	Unilever NV	9,250,065
77,554	Canadian Pacific Railway Ltd.	5,137,177	<i>Norway—1.9%</i>		
146,506	Enbridge, Inc.	9,497,984	367,049	Statoil ASA ADR	10,758,206
49,130	Imperial Oil Ltd.	2,597,012	<i>Philippines—4.0%</i>		
155,289	Ritchie Bros. Auctioneers, Inc.	4,855,887	379,462	Philippine Long Distance Telephone Co. ADR	22,005,001
324,043	Rogers Communications, Inc., Class B	12,258,547	<i>Russia—1.1%</i>		
637,410	Shaw Communications, Inc., Class B	13,487,596	84,201	LUKOIL OAO ADR	5,826,709
58,483	Suncor Energy, Inc.	2,692,557	<i>Spain—3.6%</i>		
124,089	Talisman Energy, Inc.	2,990,545	740,103	Telefonica SA ADR	19,953,177
257,416	Telus Corp.	12,914,561	<i>Switzerland—4.6%</i>		
234,350	Thomson Reuters Corp.	9,484,144	154,673	Noble Corp.	6,652,486
286,541	TransCanada Corp.	12,304,070	195,668	Novartis AG ADR	11,577,676
			103,018	Syngenta AG ADR*	7,287,493
			25,517,655		
<i>Cayman Islands—1.5%</i>			<i>United Kingdom—27.9%</i>		
832,697	Consolidated Water Co. Ltd.(~)	8,168,758	42,731	ARM Holdings PLC ADR	1,344,317
<i>Chile—1.1%</i>			336,143	AstraZeneca PLC ADR	16,750,006
103,607	Empresa Nacional de Electricidad SA ADR	5,841,363	82,621	BHP Billiton PLC ADR	6,955,036
<i>Denmark—0.6%</i>			158,210	British American Tobacco PLC ADR	13,954,122
25,208	Novo Nordisk A/S ADR	3,211,247	125,009	Diageo PLC ADR	10,171,982
<i>France—1.8%</i>			389,899	GlaxoSmithKline PLC ADR	17,022,990
247,311	Sanofi-Aventis SA ADR	9,773,731	355,391	National Grid PLC ADR	18,242,220
<i>Hong Kong—3.2%</i>			566,396	Pearson PLC ADR	10,789,844
245,938	China Mobile Ltd. ADR	11,335,282	410,736	Prudential PLC ADR	10,613,418
25,197	CNOOC Ltd. ADR	6,285,392	158,394	Royal Dutch Shell PLC, Class A ADR	12,272,367
			45,946	Smith & Nephew PLC ADR	2,546,327
			6,364,407		
<i>India—1.1%</i>					
7,562	HDFC Bank Ltd. ADR	1,301,420			
77,677	Infosys Technologies Ltd. ADR	5,062,987			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Dividend Achievers™ Portfolio

April 30, 2011

<u>Number of Shares</u>		<u>Value</u>
	Common Stocks and Other Equity Interests (Continued)	
345,112	Unilever PLC ADR	\$ 11,240,298
482,545	Vodafone Group PLC ADR	14,051,711
113,649	WPP PLC ADR	7,420,143
		<u>153,374,781</u>
	<i>United States—3.7%</i>	
94,534	ACE Ltd.	6,357,411
51,799	Bunge Ltd.	3,907,717
106,616	PartnerRe Ltd.	8,567,662
14,826	Shire PLC ADR	1,381,931
		<u>20,214,721</u>
	Total Investments	
	(Cost \$486,562,283)—100.2%	551,124,757
	Liabilities in excess of other assets—(0.2%)	<u>(842,440)</u>
	Net Assets—100.0%	<u><u>\$550,282,317</u></u>

Investment Abbreviations:

ADR—American Depositary Receipt

Notes to Schedule of Investments:

(~) Affiliated Investment. See Note 4.

* Non-income producing security.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

April 30, 2011

	PowerShares Buyback Achievers™ Portfolio	PowerShares Dividend Achievers™ Portfolio	PowerShares Financial Preferred Portfolio	PowerShares High Yield Equity Dividend Achievers™ Portfolio	PowerShares International Dividend Achievers™ Portfolio
ASSETS:					
Unaffiliated investments, at value	\$ 43,695,783	\$217,848,432	\$1,831,274,178	\$ 208,361,328	\$ 542,955,999
Affiliated investments, at value (Note 4)	—	—	—	—	8,168,758
Total investments, at value	<u>43,695,783</u>	<u>217,848,432</u>	<u>1,831,274,178</u>	<u>208,361,328</u>	<u>551,124,757</u>
Receivables:					
Investments sold	946,676	3,222,479	2,288,106	11,733,837	58,807,175
Dividends	32,806	384,746	5,889,395	412,455	1,130,259
Expense waivers	8,539	6,683	19,061	6,159	321
Shares sold	—	2,293,218	—	8,610,600	19,379,510
Foreign tax reclaims	—	—	—	—	210,506
Total Assets	<u>44,683,804</u>	<u>223,755,558</u>	<u>1,839,470,740</u>	<u>229,124,379</u>	<u>630,652,528</u>
LIABILITIES:					
Due to custodian	—	65,030	5,010,512	91,847	820,683
Payables:					
Investments purchased	940,150	3,300,916	180,550	11,707,482	60,471,308
Shares repurchased	—	2,293,218	—	8,610,601	18,538,949
Accrued advisory fees	17,149	69,995	747,770	65,874	174,686
Accrued expenses	89,869	167,145	1,016,396	178,044	364,585
Total Liabilities	<u>1,047,168</u>	<u>5,896,304</u>	<u>6,955,228</u>	<u>20,653,848</u>	<u>80,370,211</u>
NET ASSETS	<u>\$ 43,636,636</u>	<u>\$217,859,254</u>	<u>\$1,832,515,512</u>	<u>\$ 208,470,531</u>	<u>\$ 550,282,317</u>
NET ASSETS CONSIST OF:					
Shares of beneficial interest	\$ 64,857,245	\$202,261,374	\$1,541,666,553	\$ 334,682,177	\$ 705,382,351
Undistributed net investment income (loss)	62,686	606,451	(289,320)	(8,300)	2,252,829
Undistributed net realized gain (loss)	(25,105,739)	(21,340,538)	(42,517,987)	(143,978,111)	(221,915,337)
Net unrealized appreciation	3,822,444	36,331,967	333,656,266	17,774,765	64,562,474
Net Assets	<u>\$ 43,636,636</u>	<u>\$217,859,254</u>	<u>\$1,832,515,512</u>	<u>\$ 208,470,531</u>	<u>\$ 550,282,317</u>
Shares outstanding (unlimited amount authorized, \$0.01 par value)	1,600,000	14,250,000	100,350,000	23,000,000	32,650,000
Net asset value	<u>\$ 27.27</u>	<u>\$ 15.29</u>	<u>\$ 18.26</u>	<u>\$ 9.06</u>	<u>\$ 16.85</u>
Share price	<u>\$ 27.27</u>	<u>\$ 15.29</u>	<u>\$ 18.28</u>	<u>\$ 9.06</u>	<u>\$ 16.89</u>
Unaffiliated investments, at cost	<u>\$ 39,873,339</u>	<u>\$181,516,465</u>	<u>\$1,497,617,912</u>	<u>\$ 190,586,563</u>	<u>\$ 477,228,802</u>
Affiliated investments, at cost	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,333,481</u>
Total investments, at cost	<u>\$ 39,873,339</u>	<u>\$181,516,465</u>	<u>\$1,497,617,912</u>	<u>\$ 190,586,563</u>	<u>\$ 486,562,283</u>

See Notes to Financial Statements.

Statements of Operations

Year Ended April 30, 2011

	PowerShares Buyback Achievers™ Portfolio	PowerShares Dividend Achievers™ Portfolio	PowerShares Financial Preferred Portfolio	PowerShares High Yield Equity Dividend Achievers™ Portfolio	PowerShares International Dividend Achievers™ Portfolio
INVESTMENT INCOME:					
Unaffiliated dividend income	\$ 431,621	\$ 5,163,895	\$129,452,940	\$ 7,528,878	\$18,148,112
Affiliated dividend income	—	—	—	—	167,005
Foreign withholding tax	—	—	—	—	(1,501,617)
Total Income	<u>431,621</u>	<u>5,163,895</u>	<u>129,452,940</u>	<u>7,528,878</u>	<u>16,813,500</u>
EXPENSES:					
Advisory fees	181,136	712,707	8,737,380	652,458	1,775,241
Accounting & administration fees	68,240	68,240	427,715	68,240	108,267
Sub-licensing	36,227	178,172	1,747,474	163,111	443,809
Professional fees	32,327	40,468	143,729	39,136	56,707
Custodian & transfer agent fees	18,370	42,311	187,368	31,116	72,713
Trustees	6,019	10,170	60,018	9,865	18,359
Recapture (See Note 3)	—	62	31,250	—	3,295
Other expenses	21,675	38,834	272,154	55,307	116,193
Total Expenses	<u>363,994</u>	<u>1,090,964</u>	<u>11,607,088</u>	<u>1,019,233</u>	<u>2,594,584</u>
Less: Waivers	(110,403)	(21,912)	(42,557)	(40,549)	(3,588)
Net Expenses	<u>253,591</u>	<u>1,069,052</u>	<u>11,564,531</u>	<u>978,684</u>	<u>2,590,996</u>
Net Investment Income	<u>178,030</u>	<u>4,094,843</u>	<u>117,888,409</u>	<u>6,550,194</u>	<u>14,222,504</u>
REALIZED AND UNREALIZED GAIN (LOSS):					
Net realized gain (loss) from:					
Investments	(743,177)	(1,486,230)	18,378,691	865,130	2,385,105
In-kind redemptions	7,514,114	10,237,679	57,774,585	11,205,389	41,285,821
Foreign currencies	—	—	—	—	221
Net realized gain	<u>6,770,937</u>	<u>8,751,449</u>	<u>76,153,276</u>	<u>12,070,519</u>	<u>43,671,147</u>
Net change in unrealized appreciation on investments . .	<u>448,673</u>	<u>22,646,874</u>	<u>55,999,303</u>	<u>3,341,741</u>	<u>31,849,135</u>
Net realized and unrealized gain	<u>7,219,610</u>	<u>31,398,323</u>	<u>132,152,579</u>	<u>15,412,260</u>	<u>75,520,282</u>
Net increase in net assets resulting from operations . . .	<u>\$7,397,640</u>	<u>\$35,493,166</u>	<u>\$250,040,988</u>	<u>\$21,962,454</u>	<u>\$89,742,786</u>

See Notes to Financial Statements.

