

2011 Semi-Annual Report to Shareholders

October 31, 2011

PowerShares Buyback Achievers™ Portfolio (PKW)

PowerShares Dividend Achievers™ Portfolio (PFM)

PowerShares Financial Preferred Portfolio (PGF)

PowerShares High Yield Equity Dividend
Achievers™ Portfolio (PEY)

PowerShares International Dividend
Achievers™ Portfolio (PID)

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Frequency Distribution of Discounts & Premiums

Since Inception through October 31, 2011

Ticker	Fund Name	Inception	Trading Days	Closing Price Above NAV (bps)					
				0-24	25-49	50-99	100-149	150-199	200+
PKW	PowerShares Buyback Achievers™ Portfolio	12/20/06	1,225	511	37	8	1	2	1
PFM	PowerShares Dividend Achievers™ Portfolio	09/15/05	1,544	775	66	15	3	—	3
PGF	PowerShares Financial Preferred Portfolio	12/01/06	1,238	488	199	88	29	24	68
PEY	PowerShares High Yield Equity Dividend Achievers™ Portfolio	12/09/04	1,737	679	57	8	6	—	1
PID	PowerShares International Dividend Achievers™ Portfolio	09/15/05	1,544	797	65	17	4	2	1

Closing Price Below NAV (bps)					
-0-24	-25-49	-50-99	-100-149	-150-199	-200+
651	11	3	—	—	—
668	11	2	1	—	—
295	26	13	3	2	3
877	92	14	1	1	1
533	75	38	7	4	1

Fees and Expenses

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held through the six-month period ended October 31, 2011.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Beginning Account Value May 1, 2011	Ending Account Value October 31, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares Buyback Achievers™ Portfolio (PKW)				
Actual	\$1,000.00	\$956.77	0.70%	\$3.44
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.62	0.70%	\$3.56
PowerShares Dividend Achievers™ Portfolio (PFM)				
Actual	\$1,000.00	\$963.43	0.60%	\$2.96
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.12	0.60%	\$3.05
PowerShares Financial Preferred Portfolio (PGF)				
Actual	\$1,000.00	\$961.51	0.66%	\$3.25
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.82	0.66%	\$3.35
PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)				
Actual	\$1,000.00	\$1,000.48	0.60%	\$3.02
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.12	0.60%	\$3.05

Fees and Expenses (Continued)

	Beginning Account Value May 1, 2011	Ending Account Value October 31, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares International Dividend Achievers™ Portfolio (PID)				
Actual	\$1,000.00	\$916.48	0.57%	\$2.75
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.27	0.57%	\$2.90

- (1) Expenses are calculated using the annualized expense ratio, which represents the ongoing expenses as a percentage of net assets for the six months ended October 31, 2011. Expenses are calculated by multiplying the Fund's annualized expense ratio by the average account value for the period, then multiplying the result by 184/366.

Schedule of Investments (Continued)

