



powerSHARES™
xchange traded funds™

PowerShares Actively Managed Exchange-Traded Fund Trust

PowerShares Active AlphaQ Fund (NYSE Arca, Inc. - PQY)
PowerShares Active Alpha Multi-Cap Fund (NYSE Arca, Inc. - PQZ)
PowerShares Active Low Duration Fund (NYSE Arca, Inc. - PLK)
PowerShares Active Mega Cap Fund (NYSE Arca, Inc. - PMA)
PowerShares Active U.S. Real Estate Fund (NYSE Arca, Inc. - PSR)

February 26, 2010

The U.S. Securities and Exchange Commission ("SEC") has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense. Shares of the Fund ("Shares") are not guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or any other agency of the U.S. Government, nor are Shares deposits or obligations of any bank. Shares of the Funds involve investment risks, including the loss of principal.

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PowerShares Active AlphaQ Fund

Summary Information

Investment Objective

The Fund's investment objective is long-term capital appreciation.

Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund. Investors may pay brokerage commissions on their purchases and sales of Fund Shares, which are not reflected in the table.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.75%
Other Expenses	0.00%
Total Annual Fund Operating Expenses	0.75%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$77	\$240	\$417	\$930

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 153% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 95% of its total assets in Nasdaq-listed stocks selected

by AER Advisors, Inc. (“AER” or the “Sub-Adviser”) pursuant to a proprietary stock screening methodology, which utilizes fundamental and quantitative criteria. Using this methodology, AER tracks and rates the stocks of companies with a market capitalization of over \$400 million that are traded in the United States. On a weekly basis, AER generates its “Master Stock List” which ranks a universe of approximately 3,000 stocks, segmented by market capitalization. AER then narrows its universe to the 100 largest stocks listed on the Nasdaq Global Market (NMS) from the Master Stock List for the Fund (the “Q Universe”), excluding securities traded on other exchanges. Utilizing a proprietary methodology, the Fund then generally selects and purchases approximately 50 stocks included in the Q Universe.

AER reviews the Q Universe based on its proprietary ranking methodology generally on a weekly basis in seeking to maintain the portfolio in the highest-ranking stocks within the Q Universe. The Fund seeks to remain fully invested with approximately equal-weighted positions, i.e., 2.0% for each stock, and AER will rebalance weightings to the initial equal weight when the position reaches 3.0%. Proceeds from stocks sold will be reinvested in the replacement stocks on an equal-weighted basis.

Invesco PowerShares Capital Management LLC (the “Adviser”) executes all trades on behalf of the Fund.

AER’s proprietary stock screening methodology was developed by AER in 1998 to combine the quantitative aspects of stock money flow with traditional fundamental security analysis. AER’s investment methodology is designed to achieve returns in excess of the NASDAQ 100® Index by focusing on the stocks within the Q Universe identified through its proprietary stock screening methodology as strong performers and avoiding or eliminating from the Fund’s portfolio stocks identified as weak performers.

Principal Risks of Investing in the Fund

The following summarizes the principal risks that have been identified for the Fund.

Market Risk. The Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall securities values could decline generally or could underperform other investments.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund’s portfolio securities, the Sub-Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Large Capitalization Risk. Returns on investments of large capitalization U.S. companies could trail the returns on investments in stocks of smaller companies.

Equity Risk. Equity risk refers to the risk that the value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.

Consumer Discretionary Sector Risk. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labor relations.

Healthcare Sector Risk. Companies in the healthcare sector may be affected by factors such as extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, costs associated with obtaining and protecting patents, product liability and other claims, changes in technologies and other market developments.

Information Technology Sector Risk. The information technology sector can be significantly affected by the failure to obtain, or delays in obtaining, financing or regulatory approval, intense competition, product compatibility, consumer preferences, corporate capital expenditure, rapid obsolescence and research and development of new products. Companies in the information technology sector also face competition or potential competition with numerous alternative technologies. In addition, the highly competitive information technology sector may cause the prices for these products and services to decline in the future.

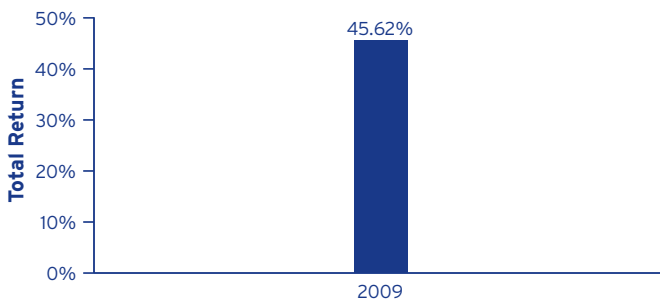
Risk of Deviation between Market Price and NAV. Unlike conventional exchange-traded funds (“ETFs”), the Fund is not an index fund. The Fund is actively managed and does not seek to replicate the performance of a specified index. Index based ETFs have generally traded at prices which closely correspond to net asset value (“NAV”) per share. Given the high level of transparency of the Fund’s holdings, the Adviser believes that the trading experience of the Fund should be similar to that of index based ETFs. However, actively managed ETFs have a limited trading history and, therefore, there can be no assurance as to whether and/or the extent to which the Shares will trade at premiums or discounts to NAV.

The Fund’s Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the FDIC or any other government agency.

Performance

The bar chart that follows shows how the Fund performed. The table below the bar chart shows the Fund’s average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund’s performance and by showing how the Fund’s average annual returns compared with a broad measure of market performance. The Fund’s past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available online at www.InvescoPowerShares.com.

Annual Total Returns—Calendar Year



Best Quarter

16.48% (2nd Quarter 2009)

Worst Quarter

(1.70)% (1st Quarter 2009)

Average Annual Total Returns for the Periods Ended December 31, 2009

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>Past One Year</u>	<u>Since Inception (04/08/08)</u>
PowerShares Active AlphaQ Fund (return before taxes) .....	.45.62%	(3.58)%
PowerShares Active AlphaQ Fund (return after taxes on distributions) .....	.45.62%	(3.60)%
PowerShares Active AlphaQ Fund (return after taxes on distributions and sale of Fund Shares) ..	.29.65%	(3.05)%
S&P 500® Index (reflects no deduction for fees, expenses or taxes) .....	.26.47%	(7.05)%
NASDAQ 100® Index (reflects no deduction for fees, expenses or taxes) .....	.54.61%	3.14%

Management of the Fund

Investment Adviser. Invesco PowerShares Capital Management LLC.

Investment Sub-Adviser. AER Advisors, Inc.

Portfolio Managers. The following individual is primarily responsible for the day-to-day management of the Fund's portfolio:

<u>Name</u>	<u>Title with Sub-Adviser</u>	<u>Date Began Managing the Fund</u>
David O'Leary	Chief Investment Officer of the Sub-Adviser	April 2008

For important information about the purchase and sale of Fund Shares and tax information, please turn to "Summary Information About Purchases, Sales and Taxes" on page 27 of the Prospectus.

PowerShares

Active Alpha Multi-Cap Fund

Summary Information

Investment Objective

The Fund's investment objective is to provide long-term capital appreciation.

Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund. Investors may pay brokerage commissions on their purchases and sales of Fund Shares, which are not reflected in the table.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees .....	.075%
Other Expenses .....	.000%
Total Annual Fund Operating Expenses .....	.075%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$77	\$240	\$417	\$930

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 197% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 95% of its total assets in stocks in the Multi-Cap Universe (as defined below) selected by the Fund's Sub-Adviser, AER, pursuant to a proprietary stock screening methodology, which utilizes fundamental and quantitative criteria. AER employs its unique stock screening methodology in the management of the Fund. Using its methodology, AER tracks and rates the stocks of companies with a market capitalization of over \$400 million that are traded in the United States. On a weekly basis, AER generates its "Master Stock List" which ranks a universe of approximately 3,000 stocks, segmented by market capitalization. AER then narrows its universe to the 2,000 largest stocks of companies with varying market capitalizations from the Master Stock List for the Fund (the "Multi-Cap Universe"). Utilizing a proprietary methodology, the Fund then generally selects and purchases approximately 50 stocks from the Multi-Cap Universe.

AER reviews the Multi-Cap Universe based on its proprietary ranking methodology generally on a weekly basis in seeking to maintain the portfolio in the highest-ranking stocks within the Multi-Cap Universe. The Fund seeks to remain fully invested with approximately equal-weighted positions, i.e. 2.0% for each stock, and AER will rebalance weightings to the initial equal weight when the position reaches 3.0%. Proceeds from stocks sold will be reinvested in the replacement stocks on an equal-weighted basis.

The Adviser executes all trades on behalf of the Fund.

AER's proprietary stock screening methodology was developed by AER in 1998 to combine the quantitative aspects of stock money flow with traditional fundamental security analysis. AER's investment methodology is designed to achieve returns in excess of the S&P 500® Index by focusing on the stocks within the Multi-Cap Universe identified through its proprietary stock screening methodology as strong performers and avoiding or eliminating from the portfolio stocks identified as weak performers.

Principal Risks of Investing in the Fund

The following summarizes the principal risks that have been identified for the Fund.

Market Risk. The Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Overall securities values could decline generally or could underperform other investments.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund's portfolio securities, the Sub-Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Small and Medium Capitalization Company Risk. Investing in securities of small and medium capitalization companies involves greater risk than is customarily associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the overall securities market. Often small and medium capitalization companies and the industries in which they are focused are still evolving and this may make them more sensitive to changing market conditions.

Large Capitalization Company Risk. Returns on investments of large capitalization companies could trail the returns on investments in stocks of smaller companies.

Equity Risk. Equity risk refers to the risk that the value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.

Financial Services Sector Risk. The Fund may be susceptible to adverse economic or regulatory occurrences affecting the financial services sector. Investing in the financial services sector involves risks, including the following: financial services companies are subject to extensive government regulation and, as a result, their profitability may be affected by new regulations or regulatory interpretations; unstable interest rates can have a disproportionate effect on the financial services sector; financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios which makes them vulnerable to economic conditions that affect that sector; and financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies.

Energy Sector Risk. Companies in the energy sector may be adversely affected by changes in worldwide energy prices, exploration and production spending. These companies are also affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters. Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources, development of alternative energy sources, technological developments and labor relations.

Information Technology Sector Risk. The information technology sector can be significantly affected by the failure to obtain, or delays in obtaining, financing or regulatory approval, intense competition, product compatibility, consumer preferences, corporate capital expenditure, rapid obsolescence and research and development of new products. Companies in the information technology sector also face competition or potential competition with numerous alternative technologies. In addition, the highly competitive information technology sector may cause the prices for these products and services to decline in the future.

