



powerSHARES®
Xchange Traded Funds™

2011 Annual Report to Shareholders

October 31, 2011

PowerShares Ibbotson Alternative Completion Portfolio (PTO)
PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)
PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)

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The Market Environment

Global Fixed Income:

Global financial markets were unsettled and volatile during the fiscal year as investors assessed and reacted to the economic implications of several systemic shocks, including the Japanese earthquake disaster, the Arab Spring, and a reinvigorated Eurozone sovereign debt crisis. Even so, the global investment grade bond market, as measured by the Barclays Capital Global Aggregate ex. US Index, generated a positive total return for the 12 months ended October 31, 2011.

During the early part of the fiscal year, interest rates trended higher across the globe. In the developed west, economies appeared to be on the mend and GDP growth prospects, although low, were improving. In Europe, growing uncertainties about Greece and other European countries' solvency led to higher yields for certain countries and a growing divergence of borrowing costs across the Eurozone. Emerging market economies, especially in the Asia/Pacific region, rebounded particularly well following the global financial crisis and their currencies attracted global capital flows, sparking some concerns of inflation, asset pricing bubbles and overheating economies. During the latter part of the fiscal year, the European sovereign debt crisis and related concerns about financial sector stability dominated news headlines, leading to periods of extreme risk aversion, wider credit spreads, and subsequently higher demand for the perceived safe havens of U.S. Treasuries and German Bunds. This, despite the Standard & Poor's ("S&P") credit rating downgrade of the U.S., led to concerns over the future of the Euro, and diminishing forecasts for economic growth across key developed and emerging markets. Central banks activities mirrored the differences across regions of the globe during the year. Monetary tightening occurred across many markets where signs of inflation began to appear. In contrast, the U.S., Japan, and the Eurozone maintained key lending rates at or near historic lows as below target economic growth persisted and inflation was less of a concern.

U.S. Equity:

The fiscal year began with equity markets fueled by the second round of Federal Reserve "Quantitative Easing" and on an upward trend through the first quarter of 2011. However, with the spring came increased volatility and significant macro-economic distortions due to civil unrest in Egypt and Libya, flooding in Australia, and the devastating earthquake and tsunami in Japan. Corporate earnings remained strong with largely positive surprises, but often were overshadowed by investor concerns about continuing high unemployment and soft housing data. Although markets stabilized and generally were positive through the summer, the major equity indices sold off precipitously in August as the U.S. struggled with the debt ceiling and ultimately received the first-ever downgrade to its credit rating from S&P. Uncertainty created by the U.S. credit downgrade, combined with a lack of consumer confidence and an intensifying debt crisis in the Eurozone, continued to weigh on investors through the end of the period, reigniting fears of a global recession and a double-dip recession in the U.S.

Non U.S. Equity:

Global equity markets faced headwinds in 2010 and 2011. Notably, several southern European economies, including those of Greece, Spain, Portugal, and Italy, faced solvency concerns amid massive fiscal deficits. The fiscal year ended with a market upswing, however, as European leaders took steps to address the Greek sovereign debt issue, expand the bailout fund, and stabilize the banking system.

Market volatility was a common theme during the fiscal year. During mid-2011, Greek sovereign debt concerns and signs of slowing global growth continued to worry investors. In addition, numerous world events caught investors' attention, including the growing unrest in the Middle East and Northern Africa,

The Market Environment (Continued)

and the devastating earthquake and tsunami in Japan on March 11th. Renewed credit problems overseas and the market corrections that occurred in May, June and August, however, created a more uncertain environment, which prompted many investors to favor safety over risk.

Although Europe's debt status bore the greatest negative macroeconomic heft globally, inflation was the major concern across Asia throughout the fiscal year. Fortunately, these concerns started to subside towards the end of the period, with a surprise interest rate reduction in Indonesia, inflationary easing in China, and an expected crest in India's inflation rate. The slowdown in inflation rates gave Asian governments the ability to loosen monetary policy as needed to help maintain financial stability and potentially stimulate economic growth. Though inflation rates in China receded from peak levels over the period, China's capacity to continue its economic expansion and serve as the world's growth engine came into question due to a more recent slowdown that negatively affected investor sentiment. The growth numbers in China, however, remained healthy.

In emerging market countries, investors became risk-averse on news of potential defaults in Europe, as well as slowing growth and accounting concerns in China leading to a relatively indiscriminate correction in almost all emerging market countries. Concerns about potential overheating in emerging market economies, coupled with concerns of a potential double-dip recession in developed economies, continued to foster uncertainty about the pace and vigor of a global economic recovery.

Manager's Analysis

PowerShares Ibbotson Alternative Completion Portfolio (ticker: PTO)

The PowerShares Ibbotson Alternative Completion Portfolio (the "Fund") seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the Ibbotson Alternative Completion Index™ (the "Index"). The Fund will normally invest at least 90% of its total assets in securities that comprise the Index. The Fund is a "fund of funds," as it primarily invests its assets in the securities of funds included in the Index, but may also invest in exchange-traded notes ("ETNs") and equity and fixed income securities included in the Index.

The Index is compiled and calculated by Ibbotson Associates, using a proprietary methodology to select underlying exchange-traded funds ("ETFs"), ETNs, and equity and fixed-income securities covering a group of asset classes and investment strategies.

For the fiscal year ended October 31, 2011, on a share price basis, the Fund returned 1.22%. On an NAV basis, the Fund returned 0.88%. During this same time period the Index returned 1.14% and the S&P 500® Index returned 8.07%.

Positions that contributed most significantly to return included PowerShares DB Energy Fund, a commodity ETF (7.94% of long-term investments at October 31, 2011); PowerShares DB Precious Metals Fund, a commodity ETF (4.02% of long-term investments at October 31, 2011); and PowerShares Preferred Portfolio, a fixed-income ETF (8.86% of long-term investments at October 31, 2011). Positions that detracted most significantly from return included PowerShares MENA Frontier Countries Portfolio, an emerging markets ETF (11.98% of long-term investments at October 31, 2011); PowerShares Emerging Markets Infrastructure Portfolio, an emerging markets ETF (9.78% of long-term investments at October 31, 2011); and PowerShares DB Base Metals Fund, a commodity ETF (3.90% of long-term investments at October 31, 2011).

Asset Class Breakdown (% of the Fund's Net Assets) as of October 31, 2011

International Equity Funds	33.8
Fixed Income Funds	32.5
Commodity Funds	21.6
Currency Funds	8.0
Domestic Equity Funds	4.1
Money Market Fund	0.0
Liabilities in excess of other assets	(0.0)

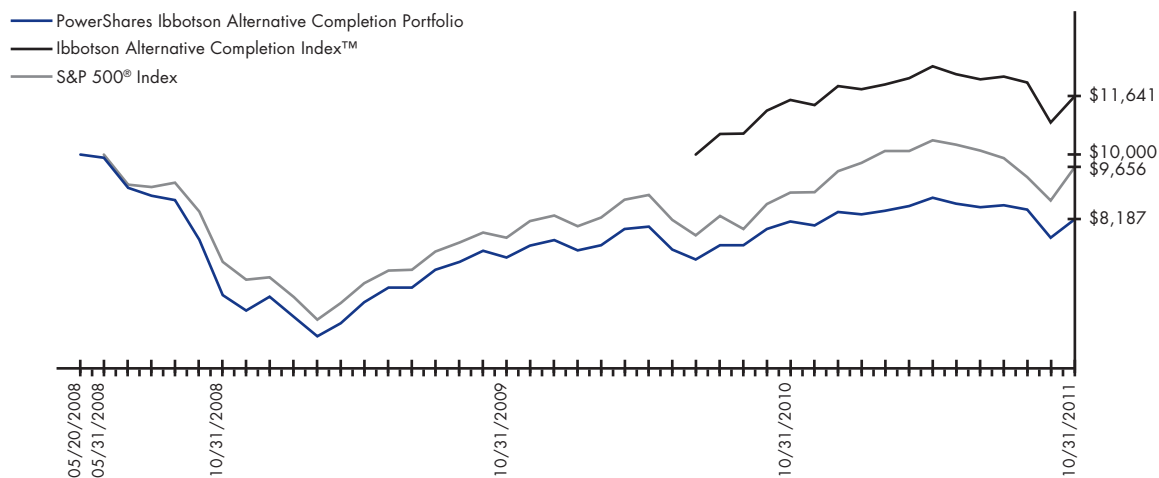
Top Ten Fund Holdings (% of the Fund's Net Assets) as of October 31, 2011

Security	
PowerShares Emerging Markets Sovereign Debt Portfolio	11.9
PowerShares MENA Frontier Countries Portfolio	11.9
PowerShares Emerging Markets Infrastructure Portfolio	9.8
PowerShares Preferred Portfolio	8.9
PowerShares DB G10 Currency Harvest Fund	8.0
PowerShares DB Energy Fund	8.0
PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio	6.0
PowerShares DB Agriculture Fund	5.7
PowerShares S&P 500 BuyWrite Portfolio	4.1
PowerShares DB Precious Metals Fund	4.0
Total	78.3

Manager's Analysis (Continued)

PowerShares Ibbotson Alternative Completion Portfolio (ticker: PTO)

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



▼ Fund Performance History (%)

As of October 31, 2011

	1 Year	Avg. Ann. ^{††} 3 Year	Fund Inception	
			Avg. Ann. ^{††}	Cumulative
Index				
Ibbotson Alternative Completion Index™	1.14%	N/A	N/A	N/A
S&P 500® Index	8.07%	11.41%	(1.02)%	(3.44)%
Fund				
Net Asset Value ("NAV") Return	0.88%	10.57%	(5.64)%	(18.13)%
Share Price Return	1.22%	11.08%	(6.03)%	(19.30)%

Fund Inception: 05/20/2008

Performance quoted above 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. According to the Fund's current prospectus, the total annual fund operating expenses ratio of 0.78% includes the unitary management fee of 0.25% and estimated acquired fund fees and expenses of 0.53%. 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 (the "Benchmark Index") is an unmanaged index used as a measurement of change in stock market conditions based on the average performance of approximately 500 common stocks.