Statements of Changes in Net Assets

	PowerShares Buyback Achievers™ Portfolio		PowerShares Dividend Achievers™ Portfolio	
	Year Ended April 30, 2011	Year Ended April 30, 2010	Year Ended April 30, 2011	Year Ended April 30, 2010
OPERATIONS:				
Net investment income	\$ 178,030	\$ 330,119	\$ 4,094,843	\$ 2,379,666
Net realized gain (loss)	6,770,937	4,628,427	8,751,449	(3,080,940)
Net change in unrealized appreciation	448,673	6,305,908	22,646,874	28,168,674
Net increase in net assets resulting from operations	7,397,640	11,264,454	35,493,166	27,467,400
Undistributed net investment income (loss) included in the price of units issued and redeemed	4,185	6,239	435,134	92,598
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(111,858)	(467,441)	(4,080,812)	(2,653,314)
Return of capital	—	—	—	—
Total distributions to shareholders	(111,858)	(467,441)	(4,080,812)	(2,653,314)
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	31,415,572	26,715,685	109,729,654	54,083,996
Value of shares repurchased	(33,083,924)	(26,949,276)	(56,663,024)	(30,968,874)
Net income (loss) equalization	(4,185)	(6,239)	(435,134)	(92,598)
Net increase (decrease) in net assets resulting from shares transactions	(1,672,537)	(239,830)	52,631,496	23,022,524
Increase in Net Assets	5,617,430	10,563,422	84,478,984	47,929,208
NET ASSETS:				
Beginning of year	38,019,206	27,455,784	133,380,270	85,451,062
End of year	\$ 43,636,636	\$ 38,019,206	\$ 217,859,254	\$ 133,380,270
Undistributed net investment income (loss) at end of year	\$ 62,686	\$ (3,486)	\$ 606,451	\$ 558,686
CHANGES IN SHARES OUTSTANDING:				
Shares sold	1,250,000	1,350,000	8,500,000	4,450,000
Shares repurchased	(1,350,000)	(1,350,000)	(4,350,000)	(2,650,000)
Shares outstanding, beginning of year	1,700,000	1,700,000	10,100,000	8,300,000
Shares outstanding, end of year	1,600,000	1,700,000	14,250,000	10,100,000

See Notes to Financial Statements.

PowerShares Financial Preferred Portfolio		PowerShares High Yield Equity Dividend Achievers™ Portfolio		PowerShares International Dividend Achievers™ Portfolio	
Year Ended April 30, 2011	Year Ended April 30, 2010	Year Ended April 30, 2011	Year Ended April 30, 2010	Year Ended April 30, 2011	Year Ended April 30, 2010
\$ 117,888,409	\$ 113,420,686	\$ 6,550,194	\$ 4,674,969	\$ 14,222,504	\$ 9,615,929
76,153,276	66,377,711	12,070,519	7,437,890	43,671,147	(10,160,962)
55,999,303	350,585,680	3,341,741	26,851,833	31,849,135	122,485,105
250,040,988	530,384,077	21,962,454	38,964,692	89,742,786	121,940,072
<u>279,389</u>	<u>(1,698,335)</u>	<u>65,191</u>	<u>1,096</u>	<u>256,262</u>	<u>446,981</u>
(120,705,130)	(112,572,843)	(6,552,543)	(4,674,671)	(13,859,836)	(12,740,323)
(4,382,771)	(4,876,161)	(277,932)	(344,802)	—	—
<u>(125,087,901)</u>	<u>(117,449,004)</u>	<u>(6,830,475)</u>	<u>(5,019,473)</u>	<u>(13,859,836)</u>	<u>(12,740,323)</u>
144,693,621	658,426,601	148,651,386	64,896,968	193,763,089	130,274,190
(151,955,562)	(130,181,507)	(82,736,906)	(58,264,459)	(147,146,410)	(68,274,834)
(279,389)	1,698,335	(65,191)	(1,096)	(256,262)	(446,981)
<u>(7,541,330)</u>	<u>529,943,429</u>	<u>65,849,289</u>	<u>6,631,413</u>	<u>46,360,417</u>	<u>61,552,375</u>
117,691,146	941,180,167	81,046,459	40,577,728	122,499,629	171,199,105
<u>1,714,824,366</u>	<u>773,644,199</u>	<u>127,424,072</u>	<u>86,846,344</u>	<u>427,782,688</u>	<u>256,583,583</u>
<u>\$1,832,515,512</u>	<u>\$1,714,824,366</u>	<u>\$208,470,531</u>	<u>\$127,424,072</u>	<u>\$ 550,282,317</u>	<u>\$427,782,688</u>
<u>\$ (289,320)</u>	<u>\$ (3,284,219)</u>	<u>\$ (8,300)</u>	<u>\$ (5,951)</u>	<u>\$ 2,252,829</u>	<u>\$ 1,889,940</u>
8,300,000	41,950,000	17,700,000	8,550,000	12,650,000	9,700,000
(9,000,000)	(8,700,000)	(9,800,000)	(7,650,000)	(10,000,000)	(5,000,000)
<u>101,050,000</u>	<u>67,800,000</u>	<u>15,100,000</u>	<u>14,200,000</u>	<u>30,000,000</u>	<u>25,300,000</u>
<u>100,350,000</u>	<u>101,050,000</u>	<u>23,000,000</u>	<u>15,100,000</u>	<u>32,650,000</u>	<u>30,000,000</u>

Financial Highlights

PowerShares Buyback Achievers™ Portfolio

	Year Ended April 30,				For the Period
	2011	2010	2009	2008	December 20, 2006* Through April 30, 2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 22.36	\$ 16.15	\$ 22.64	\$ 25.99	\$ 24.98
Net investment income**	0.11	0.19	0.26	0.10	0.01
Net realized and unrealized gain (loss) on investments	4.87	6.29	(6.55)	(3.35)	1.02
Total from investment operations	4.98	6.48	(6.29)	(3.25)	1.03
Distributions to shareholders from:					
Net investment income	(0.07)	(0.27)	(0.20)	(0.10)	(0.02)
Net asset value at end of period	\$ 27.27	\$ 22.36	\$ 16.15	\$ 22.64	\$ 25.99
Share price at end of period***	\$ 27.27	\$ 22.37	\$ 16.16		
NET ASSET VALUE, TOTAL RETURN****	22.34%	40.46%	(27.87)%	(12.53)%	4.13%
SHARE PRICE TOTAL RETURN****	22.29%	40.43%	(27.80)%		
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$43,637	\$38,019	\$27,456	\$61,132	\$62,383
Ratio to average net assets of:					
Expenses, after (Waivers) and/or Recapture	0.70%	0.70%	0.70%	0.73%	0.73%†
Expenses, prior to (Waivers) and/or Recapture	1.00%	0.97%	0.92%	0.79%	1.04%†
Net investment income, after (Waivers) and/or Recapture	0.49%	0.98%	1.39%	0.41%	0.15%†
Portfolio turnover rate ††	26%	23%	56%	46%	38%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ (0.02)	\$ (0.01)	\$ 0.01

PowerShares Dividend Achievers™ Portfolio

	Year Ended April 30,				
	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of year	\$ 13.21	\$ 10.30	\$ 16.15	\$ 17.52	\$ 15.63
Net investment income**	0.31	0.27	0.36	0.37	0.32
Net realized and unrealized gain (loss) on investments	2.08	2.96	(5.92)	(1.41)	1.88
Total from investment operations	2.39	3.23	(5.56)	(1.04)	2.20
Distributions to shareholders from:					
Net investment income	(0.31)	(0.32)	(0.29)	(0.33)	(0.31)
Net asset value at end of year	\$ 15.29	\$ 13.21	\$ 10.30	\$ 16.15	\$ 17.52
Share price at end of year***	\$ 15.29	\$ 13.21	\$ 10.30		
NET ASSET VALUE, TOTAL RETURN****	18.39%	31.76%	(34.84)%	(6.00)%	14.26%
SHARE PRICE TOTAL RETURN****	18.39%	31.76%	(34.84)%		
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of year (000's omitted)	\$217,859	\$133,380	\$85,451	\$59,751	\$70,079
Ratio to average net assets of:					
Expenses, after (Waivers) and/or Recapture	0.60%	0.60%	0.60%	0.60%	0.60%
Expenses, prior to (Waivers) and/or Recapture	0.61%	0.64%	0.74%	0.72%	0.92%
Net investment income, after (Waivers) and/or Recapture	2.30%	2.28%	3.11%	2.15%	1.94%
Portfolio turnover rate ††	11%	18%	31%	8%	9%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.01)	\$ 0.03

* Commencement of Investment Operations.