Risk of Deviation between Market Price and NAV. Unlike conventional ETFs, the Fund is not an index fund. The Fund is actively managed and does not seek to replicate the performance of a specified index. Index based ETFs have generally traded at prices which closely correspond to NAV per share. Given the high level of transparency of the Fund's holdings, the Adviser believes that the trading experience of the Fund should be similar to that of index based ETFs. However, actively managed ETFs have a limited trading history and, therefore, there can be no assurance as to whether and/or the extent to which the Shares will trade at premiums or discounts to NAV.

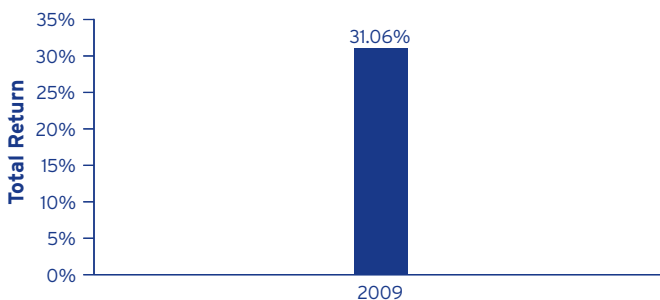
The Fund's Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the FDIC or any other government agency.

Performance

The bar chart that follows shows how the Fund performed. The table below the bar chart shows the Fund's average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing

changes in the Fund's performance and by showing how the Fund's average annual returns compared with a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available online at www.InvescoPowerShares.com.

Annual Total Returns—Calendar Year



Best Quarter

18.34% (2nd Quarter 2009)

Worst Quarter

(7.39)% (1st Quarter 2009)

Average Annual Total Returns for the Periods Ended December 31, 2009

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>Past One Year</u>	<u>Since Inception (04/08/08)</u>
PowerShares Active Alpha Multi-Cap Fund (return before taxes) .....	.31.06%	(18.57)%
PowerShares Active Alpha Multi-Cap Fund (return after taxes on distributions) .....	.30.96%	(18.65)%
PowerShares Active Alpha Multi-Cap Fund (return after taxes on distributions and sale of Fund Shares) . . .	.20.19%	(15.65)%
Russell 3000® Index (reflects no deduction for fees, expenses or taxes) .....	.28.34%	(6.49)%
S&P 500® Index (reflects no deduction for fees, expenses or taxes) .....	.26.47%	(7.05)%

Management of the Fund

Investment Adviser. Invesco PowerShares Capital Management LLC.

Investment Sub-Adviser. AER Advisors, Inc.

Portfolio Managers. The following individual is primarily responsible for the day-to-day management of the Fund’s portfolio:

<u>Name</u>	<u>Title with Sub-Adviser</u>	<u>Date Began Managing the Fund</u>
David O’Leary	Chief Investment Officer of the Sub-Adviser	April 2008

For important information about the purchase and sale of Fund Shares and tax information, please turn to “Summary Information About Purchases, Sales and Taxes” on page 27 of the Prospectus.

PowerShares Active Low Duration Fund

Summary Information

Investment Objective

The Fund's investment objective is total return.

Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund. Investors may pay brokerage commissions on their purchases and sales of Fund Shares, which are not reflected in the table.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees .....	.029%
Other Expenses .....	.00%
Total Annual Fund Operating Expenses .....	.029%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$30	\$93	\$163	\$368

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 295% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in a portfolio of U.S. government, corporate and agency debt securities. The 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund seeks to outperform its benchmark, Barclays Capital 1-3 Year U.S. Treasury Index, through an analysis of a variety of specific factors affecting the return on investments relative to the benchmark, and by applying an actively managed portfolio construction and security selection total return strategy. The Fund allocates its investments between U.S. government, corporate and agency debt securities based on current market conditions. There is no minimum or maximum percentage that may be allocated among these investments. In constructing the Fund's portfolio, Invesco Advisers, Inc. ("Invesco" or the "Sub-Adviser") considers macro-economic and sector level factors such as economic or political conditions and monetary policy, as well as issuer specific factors such as cash flow coverage, revenue growth, stable or improving credit ratings and business margin improvement. Invesco focuses on securities that it believes have favorable prospects for exceeding the benchmark's returns.

In implementing its investment strategy, the Fund currently intends to invest in U.S. Treasury futures and may do so with respect to the entire portfolio. The Fund may also invest without limitation in other derivative instruments including, among others, swaps, including interest rate, total return and credit default swaps, put options, call options, futures contracts and options on future contracts, reverse repurchase agreements and dollar rolls. Derivative instruments may have the effect of leveraging the Fund's portfolio. The Fund's investments in derivative instruments will be counted toward the 80% policy discussed above to the extent they have economic characteristics similar to the securities included within that policy.

Invesco will consider selling a particular security when the risks applicable to that security become unfavorable relative to that security's expected return.

Under normal market conditions, the Fund's effective duration, as estimated by the Fund's portfolio managers, will be in the range of zero to three years. Effective duration is a measure of the Fund's price sensitivity to changes in interest rates.

The Fund may invest up to 25% of its total assets in non-investment grade securities, commonly known as "junk bonds," as determined at the time of purchase. A fixed-income security is considered investment grade if it is rated at least "Baa3" by Moody's Investors Service, Inc., or "BBB-" by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or "BBB-" by Fitch Ratings, Inc., or, if unrated, if the Fund's Adviser and/or Sub-Adviser determine it to be of comparable credit quality at the time the investment is made.

The Fund typically maintains a portion of its assets in cash, which will generally be invested in either cash instruments or unaffiliated money market funds. The Fund will hold cash to handle its daily cash needs. The amount of cash held by the Fund may increase if the Fund takes a temporary defensive position. The Fund may take a temporary defensive position if there are inadequate investment opportunities available due to adverse market, economic, political or other conditions. Maintaining a larger proportion of the Fund's assets in cash rather than securities could negatively impact the Fund's investment results in a period of rising market prices;

conversely, it could reduce the magnitude of the Fund's losses in the event of falling market prices and provide liquidity to make additional investments.

Principal Risks of Investing in the Fund

The following summarizes the principal risks that have been identified for the Fund.

Market Risk. The prices of and the income generated by securities held by the Fund may decline in response to certain events, including those directly involving the companies and governments whose securities are owned by the Fund; general economic and market conditions; regional or global economic instability; and currency and interest rate fluctuations.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund's portfolio securities, Invesco will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Fixed-Income Securities Risk. Fixed-income securities are subject to interest rate risk and credit risk. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Credit risk refers to the possibility that the issuer of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt. Debt instruments are subject to varying degrees of credit risk which may be reflected in credit ratings. There is a possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Securities issued by the U.S. Government are subject to limited credit risk; however, securities issued by U.S. government agencies are not necessarily backed by the full faith and credit of the U.S. Government.

Call Risk. If interest rates fall, it is possible that issuers of callable securities with high interest coupons will "call" (or prepay) their bonds before their maturity date. If a call were exercised by the issuer during a period of declining interest rates, the Fund is likely to have to replace such called security with a lower yielding security. If that were to happen, it would decrease the Fund's net investment income.

Risk of Deviation between Market Price and NAV. Unlike conventional ETFs, the Fund is not an index fund. The Fund is actively managed and does not seek to replicate the performance of a specified index. Index based ETFs have generally traded at prices which closely correspond to NAV per share. Given the high level of transparency of the Fund's holdings, the Adviser believes that the trading experience of the Fund should be similar to that of index based ETFs. However, actively managed ETFs have a limited trading history and, therefore, there can be no assurance as to whether and/or the extent to which the Shares will trade at premiums or discounts to NAV.

Cash Redemption Risk. Unlike most ETFs, the Fund currently intends to effect redemptions partially for cash and partially in-kind, rather than primarily in-kind redemptions because of the nature of the Fund's investments. As such, investments in Shares may be less tax efficient than investments in conventional ETFs.

Lower-Rated Securities Risk. Lower-rated securities risk is a form of credit risk and may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. If the issuer of lower-rated securities defaults, the Fund may incur additional expenses to seek recovery.

Mortgage-Backed and Asset-Backed Securities Risk. The Fund may invest in mortgage and asset-backed securities that are subject to prepayment or call risk, which is the risk that payments from the borrower may be received earlier or later than expected due to changes in the rate at which the underlying loans are prepaid. Securities may be prepaid at a price less than the original purchase value.

Derivatives Risk. Derivatives may be more difficult to purchase, sell or value than other investments and may be subject to market, interest rate, credit, leverage, counterparty and management risks. A Fund investing in derivative could lose more than the cash amount invested and incur higher taxes.

Risks of Investing in U.S. Treasury Futures. The Fund may invest in futures contracts on U.S. Treasury securities to manage interest rate risk. These futures contracts enable the Fund to buy or sell a U.S. Treasury security in the future at an agreed-upon price, and require special skills and knowledge of investment techniques. If the Fund enters into a futures contract on U.S. Treasury securities at the wrong time or judges market conditions incorrectly, the use of such derivatives may significantly reduce the Fund's return.

Leverage Risk. The Fund may engage in transactions, including the use of derivatives, that may give rise to a form of leverage, which may impair the Fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective.

Valuation Risk. During periods of reduced market liquidity or in the absence of readily available market quotations for securities in a Fund's portfolio, the ability of the Fund to value its securities becomes more difficult and the judgment of the Adviser (through fair value procedures adopted by the Trustees) may play a greater role in the valuation of the Fund's securities due to reduced availability of reliable objective pricing data. Consequently, while such determinations may be made in good faith, it may nevertheless be more difficult for the Fund to accurately assign a daily value to such securities.

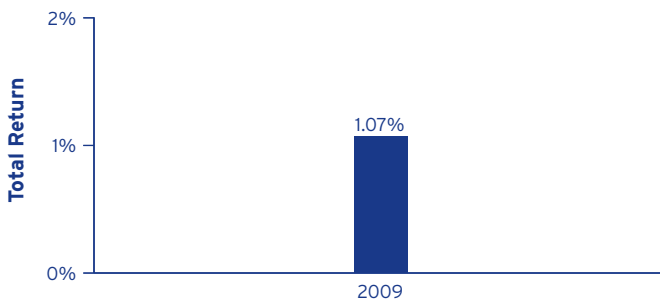
Non-Diversified Fund Risk. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund's Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the FDIC or any other government agency.

Performance

The bar chart that follows shows how the Fund performed. The table below the bar chart shows the Fund's average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance and by showing how the Fund's average annual returns compared with a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available online at www.InvescoPowerShares.com.

Annual Total Returns—Calendar Year



Best Quarter

0.87% (3rd Quarter 2009)

Worst Quarter

0.01% (2nd Quarter 2009)

Average Annual Total Returns for the Periods Ended December 31, 2009

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>Past One Year</u>	<u>Since Inception (04/08/08)</u>
PowerShares Active Low Duration Fund (return before taxes)	1.07%	2.33%
PowerShares Active Low Duration Fund (return after taxes on distributions)	0.51%	1.69%
PowerShares Active Low Duration Fund (return after taxes on distributions and sale of Fund Shares) ..	0.69%	1.62%
Barclays Capital 1-3 Year U.S. Treasury Index (reflects no deduction for fees, expenses or taxes)	0.80%	2.45%

Management of the Fund

Investment Adviser. Invesco PowerShares Capital Management LLC.