PowerShares Buyback Achievers™ Portfolio (PKW)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)					
7,272	Legg Mason, Inc.	\$ 199,980		Common Stocks and Other Equity Interests (Continued)	
2,589	Meadowbrook Insurance Group, Inc.	26,822	10,001	<i>Information Technology—21.2%</i>	
3,448	Montpelier Re Holdings Ltd. (Bermuda)	60,340	3,030	Amdocs Ltd. (Guernsey)*	\$ 300,230
9,166	NASDAQ OMX Group, Inc. (The)*	229,608	3,463	Benchmark Electronics, Inc.*	41,632
1,863	Platinum Underwriters Holdings Ltd. (Bermuda)	64,516	6,115	Brightpoint, Inc.*	35,149
1,612	ProAssurance Corp.	123,399	11,215	Broadridge Financial Solutions, Inc.	136,059
2,743	RenaissanceRe Holdings Ltd. (Bermuda)	186,853	2,312	Compuware Corp.*	94,767
2,121	StanCorp Financial Group, Inc.	71,987	2,454	DST Systems, Inc.	116,039
21,162	Travelers Cos., Inc. (The)	1,234,803	1,855	Electronics for Imaging, Inc.*	36,810
6,985	W.R. Berkley Corp.	243,148	15,338	Fair Isaac Corp.	50,734
		<u>4,690,489</u>	3,220	Fidelity National Information Services, Inc.	401,549
			99,255	Global Cash Access Holdings, Inc.*	9,596
	<i>Health Care—28.6%</i>		4,514	Hewlett-Packard Co.	2,641,176
18,487	Aetna, Inc.	735,043	6,821	IAC/InterActiveCorp.*	184,307
49,518	Amgen, Inc.	2,835,896	16,401	Integrated Device Technology, Inc.*	41,472
11,906	Biogen Idec, Inc.*	1,385,382	1,655	International Business Machines Corp.	3,028,117
89,392	Bristol-Myers Squibb Co.	2,823,893	28,296	LoopNet, Inc.*	29,277
2,463	Charles River Laboratories International, Inc.*	79,506	534	LSI Corp.*	176,850
14,390	Forest Laboratories, Inc.*	450,407	742	MicroStrategy, Inc., Class A*	70,365
40,342	Gilead Sciences, Inc.*	1,680,648	1,197	MTS Systems Corp.	27,209
4,293	Health Net, Inc.*	119,302	3,313	Multi-Fineline Electronix, Inc.*	27,459
747	ICU Medical, Inc.*	29,365	997	Novellus Systems, Inc.*	114,464
417	Kensey Nash Corp.*	11,209	5,193	Oplink Communications, Inc.*	16,171
1,515	Maxygen, Inc.	8,939	17,990	QLogic Corp.*	72,546
11,676	McKesson Corp.	952,178	21,016	SAIC, Inc.*	223,616
18,118	Medco Health Solutions, Inc.*	993,953	726	Seagate Technology PLC (Ireland)	339,408
2,265	Nabi Biopharmaceuticals*	4,168	2,108	Stamps.com, Inc.	23,639
2,689	PSS World Medical, Inc.*	59,830	2,754	Tech Data Corp.*	103,671
7,366	Quest Diagnostics, Inc.	411,023	58,688	TeleTech Holdings, Inc.*	48,140
1,531	Quidel Corp.*	27,344	1,504	Texas Instruments, Inc.	1,803,482
812	SonoSite, Inc.*	25,164	3,938	Tyler Technologies, Inc.*	47,481
55,681	UnitedHealth Group, Inc.	2,672,131	8,427	ValueClick, Inc.*	69,309
18,085	WellPoint, Inc.	1,246,056	7,337	VeriSign, Inc.	270,422
10,202	Zimmer Holdings, Inc.*	536,931	31,849	Vishay Intertechnology, Inc.*	78,873
		<u>17,088,368</u>	12,797	Western Union Co. (The)	556,402
			64,949	Xilinx, Inc.	428,188
				Yahoo!, Inc.*	1,015,802
					<u>12,660,411</u>
	<i>Industrials—6.1%</i>			<i>Materials—0.9%</i>	
2,574	CBIZ, Inc.*	16,293	8,439	Ball Corp.	291,736
6,638	Cintas Corp.	198,410	935	Kaiser Aluminum Corp.	43,440
1,618	Dycom Industries, Inc.*	31,438	654	NewMarket Corp.	126,968
2,146	FTI Consulting, Inc.*	84,574	3,338	Worthington Industries, Inc.	57,681
7,704	KBR, Inc.	215,019			<u>519,825</u>
18,234	Lockheed Martin Corp.	1,383,961		<i>Telecommunication Services—0.0%</i>	
14,299	Northrop Grumman Corp.	825,767		General Communication, Inc., Class A*	19,977
2,519	Ryder System, Inc.	128,318	2,114		
1,549	Toro Co. (The)	83,708			
1,492	Tredegar Corp.	28,900			
3,572	W.W. Grainger, Inc.	611,919			
		<u>3,608,307</u>			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Buyback Achievers™ Portfolio (PKW)

October 31, 2011 (Unaudited)

<u>Number of Shares</u>		<u>Value</u>
	Common Stocks and Other Equity Interests (Continued)	
	<i>Utilities—0.0%</i>	
6,496	Dynegy, Inc., Class A*	\$ 23,840
	Total Common Stocks and Other Equity Interests	
	(Cost \$58,226,653)	<u>59,659,914</u>
	Money Market Fund—0.2%	
94,904	Goldman Sachs Financial Square Prime Obligations—Institutional Share Class (Cost \$94,904)	<u>94,904</u>
	Total Investments	
	(Cost \$58,321,557)—100.2%	59,754,818
	Liabilities in excess of other assets—(0.2)%	<u>(104,091)</u>
	Net Assets—100.0%	<u><u>\$59,650,727</u></u>

Investment Abbreviations:

REIT—Real Estate Investment Trust

Notes to Schedule of Investments:

* Non-income producing security.