** Based on average shares outstanding.

*** The mean between the last bid and ask prices.

**** Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Share price total return is calculated assuming an initial investment made at the share price at the beginning of the period, reinvestment of all dividends and distributions at share price during the period, and sale at the share price on the last day of the period. Total investment return calculated for a period of less than one year is not annualized.

† Annualized.

†† Portfolio turnover rate is not annualized and does not include securities received or delivered from processing creations or redemptions.

The per share amount of equalization is presented to show the impact of equalization on distributable earnings per share.

(a) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares Financial Preferred Portfolio

	Year Ended April 30,				For the Period
	2011	2010	2009	2008	December 1, 2006* Through April 30, 2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 16.97	\$ 11.41	\$ 21.17	\$ 24.78	\$ 25.12
Net investment income**	1.18	1.31	1.35	1.35	0.41
Net realized and unrealized gain (loss) on investments	1.36	5.61	(9.63)	(3.50)	(0.12)
Total from investment operations	2.54	6.92	(8.28)	(2.15)	0.29
Distributions to shareholders from:					
Net investment income	(1.21)	(1.30)	(1.46)	(1.46)	(0.63)
Return of capital	(0.04)	(0.06)	(0.02)	—	—
Total distributions	(1.25)	(1.36)	(1.48)	(1.46)	(0.63)
Net asset value at end of period	\$ 18.26	\$ 16.97	\$ 11.41	\$ 21.17	\$ 24.78
Share price at end of period***	\$ 18.28	\$ 16.93	\$ 11.41		
NET ASSET VALUE, TOTAL RETURN****	15.57%	62.16%	(39.56)%	(8.77)%	1.18%
SHARE PRICE TOTAL RETURN****	15.97%	61.76%	(39.82)%		
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$1,832,516	\$1,714,824	\$773,644	\$237,126	\$99,118
Ratio to average net assets of:					
Expenses, after (Waivers) and/or Recapture	0.66%	0.65%	0.69%	0.72%	0.72%†
Expenses, prior to (Waivers) and/or Recapture	0.66%	0.65%	0.68%	0.74%	0.89%†
Net investment income, after (Waivers) and/or Recapture	6.75%	8.30%	11.49%	6.20%	4.63%†
Portfolio turnover rate ††	26%	23%	45%	80%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.00 ^(a)	\$ (0.02)	\$ 0.02	\$ 0.03	\$ 0.07

PowerShares High Yield Equity Dividend Achievers™ Portfolio

	Year Ended April 30,				
	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of year	\$ 8.44	\$ 6.12	\$ 11.36	\$ 15.82	\$ 15.07
Net investment income**	0.34	0.32	0.43	0.62	0.54
Net realized and unrealized gain (loss) on investments	0.63	2.35	(5.21)	(4.42)	0.84
Total from investment operations	0.97	2.67	(4.78)	(3.80)	1.38
Distributions to shareholders from:					
Net investment income	(0.34)	(0.33)	(0.43)	(0.63)	(0.60)
Return of capital	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)
Total distributions	(0.35)	(0.35)	(0.46)	(0.66)	(0.63)
Net asset value at end of year	\$ 9.06	\$ 8.44	\$ 6.12	\$ 11.36	\$ 15.82
Share price at end of year***	\$ 9.06	\$ 8.44	\$ 6.12		
NET ASSET VALUE, TOTAL RETURN****	11.91%	44.59%	(42.88)%	(24.67)%	9.28%
SHARE PRICE TOTAL RETURN****	11.91%	44.58%	(42.88)%		
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of year (000's omitted)	\$208,471	\$127,424	\$86,846	\$184,077	\$439,820
Ratio to average net assets of:					
Expenses, after (Waivers) and/or Recapture	0.60%	0.60%	0.60%	0.60%	0.60%
Expenses, prior to (Waivers) and/or Recapture	0.62%	0.65%	0.62%	0.56%	0.60%
Net investment income, after (Waivers) and/or Recapture	4.02%	4.42%	5.24%	4.35%	3.47%
Portfolio turnover rate ††	44%	57%	77%	42%	20%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.02	\$ 0.00 ^(a)

* Commencement of Investment Operations.

** Based on average shares outstanding.

*** The mean between the last bid and ask prices.

**** Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Share price total return is calculated assuming an initial investment made at the share price at the beginning of the period, reinvestment of all dividends and distributions at share price during the period, and sale at the share price on the last day of the period. Total investment return calculated for a period of less than one year is not annualized.

† Annualized.

†† Portfolio turnover rate is not annualized and does not include securities received or delivered from processing creations or redemptions.

The per share amount of equalization is presented to show the impact of equalization on distributable earnings per share.

(a) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares International Dividend Achievers™ Portfolio

Year Ended April 30,

	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of year	\$ 14.26	\$ 10.14	\$ 19.63	\$ 20.12	\$ 16.92
Net investment income*	0.47	0.35	0.52	0.68	0.53
Net realized and unrealized gain (loss) on investments	2.59	4.24	(9.46)	(0.61)	3.20
Total from investment operations	3.06	4.59	(8.94)	0.07	3.73
Distributions to shareholders from:					
Net investment income	(0.47)	(0.47)	(0.55)	(0.56)	(0.53)
Net asset value at end of year	\$ 16.85	\$ 14.26	\$ 10.14	\$ 19.63	\$ 20.12
Share price at end of year**	\$ 16.89	\$ 14.26	\$ 10.15		
NET ASSET VALUE, TOTAL RETURN***	21.95%	45.77%	(46.44)%	0.34%	22.56%
SHARE PRICE TOTAL RETURN***	22.23%	45.62%	(46.30)%		
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of year (000's omitted)	\$550,282	\$427,783	\$256,584	\$551,630	\$553,200
Ratio to average net assets of:					
Expenses, after (Waivers) and/or Recapture	0.58%	0.57%	0.57%	0.58%	0.60%
Expenses, prior to (Waivers) and/or Recapture	0.58%	0.57%	0.57%	0.56%	0.62%
Net investment income, after (Waivers) and/or Recapture	3.20%	2.65%	3.87%	3.28%	2.98%
Portfolio turnover rate †	42%	63%	50%	43%	22%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.01	\$ 0.02	\$ (0.01)	\$ (0.02)	\$ 0.11

* Based on average shares outstanding.

** The mean between the last bid and ask prices.

*** Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Share price total return is calculated assuming an initial investment made at the share price at the beginning of the period, reinvestment of all dividends and distributions at share price during the period, and sale at the share price on the last day of the period. Total investment return calculated for a period of less than one year is not annualized.

† Portfolio turnover rate is not annualized and does not include securities received or delivered from processing creations or redemptions.

The per share amount of equalization is presented to show the impact of equalization on distributable earnings per share.

See Notes to Financial Statements.

Notes to Financial Statements

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Note 1. Organization

PowerShares Exchange-Traded Fund Trust (the “Trust”) was organized as a Massachusetts business trust on June 9, 2000 and is authorized to have multiple series of portfolios. The Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). As of April 30, 2011, the Trust offered fifty-six portfolios. This report includes the following portfolios:

<u>Full Name</u>	<u>Short Name</u>
PowerShares Buyback Achievers™ Portfolio	“Buyback Achievers™ Portfolio”
PowerShares Dividend Achievers™ Portfolio	“Dividend Achievers™ Portfolio”
PowerShares Financial Preferred Portfolio	“Financial Preferred Portfolio”
PowerShares High Yield Equity Dividend Achievers™ Portfolio	“High Yield Equity Dividend Achievers™ Portfolio”
PowerShares International Dividend Achievers™ Portfolio	“International Dividend Achievers™ Portfolio”

Each portfolio (the “Fund” and collectively the “Funds”) represents a separate series of the Trust. The shares of the Funds are referred to herein as “Shares” or “Fund’s Shares.” Each Fund’s Shares are listed and traded on the NYSE Arca, Inc. The Funds’ market prices may differ to some degree from the net asset value (“NAV”) of the Shares of each Fund. Unlike conventional mutual funds, each Fund issues and redeems Shares on a continuous basis, at NAV, only in a large specified number of Shares, each called a “Creation Unit.” Creation Units are issued and redeemed generally in-kind for securities included in the relevant index. Except when aggregated in Creation Units by Authorized Participants, the Shares are not individually redeemable securities of the Funds.

The investment objective of each Fund is to seek investment results that correspond (before fees and expenses) generally to the price and yield performance of the following indices (each, an “Underlying Index”):

<u>Fund</u>	<u>Index</u>
Buyback Achievers™ Portfolio	Share BuyBack Achievers™ Index
Dividend Achievers™ Portfolio	Broad Dividend Achievers™ Index
Financial Preferred Portfolio	Wells Fargo® Hybrid & Preferred Securities Financial Index
High Yield Equity Dividend Achievers™ Portfolio	Mergent Dividend Achievers™ 50 Index
International Dividend Achievers™ Portfolio	International Dividend Achievers™ Index

Note 2. Significant Accounting Policies

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements, including estimates and assumptions related to taxation. Actual results could differ from these estimates. In addition, the Funds monitor for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

A. Security Valuation

Securities, including restricted securities, are valued according to the following policies.