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

^{††} Average annualized.

Manager's Analysis

PowerShares RiverFront Tactical Balanced Growth Portfolio (ticker: PAO)

The PowerShares RiverFront Tactical Balanced Growth Portfolio (the "Fund") seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the RiverFront Global Tactical Balanced Growth Index™ (the "Index"). The Fund will normally invest at least 90% of its total assets in the securities included in the Index. The Fund is a "fund of funds," as it primarily invests its assets in the securities of funds included in the Index, but may also invest in exchange-traded notes and equity and fixed income securities included in the Index.

For the fiscal year ended October 31, 2011, on a share price basis the Fund returned (1.36)%. On an NAV basis, the Fund returned (1.11)%. Over this same year, the Index returned (1.14)% and the S&P 500® Index returned 8.07%.

The Fund benefited from positions in PowerShares Dynamic Energy Sector ETF (3.4% of net assets at October 31, 2011), PowerShares Fundamental Pure Large Core Portfolio ETF (4.9% of net assets at October 31, 2011) and iShares DJ US Technology Sector Index Fund ETF (8.2% of net assets at October 31, 2011).

The Fund was hurt primarily from exposure to international equities, the largest detractors to Fund performance being PowerShares FTSE RAFI Emerging Markets Portfolio ETF (10.2% of net assets at October 31, 2011), PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio ETF (no longer held at October 31, 2011) and iShares MSCI Korea Index Fund ETF (no longer held at October 31, 2011).

Asset Class Breakdown (% of the Fund's Net Assets) as of October 31, 2011

Domestic Equity Funds	46.0
International Equity Funds	32.8
Fixed Income Funds	20.1
Currency Funds	1.1
Money Market Fund	0.1
Liabilities in excess of other assets	(0.1)

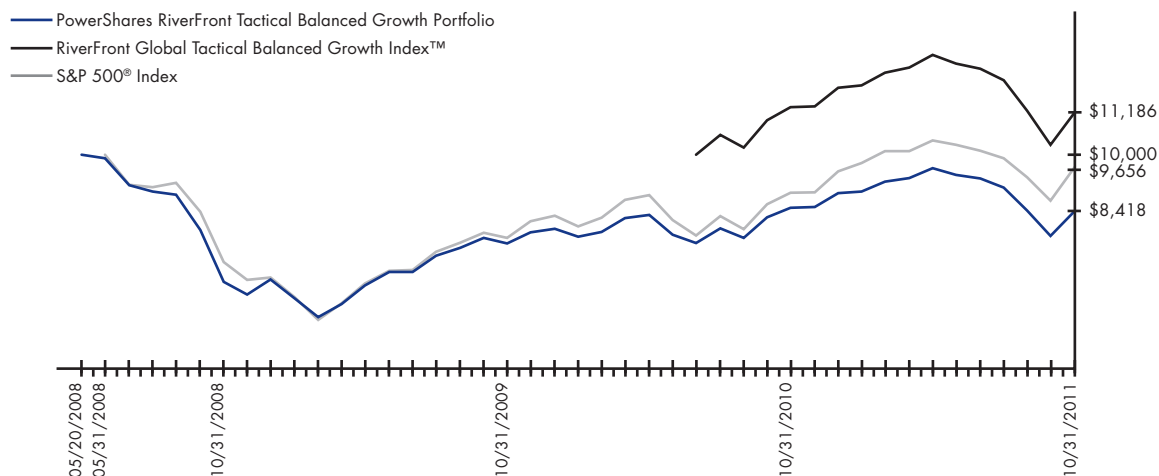
Top Ten Fund Holdings (% of the Fund's Net Assets) as of October 31, 2011

Security	
PowerShares FTSE RAFI Emerging Markets Portfolio	10.2
PowerShares Fundamental High Yield® Corporate Bond Portfolio	9.6
iShares Dow Jones U.S. Technology Sector Index Fund	8.2
PowerShares Dynamic Financial Sector Portfolio	6.1
Vanguard MSCI Europe ETF	6.1
PowerShares DWA Technical Leaders™ Portfolio	5.8
PowerShares International Dividend Achievers™ Portfolio	5.4
iShares Dow Jones U.S. Healthcare Sector Index Fund	4.9
PowerShares Fundamental Pure Large Core Portfolio	4.9
PowerShares Dynamic Consumer Discretionary Sector Portfolio	4.3
Total	65.5

Manager's Analysis (Continued)

PowerShares RiverFront Tactical Balanced Growth Portfolio (ticker: PAO)

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



▼ Fund Performance History (%)

As of October 31, 2011

		1 Year	Avg. Ann. ^{††} 3 Year	Fund Inception	
				Avg. Ann. ^{††}	Cumulative
Index	Riverfront Global Tactical Balanced Growth Index™	(1.14)%	N/A	N/A	N/A
	S&P 500® Index	8.07%	11.41%	(1.02)%	(3.44)%
Fund	Net Asset Value ("NAV") Return	(1.11)%	9.42%	(4.87)%	(15.82)%
	Share Price Return	(1.36)%	10.28%	(5.21)%	(16.86)%

Fund Inception: 05/20/2008

Performance quoted above 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. According to the Fund's current prospectus, the total annual fund operating expenses ratio of 0.75% includes the unitary management fee of 0.25% and estimated acquired fund fees and expenses of 0.50%. 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 "(the "Benchmark Index") is an unmanaged index used as a measurement of change in stock market conditions based on the average performance of approximately 500 common stocks.

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

^{††} Average annualized.

Manager's Analysis

PowerShares RiverFront Tactical Growth & Income Portfolio (ticker: PCA)

The PowerShares RiverFront Tactical Growth & Income Portfolio (the "Fund") seeks investment results that correspond (before fees and expenses) generally to the price and yield performance of the RiverFront Global Tactical Balanced Growth & Income Index™ (the "Index"). The Fund will normally invest at least 90% of its total assets in the securities included in the Index. The Fund is a "fund of funds," as it primarily invests its assets in the securities of funds included in the Index, but may also invest in exchange-traded notes and equity and fixed income securities included in the Index.

For the fiscal year ended October 31, 2011, on a share price basis, the Fund returned 1.46%. On an NAV basis, the Fund returned 1.70%. Over this same year, the Index returned 1.88% and the S&P 500® Index returned 8.07%.

The Fund benefited from exposure to U.S. dividend paying companies represented by PowerShares Dividend Achievers Portfolio (10.8% of net assets at October 31, 2011) and PowerShares High Yield Equity Dividend Achievers Portfolio (6.3% of net assets at October 31, 2011) as well as U.S. high yield corporate bonds represented by PowerShares Fundamental High Yield Corporate Bond Portfolio (12.1% of net assets at October 31, 2011), SPDR Barclays Capital High Yield Bond ETF (5.0% of net assets at October 31, 2011) and iShares iBoxx \$ High Yield Corporate Bond Fund (2.9% of net assets at October 31, 2011).

The Fund was hurt primarily from exposure to international equities, the largest detractors to Fund performance being PowerShares FTSE RAFI Emerging Markets Portfolio (3.3% of net assets at October 31, 2011), PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio (no longer held at October 31, 2011) and iShares MSCI Korea Index Fund (no longer held at October 31, 2011).