Investment Sub-Adviser. Invesco Advisers, Inc.

Portfolio Managers. The Sub-Adviser uses a team of portfolio managers, investment strategists and other investment specialists. The following individuals are jointly and primarily responsible for the day-to-day management of the Fund's portfolio:

<u>Name</u>	<u>Title with Sub-Adviser</u>	<u>Date Began Managing the Fund</u>
Brian M. Schneider	Senior Portfolio Manager of the Sub-Adviser	January 2009
D. Scott Case	Portfolio Manager of the Sub-Adviser	January 2009

For important information about the purchase and sale of Fund Shares and tax information, please turn to "Summary Information About Purchases, Sales and Taxes" on page 27 of the Prospectus.

PowerShares Active Mega Cap Fund

Summary Information

Investment Objective

The Fund's investment objective is long-term growth of capital.

Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund. Investors may pay brokerage commissions on their purchases and sales of Fund Shares, which are not reflected in the table.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees .....	.075%
Other Expenses .....	.000%
Total Annual Fund Operating Expenses .....	.075%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$77	\$240	\$417	\$930

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 87% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in a portfolio of equity securities of mega-capitalization companies. The principal type of equity securities purchased by the Fund is common stock. The 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund considers a company to be a mega-capitalization company if it has a market capitalization, at the time of purchase, equal to or greater than the market capitalization of the smallest company in the Russell Top 200[®] Index (the "Benchmark Index"). As of December 31, 2009, the market capitalization of the companies included in the Benchmark Index was between \$8.9 billion and \$338.4 billion. The Fund uses a universe of securities that are selected using the Benchmark Index as a guide in structuring and selecting its investments, but will invest in securities included in the Benchmark Index as well as securities not included in the Benchmark Index.

In implementing its investment strategy, the Fund may invest without limitation in derivative instruments, including, but not limited to, futures contracts. The Fund's investments in derivative instruments will be counted toward the 80% policy discussed above to the extent they have economic characteristics similar to the securities included within that policy.

In seeking to outperform the Benchmark Index, Invesco Advisers, Inc. (the "Sub-Adviser") evaluates fundamental and behavioral factors to forecast individual security returns and applies proprietary and non-proprietary risk and transaction cost models to forecast individual security risk and transaction costs. Based on the individual security forecasts, Invesco seeks to construct the optimal portfolio holdings for the Fund and to manage risk.

The Fund invests in securities that the Sub-Adviser believes have favorable prospects for above average growth while attempting to maintain a high correlation between the return of the Benchmark Index and the return of the Fund's portfolio. The Fund attempts to overweight securities with prospects for above average growth and favorable risk profile characteristics identified in the evaluation process and underweight securities with less advantageous characteristics. The security and portfolio evaluation process is generally repeated once per month.

Invesco will consider selling or reducing a security position (i) if the forecasted return of a security becomes less attractive relative to industry peers or (ii) if a particular security's risk profile changes.

The Adviser executes all trades on behalf of the Fund.

The Fund typically maintains a portion of its assets in cash, which will generally be invested in either cash instruments or unaffiliated money market funds. The Fund will hold cash to handle its daily cash needs, which include payment of Fund expenses and securities transactions expenses. The amount of cash held by the Fund may increase if the Fund takes a temporary defensive position. The Fund may take a temporary defensive position if there are inadequate investment opportunities available due to adverse market, economic, political or other conditions. Maintaining a larger proportion of the Fund's assets in cash rather than securities could negatively impact the Fund's investment results in a period of rising market prices; conversely, it could reduce the magnitude of the Fund's losses in the event of falling market prices and provide liquidity to make additional investments.

Principal Risks of Investing in the Fund

The following summarizes the principal risks that have been identified for the Fund.

Market Risk. The prices of securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund; general economic and market conditions; and currency and interest rate fluctuations.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund's portfolio securities, the Sub-Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Equity Risk. Equity risk refers to the risk that the value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.

Energy Sector Risk. Companies in the energy sector may be adversely affected by changes in worldwide energy prices, exploration and production spending. These companies are also affected by changes in government regulation, world events and economic conditions. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters. Companies in this sector could be adversely affected by commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources, development of alternative energy sources, technological developments and labor relations.

Healthcare Sector Risk. Companies in the healthcare sector may be affected by factors such as extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, costs associated with obtaining and protecting patents, product liability and other claims, changes in technologies and other market developments.

Information Technology Sector Risk. The information technology sector can be significantly affected by the failure to obtain, or delays in obtaining, financing or regulatory approval, intense competition, product compatibility, consumer preferences, corporate capital expenditure, rapid obsolescence and research and development of new products. Companies in the information technology sector also face competition or potential competition with numerous alternative technologies. In addition, the highly competitive information technology sector may cause the prices for these products and services to decline in the future.

Risk of Deviation between Market Price and NAV. Unlike conventional ETFs, the Fund is not an index fund. The Fund is actively managed and does not seek to replicate the performance of a specified index. Index based ETFs have generally traded at prices which closely correspond to NAV per share. Given the high level of transparency of the Fund's holdings, the Adviser believes that the trading experience of the Fund should be similar to that of index based ETFs. However, actively managed ETFs have a limited trading history and, therefore, there can be no assurance as to whether and/or the extent to which the Shares will trade at premiums or discounts to NAV.

Derivatives Risk. Derivatives may be more difficult to purchase, sell or value than other investments and may be subjected to market, interest rate, credit, leverage,

counterparty and management risks. A Fund investing in derivative could lose more than the cash amount invested and incur higher taxes.

Leverage Risk. The Fund may engage in transactions, including the use of derivatives, that may give rise to a form of leverage, which may impair the Fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective.

Large Capitalization Company Risk. Returns on investments of large U.S. companies could trail the returns on investments in stocks of smaller companies.

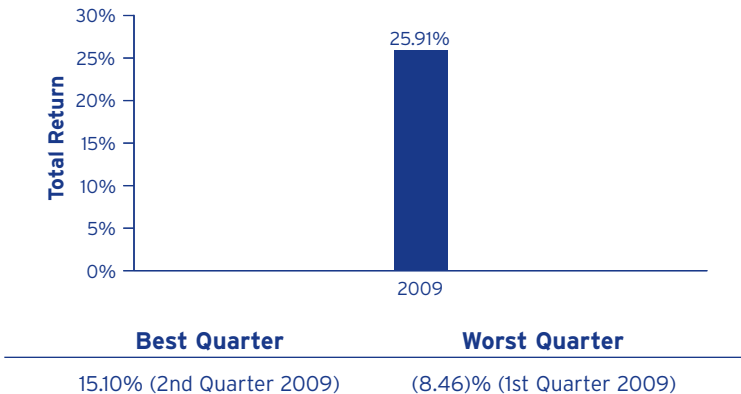
Non-Diversified Fund Risk. The Fund is considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund's Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the FDIC or any other government agency.

Performance

The bar chart that follows shows how the Fund performed. The table below the bar chart shows the Fund's average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund's performance and by showing how the Fund's average annual returns compared with a broad measure of market performance. The Fund's past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available online at www.InvescoPowerShares.com.

Annual Total Returns—Calendar Year



Average Annual Total Returns for the Periods Ended December 31, 2009

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>Past One Year</u>	<u>Since Inception (04/08/08)</u>
PowerShares Active Mega Cap Fund (return before taxes) .....	.25.91%	(3.60)%
PowerShares Active Mega Cap Fund (return after taxes on distributions) .....	.25.47%	(4.05)%
PowerShares Active Mega Cap Fund (return after taxes on distributions and sale of Fund Shares) . . .	.16.82%	(3.33)%
<hr/>		
S&P 500® Index (reflects no deduction for fees, expenses or taxes) .....	.26.47%	(7.05)%
Russell Top 200® Index (reflects no deduction for fees, expenses or taxes) .....	.24.21%	(7.32)%

Management of the Fund

Investment Adviser. Invesco PowerShares Capital Management LLC.

Investment Sub-Adviser. Invesco Advisers, Inc.

Portfolio Managers. The Sub-Adviser uses a team of portfolio managers, investment strategists and other investment specialists. The following individuals are jointly and primarily responsible for the day-to-day management of the Fund's portfolio:

<u>Name</u>	<u>Title with Sub-Adviser</u>	<u>Date Began Managing the Fund</u>
Ralph Coutant	Portfolio Manager of the Sub-Adviser	February 2010
Glen E. Murphy	Portfolio Manager of the Sub-Adviser	April 2008
Anthony J. Munchak	Portfolio Manager of the Sub-Adviser	April 2008
Francis M. Orlando	Portfolio Manager of the Sub-Adviser	April 2008
H. Anthony Shufflebotham	Portfolio Manager of the Sub-Adviser	February 2010

For important information about the purchase and sale of Fund Shares and tax information, please turn to "Summary Information About Purchases, Sales and Taxes" on page 27 of the Prospectus.

PowerShares

Active U.S. Real Estate Fund

Summary Information

Investment Objective

The Fund's investment objective is high total return through growth of capital and current income.

Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund. Investors may pay brokerage commissions on their purchases and sales of Fund Shares, which are not reflected in the table.

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees .....	.080%
Other Expenses .....	.000%
Total Annual Fund Operating Expenses .....	.080%

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$82	\$255	\$444	\$990

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it purchases and sells securities (or "turns over" its portfolio). A higher portfolio turnover will cause the Fund to incur additional transaction costs and may result in higher taxes when Fund Shares are held in a taxable account. These costs, which are not reflected in Total Annual Fund Operating Expenses or in the Example, may affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 46% of the average value of its portfolio.

Principal Investment Strategies

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in securities of companies that are principally engaged in the U.S. real estate industry and included within the FTSE NAREIT Equity REITs Index. The 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed. A company is considered to be principally engaged in the U.S. real estate industry if (i) it derives 50% of its revenues or profits from the ownership, leasing, construction, financing or sale of U.S. real estate; or (ii) it has at least 50% of the value of its assets invested in U.S. real estate. The Fund plans to invest principally in equity real estate investment trusts ("REITs"). Equity REITs pool investors' funds for investments primarily in real estate properties or real estate-related loans (such as mortgages). The Fund may also invest in real estate operating companies ("REOCs"), as well as securities of other companies principally engaged in the U.S. real estate industry. REOCs are similar to REITs, except that REOCs reinvest their earnings into the business, rather than distributing them to unitholders like REITs.