A security listed or traded on an exchange (except convertible bonds) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. Listed options, if no closing price is available, are valued at the mean between the last bid and ask prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and ask prices.

Investments in open-end registered investment companies not traded on an exchange are valued at the end of day NAV per share.

Debt obligations (including convertible bonds) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Short-term obligations, including commercial paper, having 60 days or less to maturity are recorded at amortized cost which approximates value. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

Foreign securities (including foreign exchange contracts) are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the London world markets. If market quotations are available and reliable for foreign exchange traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the New York Stock Exchange ("NYSE"), closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American depositary receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Securities for which market quotations are not readily available or are unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust's officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/ask quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security's fair value.

Valuations change in response to many factors, including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Other Risks

Replication Management Risk. Unlike many investment companies, the Funds do not utilize an investing strategy that seeks returns in excess of each Fund's respective Underlying Index. Therefore, a Fund would not necessarily sell a security unless that security is removed from its respective Underlying Index.

Non-Diversified Fund Risk. Buyback Achievers™ Portfolio and Financial Preferred Portfolio are considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund.

Concentration Risk. To the extent a Fund concentrates its investments in an industry or group of industries, the value of the Fund's Shares may rise and fall more than the value of Shares of a fund that invests in a broader range of securities.

Non-Correlation Risk. Each Fund's return may not match the return of its Underlying Index for a number of reasons. For example, each Fund incurs operating expenses not applicable to the Underlying Index, and incurs costs in buying and selling securities, especially when rebalancing the Fund's securities holdings to reflect changes in the composition of its Underlying Index. In addition, the performance of each Fund and its Underlying Index may vary due to asset valuation differences and differences between each Fund's portfolio and its Underlying Index resulting from legal restrictions, cost or liquidity constraints. For Financial Preferred Portfolio, because the Fund's Underlying Index does not meet the diversification requirements set forth in the Internal Revenue Code, the Fund may not be able to invest in all of the stocks comprising its Underlying Index in proportion to their weightings in the Underlying Index at all times.

Foreign and Emerging Market Securities Risk. With respect to International Dividend Achievers™ Portfolio, investments in the securities of non-U.S. issuers involve risks beyond those associated with investments in U.S. securities. These additional risks include greater market volatility, the availability of less reliable financial information, higher transactional costs, taxation by foreign governments, decreased market liquidity and political instability. As certain Funds will invest in securities denominated in foreign currencies, changes in currency exchange rates may negatively impact the Fund's returns.

Small and Medium Capitalization Company Risk. Investing in securities of small and medium capitalization companies involves greater risk than is customarily associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

overall securities market. Often small and medium capitalization companies and the industries in which they are focused are still evolving and may make them be more sensitive to changing market conditions.

Preferred Securities Risk. There are special risks associated with the Financial Preferred Portfolio's investments in preferred securities. Preferred securities may include provisions that permit the issuer, in its discretion, to defer or omit distributions for a certain period of time. If the Fund owns a security that is deferring or omitting its distributions, the Fund may be required to report the distribution on its tax returns, even though it may not have received this income. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments. Preferred securities may be less liquid than many other securities, such as common stocks, and generally offer no voting rights with respect to the issuer. Preferred securities may also be subordinated to bonds or other debt instruments in an issuer's capital structure, subjecting them to a greater risk of non-payment than more senior securities. In addition, in certain circumstances, an issuer of preferred securities may redeem the securities prior to a specified date, and this may negatively impact the return of the security. Certain of the companies that comprise the Fund's Underlying Index, while traded on U.S. exchanges, may be issued by foreign financial institutions and, therefore, subject the Fund to the risks of investing in securities issued by foreign companies.

High Yield Securities Risk. With respect to Financial Preferred Portfolio investments in high yield securities may involve greater risk and are generally less liquid than higher grade issues. The ability of issuers of high yield securities to make timely payments of interest and principal may be adversely impacted by changes in general economic conditions, changes in the financial condition of the issuers and changes in interest rates.

C. Federal Income Taxes

Each Fund intends to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of the Fund's taxable earnings to its shareholders. As such, the Funds will not be subject to Federal income taxes on otherwise taxable income (including net realized gains) that is distributed to the shareholders. Therefore, no provision for Federal income taxes is recorded in the Financial Statements.

Income and capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing book and tax treatments for in-kind transactions, losses deferred due to wash sales, and passive foreign investment company adjustments, if any.

The Funds file tax returns in the United States Federal jurisdiction and certain other jurisdictions. Generally, a Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

D. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date, net of foreign taxes withheld, if any. Interest income is recorded on the accrual basis. Investment transactions are recorded on the trade date. Realized gains and losses from the sale or disposition of securities are calculated on the specific identified cost basis. Dividends and interest received by a Fund may give rise to withholding and other taxes imposed by foreign countries. Corporate actions (including cash dividends) are recorded net of non-reclaimable foreign tax withholdings on the ex-dividend date. Tax conventions between certain countries and the United States may reduce or eliminate such taxes.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

E. Expenses

Expenses of the Trust that are directly identifiable to a specific Fund are applied to that Fund. Expenses that are not readily identifiable to a specific Fund are allocated in such a manner as deemed equitable, taking into consideration the nature and type of expense and the relative net assets of each Fund.

Each Fund is responsible for all its expenses, including the investment advisory fees, costs of transfer agency, custody, fund administration, legal, audit and other services, interest, taxes, brokerage commissions and other expenses connected with executions of portfolio transactions, sub-licensing fees related to its respective Underlying Intellidex or Underlying Index, any distribution fees or expenses, litigation expenses, fees payable to the Trust's Board members and officers who are not "interested persons" of the Trust or the Adviser, expenses incurred in connection with the Board members' services, including travel expenses and legal fees of counsel for those members of the Board who are not "interested persons" of the Trust and extraordinary expenses.

F. Dividends and Distributions to Shareholders

Each Fund (except for the High Yield Equity Dividend Achievers™ Portfolio and Financial Preferred Portfolio, which declare and pay dividends, if any, monthly) declares and pays dividends from net investment income, if any, to its shareholders quarterly and records on ex-dividend date. Each Fund distributes net realized taxable capital gains, if any, generally annually in cash and records them on ex-dividend date. Such distributions on a tax basis are determined in conformity with income tax regulations which may differ from GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in such Fund's financial statements as a tax return of capital at fiscal period-end.

G. Equalization

All of the Funds use the accounting practice of equalization. This accounting method is used to keep the continuing shareholder's per Share equity in undistributed net investment income from being affected by the continuous sales and redemptions of capital Shares. Equalization is calculated on a per Share basis whereby a portion of the proceeds from the sales and cost of repurchases of capital Shares is applied to undistributed net investment income. The amount of equalization is disclosed in the Statements of Changes in Net Assets as undistributed net investment income included in the price of capital Shares issued or redeemed. The distributions to shareholders of amounts so applied may be deemed to be a return of capital for tax purposes to the extent that such distributions exceed taxable income.

Note 3. Investment Advisory Agreement and Other Agreements

The Trust has entered into an Investment Advisory Agreement with Invesco PowerShares Capital Management LLC (the "Adviser") pursuant to which the Adviser has overall responsibility as the Funds' investment adviser for the selection and ongoing monitoring of the Funds' investments, managing the Funds' business affairs and providing certain clerical, bookkeeping and other administrative services. Each Fund has agreed to pay the Adviser an annual fee of 0.40% of the Fund's average daily net assets except for the Buyback Achievers™ Portfolio and Financial Preferred Portfolio, which pay the Adviser an annual fee of 0.50% of that Fund's average daily net assets.

The Adviser has entered into an Amended and Restated Excess Expense Agreement ("Excess Expense Agreement") with the Trust, pursuant to which the Adviser has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of each Fund (excluding interest expense, brokerage commissions and other trading expenses, sub-licensing fees, offering costs, taxes and

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

extraordinary expenses) from exceeding 0.50% of the Fund's average daily net assets per year (0.60% of the Fund's average daily net assets per year for the Buyback Achievers™ Portfolio and Financial Preferred Portfolio) (the "Expense Cap"), at least until August 31, 2012. Offering costs excluded from the Expense Cap are: (a) initial legal fees pertaining to the Funds' Shares offered for sale; (b) initial Securities and Exchange Commission and state registration fees; and (c) initial fees paid to be listed on an exchange.

The Excess Expense Agreement provides that the expenses borne by the Adviser are subject to recapture by the Adviser for up to three years from the date the fee or expense was borne by the Adviser, but no recapture payment will be made by a Fund if it would result in the Fund exceeding its Expense Cap as specified above.

The amounts available for potential future recapture by the Adviser under the Excess Expense Agreement and the expiration schedule at April 30, 2011 are as follows:

	Total Potential Recapture Amounts	Potential Recapture Amounts Expiring		
		04/30/12	04/30/13	04/30/14
Buyback Achievers™ Portfolio	\$300,057	\$98,219	\$91,435	\$110,403
Dividend Achievers™ Portfolio	176,527	98,990	55,625	21,912
Financial Preferred Portfolio	27,977	—	—	27,977
High Yield Equity Dividend Achievers™ Portfolio	140,409	48,203	51,657	40,549
International Dividend Achievers™ Portfolio	2,628	—	—	2,628

The Trust has entered into a Distribution Agreement with Invesco Distributors, Inc. (the "Distributor"), which serves as the distributor of Creation Units for each Fund. The Distributor does not maintain a secondary market in the Shares. The Distributor is an affiliate of the Adviser.