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Dividend Achievers™ Portfolio (PFM)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)			Common Stocks and Other Equity Interests (Continued)		
21,631	Chubb Corp. (The)	\$ 1,450,359	29,378	Stryker Corp.	\$ 1,407,500
12,367	Cincinnati Financial Corp.	357,901	2,473	West Pharmaceutical Services, Inc.	96,125
6,571	Commerce Bancshares, Inc.	254,955			<u>25,790,789</u>
2,716	Community Bank System, Inc.	69,421			
1,111	Community Trust Bancorp, Inc.	31,475		<i>Industrials—12.7%</i>	
5,269	Corporate Office Properties Trust REIT	127,773	53,677	3M Co.	4,241,557
4,633	Cullen/Frost Bankers, Inc.	227,202	3,496	A.O. Smith Corp.	129,911
8,720	Eaton Vance Corp.	229,249	3,892	ABM Industries, Inc.	78,696
3,683	Erie Indemnity Co., Class A	290,773	3,918	Brady Corp., Class A	120,361
2,558	Essex Property Trust, Inc. REIT	365,180	12,444	C.H. Robinson Worldwide, Inc.	863,987
4,751	Federal Realty Investment Trust REIT	421,699	4,661	Carlisle Cos., Inc.	194,457
956	First Financial Corp.	31,414	48,876	Caterpillar, Inc.	4,616,827
16,684	Franklin Resources, Inc.	1,779,015	9,814	Cintas Corp.	293,340
2,481	Getty Realty Corp. REIT	39,547	3,800	CLARCOR, Inc.	184,224
2,055	Harleysville Group, Inc.	120,752	5,629	Donaldson Co., Inc.	360,537
8,426	HCC Insurance Holdings, Inc.	224,216	14,024	Dover Corp.	778,753
30,804	HCP, Inc. REIT	1,227,539	56,338	Emerson Electric Co.	2,710,985
39,906	Hudson City Bancorp, Inc.	249,413	16,045	Expeditors International of Washington, Inc.	731,652
7,635	Investors Real Estate Trust REIT	56,575	22,333	Fastenal Co.	850,664
4,148	Mercury General Corp.	179,608	1,702	Franklin Electric Co., Inc.	78,156
7,057	National Retail Properties, Inc. REIT	192,303	27,368	General Dynamics Corp.	1,756,752
19,615	Old Republic International Corp.	173,397	1,556	Gorman-Rupp Co. (The)	41,810
28,483	People's United Financial, Inc.	363,158	4,603	Graco, Inc.	197,653
3,450	Prosperity Bancshares, Inc.	132,790	5,909	Harsco Corp.	136,202
10,077	Realty Income Corp. REIT	336,673	37,176	Illinois Tool Works, Inc.	1,807,869
1,553	RLI Corp.	109,238	1,765	McGrath Rentcorp	47,161
13,590	SEI Investments Co.	220,022	2,670	Mine Safety Appliances Co.	89,578
1,232	Southside Bancshares, Inc.	25,342	517	NACCO Industries, Inc., Class A	42,446
3,344	StanCorp Financial Group, Inc.	113,495	5,126	Nordson Corp.	237,693
19,395	T. Rowe Price Group, Inc.	1,024,832	11,441	Parker Hannifin Corp.	933,014
6,344	Tanger Factory Outlet Centers, Inc. REIT	178,647	7,472	Pentair, Inc.	268,618
4,727	Transatlantic Holdings, Inc.	245,993	15,427	Pitney Bowes, Inc.	314,402
2,967	UMB Financial Corp.	109,393	1,323	Raven Industries, Inc.	79,393
3,797	United Bankshares, Inc.	90,141	7,268	Roper Industries, Inc.	589,435
934	Universal Health Realty Income Trust REIT	35,464	12,737	Stanley Black & Decker, Inc.	813,257
1,534	Urstadt Biddle Properties, Inc., Class A REIT	27,367	1,388	Tennant Co.	53,702
2,903	W.P. Carey & Co. LLC	116,120	68,745	United Technologies Corp.	5,360,735
4,840	Washington REIT	140,166	1,416	Universal Forest Products, Inc.	39,747