The Fund structures and selects its investments primarily from a universe of securities that are included within the FTSE NAREIT Equity REITs Index, at the time of purchase. Invesco Advisers, Inc. ("Invesco" or the "Sub-Adviser") and its affiliated sub-advisers are the Fund's sub-advisers. In constructing the portfolio, they analyze quantitative and statistical metrics to identify attractively priced securities. The security and portfolio evaluation process is generally conducted monthly. The Sub-Advisers will consider selling or reducing a security position if (i) the relative attractiveness of a security falls below desired levels; (ii) its quantitative risk/return profile changes significantly; or (iii) a more attractive investment opportunity is identified.

Under normal market conditions, the Fund anticipates being fully invested. However, the Fund may take a temporary defensive position and hold a portion of its assets in cash or cash equivalents which may include unaffiliated money market funds if there are inadequate investment opportunities available due to adverse market, economic, political or other conditions, or atypical circumstances such as unusually large cash inflows or redemptions. Maintaining a larger proportion of the Fund's assets in cash rather than securities could negatively impact the Fund's investment results in a period of rising market prices; conversely, it could reduce the magnitude of the Fund's losses in the event of falling market prices and provide liquidity to make additional investments.

The Adviser will execute all trades on behalf of the Fund.

Concentration Policy. The Fund will invest 25% or more of the value of its total assets in securities of companies that are principally engaged in the U.S. real estate industry.

Principal Risks of Investing in the Fund

The following summarizes the principal risks that have been identified for the Fund.

Market Risk. The prices of and income generated by securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund, general economic and market conditions, and currency and interest rate fluctuations.

Fixed-Income Securities Risk. Fixed-income securities are subject to interest rate risk and credit risk. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down.

When the general level of interest rates goes down, the prices of most fixed-income securities go up. Credit risk refers to the possibility that the issuer of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt. Debt instruments are subject to varying degrees of credit risk which may be reflected in credit ratings. There is a possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Securities issued by the U.S. Government are subject to limited credit risk; however, securities issued by U.S. government agencies are not necessarily backed by the full faith and credit of the U.S. Government.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund's portfolio securities, the Sub-Advisers will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Risks of Investing in the Real Estate Industry. Investments in real estate related instruments may be affected by economic, legal, cultural, environmental or technological factors that affect the property values, rents or occupancies of real estate related to the Fund's holdings.

Equity Risk. Equity risk refers to the risk that the value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate or factors relating to specific companies in which the Fund invests.

Risk of Deviation between Market Price and NAV. Index based ETFs have generally traded at prices which closely correspond to NAV per share. Given the high level of transparency of the Fund's holdings, the Adviser believes that the trading experience of the Fund should be similar to that of index based ETFs. However, actively managed ETFs have a limited trading history and, therefore, there can be no assurance as to whether and/or the extent to which the Shares will trade at premiums or discounts to NAV.

Small and Medium Capitalization Company Risk. Investing in securities of small and medium capitalization companies involves greater risk than is customarily associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the overall securities market. Often small and medium capitalization companies and the industries in which they are focused are still evolving and this may make them more sensitive to changing market conditions.

Concentration Risk. Because the Fund concentrates its investments in companies that are principally engaged in the real estate industry, the value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in a broader range of companies.

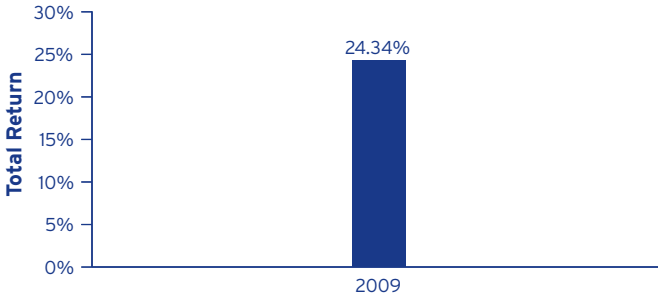
Non-Diversified Fund Risk. The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

The Fund's Shares will change in value, and you could lose money by investing in the Fund. The Fund may not achieve its investment objective. An investment in the Fund is not a deposit with a bank and is not insured or guaranteed by the FDIC or any other government agency.

Performance

The bar chart that follows shows how the Fund performed. The table below the bar chart shows the Fund’s average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing changes in the Fund’s performance and by showing how the Fund’s average annual returns compared with a broad measure of market performance. The Fund’s past performance (before and after taxes) is not necessarily indicative of how the Fund will perform in the future. Updated performance information is available online at www.InvescoPowerShares.com.

Annual Total Returns—Calendar Year



Best Quarter

Worst Quarter

33.10% (3rd Quarter 2009)

(32.28)% (1st Quarter 2009)

Average Annual Total Returns for the Periods Ended December 31, 2009

After-tax returns in the table below are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>Past One Year</u>	<u>Since Inception (11/19/08)</u>
PowerShares Active U.S. Real Estate Fund (return before taxes) . . . . .	.24.34%	77.57%
PowerShares Active U.S. Real Estate Fund (return after taxes on distributions) . . . . .	.23.48%	75.82%
PowerShares Active U.S. Real Estate Fund (return after taxes on distributions and sale of Fund Shares) . . .	.15.74%	65.08%
S&P 500® Index (reflects no deduction for fees, expenses or taxes) . . . . .	.26.47%	25.42%
FTSE NAREIT Equity REITs Index (reflects no deduction for fees, expenses or taxes) . . . . .	.27.99%	44.48%

Management of the Fund

Investment Adviser. Invesco PowerShares Capital Management LLC.

Primary Investment Sub-Adviser. Invesco Advisers, Inc.

Portfolio Managers. The Sub-Adviser uses a team of portfolio managers, investment strategists and other investment specialists. The following individuals are jointly and primarily responsible for the day-to-day management of the Fund's portfolio:

Name	Title with Sub-Adviser	Date Began Managing the Fund
Joe V. Rodriguez, Jr.	Portfolio Manager (lead) of the Sub-Adviser	November 2008
Mark Blackburn	Portfolio Manager of the Sub-Adviser	November 2008
Paul S. Curbo	Portfolio Manager of the Sub-Adviser	November 2008
James W. Trowbridge	Portfolio Manager of the Sub-Adviser	November 2008
Ping-Ying Wang	Portfolio Manager of the Sub-Adviser	November 2008

For important information about the purchase and sale of Fund Shares and tax information, please turn to "Summary Information About Purchases, Sales and Taxes" on page 27 of the Prospectus.

Summary Information about Purchases, Sales and Taxes

Purchase and Sale of Fund Shares

Each Fund issues and redeems Shares at NAV only in large blocks of 50,000 Shares (each block of Shares called a "Creation Unit") or multiples thereof ("Creation Unit Aggregations"). *Except when aggregated in Creation Units, the Shares are not redeemable securities of a Fund.*

Individual Shares of a Fund may only be purchased and sold in secondary market transactions through brokers. Shares of each Fund are listed on NYSE Arca, Inc. ("NYSE Arca" or the "Exchange"), and because Shares will trade at market prices rather than NAV, Shares of a Fund may trade at a price greater than or less than NAV.

Tax Information

The Funds' distributions are taxable and will generally be taxed as ordinary income or capital gains. A sale of Shares may result in capital gain or loss. Currently, any capital gain or loss realized upon a sale of Shares is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if the Shares have been held for one year or less. The ability to deduct capital losses may be limited.

Additional Information About the Funds' Strategies and Risks

Principal Risks of Investing in the Funds

The following section provides additional information regarding certain of the principal risks identified under "Principal Risks of Investing in the Fund" in each Fund's "Summary Information" section.

Equity Risk

Equity risk is the risk that the value of the securities held by a Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests. For example, an adverse event, such as an unfavorable earnings report, may depress the value of equity securities of an issuer held by the Fund; the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks and other equity securities held by the Fund. In addition, common stock of an issuer in the Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income,

and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers.

Fixed-Income Securities Risk

Fixed-income securities are subject to interest rate risk and credit risk. Interest rate risk refers to the risk that debt securities prices generally fall as interest rates rise; conversely, debt securities prices generally rise as interest rates fall. Specific debt securities differ in their sensitivity to changes in interest rates depending on specific characteristics of each debt security. A measure investors commonly use to determine this sensitivity is called duration. The longer the duration of a particular debt security, the greater its price sensitivity to interest rates. Similarly, a longer duration portfolio of securities has greater price sensitivity. Duration is determined by a number of factors including coupon rate, whether the coupon is fixed or floating, time to maturity, call or put features, and various repayment features. Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health. Such a deterioration of financial health may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its contractual obligations, including making timely payment of interest and principal. Credit ratings are a measure of credit quality. Although a downgrade or upgrade of a bond's credit ratings may or may not affect its price, a decline in credit quality may make bonds less attractive, thereby driving up the yield on the bond and driving down the price. Declines in credit quality can result in bankruptcy for the issuer and permanent loss of investment.

Lower-Rated Securities Risk

PowerShares Active Low Duration Fund may be subject to lower-rated securities risk, which is a form of credit risk. Securities that are below investment grade, commonly known as "junk bonds," are regarded as having predominantly speculative characteristics with respect to the capacity to pay interest and repay principal. Lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. The prices of lower-rated securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic downturns or individual corporate developments. Yields on lower-rated securities will fluctuate. If the issuer of lower-rated securities defaults, the Fund may incur additional expenses to seek recovery. The secondary markets in which lower-rated securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect the price at which the Fund could sell a particular lower-rated security when necessary to meet liquidity needs or in response to a specific economic event, such as a deterioration in the creditworthiness of the issuer, and could adversely affect and cause large fluctuations in the NAV of the Fund's Shares. Adverse publicity and investor perceptions may decrease the values and liquidity of lower-rated securities.

Mortgage-Backed Securities Risk

PowerShares Active Low Duration Fund invests in mortgage-backed securities, which represent a participation interest in a pool of residential mortgage loans originated by governmental or private lenders such as banks. They differ from conventional debt securities, which provide for periodic payment of interest in fixed amounts and principal payments at maturity or on specified call dates. Mortgage pass-through securities provide for monthly payments that are a "pass-through" of the monthly interest and principal payments made by the individual borrowers on the pooled

mortgage loans. Mortgage pass-through securities may be collateralized by mortgages with fixed rates of interest or adjustable rates. Mortgage-backed securities have different risk characteristics than traditional debt securities. Although generally the value of fixed-income securities increases during periods of falling interest rates and decreases during periods of rising rates, this is not always the case with mortgage-backed securities. This is due to the fact that principal on underlying mortgages may be prepaid at any time as well as other factors. Generally, prepayments will increase during a period of falling interest rates and decrease during a period of rising interest rates. The rate of prepayments also may be influenced by economic and other factors. Prepayment risk includes the possibility that, as interest rates fall, securities with stated interest rates may have the principal prepaid earlier than expected, requiring an Underlying Fund to invest the proceeds at generally lower interest rates. Certain mortgage-backed securities may be more volatile, less liquid and more difficult to value than other traditional types of debt securities.