The Adviser has entered into a licensing agreement for each Fund with the following Licensors:

<u>Fund</u>	<u>Licensors</u>
Buyback Achievers™ Portfolio	Mergent, Inc.
Dividend Achievers™ Portfolio	Mergent, Inc.
Financial Preferred Portfolio	Wells Fargo Securities, LLC
High Yield Equity Dividend Achievers™ Portfolio	Mergent, Inc.
International Dividend Achievers™ Portfolio	Mergent, Inc.

Each Underlying Index name trademark is owned by the respective Licensors. These trademarks have been licensed to the Adviser for use with the Funds. The Funds are not sponsored, endorsed, sold or promoted by the Licensors and the Licensors make no representation regarding the advisability of investing in any of these Funds. The Trust has entered into a sub-licensing agreement under which the Funds are required to pay the sub-licensing fees which are shown on the Statements of Operations.

The Trust has entered into service agreements whereby The Bank of New York Mellon, a wholly-owned subsidiary of The Bank of New York Mellon Corporation, serves as the administrator, custodian and fund accountant and transfer agent for each Fund.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Note 4. Investments in Affiliates

The 1940 Act defines “affiliate” to include issuers of which a fund holds 5% or more of the outstanding voting securities. The following is a summary of the transactions with affiliates for the fiscal year ended April 30, 2011.

International Dividend Achievers™ Portfolio

	Value 04/30/10	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value 04/30/11	Dividend Income
Consolidated Water Co. Ltd. . .	\$3,873,421	\$8,191,247	\$(2,102,451)	\$(754,491)	\$(1,038,968)	\$8,168,758	\$167,005

Note 5. Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment’s assigned level:

Level 1 – Prices are determined using quoted prices in an active market for identical assets.

Level 2 – Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 – Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund’s own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

As of April 30, 2011, the securities in each Fund were valued based on Level 1 inputs. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

With respect to each Fund, during the fiscal year ended April 30, 2011, there were no significant transfers between investment levels.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Note 6. Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Fiscal Years Ended April 30, 2011 and 2010:

	2011		2010	
	Ordinary Income	Return of Capital	Ordinary Income	Return of Capital
Buyback Achievers™ Portfolio	\$ 111,858	\$ —	\$ 467,441	\$ —
Dividend Achievers™ Portfolio	4,080,812	—	2,653,314	—
Financial Preferred Portfolio ⁽¹⁾	117,851,509	4,382,771	86,530,325	4,876,161
High Yield Equity Dividend Achievers™ Portfolio . .	6,552,543	277,932	4,674,671	344,802
International Dividend Achievers™ Portfolio	13,859,836	—	12,740,323	—

⁽¹⁾ Tax year-end is October 31

Tax Components of Net Assets at Fiscal Year-End:

	Undistributed Ordinary Income	Temporary Book/Tax Differences	Net Unrealized Appreciation	Capital Loss Carryforward	Post-October Deferrals*	Shares of Beneficial Interest	Total Net Assets
Buyback Achievers™ Portfolio	\$ 67,751	\$ (5,065)	\$ 3,782,051	\$ (24,328,400)	\$(736,946)	\$ 64,857,245	\$ 43,636,636
Dividend Achievers™ Portfolio	613,171	(6,720)	34,172,355	(18,709,998)	(470,928)	202,261,374	217,859,254
Financial Preferred Portfolio ⁽¹⁾	—	(21,955)	314,497,839	(48,730,612)	—	1,562,175,645	1,827,920,917
High Yield Equity Dividend Achievers™ Portfolio . . .	—	(8,300)	17,087,447	(143,290,793)	—	334,682,177	208,470,531
International Dividend Achievers™ Portfolio . . .	2,269,425	(16,596)	61,975,391	(219,328,254)	—	705,382,351	550,282,317

* Capital losses incurred after October 31 (“post-October losses”) within the taxable year are deemed to arise on the first business day of each Fund’s next taxable year.

⁽¹⁾ Tax year-end is October 31

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Funds to utilize. The ability to utilize capital loss carryforward in the future may be limited under Internal Revenue Code rules and related regulations based on the results of future transactions.

The following Funds had capital loss carryforward amounts as of April 30, 2011, which expire on April 30 of each year listed below:

	2014	2015	2016	2017	2018	2019	Total**
Buyback Achievers™ Portfolio	\$ —	\$ 178,870	\$ 9,098,882	\$ 800,254	\$ 12,142,749	\$ 2,107,645	\$ 24,328,400
Dividend Achievers™ Portfolio	7,896	—	50,943	1,716,151	14,632,363	2,302,645	18,709,998
Financial Preferred Portfolio ⁽¹⁾	—	2,445,445	29,895,674	9,034,558	7,354,935	—	48,730,612
High Yield Equity Dividend Achievers™ Portfolio	2,613,033	7,009,598	5,162,362	81,487,358	44,815,128	2,203,314	143,290,793
International Dividend Achievers™ Portfolio	183,478	221,461	1,975,339	59,472,841	145,514,837	11,960,298	219,328,254

** Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code.

⁽¹⁾ Tax year-end and carryforward expiration is October 31

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Note 7. Investment Transactions

For the fiscal year ended April 30, 2011, the cost of securities purchased and proceeds from sales of securities, excluding short-term securities, money market funds and in-kind transactions, were as follows:

	Purchases	Sales
Buyback Achievers™ Portfolio	\$ 9,638,102	\$ 9,286,948
Dividend Achievers™ Portfolio	34,679,008	20,039,623
Financial Preferred Portfolio	483,854,104	444,759,572
High Yield Equity Dividend Achievers™ Portfolio	72,394,257	71,757,735
International Dividend Achievers™ Portfolio	195,208,012	189,413,494

For the fiscal year ended April 30, 2011, in-kind transactions associated with creations and redemptions were as follows:

	Securities Received	Securities Delivered
Buyback Achievers™ Portfolio	\$ 31,731,395	\$ 33,670,838
Dividend Achievers™ Portfolio	89,930,454	51,483,127
Financial Preferred Portfolio	110,492,539	148,292,450
High Yield Equity Dividend Achievers™ Portfolio	148,072,622	83,606,086
International Dividend Achievers™ Portfolio	261,969,117	219,445,699

Gains and (losses) on in-kind transactions are generally not considered taxable gains and (losses) for Federal income tax purposes.

At April 30, 2011 the aggregate cost and the net unrealized appreciation of investments for tax purposes were as follows:

	Cost	Net Unrealized Appreciation	Gross Unrealized Appreciation	Gross Unrealized (Depreciation)
Buyback Achievers™ Portfolio	\$ 39,913,732	\$ 3,782,051	\$ 4,272,607	\$ (490,556)
Dividend Achievers™ Portfolio	183,676,077	34,172,355	34,608,473	(436,118)
Financial Preferred Portfolio ⁽¹⁾	1,429,547,096	314,497,839	314,617,482	(119,643)
High Yield Equity Dividend Achievers™ Portfolio	191,273,881	17,087,447	18,506,609	(1,419,162)
International Dividend Achievers™ Portfolio	489,149,366	61,975,391	64,856,312	(2,880,921)

⁽¹⁾ Tax year-end is October 31

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

April 30, 2011

Note 8. Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of investment activity, on April 30, 2011, amounts were reclassified between undistributed net investment income (loss), undistributed net realized gain (loss) and Share of beneficial interest. These reclassifications had no effect on the net assets of each Fund. For the fiscal year ended April 30, 2011, the reclassifications were as follows:

	Undistributed Net Investment Income (Loss)	Undistributed Net Realized Gain (Loss)	Shares of Beneficial Interest
Buyback Achievers™ Portfolio	\$ (4,185)	\$ (7,419,925)	\$ 7,424,110
Dividend Achievers™ Portfolio	(401,400)	(9,035,842)	9,437,242
Financial Preferred Portfolio ⁽¹⁾	5,532,231	(65,648,817)	60,116,586
High Yield Equity Dividend Achievers™ Portfolio ...	(65,191)	(10,871,433)	10,936,624
International Dividend Achievers™ Portfolio	(256,041)	(38,405,692)	38,661,733

⁽¹⁾ Tax year-end is October 31

Note 9. Trustees' Fees

The Funds compensate each Trustee who is not an “interested person” as defined in the 1940 Act (an “Independent Trustee”). The Non-Independent Trustees of the Trust do not receive any Trustees' fees.

The Trust has adopted a deferred compensation plan (the “Plan”). Under the Plan, a Trustee who has executed a Deferred Fee Agreement (a “Participating Trustee”) may defer receipt of all or a portion of his compensation (“Deferral Fees”). Such Deferral Fees are deemed to be invested in select PowerShares Funds. The Deferral Fees payable to the Participating Trustee are valued as of the date such Fees would have been paid to the Participating Trustee. The value increases with contributions or with increases in the value of the Shares selected, and the value decreases with distributions or with declines in the value of the Shares selected.