2,147	Westamerica Bancorp	96,229	5,288	W.W. Grainger, Inc.	905,887
		<u>13,402,681</u>			<u>29,949,461</u>
<i>Health Care—11.0%</i>			<i>Information Technology—6.5%</i>		
117,757	Abbott Laboratories	6,343,570	36,940	Automatic Data Processing, Inc.	1,933,070
16,394	Becton, Dickinson and Co.	1,282,503	1,089	Badger Meter, Inc.	35,654
6,555	C.R. Bard, Inc.	563,402	4,831	Diebold, Inc.	155,945
26,098	Cardinal Health, Inc.	1,155,358	3,467	FactSet Research Systems, Inc.	344,689
185,945	Johnson & Johnson	11,972,999	65,295	International Business Machines Corp.	12,055,416
79,886	Medtronic, Inc.	2,775,240	6,564	Jack Henry & Associates, Inc.	212,739
2,997	Meridian Bioscience, Inc.	54,605	17,532	Linear Technology Corp.	566,459
4,662	Owens & Minor, Inc.	139,487			<u>15,303,972</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Dividend Achievers™ Portfolio (PFM)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)			Common Stocks and Other Equity Interests (Continued)		
<i>Materials—4.0%</i>					
			2,681	Unisource Energy Corp.	\$ 99,948
16,124	Air Products & Chemicals, Inc.	\$ 1,388,921	6,187	Vectren Corp.	175,587
6,888	Albemarle Corp.	367,062	3,881	WGL Holdings, Inc.	166,146
5,052	AptarGroup, Inc.	242,344			<u>8,668,159</u>
7,835	Bemis Co., Inc.	220,242			
17,548	Ecolab, Inc.	944,784		Total Investments	
3,621	H.B. Fuller Co.	77,815		(Cost \$209,051,306)—99.9%	235,470,848
23,911	Nucor Corp.	903,358		Other assets less liabilities—0.1%	172,168
11,894	PPG Industries, Inc.	1,027,761		Net Assets—100.0%	<u>\$235,643,016</u>
22,859	Praxair, Inc.	2,324,075			
9,913	RPM International, Inc.	222,745			
8,027	Sherwin-Williams Co. (The)	663,913		Investment Abbreviations:	
9,236	Sigma-Aldrich Corp.	604,773		REIT—Real Estate Investment Trust	
7,557	Sonoco Products Co.	237,214			
773	Stepan Co.	59,745			
7,056	Valspar Corp. (The)	246,043			
		<u>9,530,795</u>			
<i>Telecommunication Services—5.8%</i>					
407,125	AT&T, Inc.	11,932,834			
1,110	Atlantic Tele-Network, Inc.	42,124			
46,635	CenturyLink, Inc.	1,644,350			
1,705	Shenandoah Telecommunications Co.	23,120			
4,149	Telephone & Data Systems, Inc.	96,174			
		<u>13,738,602</u>			
<i>Utilities—3.7%</i>					
1,359	American States Water Co.	47,483			
10,471	Aqua America, Inc.	232,351			
6,830	Atmos Energy Corp.	234,406			
2,896	Black Hills Corp.	97,624			
3,027	California Water Service Group	56,211			
22,156	Consolidated Edison, Inc.	1,282,168			
14,287	MDU Resources Group, Inc.	294,455			
1,686	MGE Energy, Inc.	73,577			
1,163	Middlesex Water Co.	22,039			
6,258	National Fuel Gas Co.	383,553			
3,135	New Jersey Resources Corp.	147,408			
31,922	NextEra Energy, Inc.	1,800,401			
13,302	Northeast Utilities	459,850			
1,955	Northwest Natural Gas Co.	91,338			
7,839	NSTAR	353,461			
5,460	Piedmont Natural Gas Co., Inc.	178,487			
43,708	PPL Corp.	1,283,704			
13,429	Questar Corp.	258,777			
9,691	SCANA Corp.	409,735			
1,337	SJW Corp.	31,125			
2,202	South Jersey Industries, Inc.	123,995			
2,596	Suburban Propane Partners LP	122,843			
8,423	UGI Corp.	241,487			