Asset-Backed Securities Risk

PowerShares Active Low Duration Fund invests in asset-backed securities, which have risk characteristics similar to mortgage-backed securities. Like mortgage-backed securities, they generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. Also, as in the case of mortgage-backed securities, prepayments generally increase during a period of declining interest rates although other factors, such as changes in credit use and payment patterns, may also influence prepayment rates. Asset-backed securities also involve the risk that various federal and state consumer laws and other legal, regulatory and economic factors may result in the collateral backing the securities being insufficient to support payment on the securities. Certain asset-backed securities may be more volatile, less liquid and more difficult to value than other traditional types of debt securities.

Risks of Investing in U.S. Treasury Futures

PowerShares Active Low Duration Fund may invest in futures contracts on U.S. Treasury securities to manage interest rate risk. These futures contracts enable the Fund to buy or sell a U.S. Treasury security in the future at an agreed-upon price. The use of futures contracts requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling securities. If the Fund enters into a futures contract on U.S. Treasury securities at the wrong time or judges market conditions incorrectly, the use of such derivatives may significantly reduce the Fund's return. The Fund could also experience losses if the U.S. Treasury securities underlying futures contracts are not closely correlated with the securities held by the Fund or if the Fund is unable to close out a position because the market for such derivatives becomes illiquid.

Leverage Risk

PowerShares Active Low Duration Fund and PowerShares Active Mega Cap Fund engage in transactions, including the use of derivatives, that may give rise to a form of leverage. To mitigate leveraging risk, the Funds will earmark liquid assets or establish a segregated account or otherwise cover the transactions that may give rise to such risk. The use of leverage may cause a Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet earmarking requirements. Leverage may cause a Fund's portfolio to be more

volatile than if the portfolio had not been leveraged because leverage can exaggerate the effect of any increase or decrease in the value of securities held by the Fund.

Risks of Investing in the Real Estate Industry

The risks associated with the real estate industry in general include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry.

PowerShares Active U.S. Real Estate Fund will invest in REITs and REOCs. REITs and REOCs are subject to risks inherent in the direct ownership of real estate. These risks include, but are not limited to, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages and changes in neighborhood values and appeal to purchases. REITs and REOCs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs and REOCs invest and their underlying portfolio securities. The yield on an investment depends on the amount of income and capital appreciation generated by the company. If the property does not generate enough income, the ability of the real estate company to make principal and interest payments on its debt securities may be adversely affected. Furthermore, real property investments are also subject to risks that are specific to the real estate sector in which the REIT and/or REOC invests, such as hotel, office, healthcare and retail properties, which are often subject to specific governmental laws and regulations. In addition, the value of a REIT and REOC can depend on the structure of, and cash flow generated by, the REIT and REOC.

Financial Services Sector Risk

Investing in the financial services sector involves risks, including the following: financial services companies are subject to extensive government regulation and, as a result, their profitability may be affected by new regulations or regulatory interpretations; unstable interest rates can have a disproportionate effect on the financial services sector; financial services companies whose securities a Fund may purchase may themselves have concentrated portfolios which makes them vulnerable to economic conditions that affect that sector; and financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Increased government involvement in financial institutions, including measures such as taking ownership positions in such institutions, could result in a dilution in the value of the shares held by shareholders in such institutions. The recent deterioration of the credit markets has caused an adverse impact on a broad range of financial markets, thereby causing certain financial services companies to incur large losses. Certain financial services companies have experienced declines in the valuation of their assets and even ceased operations.

Healthcare Sector Risk

The profitability of companies in the healthcare sector may be affected by extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, changes in technologies and other market developments. Companies in the healthcare sector are heavily dependent on patent protection. The process of obtaining patent approval can be long and costly, and the expiration of patents may adversely affect the profitability of the companies. Healthcare companies are also subject to extensive litigation based on product liability and similar claims. Companies in the healthcare sector are affected by rising costs of medical products, devices and services and the increased emphasis on the delivery of healthcare through outpatient services. Many new products are subject to regulatory approval and the process of obtaining such approval can be long and costly. Healthcare companies are also subject to competitive forces that may make it difficult to raise prices and, at times, may result in price discounting. Additionally, the profitability of some healthcare companies may be dependent on a relatively limited number of products and their products can become obsolete due to industry innovation, changes in technologies or other market developments. In addition, companies in the healthcare sector may be thinly capitalized and therefore may be susceptible to product obsolescence.

Information Technology Sector Risk

The information technology sector can be significantly affected by the failure to obtain, or delays in obtaining, financing or regulatory approval, intense competition, product compatibility, consumer preferences, corporate capital expenditure, rapid obsolescence and research and development of new products. Companies in the information technology sector also face competition or potential competition with numerous alternative technologies. In addition, the highly competitive information technology sector may cause the prices for these products and services to decline in the future. The information technology sector is subject to rapid and significant changes in technology that are evidenced by the increasing pace of technological upgrades, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products and enhancements, developments in emerging wireless transmission technologies and changes in customer requirements and preferences. The success of the sector participants depends in substantial part on the timely and successful introduction of new products.

Cash Redemption Risk

Unlike most ETFs, PowerShares Active Low Duration Fund currently intends to effect redemptions partially for cash and partially in-kind, rather than primarily in-kind redemptions because of the nature of the Fund's investments. As such, investments in Shares may be less tax efficient than investments in conventional ETFs. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the fund level. Because the Fund currently intends to effect redemptions partially for cash, rather than primarily in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. The Fund may recognize a capital gain on these sales that might not have been incurred if the Fund had made a redemption entirely in-kind, and this may decrease the tax efficiency of the Fund compared to ETFs that utilize an entirely in-kind redemption process.

Additional Risks of Investing in the Funds

The following provides additional risk information regarding investing in the Funds.

Non-Fundamental Policies

Each of the policies described herein, including the investment objective of each Fund, constitutes a non-fundamental policy that may be changed by the Board of Trustees (the "Board") of the PowerShares Actively Managed Exchange-Traded Fund Trust (the "Trust") without shareholder approval. Certain fundamental policies of the Funds are set forth in the Statement of Additional Information ("SAI") under "Investment Restrictions and Policies."

Non-Defensive Investing

PowerShares Active AlphaQ Fund and PowerShares Active Alpha Multi-Cap Fund are intended primarily as a vehicle for the implementation of the strategy described under the heading "Principal Investment Strategies" in each Fund's Summary Information section. Each of PowerShares Active AlphaQ Fund and PowerShares Active Alpha Multi-Cap Fund generally intend to be substantially fully invested in accordance with its investment objective and policies regardless of market conditions.

Transparency of Portfolios

Each Fund will disclose, prior to the opening of trading on NYSE Arca, the identity and quantity of the securities in the Fund's portfolio that will form the basis for the Fund's NAV calculation.

Trading Issues

Trading in Shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in Shares inadvisable. In addition, trading in Shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to the NYSE Arca "circuit breaker" rules. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of a Fund will continue to be met or will remain unchanged.

Shares May Trade At Prices Different Than NAV

The NAV of a Fund's Shares will generally fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will generally fluctuate in accordance with changes in NAV as well as the relative supply of and demand for the Shares on NYSE Arca. The Adviser cannot predict whether the Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for the Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities held by a Fund. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from NAV. If a shareholder purchases at a time when the market price is at a premium to the NAV or sells at a time when the market price is at a discount to the NAV, the shareholder may sustain losses.

Derivatives Risk

Derivatives involve risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. For example, derivatives involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying indicator. Derivative transactions can create investment leverage, may be highly volatile and a Fund could lose more than the amount it invests. Many derivative transactions are entered into "over-the-counter" (not on an exchange or contract market); as a result, the value of such a derivative transaction will depend on the ability and the willingness of a Fund's counterparty to perform its obligations under the transaction. If a counterparty were to default on its obligations, the Fund's contractual remedies against such counterparty may be subject to bankruptcy and insolvency laws, which could affect the Fund's rights as a creditor (e.g., the Fund may not receive the net amount of payments that it is contractually entitled to receive). A liquid secondary market may not always exist for a Fund's derivative positions at any time.

Dollar Rolls Risk

The PowerShares Active Low Duration Fund may engage in dollar roll transactions. A dollar roll involves the sale by the Fund of a mortgage-backed security to financial institutions such as banks and broker-dealers, with an agreement that the Fund will repurchase a substantially similar (i.e., same type, coupon and maturity) security at an agreed upon price and date. The mortgage securities that are purchased will bear the same interest rate as those sold, but will generally be collateralized by different pools of mortgages with different pre-payment histories. During the period between the sale and repurchase, the Fund will not be entitled to receive interest and principal payments on the securities sold. The Fund is compensated for the difference between the current sales price and the forward price for the future purchase. In addition, cash proceeds of the sale will be invested in short-term instruments and the income from these investments, together with any additional fee income received on the sale, could generate income for the Fund exceeding the yield on the sold security. The Fund typically enters into dollar roll transactions to enhance the Fund's return either on income or total return basis or to manage pre-payment risk. Dollar roll transactions involve the risk that the market value of the securities retained by the Fund may decline below the price of the securities that the Fund has sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a dollar roll transaction files for bankruptcy or becomes insolvent, the Fund's use of the proceeds from the sale of the securities may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. The use of dollar rolls may exaggerate any interim increase or decrease in the value of the Fund's assets. At the time the Fund enters into a dollar roll, it will segregate or earmark on its books liquid assets having a dollar value equal to the repurchase price, and will continually monitor the account to ensure that such equivalent value is maintained at all times.

Reverse Repurchase Agreements Risk

The PowerShares Active Low Duration Fund may enter into reverse repurchase agreements, which involve the sale of securities with an agreement to repurchase the securities at an agreed-upon price, date and interest payment and have the characteristics of borrowing. The securities purchased with the funds obtained from

the agreement and securities collateralizing the agreement will have maturity dates no later than the repayment date. Such transactions are only advantageous if the Fund has an opportunity to earn a greater rate of return on the cash derived from these transactions than the interest cost of obtaining the same amount of cash. Opportunities to realize earnings from the use of the proceeds equal to or greater than the interest required to be paid may not always be available and the Fund intends to use the reverse repurchase technique only when the Adviser and/or Sub-Adviser believes it will be advantageous to the Fund. In the event the buyer of securities under a reverse repurchase agreement transaction files for bankruptcy or becomes insolvent, the Fund's use of the proceeds from the sale of the securities may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. The use of reverse repurchase agreements may exaggerate any interim increase or decrease in the value of the Fund's assets. The Fund will earmark liquid assets or establish a segregated account or otherwise cover the transactions that may give rise to such risk.