Note 10. Capital

Shares are created and redeemed by the Trust only in Creation Unit size aggregations of 50,000 Shares. Only Authorized Participants are permitted to purchase or redeem Creation Units from the Funds. Such transactions are generally permitted on an in-kind basis, with a balancing cash component to equate the transaction to the NAV per Share of each Fund of the Trust on the transaction date. Cash may be substituted equivalent to the value of certain securities generally when they are not available in sufficient quantity for delivery, not eligible for trading by the Authorized Participant or as a result of other market circumstances.

Note 11. Indemnifications

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. Each Independent Trustee is also indemnified against certain liabilities arising out of the performance of his duties to the Trust pursuant to an Indemnification Agreement between the Independent Trustee and the Trust. Additionally, in the normal course of business, the Trust enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust that have not yet occurred. However, based on experience, the Trust believes the risk of loss to be remote.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of PowerShares Exchange-Traded Fund Trust:

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of each of the portfolios indicated in Note 1 of the financial statements (each a portfolio of PowerShares Exchange-Traded Fund Trust, hereafter referred to as the “Trust”) at April 30, 2011, and the results of each of their operations, the changes in each of their net assets, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Trust’s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at April 30, 2011 by correspondence with the custodian and brokers, and the application of alternative auditing procedures where securities purchased had not been received, provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
June 24, 2011

Tax Information

Form 1099-DIV, Form 1042-S and other year-end tax information provide shareholders with actual calendar year amounts that should be included in their tax returns. Shareholders should consult their tax advisors.

The following distribution information is being provided as required by the Internal Revenue Code or to meet a specific state's requirement.

Each Fund designates the following amounts or, if subsequently determined to be different the maximum amount allowable for its fiscal year ended April 30, 2011:

Federal Income Tax Information

	Qualified Dividend Income*	Corporate Dividends Received Deduction*
Buyback Achievers™ Portfolio	100%	100%
Dividend Achievers™ Portfolio	100%	100%
Financial Preferred Portfolio ⁽¹⁾	100%	44%
High Yield Equity Dividend Achievers™ Portfolio	100%	100%
International Dividend Achievers™ Portfolio	100%	0%

The Fund intends to elect to pass through to shareholders the credit for taxes paid to foreign countries. The gross foreign source income and foreign taxes paid are as follows:

	Foreign Source Income	Foreign Taxes
International Dividend Achievers™ Portfolio	\$18,314,430	\$1,475,412

* The above percentages are based on ordinary income dividends paid to shareholders during the Fund's fiscal year.

⁽¹⁾ Tax year-end is October 31.

Supplemental Information

Trustees and Officers

The Independent Trustees, the Trustees who are affiliated with the Adviser (the “Non-Independent Trustees”) and the executive officers of the Trust, their term of office and length of time served, their principal business occupations during at least the past five years, the number of portfolios in the Fund Complex overseen by each Trustee and the other directorships, if any, held by a Trustee, are shown below.

The Trustees and Officers information is current as of April 30, 2011.

Name, Address and Age of Independent Trustees	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex** Overseen by Independent Trustees	Other Directorships Held by Independent Trustees
Ronn R. Bagge (53) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2003	Founder and Principal, YQA Capital Management LLC (1998-Present); formerly Owner/CEO of Electronic Dynamic Balancing Co., Inc. (high-speed rotating equipment service provider)	107	None
Todd J. Barre (53) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2010	Assistant Professor of Business, Trinity Christian College (2010-Present); formerly Vice President and Senior Investment Strategist (2001-2008), Director of Open Architecture and Trading (2007-2008); Head of Fundamental Research (2004-2007); and Vice President and Senior Fixed Income Strategist (1994-2001). BMO Financial Group/Harris Private Bank	107	None

* This is the date the Trustee began serving the Trust. Each Trustee serves an indefinite term, until his successor is elected.

** Fund Complex includes all open-end funds (including all of their portfolios) advised by the Adviser. At April 30, 2011, the Fund Complex consisted of the Trust’s 56 portfolios and three other exchange-traded fund trusts with 51 portfolios advised by the Adviser.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Independent Trustees	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex** Overseen by Independent Trustees	Other Directorships Held by Independent Trustees
Marc M. Kole (50) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2006	Chief Financial Officer, Hope Network (social services) (2008-Present); formerly Assistant Vice President and Controller, Priority Health (health insurance) (2005-2008); Senior Vice President of Finance, United Healthcare (2004-2005); Senior Vice President of Finance, Oxford Health Plans (2000-2004)	107	None
Philip M. Nussbaum (49) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2003	Chairman, Performance Trust Capital Partners (2004-Present)	107	None

* This is the date the Trustee began serving the Trust. Each Trustee serves an indefinite term, until his successor is elected.

** Fund Complex includes all open-end funds (including all of their portfolios) advised by the Adviser. At April 30, 2011, the Fund Complex consisted of the Trust's 56 portfolios and three other exchange-traded fund trusts with 51 portfolios advised by the Adviser.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Independent Trustees	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex** Overseen by Independent Trustees	Other Directorships Held by Independent Trustees
Donald H. Wilson (51) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2006	Chairman and Chief Executive Officer, Stone Pillar Advisers, Ltd. (2010-Present); formerly, Chief Operating Officer, AMCORE Financial, Inc. (bank holding company) (2007-2009); Executive Vice President and Chief Financial Officer, AMCORE Financial, Inc. (2006-2007); Senior Vice President and Treasurer, Marshall & Ilsley Corp. (bank holding company) (1995-2006)	107	None

* This is the date the Trustee began serving the Trust. Each Trustee serves an indefinite term, until his successor is elected.

** Fund Complex includes all open-end funds (including all of their portfolios) advised by the Adviser. At April 30, 2011, the Fund Complex consisted of the Trust's 56 portfolios and three other exchange-traded fund trusts with 51 portfolios advised by the Adviser.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Interested Trustees	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex** Overseen by Interested Trustees	Other Directorships Held by Interested Trustees
H. Bruce Bond (47) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Chairman of the Board and Trustee	Since 2003	Chairman, Invesco Power-Shares Capital Management LLC (2009-Present); formerly, Managing Director, Invesco PowerShares Capital Management LLC (2002-2009); Manager, Nuveen Investments (1998-2002)	107	None

* This is the date the Trustee began serving the Trust. Each Trustee serves an indefinite term, until his successor is elected.

** Fund Complex includes all open-end funds (including all of their portfolios) advised by the Adviser. At April 30, 2011, the Fund Complex consisted of the Trust's 56 portfolios and three other exchange-traded fund trusts with 51 portfolios advised by the Adviser.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Interested Trustees	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex** Overseen by Interested Trustees	Other Directorships Held by Interested Trustees
Kevin M. Carome (54) Invesco Ltd. Two Peachtree Pointe 1555 Peachtree St., N.E. Suite 1800 Atlanta, GA 30309	Trustee	Since 2010	Senior Managing Director and General Counsel, Invesco Ltd. (2006-Present); formerly Senior Vice President and General Counsel, Invesco Advisors, Inc. (2003-2005); Senior Vice President and General Counsel, Liberty Financial Companies, Inc. (2000-2001); General Counsel of certain investment management subsidiaries of Liberty Financial Companies, Inc. (1998-2000); Associate General Counsel, Liberty Financial Companies, Inc. (1993-1998); Associate, Ropes & Gray LLP	107	None

* This is the date the Trustee began serving the Trust. Each Trustee serves an indefinite term, until his successor is elected.

** Fund Complex includes all open-end funds (including all of their portfolios) advised by the Adviser. At April 30, 2011, the Fund Complex consisted of the Trust's 56 portfolios and three other exchange-traded fund trusts with 51 portfolios advised by the Adviser.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Executive Officer	Position(s) Held with Trust	Length of Time Served*	Principal Occupation(s) During Past 5 Years
Andrew Schlossberg (36) Invesco Management Group, Inc. 11 Greenway Plaza Suite 100 Houston, TX 77046	President	Since 2009	Managing Director, U.S. head of business strategy and chief marketing officer for Invesco Ltd. in the United States (2008-Present); formerly Mr. Schlossberg served in multiple roles within Invesco, including head of corporate development, as well as global leadership roles in strategy and product development in the company's North American Institutional and Retirement divisions (2002-2007)
Bruce T. Duncan (56) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Treasurer and Secretary	Treasurer since 2006 and Secretary since 2008	Senior Vice President of Finance, Invesco PowerShares Capital Management LLC (2005-Present); formerly Private Practice Attorney (2000-2005); Vice President of Investor Relations. The ServiceMaster Company (1994-2000); Vice President of Taxes, The ServiceMaster Company (1990-2000)
Benjamin Fulton (49) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Vice President	Since 2009	Executive Vice President – Global Product Development, Invesco PowerShares Capital Management LLC (2005-Present); formerly principal of Clermont Consulting, a consulting firm focused on the creation and development of retail investment products (2003-2005); President and a founding partner of Claymore Securities, a financial services firm in the Chicagoland area (2001-2003); Managing Director of Structured Investments at Nuveen Investments (1998-2001)
Peter Hubbard (29) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Vice President	Since 2009	Vice President and Director of Portfolio Management – Invesco PowerShares Capital Management LLC (2008-Present); formerly Portfolio Manager, Invesco PowerShares Capital Management LLC (2007-2008); Research Analyst, Invesco PowerShares Capital Management LLC (2005-2007); Research Analyst and Trader, Ritchie Capital, a hedge fund operator (2003-2005)

* This is the date the Officer began serving the Trust. Each Officer serves a one-year term, until his successor is elected.