See Notes to Financial Statements.

Portfolio Composition

PowerShares Financial Preferred Portfolio (PGF)

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

Banks	66.0
Insurance	27.5
Diversified Financial Services	6.5
Money Market Fund	0.2
Liabilities in excess of other assets	(0.2)

Schedule of Investments

PowerShares Financial Preferred Portfolio (PGF)

October 31, 2011 (Unaudited)

Number of Shares	Value	Number of Shares	Value
Preferred Stocks—100.0%		Preferred Stocks (Continued)	
<i>Banks—66.0%</i>		<i>U.S. Bancorp, 7.88%, Series D⁽⁻⁾</i>	
1,207,849	Bank of America Corp., 6.20%, Series D \$ 25,956,675	1,038,799	\$ 29,169,476
1,610,691	Bank of America Corp., 7.25%, Series J 36,353,296	2,494,528	70,445,471
4,722,417	Bank of America Corp., 8.20%, Series H 113,621,353	1,402,504	36,296,804
2,923,228	Bank of America Corp., 8.63%, Series 8 72,232,964		<u>995,393,879</u>
299,081	Barclays Bank PLC, 6.63%, Series 2 (United Kingdom) 6,546,883	2,617,341	<i>Diversified Financial Services—6.5%</i>
489,887	Barclays Bank PLC, 7.75%, Series 4 (United Kingdom) 11,664,209	1,368,932	Credit Suisse Guernsey, 7.90% (Switzerland) 68,521,987
2,128,950	Barclays Bank PLC, 8.13%, Series 5 (United Kingdom) 52,499,907		HSBC Finance Corp., 6.36%, Series B ⁽⁻⁾ 29,637,378
335,732	Deutsche Bank Capital Funding Trust IX, 6.63% 7,399,533		<u>98,159,365</u>
1,095,249	Deutsche Bank Contingent Capital Trust III, 7.60% 26,307,881	864,959	<i>Insurance—27.5%</i>
636,302	Deutsche Bank Contingent Capital Trust V, 8.05% 15,767,564	304,328	Aegon NV, 6.38% (Netherlands) 18,466,875
1,753,762	Goldman Sachs Group, Inc. (The), 6.20%, Series B ⁽⁻⁾ 43,651,136	435,795	Aegon NV, 6.50% (Netherlands) 6,466,970
5,814,558	HSBC Holdings PLC, 8.00%, Series 2 (United Kingdom) 155,539,427	1,410,528	Aegon NV, 6.88% (Netherlands) 9,613,638
3,387,793	HSBC Holdings PLC, 8.13% (United Kingdom) 88,827,932	391,832	Aegon NV, 7.25% (Netherlands) 32,978,145
1,085,248	HSBC USA, Inc., 6.50%, Series H ⁽⁻⁾ 27,022,675		Axis Capital Holdings Ltd., 7.25%, Series A (Bermuda) 9,929,023
2,451,778	JPMorgan Chase & Co., 8.63%, Series J 66,982,575	589,057	ING Groep NV, 6.13% (Netherlands) 10,438,090
1,209,099	Royal Bank of Scotland Group PLC, 5.75%, Series L (United Kingdom) 18,994,945	1,438,165	ING Groep NV, 6.38% (Netherlands) 26,447,854
337,684	Royal Bank of Scotland Group PLC, 6.35%, Series N (United Kingdom)* 4,410,153	2,628,995	ING Groep NV, 7.38% (Netherlands) 54,420,196
462,731	Royal Bank of Scotland Group PLC, 6.60%, Series S (United Kingdom)* 6,191,341	3,407,025	ING Groep NV, 8.50% (Netherlands) 80,916,844
289,706	Royal Bank of Scotland Group PLC, 6.75%, Series Q (United Kingdom)* 3,934,208	2,681,251	MetLife, Inc., 6.50%, Series B 67,835,650
1,797,922	Royal Bank of Scotland Group PLC, 7.25%, Series T (United Kingdom)* 26,393,495	496,236	PartnerRe Ltd., 6.75%, Series C (Bermuda) 12,400,938
1,835,223	Santander Finance Preferred SA Unipersonal, 10.50%, Series 10 (Spain) 49,183,976	735,988	PartnerRe Ltd., 7.25%, Series E (Bermuda) 18,951,691
		427,948	Principal Financial Group, Inc., 6.52%, Series B 11,019,661
		589,599	Prudential PLC, 6.50% (United Kingdom) 14,899,167
		542,712	Prudential PLC, 6.75% (United Kingdom) ⁽⁻⁾ 13,768,603
		453,030	RenaissanceRe Holdings Ltd., 6.08%, Series C (Bermuda) 11,031,280
		599,141	RenaissanceRe Holdings Ltd., 6.60%, Series D (Bermuda) 14,858,697
			<u>414,443,322</u>
			Total Preferred Stocks
			(Cost \$1,354,780,806) <u>1,507,996,566</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Financial Preferred Portfolio (PGF)

October 31, 2011 (Unaudited)

<u>Number of Shares</u>		<u>Value</u>
	Money Market Fund—0.2%	
3,428,951	Goldman Sachs Financial Square Prime Obligations—Institutional Share Class (Cost \$3,428,951)	<u>\$ 3,428,951</u>
	Total Investments	
	(Cost \$1,358,209,757)—100.2%	1,511,425,517
	Liabilities in excess of other assets—(0.2)%	(3,578,026)
	Net Assets—100.0%	<u><u>\$1,507,847,491</u></u>

Notes to Schedule of Investments:

⁽⁻⁾ Affiliated Investment. See Note 4.

* Non-income producing security.

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

United Kingdom	26.8%
Netherlands	15.9%

See Notes to Financial Statements.

Portfolio Composition

PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)

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

Electric	17.8	Iron/Steel	2.0
Gas	12.1	Chemicals	2.0
Insurance	9.5	Water	1.9
Banks	8.6	Computers	1.8
Telecommunications	6.3	Packaging & Containers	1.8
Agriculture	5.0	Environmental Control	1.8
Savings & Loans	4.9	Food	1.8
Office/Business Equipment	3.4	Oil & Gas	1.7
Pharmaceuticals	3.2	Commercial Services	1.7
Household Products/Wares	3.1	Distribution/Wholesale	1.5
Pipelines	2.6	Textiles	0.8
Miscellaneous Manufacturing	2.3	Money Market Fund	0.3
Healthcare-Products	2.3	Liabilities in excess of other assets	(0.2)