Tax-Advantaged Structure of ETFs

Unlike interests in conventional mutual funds, the Shares are traded throughout the day on a national securities exchange, whereas mutual fund interests are typically only bought and sold at closing NAVs. The Shares have been designed to be tradable in the secondary market on a national securities exchange on an intra-day basis and to be created and redeemed principally in-kind, except for Shares of PowerShares Active Low Duration Fund, which are designed to be created and redeemed partially in-kind, in Creation Units at each day's next calculated NAV in order to protect ongoing shareholders from the adverse effects on the portfolio of each Fund that could arise from frequent cash creation and redemption transactions. In a conventional mutual fund, redemptions can have an adverse tax impact on taxable shareholders because of the mutual fund's need to sell portfolio securities to obtain cash to meet such redemptions. These sales may generate taxable gains for the shareholders of the mutual fund that do not redeem their shares, whereas the Shares' in-kind redemption mechanism is designed to minimize taxable gains resulting from redemptions.

The tax advantages of investing in Shares may be less pronounced because the Funds are actively managed and, therefore, may have greater turnover in their portfolio securities, which could result in less tax efficiency than an investment in a fund that is not actively managed.

Because PowerShares Active U.S. Real Estate Fund invests principally in REITs, shareholders of PowerShares Active U.S. Real Estate Fund may recognize ordinary income and capital gains in greater amounts and at earlier times compared to investors in a fund that does not invest in REITs.

Certain Funds may invest in derivatives, the use of which will generally result in the realization of short-term capital gains that will be classified as ordinary income when distributed to investors.

Portfolio Holdings

A description of the Trust's policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the Funds' SAI.

Management of the Funds

Invesco PowerShares Capital Management LLC is a registered investment adviser with its offices at 301 West Roosevelt Road, Wheaton, Illinois 60187. Invesco PowerShares Capital Management LLC serves as the investment adviser to the Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Exchange-Traded Fund Trust, a family of ETFs with combined assets under management of more than \$14.8 billion as of January 31, 2010. The Trust is currently comprised of five ETFs.

Invesco PowerShares Capital Management LLC has overall responsibility as the Funds' investment adviser for the ongoing monitoring of the Funds' investments, managing the Funds' business affairs, providing certain clerical, bookkeeping and other administrative services and oversight of the Sub-Advisers.

AER Advisors, Inc. is a registered investment adviser and serves as the investment sub-adviser to PowerShares Active AlphaQ Fund and PowerShares Active Alpha Multi-Cap Fund and, subject to the supervision of the Adviser and the Board, is responsible for the investment management of PowerShares Active AlphaQ and Alpha Multi-Cap Funds. AER's principal business address is 88 Lafayette Road, P.O. Box 610, North Hampton, New Hampshire 03862. AER does not manage other accounts. Alpha Equity Research, Inc., an affiliate of AER, is a well known provider of research services to investment advisers, broker-dealers and other financial institutions.

Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.), a subsidiary of Invesco Ltd., the parent of Invesco PowerShares Capital Management LLC, is a registered investment adviser and serves as the investment sub-adviser to PowerShares Active Low Duration Fund and PowerShares Active Mega Cap Fund and, subject to the supervision of the Adviser and the Board, is responsible for the investment management of PowerShares Active Low Duration Fund and PowerShares Active Mega Cap Fund. Invesco's principal business address is 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. Invesco has been a registered investment adviser since 1988 and had approximately \$218 billion in assets under management as of December 31, 2009.

The following affiliates of Invesco serve as investment sub-advisers to PowerShares Active U.S. Real Estate Fund and may be appointed by the Adviser from time to time to provide discretionary investment management services and investment advice to PowerShares Active U.S. Real Estate Fund:

Invesco Advisers, Inc., located at 1555 Peachtree Street, N.E., Atlanta, Georgia 30309, which has acted as an investment adviser since 1988.

Invesco Asset Management Deutschland GmbH, located at An der Welle 5, 1st Floor, Frankfurt, Germany 60322, which has acted as an investment adviser since 1998.

Invesco Asset Management Limited, located at 30 Finsbury Square, London, EC2A, 1AG, United Kingdom, which has acted as an investment adviser since 2001.

Invesco Asset Management (Japan) Limited, located at 25th Floor, Shiroyama Trust Tower, 3-1, Toranomo 4-chrome, Minato-ku, Tokyo 105-6025, Japan, which has acted as an investment adviser since 1996.

Invesco Australia Limited, located at 333 Collins Street, Level 26, Melbourne Vic 3000, Australia, which has acted as an investment adviser since 1983.

Invesco Hong Kong Limited, located at 32nd Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong, which has acted as an investment adviser since 1994.

Invesco Senior Secured Management, Inc., located at 1166 Avenue of the Americas, New York, New York 10036, which has acted as an investment adviser since 1992.

Invesco Trimark Ltd., located at 5140 Yonge Street, Suite 900, Toronto, Ontario, Canada M2N 6X7, which has acted as an investment adviser since 1981.

Portfolio Managers

Investment decisions for PowerShares Active Alpha Multi-Cap Fund and PowerShares Active AlphaQ Fund are made by AER. David O'Leary has been primarily responsible for the day-to-day management of such Funds' portfolios since each Fund's inception in April 2008. Mr. O'Leary has served as Chairman and Chief Executive Officer of Alpha Equity Research for the past 15 years, as well as the Chairman and Chief Investment Officer of AER Advisors. As the lead portfolio manager, Mr. O'Leary generally has final authority over the Funds' portfolio construction techniques and portfolio risk assessment.

Investment decisions for PowerShares Active Low Duration Fund are made by investment management teams at Invesco. The following individuals are jointly and primarily responsible for the day-to-day management of the Fund's portfolio:

- Brian M. Schneider is a Senior Portfolio Manager at Invesco. He has been responsible for the management of the Fund since January 2009 and has been associated with Invesco and/or its affiliates since 1987.
- D. Scott Case, Portfolio Manager, has been responsible for the management of the Fund since January 2009 and has been associated with Invesco and/or its affiliates since 1997.

Investment decisions for PowerShares Active Mega Cap Fund are made by investment management teams at Invesco. The following individuals are jointly and primarily responsible for the day-to-day management of the Fund's portfolio:

- Ralph Coutant, Portfolio Manager, has been responsible for the management of the Fund since February 2010 and has been associated with Invesco and/or its affiliates in an investment management capacity since 1999.
- Glen E. Murphy, Portfolio Manager, has been responsible for the management of the Fund since its inception in April 2008 and has been associated with Invesco and/or its affiliates in an investment management capacity since 1995.
- Anthony J. Munchak, Portfolio Manager, has been responsible for the management of the Fund since its inception in April 2008 and has been associated with Invesco and/or its affiliates in an investment management capacity since 2000.
- Francis M. Orlando, Portfolio Manager, has been responsible for the management of the Fund since its inception in April 2008 and has been associated with Invesco and/or its affiliates in an investment management capacity since 1987.

- H. Anthony Shufflebotham, Portfolio Manager, has been responsible for the management of the Fund since February 2010 and has been associated with Invesco and/or its affiliates in an investment management capacity since 1998.

The portfolio managers listed above are assisted by the Invesco's Global Quantitative Equity Portfolio Management Team, which is comprised of portfolio managers and research analysts. Team members provide research support and make securities recommendations with respect to the Funds' portfolios, but do not have day-to-day management responsibilities with respect to the Funds' portfolios.

Investment decisions for PowerShares Active U.S. Real Estate Fund are made by investment management teams at Invesco. The following individuals are jointly and primarily responsible for the day-to-day management of PowerShares Active U.S. Real Estate Fund's portfolio:

- Joe V. Rodriguez, Jr. is a Portfolio Manager and the lead manager overseeing the investment team and Fund operations and has been responsible for the management of the Fund since its inception in November 2008, and he has been associated with Invesco and/or its affiliates since 1990.
- Mark Blackburn, Portfolio Manager, has been responsible for the management of the Fund since its inception in November 2008 and has been associated with Invesco and/or its affiliates since 1998.
- Paul S. Curbo, Portfolio Manager, has been responsible for the management of the Fund since its inception in November 2008 and has been associated with Invesco and/or its affiliates since 1998.
- James W. Trowbridge, Portfolio Manager, has been responsible for the management of the Fund since its inception in November 2008 and has been associated with Invesco and/or its affiliates since 1989.
- Ping-Ying Wang, Portfolio Manager, has been responsible for the management of the Fund since its inception in November 2008 and has been associated with Invesco and/or its affiliates since 1998.

The Funds' SAI provides additional information about the portfolio managers' compensation structure, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in the Trust.

The Adviser has overall responsibility for the general management and administration of the Trust. The Adviser manages the Sub-Advisers and/or implements an investment program for the Funds and manages the investment of each Fund's assets. For its services, the Adviser receives a unitary management fee from each Fund which accrues daily and is payable monthly.

Out of the unitary management fee, the Adviser pays substantially all expenses of the Fund, including the payments to Sub-Advisers, costs of transfer agency, custody, fund administration, legal, audit and other services, except for the fee payments under the Investment Advisory Agreement, distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses and other extraordinary expenses.

Each of PowerShares Active AlphaQ Fund, PowerShares Active Alpha Multi-Cap Fund and PowerShares Active Mega Cap Fund pays the Adviser a unitary management fee equal to 0.75% of its average daily net assets. The PowerShares Active Low Duration Fund pays the Adviser a unitary management fee equal to 0.29% of its average daily net assets. The PowerShares Active U.S. Real Estate Fund pays the Adviser a unitary management fee equal to 0.80% of its average daily net assets.

The Adviser's unitary management fee is designed to pay the Funds' expenses and to compensate the Adviser for providing services for the Funds.

A discussion regarding the Board's basis for approving the Investment Advisory Agreement and the Sub-Advisory Agreements is available in the semi-annual report to shareholders for the period ended April 30, 2009.

How to Buy and Sell Shares

Most investors buy and sell Shares of each Fund in secondary market transactions through brokers. Shares of each Fund will be listed for trading on the secondary market on the NYSE Arca. Shares can be bought and sold throughout the trading day like other publicly traded shares. There is no minimum investment. Although Shares are generally purchased and sold in "round lots" of 100 Shares, brokerage firms typically permit investors to purchase or sell Shares in smaller "oddlots" at no per-share price differential. When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges, and you may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. The Funds' Shares trade on NYSE Arca under the following symbols:

Fund	Trading Symbol
PowerShares Active AlphaQ Fund .....	.PQY
PowerShares Active Alpha Multi-Cap Fund .....	.PQZ
PowerShares Active Low Duration Fund .....	.PLK
PowerShares Active Mega Cap Fund .....	.PMA
PowerShares Active U.S. Real Estate Fund .....	.PSR

Share prices are reported in dollars and cents per Share.

Investors may acquire Shares directly from each Fund, and shareholders may tender their Shares for redemption directly to each Fund, at NAV per Share only in Creation Unit Aggregations.

Book Entry

Shares are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ("DTC") or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

Investors owning Shares are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all Shares. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of Shares, you are not entitled to receive physical delivery of stock certificates or to have Shares registered in your name, and you are not considered a registered owner of Shares. Therefore, to exercise any right as an owner of Shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other stocks that you hold in book entry or "street name" form.