Supplemental Information (Continued)

Trustees and Officers (Continued)

Name, Address and Age of Executive Officer	Position(s) Held with Trust	Length of Time Served*	Principal Occupation(s) During Past 5 Years
David Warren (53) Invesco Trimark Ltd. 5140 Yonge Street Suite 900 Toronto, Ontario M2N 6X7	Vice President	Since 2009	Director, Executive Vice President and Chief Financial Officer, Invesco Trimark Ltd. and Chief Administrative Officer, North American Retail, Invesco Ltd. (2007-Present); formerly Director, Executive Vice President and Chief Financial Officer, Invesco Trimark Ltd. (2000-2006)
Todd Spillane (51) Invesco Management Group, Inc. 11 Greenway Plaza Suite 100 Houston, TX 77046	Chief Compliance Officer	Since 2010	Senior Vice President, Invesco Management Group, Inc.; Chief Compliance Officer, INVESCO Private Capital Investments, Inc. (holding company), Invesco Private Capital, Inc. (registered investment adviser) and Invesco Senior Secured Management, Inc. (registered investment adviser); Chief Compliance Officer and Senior Vice President, Invesco Advisers, Inc. (formerly Invesco Institutional (N.A.), Inc. – registered investment adviser) and Vice President, Invesco Distributors, Inc. and Invesco Investment Services, Inc.; formerly Chief Compliance Officer, Invesco Global Asset Management (N.A.), Inc. – (registered investment adviser) and Invesco Advisers, Inc. (formerly Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc., Invesco Capital Management, Inc. and Invesco Private Asset Management, Inc.; Vice President, Invesco Capital Management, Inc. and Fund Management Company

Availability of Additional Information About the Trustees

The Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request at (800) 983-0903.

* This is the date the Officer began serving the Trust. Each Officer serves a one-year term, until his successor is elected.

Board Considerations Regarding Continuation of Investment Advisory Agreement

At a meeting held on April 14, 2011, the Board of Trustees of the PowerShares Exchange-Traded Fund Trust (the “Trust”), including the Independent Trustees, unanimously approved the continuation of the Investment Advisory Agreement between Invesco PowerShares Capital Management LLC (the “Adviser”) and the Trust for the following 54 series (each, a “Fund” and collectively, the “Funds”):

PowerShares Dynamic Market Portfolio	PowerShares WilderHill Progressive Energy Portfolio
PowerShares Dynamic OTC Portfolio	PowerShares Dynamic Insurance Portfolio
PowerShares Golden Dragon Halter USX China Portfolio	PowerShares Dynamic Oil and Gas Services Portfolio
PowerShares High Yield Equity Dividend Achievers™ Portfolio	PowerShares Dynamic Retail Portfolio
PowerShares WilderHill Clean Energy Portfolio	PowerShares Dynamic Utilities Portfolio
PowerShares Dynamic Large Cap Growth Portfolio	PowerShares Lux Nanotech Portfolio
PowerShares Dynamic Large Cap Value Portfolio	PowerShares FTSE RAFI US 1000 Portfolio
PowerShares Dynamic Mid Cap Growth Portfolio	PowerShares FTSE RAFI US 1500 Small-Mid Portfolio
PowerShares Dynamic Mid Cap Value Portfolio	PowerShares Water Resources Portfolio
PowerShares Dynamic Small Cap Growth Portfolio	PowerShares Dynamic Energy Sector Portfolio
PowerShares Dynamic Small Cap Value Portfolio	PowerShares Dynamic Financial Sector Portfolio
PowerShares Dynamic Biotechnology & Genome Portfolio	PowerShares Dynamic Healthcare Sector Portfolio
PowerShares Dynamic Food & Beverage Portfolio	PowerShares Dynamic Industrials Sector Portfolio
PowerShares Dynamic Leisure and Entertainment Portfolio	PowerShares Dynamic Large Cap Portfolio
PowerShares Dynamic Media Portfolio	PowerShares Dynamic MagniQuant Portfolio
PowerShares Dynamic Networking Portfolio	PowerShares Dynamic Mid Cap Portfolio
PowerShares Dynamic Pharmaceuticals Portfolio	PowerShares Dynamic Small Cap Portfolio
PowerShares Dynamic Semiconductors Portfolio	PowerShares Dynamic Technology Sector Portfolio
PowerShares Dynamic Software Portfolio	PowerShares Buyback Achievers™ Portfolio
PowerShares Zacks Micro Cap Portfolio	PowerShares Cleantech™ Portfolio
PowerShares Aerospace & Defense Portfolio	PowerShares Dynamic Banking Portfolio
PowerShares Morningstar StockInvestor Core Portfolio	PowerShares Dynamic Basic Materials Sector Portfolio
PowerShares Dividend Achievers™ Portfolio	PowerShares Dynamic Consumer Discretionary Sector Portfolio
PowerShares International Dividend Achievers™ Portfolio	PowerShares Dynamic Consumer Staples Sector Portfolio
PowerShares Dynamic Building and Construction Portfolio	PowerShares Financial Preferred Portfolio
PowerShares Dynamic Energy Exploration and Production Portfolio	PowerShares Global Listed Private Equity Portfolio
	PowerShares DWA Technical Leaders™ Portfolio
	PowerShares S&P 500® High Quality Portfolio

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

The Trustees reviewed information from the Adviser describing: (i) the nature, extent and quality of services provided, (ii) the investment performance of the Funds and the Adviser, (iii) the costs of services provided and estimated profits realized by the Adviser, (iv) the extent to which economies of scale are realized as the Funds grow, (v) whether fee levels reflect any possible economies of scale for the benefit of Fund shareholders, (vi) comparisons of services rendered and amounts paid to other registered investment companies and (vii) any benefits realized by the Adviser from its relationship with each Fund. Based on all of the information considered and the conclusions reached, the Board, including the Independent Trustees, determined to approve the continuation of the Investment Advisory Agreement for each Fund. No single factor was determinative in the Board's analysis.

Nature, Extent and Quality of Services. In evaluating the nature, extent and quality of the Adviser's services, the Trustees reviewed information concerning the functions performed by the Adviser for the Funds, information describing the Adviser's current organization and projected staffing, including operations assistance provided by the Adviser's parent organization, Invesco Ltd., and the background and experience of the persons responsible for the day-to-day management of the Funds. The Trustees reviewed matters related to the Adviser's execution of portfolio transactions on behalf of the Funds. The Trustees also reviewed information on the performance of the Funds and the performance of their underlying indices through December 31, 2010, including reports on the correlation and tracking error between the underlying index and each Fund's performance, as well as the Adviser's analysis of the tracking error between each Fund and its underlying index. The Trustees noted that, in each case, the correlation and tracking error for each Fund was within the targeted range set forth in the Trust's registration statement. The Trustees concluded that each Fund was correlated to its underlying index and that the tracking error for each Fund was within an acceptable range given that Fund's particular circumstances.

The Trustees also considered the services provided by the Adviser in its oversight of the Funds' administrator, custodian and transfer agent. They noted the significant amount of time and effort that had been devoted to this oversight function.

Based on their review, the Trustees concluded that the nature, extent and quality of services provided by the Adviser to the Funds under the Investment Advisory Agreement were appropriate and reasonable.

Fees, Expenses and Profitability. The Trustees reviewed and discussed the information provided by the Adviser on each Fund's expense ratio and advisory fee, as compared to information compiled by the Adviser from Lipper Inc. databases on the expense ratios of comparable exchange-traded funds ("ETFs"), open-end (non-ETF) index funds and open-end actively-managed funds. The Trustees noted that the annual advisory fee charged to each Fund is:

- 0.50% of the Fund's average net assets, for each Fund other than PowerShares High Yield Equity Dividend Achievers™ Portfolio, PowerShares Dividend Achievers™ Portfolio, PowerShares International Dividend Achievers™ Portfolio, PowerShares FTSE RAFI US 1000 Portfolio and PowerShares FTSE RAFI US 1500 Small-Mid Portfolio;
- 0.40% of the Fund's average net assets, for each of PowerShares High Yield Equity Dividend Achievers™ Portfolio, PowerShares Dividend Achievers™ Portfolio and PowerShares International Dividend Achievers™ Portfolio; and
- 0.29% of the Fund's average net assets, for each of PowerShares FTSE RAFI US 1000 Portfolio and PowerShares FTSE RAFI US 1500 Small-Mid Portfolio.

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

The Trustees also noted that the Adviser has agreed to waive a portion of its advisory fee and/or pay expenses (an “Expense Cap”) to the extent necessary to prevent the annual operating expenses of each Fund from exceeding the percentage of that Fund’s average daily net assets, at least until August 31, 2012, as set forth below:

- 0.60%, excluding interest expenses, brokerage commissions and other trading expenses, taxes and extraordinary expenses, for each of PowerShares Dynamic OTC Portfolio and PowerShares Dynamic Market Portfolio;
- 0.50%, excluding interest expenses, licensing fees, offering costs, brokerage commissions and other trading expenses, taxes and extraordinary expenses, for each of PowerShares High Yield Equity Dividend Achievers™ Portfolio, PowerShares Dividend Achievers™ Portfolio and PowerShares International Dividend Achievers™ Portfolio;
- 0.50%, excluding interest expenses, offering costs, brokerage commissions and other trading expenses, taxes and extraordinary expenses, for each of PowerShares Morningstar StockInvestor Core Portfolio and PowerShares S&P 500® High Quality Portfolio (the Trustees noted that the Expense Cap for each of these Funds was reduced to 0.50% effective July 1, 2010);
- 0.39%, excluding interest expenses, offering costs, brokerage commissions and other trading expenses, taxes and extraordinary expenses, for each of PowerShares FTSE RAFI US 1000 Portfolio and PowerShares FTSE RAFI US 1500 Small-Mid Portfolio; and
- 0.60%, excluding interest expenses, licensing fees, offering costs, brokerage commissions and other trading expenses, taxes and extraordinary expenses, for each other Fund.