Schedule of Investments

PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
	Common Stocks and Other Equity Interests—99.9%			Common Stocks and Other Equity Interests (Continued)	
	<i>Agriculture—5.0%</i>		103,682	NSTAR	\$ 4,675,021
269,281	Altria Group, Inc.	\$ 7,418,692	202,027	PPL Corp.	5,933,533
159,654	Universal Corp.	6,836,384	136,275	SCANA Corp.	5,761,707
		<u>14,255,076</u>	147,621	Unisource Energy Corp.	5,503,311
					<u>50,309,246</u>
	<i>Banks—8.6%</i>			<i>Environmental Control—1.8%</i>	
216,045	Community Bank System, Inc.	5,522,110		Mine Safety Appliances Co.	5,116,677
241,924	Community Trust Bancorp, Inc.	6,853,707	152,509		
235,339	Southside Bancshares, Inc.	4,840,923		<i>Food—1.8%</i>	
295,235	United Bankshares, Inc.	7,008,879	179,018	Sysco Corp.	4,962,379
		<u>24,225,619</u>			
	<i>Chemicals—2.0%</i>			<i>Gas—12.1%</i>	
248,647	RPM International, Inc.	5,587,098	150,630	Atmos Energy Corp.	5,169,622
			87,307	New Jersey Resources Corp.	4,105,175
	<i>Commercial Services—1.7%</i>		103,986	Northwest Natural Gas Co.	4,858,226
181,832	McGrath Rentcorp	4,858,551	153,650	Piedmont Natural Gas Co., Inc.	5,022,818
			212,781	Questar Corp.	4,100,290
	<i>Computers—1.8%</i>		214,391	Vectren Corp.	6,084,417
161,279	Diebold, Inc.	5,206,086	115,403	WGL Holdings, Inc.	4,940,402
					<u>34,280,950</u>
	<i>Distribution/Wholesale—1.5%</i>			<i>Healthcare-Products—2.3%</i>	
74,382	Genuine Parts Co.	4,271,758	349,324	Meridian Bioscience, Inc.	6,364,683
	<i>Electric—17.8%</i>			<i>Household Products/Wares—3.1%</i>	
173,398	Black Hills Corp.	5,845,247		Clorox Co. (The)	4,202,560
85,561	Consolidated Edison, Inc.	4,951,415	62,781	Kimberly-Clark Corp.	4,570,118
195,863	MDU Resources Group, Inc.	4,036,736	65,559		<u>8,772,678</u>
105,363	MGE Energy, Inc.	4,598,041			
88,002	NextEra Energy, Inc.	4,963,313			
116,891	Northeast Utilities	4,040,922			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
	Common Stocks and Other Equity Interests (Continued)			Money Market Fund—0.3%	
	<i>Insurance—9.5%</i>		682,396	Goldman Sachs Financial Square Prime Obligations—Institutional Share Class (Cost \$682,396)	\$ 682,396
258,662	Cincinnati Financial Corp.	\$ 7,485,678		Total Investments	
55,489	Harleysville Group, Inc.	3,260,534		(Cost \$274,112,316)—100.2%	283,120,908
182,269	Mercury General Corp.	7,892,248		Liabilities in excess of other assets—(0.2)%	(496,284)
943,419	Old Republic International Corp.	8,339,824		Net Assets—100.0%	<u>\$282,624,624</u>
		<u>26,978,284</u>			
	<i>Iron/Steel—2.0%</i>				
149,419	Nucor Corp.	5,645,050			
	<i>Miscellaneous Manufacturing—2.3%</i>				
295,518	Leggett & Platt, Inc.	6,471,844			
	<i>Office/Business Equipment—3.4%</i>				
467,657	Pitney Bowes, Inc.	9,530,850			
	<i>Oil & Gas—1.7%</i>				
69,853	ConocoPhillips	4,865,261			
	<i>Packaging & Containers—1.8%</i>				
163,733	Sonoco Products Co.	5,139,579			
	<i>Pharmaceuticals—3.2%</i>				
84,309	Abbott Laboratories	4,541,726			
67,742	Johnson & Johnson	4,361,907			
		<u>8,903,633</u>			
	<i>Pipelines—2.6%</i>				
165,420	Enterprise Products Partners LP	7,415,779			
	<i>Savings & Loans—4.9%</i>				
1,094,190	Hudson City Bancorp, Inc.	6,838,687			
544,757	People's United Financial, Inc.	6,945,652			
		<u>13,784,339</u>			
	<i>Telecommunications—6.3%</i>				
249,620	AT&T, Inc.	7,316,362			
299,163	CenturyLink, Inc.	10,548,488			
		<u>17,864,850</u>			
	<i>Textiles—0.8%</i>				
71,185	Cintas Corp.	2,127,720			
	<i>Water—1.9%</i>				
290,265	Middlesex Water Co.	5,500,522			
	Total Common Stocks and Other Equity Interests (Cost \$273,429,920)	<u>282,438,512</u>			

See Notes to Financial Statements.