Asset Class Breakdown (% of the Fund's Net Assets) as of October 31, 2011

Fixed Income Funds	37.0
Domestic Equity Funds	34.1
International Equity Funds	25.8
Currency Funds	1.9
Commodity Funds	1.2
Money Market Fund	0.1
Liabilities in excess of other assets	(0.1)

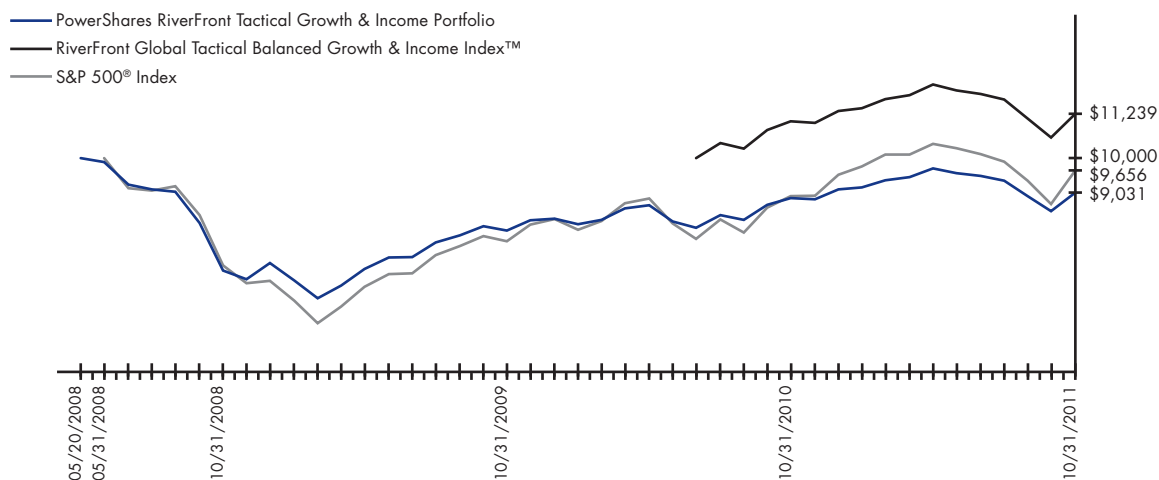
Top Ten Fund Holdings (% of the Fund's Net Assets) as of October 31, 2011

Security	
PowerShares Fundamental High Yield® Corporate Bond Portfolio	12.1
PowerShares Dividend Achievers™ Portfolio	10.8
Vanguard Short-Term Corporate Bond ETF	8.1
PowerShares High Yield Equity Dividend Achievers™ Portfolio	6.3
PowerShares S&P 500® Low Volatility Portfolio	6.1
Vanguard MSCI Europe ETF	5.1
PowerShares International Dividend Achievers™ Portfolio	5.0
SPDR Barclays Capital High Yield Bond ETF	5.0
iShares Dow Jones U.S. Technology Sector Index Fund	4.9
JPMorgan Alerian MLP Index ETN	3.9
Total	67.3

Manager's Analysis (Continued)

PowerShares RiverFront Tactical Growth & Income Portfolio (ticker: PCA)

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



▼ Fund Performance History (%)

As of October 31, 2011

	1 Year	Avg. Ann. ^{††} 3 Year	Fund Inception Avg. Ann. ^{††}	Cumulative
Index				
Riverfront Global Tactical Balanced Growth & Income Index™	1.88%	N/A	N/A	N/A
S&P 500® Index	8.07%	11.41%	(1.02)%	(3.44)%
Fund				
Net Asset Value ("NAV") Return	1.70%	9.68%	(2.91)%	(9.69)%
Share Price Return	1.46%	8.67%	(3.44)%	(11.36)%

Fund Inception: 05/20/2008

Performance quoted above 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. According to the Fund's current prospectus, the total annual fund operating expenses ratio of 0.69% includes the unitary management fee of 0.25% and estimated acquired fund fees and expenses of 0.44%. 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 "(the "Benchmark Index") is an unmanaged index used as a measurement of change in stock market conditions based on the average performance of approximately 500 common stocks.

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

^{††} Average annualized.

Frequency Distribution of Discounts & Premiums

Since Inception through October 31, 2011

Ticker	Fund Name	Inception	Days	Closing Price Above NAV (bps)					
				0-24	25-49	50-99	100-149	150-199	200+
PTO	PowerShares Ibbotson Alternative Completion Portfolio	5/20/08	871	192	86	79	41	17	43
PAO	PowerShares RiverFront Tactical Balanced Growth Portfolio	5/20/08	871	302	63	51	27	13	37
PCA	PowerShares RiverFront Tactical Growth & Income Portfolio	5/20/08	871	184	55	69	47	32	150

Closing Price Below NAV (bps)					
-0-24	-25-49	-50-99	-100-149	-150-199	-200+
250	79	52	14	7	11
275	37	31	18	4	13
188	36	52	31	11	16

Fees and Expenses

As a shareholder of a Fund of the PowerShares Exchange-Traded Fund Trust II, you incur a unitary management fee. 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 October 31, 2011.

In addition to the fees and expenses which each Fund bears directly, each Fund indirectly bears a pro rata share of the fees and expenses of the underlying funds in which your Fund invests. The amount of fees and expenses incurred indirectly by your Fund will vary because the underlying funds have varied expenses and fee levels and each Fund may own different proportions of the underlying funds at different times. Estimated underlying fund expenses are not expenses that are incurred directly by your Fund. They are expenses that are incurred directly by the underlying funds and are deducted from the value of the funds your Fund invests in. The effect of the estimated underlying fund expenses that you bear indirectly are included in your Fund's total return.

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 May 1, 2011	Ending Account Value October 31, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares Ibbotson Alternative Completion Portfolio (PTO) Actual	\$1,000.00	\$932.08	0.25%	\$1.22
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.95	0.25%	\$1.28
PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO) Actual	\$1,000.00	\$875.45	0.25%	\$1.18
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.95	0.25%	\$1.28
PowerShares RiverFront Tactical Growth & Income Portfolio (PCA) Actual	\$1,000.00	\$930.14	0.25%	\$1.22
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.95	0.25%	\$1.28

- (1) Expenses are calculated using the annualized expense ratio, which represents the ongoing expenses as a percentage of net assets for the six-month period ended October 31, 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 184/365. Expense ratios for the most recent six-month period may differ from expense ratios based on the annualized data in the Financial Highlights.

Schedule of Investments

PowerShares Ibbotson Alternative Completion Portfolio (PTO)

October 31, 2011

Number of Shares		Value
	Exchange-Traded Funds—100.0%	
	<i>Commodity Funds—21.6%</i>	
16,054	PowerShares DB Agriculture Fund(/)*	\$ 488,202
16,600	PowerShares DB Base Metals Fund(/)*	333,660
24,284	PowerShares DB Energy Fund(/)*	679,224
5,652	PowerShares DB Precious Metals Fund(/)*	343,811
		<u>1,844,897</u>
	<i>Currency Funds—8.0%</i>	
28,141	PowerShares DB G10 Currency Harvest Fund(/)*	686,359
	<i>Domestic Equity Funds—4.1%</i>	
17,137	PowerShares S&P 500 BuyWrite Portfolio(=)	351,651
	<i>Fixed Income Funds—32.5%</i>	
2,860	iShares Barclays TIPS Bond Fund	333,162
5,741	PIMCO Broad U.S. TIPS Index Fund	331,899
37,168	PowerShares Emerging Markets Sovereign Debt Portfolio(=)	1,019,518
54,100	PowerShares Preferred Portfolio(=)	756,859
5,767	SPDR Barclays Capital TIPS ETF	333,621
		<u>2,775,059</u>
	<i>International Equity Funds—33.8%</i>	
20,452	PowerShares Emerging Markets Infrastructure Portfolio(=)	836,282
23,423	PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio(=)	513,666
8,928	PowerShares Global Agriculture Portfolio(=)	263,376
5,609	PowerShares Global Gold and Precious Metals Portfolio(=)	254,649
90,713	PowerShares MENA Frontier Countries Portfolio(=)	1,017,800
		<u>2,885,773</u>
	Total Exchange-Traded Funds (Cost \$7,971,174)	<u>8,543,739</u>
	Money Market Fund—0.0%	
1,056	Goldman Sachs Financial Square Prime Obligations - Institutional Share Class (Cost \$1,056)	1,056
	Total Investments (Cost \$7,972,230)—100.0%	8,544,795
	Liabilities in excess of other assets—(0.0%)	(902)
	Net Assets—100.0%	<u>\$8,543,893</u>

Notes to Schedule of Investments:

(/) Not considered to be affiliated.

* Non-income producing security.

(=) The Fund and the PowerShares exchange-traded funds have the same investment adviser and therefore, are considered to be affiliated. See Note 4.

Investment Abbreviations:

ETF—Exchange-Traded Fund

TIPS—Treasury Inflation Protected Securities

See Notes to Financial Statements.