Fund Share Trading Prices

The trading prices of Shares of each Fund on the NYSE Arca may differ from the Fund's daily NAV and can be affected by market forces of supply and demand, economic conditions and other factors.

The approximate value of Shares of each Fund is disseminated every 15 seconds. This approximate value should not be viewed as a "real-time" update of the NAV per Share of the Fund because the approximate value will not be calculated in the same manner as the NAV, which is computed once a day, generally at the end of the business day. The Funds are not involved in, or responsible for, the calculation or dissemination of the approximate value of the Shares and the Funds do not make any warranty as to its accuracy.

Frequent Purchases and Redemptions of Fund Shares

The Board has adopted a policy of not monitoring for frequent purchases and redemptions of Fund Shares ("market timing"). In establishing this policy, the Board evaluated the risks of market timing activities by the Trust's shareholders. The Board noted that a Fund's Shares can only be purchased and redeemed directly from the Fund in Creation Units by authorized participants ("APs") and that the vast majority of trading in the Funds' Shares occurs on the secondary market. Because the secondary market trades do not involve a Fund directly, it is unlikely those trades would cause many of the harmful effects of market timing, including dilution, disruption of portfolio management, increases in the Funds' trading costs and the realization of capital gains. With respect to trades directly with the Funds, to the extent effected in-kind (i.e., for securities), those trades do not cause any of the harmful effects (as previously noted) that may result from frequent cash trades. To the extent that the Trust allows or requires trades to be effected in whole or in part in cash, the Board noted that those trades could result in dilution to a Fund and increased transaction costs, which could negatively impact the Fund's ability to achieve its investment objective. However, the Board noted that direct trading by APs is critical to ensuring that the Funds' Shares trade at or close to NAV. The Funds also employ fair valuation pricing to minimize potential dilution from market timing. The Funds impose transaction fees on in-kind purchases and redemptions of Fund Shares to cover the custodial and other costs incurred by a Fund in effecting in-kind trades, these fees increase if an investor substitutes cash in part or in whole for securities, reflecting the fact that a Fund's trading costs increase in those circumstances. Given this structure, the Board determined that it is not necessary to adopt policies and procedures to detect and deter market timing of the Funds' Shares.

Dividends, Distributions and Taxes

Dividends and Capital Gains

As a shareholder, you are entitled to your share of a Fund's income and net realized gains on its investments. Each Fund pays out all or substantially all its net earnings to its shareholders as "distributions."

Each Fund typically earns income dividends from stocks and interest from debt securities. These amounts, net of expenses, are passed along to Fund shareholders as "income dividend distributions." Each Fund realizes capital gains or losses whenever it sells securities. Net long-term capital gains are distributed to shareholders as "capital gain distributions."

A portion of PowerShares Active U.S. Real Estate Fund's dividends received from investments in REITs may be reclassified as a return of capital for tax purposes. As a result of such reclassification, the Fund is more likely to make distributions that are treated as returns of capital, and possibly in greater amounts, than a fund that does not invest in REITs. For more information, please see the SAI section "Taxes."

Ordinarily, dividends from net investment income, if any, are declared and paid annually for each Fund, except with respect to PowerShares Active Low Duration Fund, which are declared and paid monthly, and PowerShares Active U.S. Real Estate Fund, which are declared and paid quarterly. Each Fund distributes its net realized capital gains, if any, to shareholders annually. Dividends may be declared and paid more frequently to comply with the distribution requirements of the Internal Revenue Code of 1986, as amended.

Distributions in cash may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available.

Taxes

As with any investment, you should consider how your investment in Shares will be taxed. The tax information in this Prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in Shares.

Unless your investment in Shares is made through a tax-exempt entity or tax-deferred retirement account, such as an IRA plan, you need to be aware of the possible tax consequences when:

- Your Fund makes distributions,
- You sell your Shares listed on NYSE Arca, and
- You purchase or redeem Creation Units.

Taxes on Distributions

Ordinarily, dividends from net investment income, if any, are declared and paid at least annually for each Fund, except with respect to PowerShares Active Low Duration Fund, which are declared and paid monthly, and PowerShares Active U.S. Real Estate Fund, which are declared and paid at least quarterly. Each Fund may also pay a special distribution at the end of the calendar year to comply with federal tax requirements. In general, your distributions are subject to federal income tax when they are paid, whether you take them in cash or reinvest them in a Fund. Dividends paid out of the Fund's income and net short-term gains, if any, are taxable as ordinary income. Distributions of net long-term capital gains, if any, in excess of net short-term capital losses are taxable as long-term capital gains, regardless of how long you have held the Shares.

Long-term capital gains of non-corporate taxpayers are generally taxed at a maximum rate of 15% for taxable years beginning before January 1, 2011. In addition, for these taxable years, some ordinary dividends declared and paid by a Fund to non-corporate shareholders may qualify for taxation at the lower reduced tax rates

applicable to long-term capital gains, provided that holding period and other requirements are met by the Fund and the shareholder. Without future congressional action, the maximum rate of long-term capital gains will return to 20% in 2011, and all dividends will be taxed at ordinary income rates.

Distributions in excess of a Fund's current and accumulated earnings and profits are treated as a tax-free return of capital to the extent of your basis in the Shares, and as capital gain thereafter. A distribution will reduce a Fund's NAV per Share and may be taxable to you as ordinary income or capital gain even though, from an investment standpoint, the distribution may constitute a return of capital.

By law, each Fund must withhold a percentage of your distributions and proceeds if you have not provided a taxpayer identification number or social security number.

Taxes on Exchange-Listed Share Sales and Cash Redemptions

Currently, any capital gain or loss realized upon a sale of Shares is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if the Shares have been held for one year or less. The ability to deduct capital losses may be limited. A redemption of your Fund shares for cash is normally treated as a sale for tax purposes.

Taxes on In-Kind Purchases and In-Kind Redemptions of Creation Units

To the extent an AP exchanges equity securities or equity securities and cash for Creation Units, such AP generally will recognize a gain or a loss equal to the difference between the market value of the Creation Units at the time and the exchanger's aggregate basis in the securities surrendered and the amount of any cash paid for such Creation Units. An AP who exchanges Creation Units for equity securities or equity securities and cash will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and the aggregate market value of the securities received and the amount of any cash received for such Creation Units. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of primarily securities for Creation Units cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax advisor with respect to whether wash sale rules apply and when a loss might be deductible.

Under current federal tax laws, any capital gain or loss realized upon redemption of Creation Units is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if the Shares have been held for one year or less.

If you purchase or redeem Creation Units, you will be sent a confirmation statement showing how many Shares you purchased or sold and at what price.

The foregoing discussion summarizes some of the possible consequences under current federal tax law of an investment in a Fund. It is not a substitute for personal tax advice. You may also be subject to state and local tax on Fund distributions and sales of Fund Shares. Consult your personal tax advisor about the potential tax consequences of an investment in Fund Shares under all applicable tax laws. For more information, please see the SAI section "Taxes."

Distributor

Invesco Aim Distributors, Inc. (the “Distributor”) serves as the distributor of Creation Units for each Fund on an agency basis. The Distributor does not maintain a secondary market in Shares.

Net Asset Value

The Bank of New York Mellon (formerly known as The Bank of New York) (“BNYM”) calculates each Fund’s NAV at the close of regular trading (normally 4:00 p.m., Eastern time) every day New York Stock Exchange, Inc. is open, provided that U.S. fixed-income assets may be valued as of the announced closing time for trading in fixed-income instruments on any day that the Securities Industry and Financial Markets Association announces an early closing time. NAV is calculated by deducting all of the Fund’s liabilities from the total value of its assets and dividing the result by the number of Shares outstanding, rounding to the nearest cent. All valuations are subject to review by the Trust’s Board or its delegate.

In determining NAV, expenses are accrued and applied daily and securities and other assets for which market quotations are available are valued at market value. Market value generally means a valuation (i) obtained from an exchange, a pricing service, or a major market maker (or dealer) or (ii) based on a price quotation or other equivalent indication of value supplied by an exchange, a pricing service, or a major market maker (or dealer) or (iii) based on amortized cost. Common stocks and other equity securities are valued at the last sales price that day based on the official closing price of the exchange where the security is primarily traded. The NAV for each Fund is calculated and disseminated daily. The approximate value of Shares of each Fund, an amount representing on a per share basis the sum of the current value of the Deposit Securities based on their then current market price and the estimated Cash Component is disseminated every 15 seconds throughout the trading day through the facilities of the Consolidated Tape Association.

If a security’s market price is not available or does not otherwise accurately reflect the fair value of the security, the security will be valued by another method that the Adviser believes will better reflect fair value in accordance with the Trust’s valuation policies and procedures approved by the Board. Money market securities maturing in 60 days or less will be valued at amortized cost. Securities regularly traded in an over-the-counter market are valued at the latest quoted sale price in such market. Each Fund may use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a security in a Fund’s portfolio has been materially affected by events occurring after the close of the market on which the security is principally traded (such as a corporate action or other news that may materially affect the price of a security) or trading in a security has been suspended or halted. The Adviser may use various pricing services or discontinue the use of any pricing service. A price obtained from a pricing service based on such pricing service’s valuation matrix may be considered a market valuation. When price quotes are not readily available, securities will be valued at fair value. Investments that may be valued at fair value include, among others, an unlisted security related to corporate actions, a restricted security, a security whose trading has been suspended from trading on its primary trading exchange, a security that is thinly

traded, a security in default or bankruptcy proceedings for which there is no current market quotation and a security affected by a significant event, which event includes acts of terrorism, natural disasters, government action, armed conflict and significant market fluctuations. Fair value pricing involves subjective judgments and it is possible that fair value determined for each security is materially different than the value that could be realized upon the sale of that security. The PowerShares Active Low Duration Fund's portfolio of fixed-income securities is valued by a third party independent pricing service. The pricing service has informed the Trust, that in valuing PowerShares Active Low Duration Fund's portfolio securities, it uses both a computerized grid of fixed-income securities and evaluations by its staff, and the Fund's portfolio securities are thus valued by reference to a combination of transactions and quotations for the same or other services believed to be comparable in quality, coupon, maturity, type of issue, call provisions, trading characteristics and other features deemed to be relevant.

Fund Service Providers

BNYM, 101 Barclay Street, New York, New York 10286, is the administrator, custodian, transfer agent and fund accounting and dividend disbursing agent for each Fund.

Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036, serves as legal counsel to the Funds.

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, New York 10017, serves as the Funds' independent registered public accounting firm. The independent registered public accounting firm is responsible for auditing the annual financial statements of the Funds.