Portfolio Composition

PowerShares International Dividend Achievers™ Portfolio (PID)

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

Telecommunication Services	24.8
Energy	18.6
Consumer Staples	11.4
Health Care	10.5
Financials	10.0
Consumer Discretionary	6.9
Utilities	5.6
Materials	4.2
Industrials	4.1
Information Technology	3.9
Money Market Fund	7.1
Liabilities in excess of other assets	(7.1)

Schedule of Investments

PowerShares International Dividend Achievers™ Portfolio (PID)

October 31, 2011 (Unaudited)

Number of Shares	Value	Number of Shares	Value	
Common Stocks and Other Equity Interests—100.0%		Common Stocks and Other Equity Interests (Continued)		
<i>Australia—1.3%</i>		438,107	Thomson Reuters Corp.	
111,907	BHP Billiton Ltd. ADR	\$ 8,737,700	274,496	TransCanada Corp. ^(a)
<i>Bahamas—3.3%</i>				
621,041	Teekay LNG Partners LP ^(a)	21,798,539	1,094,965	Consolidated Water Co. Ltd. ^{(-)(a)}
<i>Belgium—1.3%</i>				
135,450	Delhaize Group SA ADR	8,848,948	231,298	Empresa Nacional de Electricidad SA ADR
<i>Bermuda—3.4%</i>				
369,854	Alterra Capital Holdings Ltd.	8,018,435	37,635	Novo Nordisk A/S ADR
327,427	Axis Capital Holdings Ltd.	10,264,836	66,223	RenaissanceRe Holdings Ltd.
66,223	RenaissanceRe Holdings Ltd.	4,511,111	312,577	Sanofi ADR
<i>Brazil—1.8%</i>				
434,395	Companhia de Bebidas das Americas ADR	11,698,257	214,185	China Mobile Ltd. ADR
<i>Canada—17.7%</i>				
296,399	Cameco Corp.	6,351,830	58,601	CNOOC Ltd. ADR
75,207	Canadian National Railway Co.	5,897,733		
105,457	Canadian Natural Resources Ltd.	3,727,905	<i>India—2.2%</i>	
122,642	Canadian Pacific Railway Ltd.	7,589,087	328,022	HDFC Bank Ltd. ADR
251,708	Enbridge, Inc.	8,736,785	68,798	Infosys Ltd. ADR ^(a)
85,869	Imperial Oil Ltd.	3,539,520		
324,560	Ritchie Bros. Auctioneers, Inc. ^(a)	6,471,726	<i>Ireland—2.0%</i>	
333,685	Rogers Communications, Inc., Class B	12,129,450	101,476	Accenture PLC, Class A
645,523	Shaw Communications, Inc., Class B ^(a)	13,084,751	134,153	Cooper Industries PLC
164,600	Suncor Energy, Inc.	5,252,386		
436,692	Talisman Energy, Inc.	6,201,026		
261,340	Telus Corp.	13,325,727		

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Dividend Achievers™ Portfolio (PID)

October 31, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Common Stocks and Other Equity Interests (Continued)			Common Stocks and Other Equity Interests (Continued)		
<i>Israel—7.6%</i>			<i>United States—3.9%</i>		
3,751,103	Partner Communications Co. Ltd. ADR ^(a)	\$ 44,563,104	542,349	Vodafone Group PLC ADR	\$ 15,098,996
148,767	Teva Pharmaceutical Industries Ltd. ADR	6,077,132	184,974	WPP PLC ADR	9,587,203
		<u>50,640,236</u>			<u>159,895,795</u>
<i>Japan—2.2%</i>			<i>United States—3.9%</i>		
205,965	Canon, Inc. ADR	9,381,706	90,911	ACE Ltd.	6,559,229
56,625	Kyocera Corp. ADR	5,037,360	82,051	Bunge Ltd.	5,068,290
		<u>14,419,066</u>	210,649	PartnerRe Ltd. ^(a)	13,106,581
			12,228	Shire PLC ADR	1,153,100
					<u>25,887,200</u>
<i>Mexico—3.8%</i>			Total Common Stocks and Other Equity Interests		
148,859	America Movil SAB de CV, Series L ADR	3,783,996	(Cost \$661,420,734)		
70,002	Coca-Cola Femsa SAB de CV ADR	6,268,679			
984,202	Telefonos de Mexico SAB de CV, Series L ADR	15,392,919			
		<u>25,445,594</u>			
<i>Netherlands—1.6%</i>			Money Market Fund—0.1%		
314,611	Unilever NV	10,863,518	732,209	Goldman Sachs Financial Square Prime Obligations—Institutional Share Class (Cost \$732,209)	732,209
<i>Norway—2.2%</i>			Total Investments (excluding investments purchased with cash collateral from securities on loan)—100.1%		
576,758	Statoil ASA ADR ^(a)	14,666,956	(Cost \$662,152,943)		
<i>Philippines—3.2%</i>			Investments Purchased with Cash Collateral from Securities on Loan		
378,299	Philippine Long Distance Telephone Co. ADR	21,010,726			
<i>Russia—1.5%</i>			Money Market Fund—7.0%		
166,539	LUKOIL OAO ADR	9,692,570	46,398,715	Invesco Liquid Asset Portfolio—Institutional Class (Cost \$46,398,715) ^{(b)(c)}	46,398,715
<i>Spain—4.4%</i>			Total Investments		
1,349,322	Telefonica SA ADR ^(a)	28,835,011	(Cost \$708,551,658)—107.1%		
<i>Switzerland—3.8%</i>			Liabilities in excess of other assets—(7.1)%		
157,939	Noble Corp.*	5,676,328	Net Assets—100.0%		
199,214	Novartis AG ADR	11,249,615	<u>\$663,028,255</u>		
136,977	Syngenta AG ADR*	8,365,185			
		<u>25,291,128</u>			
<i>United Kingdom—24.1%</i>			Investment Abbreviations:		
52,639	ARM Holdings PLC ADR	1,478,630	ADR—American Depositary Receipt		
345,452	AstraZeneca PLC ADR	16,550,605			
173,614	BHP Billiton PLC ADR ^(a)	10,932,474			
135,960	British American Tobacco PLC ADR	12,542,310			
113,530	Diageo PLC ADR	9,409,367			
322,327	GlaxoSmithKline PLC ADR	14,437,026			
319,711	National Grid PLC ADR	16,007,930			
544,511	Pearson PLC ADR	10,019,002			
638,176	Prudential PLC ADR ^(a)	13,191,098			
209,586	Royal Dutch Shell PLC, Class A ADR	14,861,743			
105,948	Smith & Nephew PLC ADR	4,858,775			
324,536	Unilever PLC ADR ^(a)	10,920,636			
			Notes to Schedule of Investments:		
			* Non-income producing security.		
			⁽⁻⁾ Affiliated Investment. See Note 4.		
			^(a) All or a portion of this security was out on loan at October 31, 2011.		
			^(b) The security has been segregated to satisfy the commitment to return the cash collateral received in securities lending transactions upon the borrower's return of the securities loaned. See Note 2H.		
			^(c) The security and the Fund are advised by wholly owned subsidiaries of Invesco Ltd. and are therefore considered to be affiliated.		