Schedule of Investments

PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)

October 31, 2011

Number of Shares	Value	Number of Shares	Value
Exchange-Traded Funds—100.0%		Exchange-Traded Funds (Continued)	
<i>Currency Funds—1.1%</i>		83,166	PowerShares International Dividend Achievers™ Portfolio(=)
10,335	WisdomTree Dreyfus China Yuan Fund* \$ 264,783	19,194	PowerShares S&P 500® Low Volatility Portfolio(=) 480,618
<i>Domestic Equity Funds—46.0%</i>		31,498	Vanguard MSCI Europe ETF 1,438,199
16,745	iShares Dow Jones U.S. Healthcare Sector Index Fund 1,157,917	12,547	WisdomTree Emerging Markets SmallCap Dividend Fund 544,038
29,361	iShares Dow Jones U.S. Technology Sector Index Fund 1,941,937		<u>7,725,341</u>
32,981	PowerShares Dividend Achievers™ Portfolio(=) 480,863		Total Exchange-Traded Funds
56,351	PowerShares DWA Technical Leaders™ Portfolio(=) 1,360,313		(Cost \$23,477,083)
39,619	PowerShares Dynamic Consumer Discretionary Sector Portfolio(=) 1,022,170		<u>23,581,379</u>
20,606	PowerShares Dynamic Energy Sector Portfolio(=) 798,276	11,394	Money Market Fund—0.1%
80,895	PowerShares Dynamic Financial Sector Portfolio(=) 1,448,829		Goldman Sachs Financial Square Prime Obligations - Institutional Share Class (Cost \$11,394) 11,394
28,545	PowerShares Dynamic Food & Beverage Portfolio(=) 543,782		Total Investments
20,684	PowerShares Dynamic Industrials Sector Portfolio(=) 567,776		(Cost \$23,488,477)—100.1% 23,592,773
14,764	PowerShares Dynamic Utilities Portfolio(=) 237,361		Liabilities in excess of other assets—(0.1%) (12,273)
47,247	PowerShares Fundamental Pure Large Core Portfolio(=) 1,149,047		Net Assets—100.0%
2,215	Vanguard Telecommunication Services ETF 139,988		<u>\$23,580,500</u>
	<u>10,848,259</u>		
<i>Fixed Income Funds—20.1%</i>			
4,184	iShares Barclays 20+Year Treasury Bond Fund 484,842		
2,707	iShares iBoxx \$ High Yield Corporate Bond Fund 241,681		
4,183	iShares JPMorgan USD Emerging Markets Bond Fund 461,803		
123,531	PowerShares Fundamental High Yield® Corporate Bond Portfolio(=) 2,253,206		
15,899	SPDR Barclays Capital 1-3 Month T-Bill ETF* 728,651		
8,856	SPDR Barclays Capital High Yield Bond ETF 345,118		
4,429	WisdomTree Asia Local Debt Fund 227,695		
	<u>4,742,996</u>		
<i>International Equity Funds—32.8%</i>			
20,161	db-X MSCI EAFE Currency-Hedged Equity Fund, Class X* 457,856		
15,725	Global X FTSE Asean 40 ETF* 244,209		
29,775	PowerShares DWA Developed Markets Technical Leaders Portfolio(=) 555,899		
13,042	PowerShares DWA Emerging Markets Technical Leaders Portfolio(=) 212,324		
5,413	PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio(=) 118,707		
110,534	PowerShares FTSE RAFI Emerging Markets Portfolio(=) 2,408,536		

Investment Abbreviations:
ETF—Exchange-Traded Fund

Notes to Schedule of Investments:

* Non-income producing security.

(=) The Fund and the PowerShares exchange-traded funds have the same investment adviser and therefore, are considered to be affiliated. See Note 4.

See Notes to Financial Statements.

Schedule of Investments

PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)

October 31, 2011

Number of Shares	Value	Number of Shares	Value
Exchange-Traded Funds—100.0%		Money Market Fund—0.1%	
		12,601	Goldman Sachs Financial Square Prime Obligations - Institutional Share Class (Cost \$12,601)
3,992	PowerShares DB Precious Metals Fund(I)* \$ 242,833		\$ 12,601
	<i>Commodity Funds—1.2%</i>		Total Investments
	<i>Currency Funds—1.9%</i>		(Cost \$19,346,282)—100.1%
14,769	WisdomTree Dreyfus China Yuan Fund* 378,382		Liabilities in excess of other assets—(0.1%) (16,240)
	<i>Domestic Equity Funds—34.1%</i>		Net Assets—100.0% <u>\$20,034,019</u>
8,782	iShares Dow Jones U.S. Healthcare Sector Index Fund 607,275		
14,769	iShares Dow Jones U.S. Technology Sector Index Fund 976,822		
20,557	JPMorgan Alerian MLP Index ETN 770,476		
148,841	PowerShares Dividend Achievers™ Portfolio(=) 2,170,102		
14,171	PowerShares DWA Technical Leaders™ Portfolio(=) 342,088		
19,759	PowerShares Dynamic Consumer Discretionary Sector Portfolio(=) 509,782		
141,631	PowerShares High Yield Equity Dividend Achievers™ Portfolio(=) 1,260,516		
2,994	Vanguard Telecommunication Services ETF 189,221		
	<u>6,826,282</u>		
	<i>Fixed Income Funds—37.0%</i>		
6,587	iShares Barclays 20+ Year Treasury Bond Fund 763,301		
6,586	iShares iBoxx \$ High Yield Corporate Bond Fund 587,998		
5,389	iShares JPMorgan USD Emerging Markets Bond Fund 594,946		
5,020	PowerShares Active Low Duration Portfolio(=) 127,726		
132,924	PowerShares Fundamental High Yield® Corporate Bond Portfolio(=) 2,424,534		
25,740	SPDR Barclays Capital High Yield Bond ETF 1,003,088		
20,757	Vanguard Short-Term Corporate Bond ETF 1,621,122		
5,588	WisdomTree Asia Local Debt Fund 287,279		
	<u>7,409,994</u>		
	<i>International Equity Funds—25.8%</i>		
9,384	iShares MSCI ACWI ex US Index Fund 365,788		
2,994	iShares MSCI All Country Asia ex Japan Index Fund 160,358		
30,749	PowerShares FTSE RAFI Emerging Markets Portfolio(=) 670,021		
66,262	PowerShares International Dividend Achievers™ Portfolio(=) 1,007,845		
48,699	PowerShares S&P 500® Low Volatility Portfolio(=) 1,219,423		
13,565	Vanguard MSCI Emerging Markets ETF 562,812		
22,548	Vanguard MSCI Europe ETF 1,029,542		
3,791	WisdomTree Emerging Markets SmallCap Dividend Fund 164,378		
	<u>5,180,167</u>		
	Total Exchange-Traded Funds (Cost \$19,333,681) <u>20,037,658</u>		

Investment Abbreviations:
ETF—Exchange-Traded Fund
ETN—Exchange-Traded Note

Notes to Schedule of Investments:
(I) Not considered to be affiliated.
* Non-income producing security.

(=) The Fund and the PowerShares exchange-traded funds have the same investment adviser and therefore, are considered to be affiliated. See Note 4.

See Notes to Financial Statements.

Statements of Assets and Liabilities

October 31, 2011

	PowerShares Ibbotson Alternative Completion Portfolio (PTO)	PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)	PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)
ASSETS:			
Unaffiliated investments, at value	\$ 3,530,994	\$ 8,690,111	\$10,318,222
Affiliated investments at value (Note 4)	<u>5,013,801</u>	<u>14,902,662</u>	<u>9,732,037</u>
Total investments, at value	\$ 8,544,795	\$23,592,773	\$20,050,259
Cash	—	—	2,437
Receivables:			
Dividends and interest	903	13	3,187
Investments sold	<u>—</u>	<u>911,349</u>	<u>669,303</u>
Total Assets	<u>8,545,698</u>	<u>24,504,135</u>	<u>20,725,186</u>
LIABILITIES:			
Due to custodian	38	—	—
Payables:			
Shares repurchased	—	601,210	—
Investments purchased	—	317,486	686,993
Accrued unitary management fees	<u>1,767</u>	<u>4,939</u>	<u>4,174</u>
Total Liabilities	<u>1,805</u>	<u>923,635</u>	<u>691,167</u>
NET ASSETS	<u>\$ 8,543,893</u>	<u>\$23,580,500</u>	<u>\$20,034,019</u>
NET ASSETS CONSIST OF:			
Shares of beneficial interest	\$11,983,785	\$26,955,100	\$21,794,011
Undistributed net investment income	31,512	115,250	84,072
Undistributed net realized gain (loss)	(4,043,969)	(3,594,146)	(2,548,041)
Net unrealized appreciation	<u>572,565</u>	<u>104,296</u>	<u>703,977</u>
Net Assets	<u>\$ 8,543,893</u>	<u>\$23,580,500</u>	<u>\$20,034,019</u>
Shares outstanding (unlimited amount authorized, \$0.01 par value)	750,000	2,000,000	1,600,000
Net asset value	<u>\$ 11.39</u>	<u>\$ 11.79</u>	<u>\$ 12.52</u>
Share price	<u>\$ 11.37</u>	<u>\$ 11.77</u>	<u>\$ 12.51</u>
Unaffiliated investments, at cost	\$ 3,118,077	\$ 8,510,108	\$10,047,532
Affiliated investments, at cost	<u>4,854,153</u>	<u>14,978,369</u>	<u>9,298,750</u>
Total investments, at cost	<u>\$ 7,972,230</u>	<u>\$23,488,477</u>	<u>\$19,346,282</u>

See Notes to Financial Statements.