Financial Highlights

The financial highlights tables below are intended to help you understand each Fund's financial performance since its inception. Certain information reflects financial results for a single Fund Share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in each Fund (assuming reinvestment of all dividends and distributions). This information has been derived from the Funds' financial statements which have been audited by PricewaterhouseCoopers LLP, whose report, along with the Funds' financial statements, are included in the Funds' Annual Report for the fiscal year ended October 31, 2009, which is available upon request.

PowerShares Active AlphaQ Fund

	<u>Year Ended October 31, 2009</u>	<u>For the Period April 8, 2008* through October 31, 2008</u>
PER SHARE OPERATING PERFORMANCE:		
NET ASSET VALUE AT BEGINNING OF PERIOD	\$17.56	\$25.00
Net investment income (loss)**	(0.03)	(0.02)
Net realized and unrealized gain (loss) on investments	<u>2.55</u>	<u>(7.42)</u>
TOTAL FROM INVESTMENT OPERATIONS	<u>2.52</u>	<u>(7.44)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Return of capital	(0.01)	-
NET ASSET VALUE AT END OF PERIOD	<u>\$20.07</u>	<u>\$17.56</u>
SHARE PRICE AT END OF PERIOD***	<u>\$20.04</u>	<u>\$17.57</u>
NET ASSET VALUE, TOTAL RETURN****	14.38%	(29.76)%(a)
SHARE PRICE TOTAL RETURN****	14.15%	(29.72)%(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted)	\$4,015	\$3,512
RATIO TO AVERAGE NET ASSETS OF:		
Expenses	0.75%	0.75%†
Net investment income (loss)	(0.17)%	(0.14)%†
Portfolio turnover rate††	153%	90%
Undistributed net investment income (loss) included in price of units issued and redeemed#	\$(0.00)(b)	\$0.01

* 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 the 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.

† 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 (April 11, 2008, first day of trading on the exchange) to October 31, 2008 was (28.70)%. The share price total return from Fund Inception to October 31, 2008 was (28.69)%.

(b) Amount represents less than \$0.005.

PowerShares Active Alpha Multi-Cap Fund

	<u>Year Ended October 31, 2009</u>	<u>For the Period April 8, 2008* through October 31, 2008</u>
PER SHARE OPERATING PERFORMANCE:		
NET ASSET VALUE AT BEGINNING OF PERIOD	\$15.20	\$25.00
Net investment income**	0.04	0.01
Net realized and unrealized gain (loss) on investments	0.33	(9.81)
TOTAL FROM INVESTMENT OPERATIONS.....	0.37	(9.80)
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(0.03)	-
NET ASSET VALUE AT END OF PERIOD.....	\$15.54	\$15.20
SHARE PRICE AT END OF PERIOD***	\$15.54	\$15.15
NET ASSET VALUE, TOTAL RETURN****	2.49%	(39.20%)(a)
SHARE PRICE TOTAL RETURN****	2.82%	(39.40%)(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted).....	\$4,663	\$6,080
RATIO TO AVERAGE NET ASSETS OF:		
Expenses	0.75%	0.75%†
Net investment income	0.32%	0.05%†
Portfolio turnover rate††	197%	89%
Undistributed net investment income (loss) included in price of units issued and redeemed#.	\$(0.01)	\$0.04

* 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 the 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.

† 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 (April 11, 2008, first day of trading on the exchange) to October 31, 2008 was (38.16)%. The share price total return from Fund Inception to October 31, 2008 was (38.37)%.

PowerShares Active Low Duration Fund

	<u>Year Ended October 31, 2009</u>	<u>For the Period April 8, 2008* through October 31, 2008</u>
PER SHARE OPERATING PERFORMANCE:		
NET ASSET VALUE AT BEGINNING OF PERIOD	\$24.98	\$25.00
Net investment income**	0.29	0.28
Net realized and unrealized gain (loss) on investments	0.52	(0.01)
TOTAL FROM INVESTMENT OPERATIONS.....	0.81	0.27
DISTRIBUTION TO SHAREHOLDERS FROM:		
Net investment income	(0.35)	(0.28)
Return of capital.....	(0.05)	(0.01)
TOTAL DISTRIBUTIONS.....	(0.40)	(0.29)
NET ASSET VALUE AT END OF PERIOD.....	\$25.39	\$24.98
SHARE PRICE AT END OF PERIOD***	\$25.23	\$24.60
NET ASSET VALUE, TOTAL RETURN****	3.27%	1.08%(a)
SHARE PRICE TOTAL RETURN****	4.20%	(0.45%)(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted).....	\$7,618	\$2,498
RATIO TO AVERAGE NET ASSETS OF:		
Expenses	0.29%	0.29%†
Net investment income	1.17%	1.99%†
Portfolio turnover rate††	295%	296%
Undistributed net investment income (loss) included in price of units issued and redeemed#.	\$(0.03)	\$0.00(b)

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

**** 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 the 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.

† 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 (April 11, 2008, first day of trading on the exchange) to October 31, 2008 was 0.88%. The share price total return from Fund Inception to December 31, 2008 was (0.89)%.

(b) Amount represents less than \$0.005.

PowerShares Active Mega Cap Fund

	Year Ended October 31, 2009	For the Period April 8, 2008* through October 31, 2008
PER SHARE OPERATING PERFORMANCE:		
NET ASSET VALUE AT BEGINNING OF PERIOD	\$18.24	\$25.00
Net investment income**	0.26	0.17
Net realized and unrealized gain (loss) on investments.....	<u>2.86</u>	<u>(6.93)</u>
TOTAL FROM INVESTMENT OPERATIONS	<u>3.12</u>	<u>(6.76)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income.....	<u>(0.30)</u>	<u>-</u>
NET ASSET VALUE AT END OF PERIOD	\$21.06	\$18.24
SHARE PRICE AT END OF PERIOD***	<u>\$21.04</u>	<u>\$18.23</u>
NET ASSET VALUE, TOTAL RETURN****	17.37%	(27.04%)(a)
SHARE PRICE TOTAL RETURN****	17.29%	(27.08%)(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted)	\$3,158	\$1,824
RATIO TO AVERAGE NET ASSETS OF:		
Expenses	0.75%	0.75%†
Net investment income.....	1.38%	1.30%†
Portfolio turnover rate††	87%	41%
Undistributed net investment income (loss) included in price of units issued and redeemed#	\$0.07	\$(0.00)(b)

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

**** 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 the 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.

† 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 (April 11, 2008, first day of trading on the exchange) to October 31, 2008 was (26.27)%. The share price total return from Fund Inception to December 31, 2008 was (26.31)%.

(b) Amount represents less than \$0.005.

PowerShares Active U.S. Real Estate Fund

For the Period
November 19,
2008*
through
October 31,
2009

PER SHARE OPERATING PERFORMANCE:

NET ASSET VALUE AT BEGINNING OF PERIOD	\$21.66
Net investment income**	0.72
Net realized and unrealized gain (loss) on investments	<u>11.21</u>
TOTAL FROM INVESTMENT OPERATIONS	<u>11.93</u>

DISTRIBUTION TO SHAREHOLDERS FROM:

Net investment income	<u>(0.58)</u>
NET ASSET VALUE AT END OF PERIOD	<u>\$33.01</u>
SHARE PRICE AT END OF PERIOD***	<u>\$33.05</u>

NET ASSET VALUE, TOTAL RETURN****

55.56%(a)

SHARE PRICE TOTAL RETURN*****

55.70%(a)

RATIOS/SUPPLEMENTAL DATA:

 Net assets at end of period (000's omitted)

\$8,253

RATIO TO AVERAGE NET ASSETS OF:

Expenses	0.80%†
Net investment income	2.83%†
Portfolio turnover rate††	46%
Undistributed net investment income (loss) included in price of units issued and redeemed#	<u>\$0.71</u>

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

**** 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 the 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.

† 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 (November 20, 2008, first day of trading on the exchange) to October 31, 2009 was 67.47%. The share price total return from Fund Inception to October 31, 2009 was 68.71%.

Premium/Discount Information

Information regarding how often the Shares of each Fund traded on NYSE Arca at a price above (i.e., at a premium) or below (i.e., at a discount) the NAV of the Fund during the past calendar year can be found at www.InvescoPowerShares.com.

Other Information

Section 12(d)(1) of the Investment Company Act of 1940 Act, as amended (the "1940 Act") restricts investments by investment companies in the securities of other investment companies, including Shares of the Funds. Registered investment companies are permitted to invest in the Funds beyond the limits set forth in Section 12(d)(1) subject to certain terms and conditions set forth in an SEC exemptive order issued to the Trust, including that such investment companies enter into an agreement with the Trust.

Continuous Offering

The method by which Creation Unit Aggregations of Fund Shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of Shares are issued and sold by the Funds on an ongoing basis, a "distribution," as such term is used in the Securities Act of 1933, as amended (the "Securities Act"), may occur at any point. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with The Distributor, breaks them down into constituent Shares and sells such Shares directly to customers, or if it chooses to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for Shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a characterization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in Shares, whether or not participating in the distribution of Shares, are generally required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. As a result, broker-dealer firms should note that dealers who are not underwriters but are participating in a distribution (as contrasted with ordinary secondary market transactions) and thus dealing with the Shares that are part of an overallotment within the meaning of Section 4(3)(a) of the Securities Act would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act. Firms that incur a prospectus delivery obligation with respect to

Shares are reminded that, under the Securities Act Rule 153, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with a sale on NYSE Arca is satisfied by the fact that the prospectus is available at NYSE Arca upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

For More Information

For more detailed information on the Trust, the Funds and the Shares, you may request a copy of the Funds' SAI. The SAI provides detailed information about the Funds, and is incorporated by reference into this Prospectus. Additional information about the Funds' investments is also available in the Funds' Annual and Semi-Annual Reports to Shareholders. In each Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during the last fiscal year. If you have questions about the Funds or their Shares or you wish to obtain the SAI or Annual and/or Semi-Annual Report, when available, free of charge or to make shareholder inquiries, please:

Call: Invesco Aim Distributors, Inc. at 1-800-983-0903
Monday through Friday
8:00 a.m. to 5:00 p.m. Central Time

Write: PowerShares Actively Managed Exchange-Traded Fund Trust
c/o Invesco Aim Distributors, Inc.
11 Greenway Plaza
Suite 100
Houston, Texas 77046 - 1173

Visit: www.InvescoPowerShares.com

Information about the Funds (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. Reports and other information about the Funds are available on the EDGAR Database on the SEC's Internet site at www.sec.gov, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520.

No person is authorized to give any information or to make any representations about the Funds and their Shares not contained in this Prospectus and you should not rely on any other information. Read and keep the Prospectus for future reference.

Dealers effecting transactions in the Funds' Shares, whether or not participating in this distribution, are generally required to deliver a Prospectus. This is in addition to any obligation of dealers to deliver a Prospectus when acting as underwriters.

The Trust's registration number under the 1940 Act is 811-22148.