The Trustees noted that the Adviser represented that it does not provide investment advisory services to any clients other than the Funds and other ETFs overseen by the Board. The Trustees noted that each Fund’s advisory fee was:

- higher than the median advisory fee of its ETF peer funds (except for the advisory fee of each of PowerShares Financial Preferred Portfolio, PowerShares FTSE RAFI US 1000 Portfolio, PowerShares Global Listed Private Equity Portfolio and PowerShares Golden Dragon Halter USX China Portfolio, which was equal to or lower than the median advisory fee of its ETF peer funds); and
- higher than the median advisory fee of its open-end index peer funds (except for the advisory fee of each of PowerShares DWA Technical Leaders™ Portfolio, PowerShares Dynamic Banking Portfolio, PowerShares Dynamic Basic Materials Sector Portfolio, PowerShares Dynamic Biotechnology & Genome Portfolio, PowerShares Dynamic Financial Sector Portfolio, PowerShares Dynamic Healthcare Portfolio, PowerShares Dynamic Insurance Portfolio, PowerShares Dynamic Mid Cap Growth Portfolio, PowerShares Dynamic Networking Portfolio, PowerShares Dynamic OTC Portfolio, PowerShares Dynamic Pharmaceuticals Portfolio, PowerShares Dynamic Semiconductors Portfolio, PowerShares Dynamic Small Cap Growth Portfolio, PowerShares Dynamic Software Portfolio, PowerShares Dynamic Technology Sector Portfolio, PowerShares Golden Dragon Halter USX China Portfolio, PowerShares Lux Nanotech Portfolio, PowerShares Morningstar StockInvestor Core Portfolio and PowerShares S&P 500® High Quality Portfolio, which was equal to or lower than

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

the median advisory fee of its open-end index peer funds, and there was no comparable data for PowerShares Financial Preferred Portfolio or PowerShares Global Listed Private Equity Portfolio); but

- lower than the median advisory fee of its open-end actively-managed peer funds.

The Trustees determined that the advisory fees were reasonable, noting the complexity of the indices, which generally require more frequent rebalancing of the portfolios, the distinguishing factors of the Funds, and the higher administrative, operational and management oversight costs for the Adviser. With respect to the Funds' expense ratios, the Trustees noted that the net expense ratio for each Fund was:

- higher than the median expense ratio of its ETF peer funds (except for the net expense ratio of each of PowerShares Dynamic Market Portfolio, PowerShares Dynamic OTC Portfolio, PowerShares FTSE RAFI US 1000 Portfolio, PowerShares Golden Dragon Halter USX China Portfolio and PowerShares S&P 500® High Quality Portfolio, which was equal to or less than the median expense ratio of its ETF peer funds); and
- higher than the median expense ratio of its open-end index peer funds (except for the net expense ratio of each of PowerShares Aerospace & Defense Portfolio, PowerShares Cleantech™ Portfolio, PowerShares DWA Technical Leaders™ Portfolio, PowerShares Dynamic Banking Portfolio, PowerShares Dynamic Basic Materials Sector Portfolio, PowerShares Dynamic Biotechnology & Genome Portfolio, PowerShares Dynamic Building & Construction Portfolio, PowerShares Dynamic Consumer Discretionary Sector Portfolio, PowerShares Dynamic Consumer Staples Sector Portfolio, PowerShares Dynamic Financial Sector Portfolio, PowerShares Dynamic Food & Beverage Portfolio, PowerShares Dynamic Healthcare Portfolio, PowerShares Dynamic Industrials Sector Portfolio, PowerShares Dynamic Insurance Portfolio, PowerShares Dynamic Large Cap Portfolio, PowerShares Dynamic Large Cap Growth Portfolio, PowerShares Dynamic Leisure and Entertainment Portfolio, PowerShares Dynamic Media Portfolio, PowerShares Dynamic Mid Cap Growth Portfolio, PowerShares Morningstar StockInvestor Core Portfolio, PowerShares Dynamic Networking Portfolio, PowerShares Dynamic OTC Portfolio, PowerShares Dynamic Pharmaceuticals Portfolio, PowerShares Dynamic Retail Portfolio, PowerShares Dynamic Semiconductors Portfolio, PowerShares Dynamic Small Cap Growth Portfolio, PowerShares Dynamic Small Cap Value Portfolio, PowerShares Dynamic Software Portfolio, PowerShares Dynamic Technology Sector Portfolio, PowerShares Dynamic Utilities Sector Portfolio, PowerShares FTSE RAFI US 1000 Portfolio, PowerShares FTSE RAFI US 1500 Small-Mid Portfolio, PowerShares Golden Dragon Halter USX China Portfolio, PowerShares Lux Nanotech Portfolio and PowerShares S&P 500® High Quality Portfolio, which was equal to or lower than the median expense ratio of its open-end index peer funds, and there was no comparable data for PowerShares Financial Preferred Portfolio or PowerShares Global Listed Private Equity Portfolio); but
- lower than the median expense ratio of its open-end actively-managed peer funds.

The Trustees noted that a significant component of the non-advisory fee expenses was the license fees paid by the Funds, and those Funds for which license fees are included in the Funds' Expense Caps.

The Board concluded that the advisory fee and expense ratio of each Fund (giving effect to the Fund's Expense Cap) were reasonable and appropriate in light of the services provided.

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

In conjunction with their review of fees, the Trustees also considered information provided by the Adviser on the revenues received by the Adviser under the Investment Advisory Agreement for each Fund, as well as the fees waived and expenses reimbursed by the Adviser for the Funds. The Trustees reviewed information provided by the Adviser on its profitability as well as any profits or losses realized by the Adviser from its relationship to each Fund. The Trustees concluded that the estimated profitability to the Adviser of the advisory services provided to any of the Funds was not unreasonable.

Also at the April 14, 2011 meeting, the Adviser proposed reducing the annual advisory fee for each of PowerShares Dynamic Large Cap Portfolio, PowerShares Dynamic Mid Cap Growth Portfolio, PowerShares Dynamic Mid Cap Portfolio, PowerShares Dynamic Mid Cap Value Portfolio, PowerShares Dynamic Small Cap Growth Portfolio, PowerShares Dynamic Small Cap Portfolio and PowerShares Dynamic Small Cap Value Portfolio (each, a “Style Fund”) effective June 16, 2011. The Adviser also proposed revising each Style Fund’s Expense Cap that is in place until August 31, 2012 to further reduce each Style Fund’s annual operating expenses effective June 16, 2011. The Board considered the Adviser’s representation that there would be no diminution in the quantity or quality of services provided to each Style Fund in connection with the amendment to the Investment Advisory Agreement to reflect the advisory fee changes. The Board concluded for each Style Fund that the reduced advisory fee was appropriate, and determined to approve the amended Investment Advisory Agreement and amended Expense Cap, effective June 16, 2011.

Economies of Scale and Whether Fee Levels Reflect These Economies of Scale. The Trustees reviewed the information provided by the Adviser as to the extent to which economies of scale are realized as each Fund grows and whether fee levels reflect economies of scale for the benefit of shareholders. The Trustees reviewed each Fund’s asset size, expense ratio and expense limitation agreed to by the Adviser. The Trustees noted that, for Funds whose expenses are higher than their respective Expense Caps, any reduction in that Fund’s expenses would be enjoyed by the Adviser, but that Fund shareholders benefit from the lower expense ratio as a result of the Fund’s Expense Cap. The Trustees also noted that the Excess Expense Agreement with the Trust provides that the Adviser is entitled to be reimbursed by each Fund, other than PowerShares Dynamic Market Portfolio and PowerShares Dynamic OTC Portfolio, for fees waived or expenses absorbed pursuant to the Expense Cap for a period of three years from the date the fee or expense was incurred, provided that no reimbursement would be made that would result in a Fund exceeding its Expense Cap. The Trustees considered whether the advisory fee rate for each Fund was reasonable in relation to the asset size of that Fund, and concluded that the flat advisory fee was reasonable and appropriate, noting the Fund expenses the Adviser has borne as a result of the Expense Cap.

The Trustees noted that the Adviser had not identified any further benefits that it derived from its relationship with the Funds and had noted that it does not have any soft-dollar arrangements.

Based on all of the information considered and the conclusions reached, the Board, including the Independent Trustees, determined to approve the continuation of the Investment Advisory Agreement for each Fund. No single factor was determinative in the Board’s analysis.

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PROXY VOTING POLICIES AND PROCEDURES

A description of the Funds' proxy voting policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available, without charge and upon request, by calling (800) 983-0903. This information is also available on the Securities and Exchange Commission's ("Commission") website at www.sec.gov.

Information regarding how the Funds voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request, by (i) calling (800) 983-0903; or (ii) accessing the Trust's Form N-PX on the Commission's website at www.sec.gov.

QUARTERLY PORTFOLIOS

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Forms N-Q are available on the Commission's website at www.sec.gov. The Trust's Forms N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, D.C.; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