Statements of Operations

Year Ended October 31, 2011

	PowerShares Ibbotson Alternative Completion Portfolio (PTO)	PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)	PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)
INVESTMENT INCOME:			
Unaffiliated dividend income	\$ 46,954	\$ 199,428	\$ 238,427
Affiliated dividend income	213,660	272,710	251,205
Total Income	<u>260,614</u>	<u>472,138</u>	<u>489,632</u>
EXPENSES:			
Unitary management fees	22,942	57,784	50,975
Net Investment Income	<u>237,672</u>	<u>414,354</u>	<u>438,657</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:			
Net realized gain (loss) from:			
Unaffiliated Investments	(161,801)	(958,807)	(533,726)
Affiliated Investments	170,071	(87,450)	(15,841)
Distributions from underlying ETF shares	3,746	7,569	3,632
In-kind redemptions	344,730	512,518	494,814
Net realized gain (loss)	<u>356,746</u>	<u>(526,170)</u>	<u>(51,121)</u>
Change in net unrealized appreciation (depreciation) on:			
Unaffiliated Investments	81,124	(21,863)	(57,140)
Affiliated Investments	(605,159)	(1,013,733)	(308,846)
Net change in unrealized appreciation (depreciation)	<u>(524,035)</u>	<u>(1,035,596)</u>	<u>(365,986)</u>
Net realized and unrealized gain (loss)	<u>(167,289)</u>	<u>(1,561,766)</u>	<u>(417,107)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 70,383</u>	<u>\$ (1,147,412)</u>	<u>\$ 21,550</u>

See Notes to Financial Statements.

Statements of Changes in Net Assets

	PowerShares Ibbotson Alternative Completion Portfolio (PTO)		PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)	
	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2011	Year Ended October 31, 2010
OPERATIONS:				
Net investment income	\$ 237,672	\$ 212,078	\$ 414,354	\$ 208,657
Net realized gain (loss)	356,746	293,209	(526,170)	452,441
Net change in unrealized appreciation (depreciation)	(524,035)	765,009	(1,035,596)	770,730
Net increase (decrease) in net assets resulting from operations	<u>70,383</u>	<u>1,270,296</u>	<u>(1,147,412)</u>	<u>1,431,828</u>
Undistributed net investment income (loss) included in the price of units issued and redeemed	<u>(19,290)</u>	<u>(2,372)</u>	<u>64,018</u>	<u>41,742</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(253,041)</u>	<u>(233,453)</u>	<u>(351,545)</u>	<u>(215,089)</u>
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	1,786,873	5,633,522	16,675,702	7,564,987
Value of shares repurchased	(4,091,455)	(5,519,924)	(6,762,580)	(3,452,019)
Net income equalization	<u>19,290</u>	<u>2,372</u>	<u>(64,018)</u>	<u>(41,742)</u>
Net increase (decrease) in net assets resulting from shares transactions	<u>(2,285,292)</u>	<u>115,970</u>	<u>9,849,104</u>	<u>4,071,226</u>
Increase (Decrease) in Net Assets	<u>(2,487,240)</u>	<u>1,150,441</u>	<u>8,414,165</u>	<u>5,329,707</u>
NET ASSETS:				
Beginning of year	<u>11,031,133</u>	<u>9,880,692</u>	<u>15,166,335</u>	<u>9,836,628</u>
End of year	<u>\$ 8,543,893</u>	<u>\$11,031,133</u>	<u>\$23,580,500</u>	<u>\$15,166,335</u>
Undistributed net investment income at end of year	<u>\$ 31,512</u>	<u>\$ 49,559</u>	<u>\$ 115,250</u>	<u>\$ 52,795</u>
CHANGES IN SHARES OUTSTANDING:				
Shares sold	150,000	500,000	1,300,000	650,000
Shares repurchased	(350,000)	(500,000)	(550,000)	(300,000)
Shares outstanding, beginning of year	<u>950,000</u>	<u>950,000</u>	<u>1,250,000</u>	<u>900,000</u>
Shares outstanding, end of year	<u>750,000</u>	<u>950,000</u>	<u>2,000,000</u>	<u>1,250,000</u>

See Notes to Financial Statements.

PowerShares RiverFront Tactical
Growth & Income Portfolio (PCA)

<u>Year Ended</u> <u>October 31, 2011</u>	<u>Year Ended</u> <u>October 31, 2010</u>
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\$ 438,657	\$ 309,604
(51,121)	894,221
<u>(365,986)</u>	<u>203,862</u>
21,550	1,407,687
<u>46,946</u>	<u>28,634</u>

<u>(444,383)</u>	<u>(280,892)</u>
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11,026,040	7,797,262
(5,693,256)	(5,345,080)
<u>(46,946)</u>	<u>(28,634)</u>

<u>5,285,838</u>	<u>2,423,548</u>
4,909,951	3,578,977

<u>15,124,068</u>	<u>11,545,091</u>
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<u>\$20,034,019</u>	<u>\$15,124,068</u>
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<u>\$ 84,072</u>	<u>\$ 90,216</u>
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850,000	650,000
(450,000)	(450,000)
<u>1,200,000</u>	<u>1,000,000</u>
<u>1,600,000</u>	<u>1,200,000</u>

Financial Highlights

PowerShares Ibbotson Alternative Completion Portfolio (PTO)

	Year Ended October 31,			For the Period
	2011	2010	2009	May 16, 2008* Through October 31, 2008
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$11.61	\$ 10.40	\$ 9.04	\$ 15.12
Net investment income**	0.30	0.22	0.19	0.12
Net realized and unrealized gain (loss) on investments	(0.20)	1.24	1.34	(6.14)
Total from investment operations	0.10	1.46	1.53	(6.02)
Distributions to shareholders from:				
Net investment income	(0.32)	(0.25)	(0.17)	(0.06)
Net asset value at end of period	\$11.39	\$ 11.61	\$10.40	\$ 9.04
Share price at end of period***	\$11.37	\$ 11.55	\$10.51	\$ 8.90
NET ASSET VALUE, TOTAL RETURN****	0.88%	14.18%	17.36%	(39.92)% ^(a)
SHARE PRICE TOTAL RETURN****	1.22%	12.42%	20.46%	(40.86)% ^(a)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$8,544	\$11,031	\$9,881	\$ 9,043
Ratio to average net assets of:				
Expenses Δ	0.25%	0.25%	0.26%	0.25% [†]
Net investment income	2.59%	2.02%	2.14%	2.36% [†]
Portfolio turnover rate $\dagger\dagger$	5%	122%	48%	89%
Undistributed net investment income (loss) included in price of units issued and redeemed* [#]	\$ (0.02)	\$ (0.00) ^(c)	\$ (0.01)	\$ 0.09

PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)

	Year Ended October 31,			For the Period
	2011	2010	2009	May 16, 2008* Through October 31, 2008
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$ 12.13	\$ 10.93	\$ 9.58	\$ 15.10
Net investment income**	0.23	0.22	0.25	0.19
Net realized and unrealized gain (loss) on investments	(0.36)	1.22	1.33	(5.60)
Total from investment operations	(0.13)	1.44	1.58	(5.41)
Distributions to shareholders from:				
Net investment income	(0.21)	(0.24)	(0.23)	(0.11)
Net asset value at end of period	\$ 11.79	\$ 12.13	\$10.93	\$ 9.58
Share price at end of period***	\$ 11.77	\$ 12.14	\$11.01	\$ 9.34
NET ASSET VALUE, TOTAL RETURN****	(1.11)%	13.33%	16.88%	(36.04)% ^(b)
SHARE PRICE TOTAL RETURN****	(1.36)%	12.60%	20.75%	(37.64)% ^(b)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$23,581	\$15,166	\$9,837	\$ 7,666
Ratio to average net assets of:				
Expenses Δ	0.25%	0.25%	0.26%	0.25% [†]
Net investment income	1.79%	1.99%	2.63%	3.58% [†]
Portfolio turnover rate $\dagger\dagger$	195%	204%	57%	78%
Undistributed net investment income included in price of units issued and redeemed* [#]	\$ 0.04	\$ 0.04	\$ 0.01	\$ 0.06

* 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 returns calculated for a period of less than one year are not annualized.

Δ In addition to the fees and expenses which the Fund bears directly; the Fund indirectly bears a pro rata share of the fees and expenses of the underlying ETFs in which the Fund invests. Estimated underlying ETF's expenses are not expenses that are incurred directly by your Fund. They are expenses that are incurred directly by the underlying ETFs and are deducted from the value of the funds your Fund invests in. The effect of the estimated underlying ETF's expenses that you bear indirectly is included in your Fund's total return.

[†] 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) The net asset value total return from Fund Inception (May 20, 2008, first day trading on the exchange) to October 31, 2008 was (39.44)%. The share price total return from Fund Inception to October 31, 2008 was (41.13)%.

(b) The net asset value total return from Fund Inception (May 20, 2008, first day trading on the exchange) to October 31, 2008 was (35.74)%. The share price total return from Fund Inception to October 31, 2008 was (38.01)%.

(c) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)

	Year Ended October 31,			For the Period
	2011	2010	2009	May 16, 2008* Through October 31, 2008
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$ 12.60	\$ 11.55	\$ 10.20	\$ 15.08
Net investment income**	0.28	0.29	0.29	0.20
Net realized and unrealized gain (loss) on investments	(0.07)	1.02	1.34	(4.96)
Total from investment operations	0.21	1.31	1.63	(4.76)
Distributions to shareholders from:				
Net investment income	(0.29)	(0.26)	(0.28)	(0.12)
Net asset value at end of period	\$ 12.52	\$ 12.60	\$ 11.55	\$ 10.20
Share price at end of period***	\$ 12.51	\$ 12.61	\$ 11.54	\$ 10.46
NET ASSET VALUE, TOTAL RETURN****	1.70%	11.53%	16.33%	(31.74)% ^(a)
SHARE PRICE TOTAL RETURN****	1.46%	11.68%	13.30%	(30.02)% ^(a)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$20,034	\$15,124	\$11,545	\$ 7,142
Ratio to average net assets of:				
Expenses Δ	0.25%	0.25%	0.26%	0.25% [†]
Net investment income	2.15%	2.42%	2.80%	3.64% [†]
Portfolio turnover rate $\dagger\dagger$	181%	162%	67%	67%
Undistributed net investment income included in price of units issued and redeemed** [#]	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.07

* 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 returns calculated for a period of less than one year are not annualized.

Δ In addition to the fees and expenses which the Fund bears directly; the Fund indirectly bears a pro rata share of the fees and expenses of the underlying ETFs in which the Fund invests. Estimated underlying ETF's expenses are not expenses that are incurred directly by your Fund. They are expenses that are incurred directly by the underlying ETFs and are deducted from the value of the funds your Fund invests in. The effect of the estimated underlying ETF's expenses that you bear indirectly is included in your Fund's total return.

[†] 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) The net asset value total return from Fund Inception (May 20, 2008, first day trading on the exchange) to October 31, 2008 was (31.56)%. The share price total return from Fund Inception to October 31, 2008 was (30.94)%.

See Notes to Financial Statements.

Notes to Financial Statements

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

Note 1. Organization

PowerShares Exchange-Traded Fund Trust II (the “Trust”) was organized as a Massachusetts business trust on October 10, 2006 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 October 31, 2011, the Trust offered fifty portfolios. This report includes the following portfolios:

<u>Full Name</u>	<u>Short Name</u>
PowerShares Ibbotson Alternative Completion Portfolio (PTO)	Ibbotson Alternative Completion Portfolio
PowerShares RiverFront Tactical Balanced Growth Portfolio (PAO)	RiverFront Tactical Balanced Growth Portfolio
PowerShares RiverFront Tactical Growth & Income Portfolio (PCA)	RiverFront Tactical Growth & Income Portfolio

Each portfolio (each a “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>
Ibbotson Alternative Completion Portfolio	Ibbotson Alternative Completion Index™
RiverFront Tactical Balanced Growth Portfolio	RiverFront Global Tactical Balanced Growth Index™
RiverFront Tactical Growth & Income Portfolio	RiverFront Global Tactical Balanced Growth & Income Index™

Note 2. Significant Accounting Policies

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) 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 II

October 31, 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. Securities with a demand feature exercisable within one to seven days are valued at par. 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 II

October 31, 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. Each Fund is considered non-diversified and can invest a greater portion of its 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. This may increase the Fund's volatility and cause the performance of a relatively small number of issuers to have a greater impact on the Fund's performance.

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 its 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.

Portfolio Turnover Risk. The Fund may engage in frequent trading of its portfolio securities in connection with the quarterly rebalancing of the Underlying Index. A portfolio turnover rate of 200%, for example, is equivalent to the Fund buying and selling all of its securities two times during the course of a year. A high portfolio turnover rate (such as 100% or more) could result in high brokerage costs for the Fund. While a high portfolio turnover rate can result in an increase in taxable capital gains distributions to the Fund's shareholders, the Fund will seek to utilize the in-kind creation and redemption mechanism to minimize capital gains to the extent possible.

Fund of Funds Risk. Each Fund pursues its investment objective by primarily investing its assets in underlying Exchange-Traded Funds ("ETFs"). A Fund's investment performance, because it is a fund of funds, largely depends on the investment performance of the underlying ETFs in which it invests. An investment in a Fund is subject to the risks associated with the underlying ETFs that comprise its Underlying Index. Each Fund will indirectly pay a proportional share of the fees and expenses of the Underlying ETFs in which it invests (including operating expenses and management fees). There is a risk that the evaluations and assumptions of each Fund's Index Provider regarding the asset classes represented in the Underlying Index may be incorrect based on actual market conditions. In addition, at times certain segments of the market represented by constituent Underlying ETFs in the Underlying Index may be out of favor and underperform other segments.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

Risks of Investing in ETNs. The return on an exchange-traded note (“ETN”) is generally linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs do not provide principal protection and may or may not make periodic coupon payments. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer’s credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer’s credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. A Fund’s decision to sell its ETN holdings may be limited by the availability of a secondary market. Certain ETNs in which a Fund may invest may be linked to master limited partnerships (“MLPs”). Investments linked to MLP units are subject to certain risks inherent in the structure of MLPs, including (i) tax risks, (ii) the limited ability to elect or remove management or the general partner or managing member, (iii) limited voting rights and (iv) conflicts of interest between the general partner or managing member and its affiliates and the limited partners or members. Moreover, the tax treatment of ETNs is uncertain and the Internal Revenue Service could assert at any time that ETNs should be taxed in a manner that may adversely affect a Fund.

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 investments, 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.

E. Expenses

Each Fund has agreed to pay an annual unitary management fee to Invesco PowerShares Capital Management LLC (the “Adviser”). The Adviser has agreed to pay for substantially all expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses, expenses of the underlying ETFs that are paid indirectly as a result of share ownership of the underlying ETFs and other extraordinary expenses.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

Expenses included in each of the accompanying financial statements reflect the expenses of each Fund and do not include any expenses of the underlying ETF, in which it invests. The effects of the underlying ETF's expenses are included in the realized and unrealized gain/loss on the investments in the underlying ETFs.

F. Dividends and Distributions to Shareholders

Each Fund 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 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 (loss) 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 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. As compensation for its services, each Fund has agreed to pay the Adviser an annual unitary management fee of 0.25% of each Fund's average daily net assets. The Adviser has agreed to pay for substantially all expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses, expenses of the underlying ETFs that are paid indirectly as a result of share ownership of the underlying ETFs and other extraordinary expenses.

Each Fund indirectly bears the fees and expenses of the underlying ETFs in which it invests. The Adviser serves as the investment adviser to some of the underlying ETFs. By virtue of the Fund's investments in affiliated underlying ETFs, the management fee received by the Adviser for managing the underlying ETFs will increase.

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 has entered into a Marketing Agreement with DB Commodity Services LLC and Deutsche Bank AG, London Branch (collectively, "Deutsche Bank") to assist in marketing activities with respect to the PowerShares DB ETFs in which each Fund may invest. The Distributor receives a fee from Deutsche Bank for these services. The Funds are not charged any fees pursuant to the Distribution Agreement. The Distributor is an affiliate of the Adviser.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

The Adviser has entered into a licensing agreement for the Ibbotson Alternative Completion Portfolio with Ibbotson Associates, and for the RiverFront Tactical Balanced Growth Portfolio and RiverFront Tactical Growth & Income Portfolio with RiverFront Investment Group® (each a “Licensor”). Each Underlying Index name trademark is owned by the Licensor. These trademarks have been licensed to the Adviser for use with the Funds. Each Fund is entitled to use its Underlying Index pursuant to the Trust’s sub-licensing agreement with the Adviser. The Funds are not sponsored, endorsed, sold or promoted by the Licensor and the Licensor makes no representation regarding the advisability of investing in any of these Funds.

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, fund accountant and transfer agent for each Fund.

Note 4. Investments in Affiliates

The Funds and other certain underlying ETFs have the same investment adviser and, therefore are considered to be affiliated. The tables below show the transactions in and earnings from investments in affiliated ETFs for the fiscal year ended October 31, 2011.

Ibbotson Alternative Completion Portfolio

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value 10/31/2011	Dividend Income
PowerShares Emerging Markets Infrastructure Portfolio	\$1,010,109	\$207,995	\$ (273,527)	\$(167,604)	\$ 59,309	\$ 836,282	\$ 11,649
PowerShares Emerging Markets Sovereign Debt Portfolio	1,308,469	141,949	(385,288)	(52,832)	7,220	1,019,518	60,116
PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio	669,316	49,478	(175,521)	(56,648)	27,041	513,666	14,723
PowerShares Global Agriculture Portfolio	350,396	21,761	(99,445)	(38,036)	28,700	263,376	2,655
PowerShares Global Gold and Precious Metals Portfolio	328,848	40,485	(112,977)	(15,058)	13,351	254,649	5,461
PowerShares MENA Frontier Countries Portfolio	1,318,511	204,154	(297,298)	(228,824)	21,257	1,017,800	36,397
PowerShares Preferred Portfolio . . .	950,399	86,236	(260,914)	(26,928)	8,066	756,859	54,712
PowerShares S&P 500 BuyWrite Portfolio	431,714	35,368	(101,329)	(19,229)	5,127	351,651	27,947
Total Investments in Affiliates	\$6,367,762	\$787,426	\$(1,706,299)	\$(605,159)	\$170,071	\$5,013,801	\$213,660

RiverFront Tactical Balanced Growth Portfolio

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value 10/31/2011	Dividend Income
PowerShares Active Low Duration Portfolio	\$ 159,256	\$ 554,036	\$ (708,994)	\$(95)	\$(4,203)	\$ —	\$ 323
PowerShares Active U.S. Real Estate Fund	292,003	22,469	(309,381)	(33,181)	28,090	—	—
PowerShares Dividend Achievers™ Portfolio	1,060,298	3,330,860	(3,945,617)	(5,217)	40,539	480,863	32,835

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value 10/31/2011	Dividend Income
PowerShares DWA Developed Markets Technical Leaders Portfolio	\$ —	\$ 638,359	\$ (50,034)	\$ (29,415)	\$ (3,011)	\$ 555,899	\$ 8,619
PowerShares DWA Emerging Markets Technical Leaders Portfolio	—	249,961	(20,513)	(15,911)	(1,213)	212,324	—
PowerShares DWA Technical Leaders™ Portfolio	176,256	1,771,378	(594,437)	(5,240)	12,356	1,360,313	1,362
PowerShares Dynamic Basic Materials Sector Portfolio	252,609	371,534	(533,529)	(17,103)	(73,511)	—	8,898
PowerShares Dynamic Biotechnology & Genome Portfolio	151,324	46,828	(204,567)	(11,740)	18,155	—	—
PowerShares Dynamic Consumer Discretionary Sector Portfolio	530,762	857,111	(403,857)	19,575	18,579	1,022,170	7,149
PowerShares Dynamic Energy Sector Portfolio	562,070	1,487,583	(1,411,065)	(41,423)	201,111	798,276	4,116
PowerShares Dynamic Financial Sector Portfolio	200,254	1,970,440	(587,800)	(114,789)	(19,276)	1,448,829	12,505
PowerShares Dynamic Food & Beverage Portfolio	445,067	683,961	(611,614)	(17,203)	43,571	543,782	5,622
PowerShares Dynamic Healthcare Sector Portfolio	181,948	1,384,980	(1,436,412)	(11,419)	(119,097)	—	—
PowerShares Dynamic Industrials Sector Portfolio	661,763	886,955	(937,148)	(5,669)	(38,125)	567,776	6,251
PowerShares Dynamic Insurance Portfolio	318,707	152,218	(493,088)	(21,229)	43,392	—	5,236
PowerShares Dynamic Networking Portfolio	160,884	89,882	(299,660)	(20,225)	69,119	—	833
PowerShares Dynamic Pharmaceuticals Portfolio	371,475	210,138	(599,905)	(43,308)	61,600	—	1,043
PowerShares Dynamic Software Portfolio	300,655	117,988	(457,592)	(24,428)	63,377	—	—
PowerShares Dynamic Technology Sector Portfolio	570,650	1,760,701	(1,996,095)	(67,767)	(267,489)	—	359
PowerShares Dynamic Telecommunications & Wireless Portfolio	251,207	41,638	(297,398)	(35,973)	40,526	—	—
PowerShares Dynamic Utilities Portfolio	278,978	683,276	(703,533)	(30,762)	9,402	237,361	8,703
PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio	469,022	2,370,059	(2,597,954)	(49,603)	(191,524)	—	—
PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio	—	1,249,249	(1,039,509)	(14,434)	(76,599)	118,707	7,937
PowerShares FTSE RAFI Emerging Markets Portfolio	1,885,084	3,336,569	(2,347,351)	(417,861)	(47,905)	2,408,536	50,442

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value 10/31/2011	Dividend Income
PowerShares Fundamental							
High Yield® Corporate Bond Portfolio	\$ 902,523	\$ 2,465,157	\$ (1,110,577)	\$ (8,123)	\$ 4,226	\$ 2,253,206	\$ 56,388
PowerShares Fundamental Pure							
Large Core Portfolio	649,733	2,111,458	(1,729,951)	23,081	94,726	1,149,047	26,161
PowerShares International							
Dividend Achievers™ Portfolio . . .	457,136	1,076,926	(270,678)	(10,470)	12,041	1,264,955	23,211
PowerShares S&P 500® Low Volatility Portfolio							
	—	588,926	(100,451)	(4,019)	(3,838)	480,618	4,106
PowerShares VRDO Tax-Free Weekly Portfolio							
	414,084	430,245	(842,078)	218	(2,469)	—	611
Total Investments in Affiliates	\$11,703,748	\$30,940,885	\$(26,640,788)	\$(1,013,733)	\$ (87,450)	\$14,902,662	\$272,710

RiverFront Tactical Growth & Income Portfolio

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value 10/31/2011	Dividend Income
PowerShares Active Low Duration Portfolio							
	\$ 474,143	\$ 806,453	\$ (1,155,433)	\$ 6,692	\$ (4,129)	\$ 127,726	\$ 1,023
PowerShares Active U.S. Real Estate Fund							
	299,517	382,991	(665,703)	(38,953)	22,148	—	4,947
PowerShares Dividend Achievers™ Portfolio							
	2,029,537	3,934,360	(3,874,333)	22,977	57,561	2,170,102	51,449
PowerShares DWA Technical Leaders™ Portfolio							
	—	363,515	(30,960)	9,708	(175)	342,088	252
PowerShares Dynamic Consumer Discretionary Sector Portfolio . . .							
	308,945	777,417	(612,715)	(15,842)	51,977	509,782	4,836
PowerShares Dynamic Energy Sector Portfolio							
	149,599	911,657	(999,863)	(18,509)	(42,884)	—	6,028
PowerShares Dynamic Healthcare Sector Portfolio							
	151,493	668,935	(755,948)	(10,187)	(54,293)	—	—
PowerShares Dynamic Industrials Sector Portfolio							
	239,006	852,072	(1,046,461)	(37,303)	(7,314)	—	2,630
PowerShares Dynamic Technology Sector Portfolio							
	492,347	752,723	(1,102,032)	(66,863)	(76,175)	—	310
PowerShares Dynamic Telecommunications & Wireless Portfolio							
	155,495	6,408	(160,822)	(4,347)	3,266	—	—
PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio							
	159,537	1,148,018	(1,228,407)	(40,312)	(38,836)	—	2,665
PowerShares FTSE RAFI Emerging Markets Portfolio							
	1,366,563	2,233,667	(2,773,223)	(173,005)	16,019	670,021	24,389
PowerShares Fundamental High Yield® Corporate Bond Portfolio . .							
	1,487,641	2,575,403	(1,631,927)	(7,584)	1,001	2,424,534	101,127
PowerShares Fundamental Pure Mid Core Portfolio							
	163,804	109,516	(263,606)	(16,645)	6,931	—	1,559
PowerShares High Yield Equity Dividend Achievers™ Portfolio . .							
	527,532	1,259,415	(609,282)	59,895	22,956	1,260,516	26,730
PowerShares International Dividend Achievers™ Portfolio							
	311,242	1,179,245	(490,330)	(1,899)	9,587	1,007,845	12,704

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

	Value 10/31/2010	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value 10/31/2011	Dividend Income
PowerShares Dynamic Pharmaceuticals Portfolio	\$ 247,208	\$ 41,817	\$ (298,561)	\$ (12,632)	\$ 22,168	\$ —	\$ 424
PowerShares S&P 500® Low Volatility Portfolio	—	1,314,862	(129,277)	35,629	(1,791)	1,219,423	8,397
PowerShares VRDO Tax-Free Weekly Portfolio	499,900	1,464,838	(1,961,214)	334	(3,858)	—	1,735
Total Investments in Affiliates	\$9,063,509	\$20,783,312	\$(19,790,097)	\$(308,846)	\$(15,841)	\$9,732,037	\$251,205

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 October 31, 2011, the securities in each Fund were valued based on Level 1 inputs (see the Schedule of Investments for security categories). 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 October 31, 2011, there were no significant transfers between investment levels.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

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

Tax Character of Distributions to Shareholders Paid During the Years Ended October 31, 2011 and 2010:

	2011		2010	
	Ordinary Income	Return of Capital	Ordinary Income	Return of Capital
Ibbotson Alternative Completion Portfolio	\$253,041	\$—	\$233,453	\$—
RiverFront Tactical Balanced Growth Portfolio	351,545	—	215,089	—
RiverFront Tactical Growth & Income Portfolio	444,383	—	280,892	—

Tax Components of Net Assets at Fiscal Year-End:

	Undistributed Ordinary Income	Net Unrealized Appreciation (Depreciation)	Capital Loss Carryforward	Shares of Beneficial Interest	Total Net Assets
Ibbotson Alternative Completion Portfolio ..	\$ 31,512	\$533,263	\$(4,004,667)	\$11,983,785	\$ 8,543,893
RiverFront Tactical Balanced Growth Portfolio	115,250	(76,891)	(3,412,959)	26,955,100	23,580,500
RiverFront Tactical Growth & Income Portfolio	84,072	661,608	(2,505,672)	21,794,011	20,034,019

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 have capital loss carryforward amounts as of October 31, 2011, which expire on October 31 of each year listed below:

	2016	2017	2018	2019	Total*
Ibbotson Alternative Completion Portfolio**	\$1,675,018	\$1,239,640	\$1,090,009	\$ —	\$4,004,667
RiverFront Tactical Balanced Growth Portfolio	1,323,393	967,037	221,824	900,705	3,412,959
RiverFront Tactical Growth & Income Portfolio	895,279	793,493	298,305	518,595	2,505,672

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

** The Fund utilized \$65,308 of capital loss carryforward during the fiscal year ended October 31, 2011.

Note 7. Investment Transactions

For the fiscal year ended October 31, 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
Ibbotson Alternative Completion Portfolio	\$ 503,119	\$ 543,502
RiverFront Tactical Balanced Growth Portfolio	46,847,746	44,575,273
RiverFront Tactical Growth & Income Portfolio	37,456,683	36,779,137

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

For the fiscal year ended October 31, 2011, in-kind transactions associated with creations and redemptions were as follows:

	<u>Securities Received</u>	<u>Securities Delivered</u>
Ibbotson Alternative Completion Portfolio	\$ 585,671	\$2,855,848
RiverFront Tactical Balanced Growth Portfolio	15,179,897	7,468,835
RiverFront Tactical Growth & Income Portfolio	10,253,366	5,594,110

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

At October 31, 2011, the aggregate cost and the net unrealized appreciation (depreciation) of investments for tax purposes were as follows:

	<u>Cost</u>	<u>Net Unrealized Appreciation</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized (Depreciation)</u>
Ibbotson Alternative Completion Portfolio	\$ 8,011,532	\$533,263	\$611,469	\$ (78,206)
RiverFront Tactical Balanced Growth Portfolio	23,669,664	(76,891)	489,530	(566,421)
RiverFront Tactical Growth & Income Portfolio	19,388,651	661,608	773,901	(112,293)

Note 8. Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of in-kind transactions and utilization of book equalization, on October 31, 2011, amounts were reclassified between undistributed net investment income (loss), undistributed net realized gain (loss) and Shares of beneficial interest. These reclassifications had no effect on the net assets of each Fund. For the fiscal year ended October 31, 2011, the reclassifications were as follows:

	<u>Undistributed Net Investment Income (Loss)</u>	<u>Undistributed Net Realized Gain (Loss)</u>	<u>Shares of Beneficial Interest</u>
Ibbotson Alternative Completion Portfolio	\$ 16,612	\$(328,758)	\$312,146
RiverFront Tactical Balanced Growth Portfolio	(64,372)	(416,817)	481,189
RiverFront Tactical Growth & Income Portfolio	(47,364)	(476,717)	524,081

Note 9. Trustees' Fees

The Fund compensates each Trustee who is not an "interested person" as defined in the 1940 Act (an "Independent Trustee"). The Adviser, as a result of the unitary management fee, pays for such compensation. 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, an Independent 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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

October 31, 2011

Deferral 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. Transactions in capital shares for each Fund are disclosed in detail on the Statement of Changes in Net Assets.

Note 11. Indemnifications

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liability 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 II:

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 II, hereafter referred to as the “Trust”) at October 31, 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 October 31, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
December 27, 2011

Tax Information

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 advisers.

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 October 31, 2011:

Federal Income Tax Information

	Qualified Dividend Income*	Corporate Dividend- Received Deduction*
Ibbotson Alternative Completion Portfolio	32%	9%
RiverFront Tactical Balanced Growth Portfolio	61%	13%
RiverFront Tactical Growth & Income Portfolio	37%	16%

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

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 October 31, 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 2007	Founder and Principal, YQA Capital Management LLC (1998-Present); formerly, Owner/CEO of Electronic Dynamic Balancing Co., Inc. (high-speed rotating equipment service provider)	112	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	112	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 October 31, 2011, the Fund Complex consisted of the Trust’s 50 portfolios and three other exchange-traded fund trusts with 62 portfolios advised by the Adviser.

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 (51) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2007	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)	112	None
Philip M. Nussbaum (49) c/o Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Trustee	Since 2007	Chairman, Performance Trust Capital Partners (2004-Present)	112	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 October 31, 2011, the Fund Complex consisted of the Trust's 50 portfolios and three other exchange-traded fund trusts with 62 portfolios advised by the Adviser.

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 2007	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)	112	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 October 31, 2011, the Fund Complex consisted of the Trust's 50 portfolios and three other exchange-traded fund trusts with 62 portfolios advised by the Adviser.

Trustees and Officers (Continued)

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 the past five years, the number of portfolios in the Fund Complex overseen by the Non-Independent Trustees and the other directorships, if any, held by the Trustees are shown below.

Name, Address, and Age of Non-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 Non-Independent Trustees	Other Directorships Held by Non-Independent Trustees
H. Bruce Bond (48) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Chairman of the Board and Trustee	Since 2006	Chairman, Invesco PowerShares Capital Management LLC (2009-Present); formerly, Managing Director, Invesco PowerShares Capital Management LLC (2002-2009); Manager, Nuveen Investments (1998-2002)	112	None

* This is the date the Interested 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 October 31, 2011, the Fund Complex consists of the Trust's 50 portfolios and three other exchange-traded fund trusts with 62 portfolios advised by the Adviser.

Trustees and Officers (Continued)

Name, Address, and Age of Non-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 Non-Independent Trustees	Other Directorships Held by Non-Independent Trustees
Kevin M. Carome (55) 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	112	None

* This is the date the Interested 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 October 31, 2011, the Fund Complex consisted of the Trust's 50 portfolios and three other exchange-traded fund trusts with 62 portfolios advised by the Adviser.

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 (37) Invesco Management Group, Inc. 11 Greenway Plaza Suite 2500 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)
Benjamin Fulton (50) 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 Chicago land area (2001-2003); Managing Director of Structured Investments at Nuveen Investments (1998-2001)
Peter Hubbard (30) 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)
David Warren (54) 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 Canada Ltd. (formerly Invesco Trimark Ltd.) and Chief Administrative Officer, North American Retail, Invesco Ltd (2007-Present); formerly, Director, Executive Vice President and Chief Financial Officer, Invesco Canada Ltd. (formerly Invesco Trimark Ltd.) (2000-2006)

* This is the period for which the Officers began serving the Trust. Each Officer serves an indefinite term, until his successor is elected.

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
Todd Spillane (52) Invesco Management Group, Inc. 11 Greenway Plaza Suite 2500 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 Advisors, Inc., Invesco Capital Management, Inc. and Invesco Private Asset Management, Inc.; Vice President, Invesco Capital Management, Inc. and Fund Management Company
Steven M. Hill (47) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Treasurer	Since 2011	Treasurer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, and PowerShares Actively Managed Exchange-Traded Fund Trust; Head of Global ETF Operations, Invesco PowerShares Capital Management LLC; formerly, Senior Managing Director and Chief Financial Officer, Destra Capital Management LLC and its Subsidiaries (2010-2011); Chief Financial Officer, Destra Investment Trust and Destra Investment Trust II (2010-2011); Senior Managing Director, Claymore Securities, Inc. (2003-2010); and Chief Financial Officer, Claymore sponsored mutual funds (2003-2010).

* This is the period for which the Officers began serving the Trust. Each Officer serves an indefinite term, until his successor is elected.

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
Anna Paglia (37) Invesco PowerShares Capital Management LLC 301 West Roosevelt Road Wheaton, IL 60187	Secretary	Since 2011	Head of Legal, Invesco PowerShares Capital Management LLC (2010-Present); formerly, Partner, K&L Gates LLP (formerly, Bell Boyd & Lloyd LLP) (2007-2010). Associate Counsel at Barclays Global Investors Ltd. (2004-2006)

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 period for which the Officers began serving the Trust. Each Officer serves an indefinite term, until his successor is elected.

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PROXY VOTING POLICIES AND PROCEDURES

A description of the Trust's 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 Trust files its complete schedule of portfolio holdings for the Funds with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Q is available on the Commission's website at www.sec.gov. The Trust's Form 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.