See Notes to Financial Statements.

Statements of Assets and Liabilities

October 31, 2011 (Unaudited)

	PowerShares Buyback Achievers™ Portfolio (PKW)	PowerShares Dividend Achievers™ Portfolio (PFM)	PowerShares Financial Preferred Portfolio (PGF)	PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)	PowerShares International Dividend Achievers™ Portfolio (PID)
ASSETS:					
Unaffiliated investments, at value*	\$ 59,754,818	\$235,470,848	\$1,331,879,445	\$ 283,120,908	\$ 653,519,783
Affiliated investments, at value (Note 4)	—	—	179,546,072	—	10,161,275
Investment of securities lending collateral in affiliated money market fund, at value (Note 2H)	—	—	—	—	46,398,715
Total investments, at value	<u>59,754,818</u>	<u>235,470,848</u>	<u>1,511,425,517</u>	<u>283,120,908</u>	<u>710,079,773</u>
Cash	63	84,513	—	—	213,598
Receivables:					
Investments sold	1,411,988	4,064,496	4,058,901	24,152,939	73,084,730
Shares sold	1,319,866	—	—	69,504,827	47,348,073
Dividends	41,220	486,170	5,159,964	462,085	292,057
Expense waivers	6,754	—	—	—	—
Foreign tax reclaims	—	—	—	—	251,485
Affiliated securities lending dividends	—	—	—	—	25,052
Total Assets	<u>62,534,709</u>	<u>240,106,027</u>	<u>1,520,644,382</u>	<u>377,240,759</u>	<u>831,294,768</u>
LIABILITIES:					
Due to custodian	—	—	8,490,808	701,592	—
Payables:					
Investments purchased	2,748,907	4,141,348	—	79,364,417	80,669,233
Shares repurchased	—	—	2,572,221	14,220,112	40,458,207
Expenses recapture	—	4,317	—	3,366	—
Collateral upon return of securities loaned	—	—	—	—	46,398,715
Accrued advisory fees	20,053	74,434	619,987	72,428	187,334
Accrued expenses	115,022	242,912	1,113,875	254,220	553,024
Total Liabilities	<u>2,883,982</u>	<u>4,463,011</u>	<u>12,796,891</u>	<u>94,616,135</u>	<u>168,266,513</u>
NET ASSETS	<u>\$ 59,650,727</u>	<u>\$235,643,016</u>	<u>\$1,507,847,491</u>	<u>\$ 282,624,624</u>	<u>\$ 663,028,255</u>
NET ASSETS CONSIST OF:					
Shares of beneficial interest	\$ 83,111,954	\$229,461,428	\$1,347,224,891	\$ 413,015,343	\$ 870,284,700
Undistributed net investment income (loss)	39,255	662,467	1,456,730	(55,957)	1,462,379
Undistributed net realized gain (loss)	(24,933,743)	(20,900,421)	5,950,110	(139,343,354)	(210,246,939)
Net unrealized appreciation	1,433,261	26,419,542	153,215,760	9,008,592	1,528,115
Net Assets	<u>\$ 59,650,727</u>	<u>\$235,643,016</u>	<u>\$1,507,847,491</u>	<u>\$ 282,624,624</u>	<u>\$ 663,028,255</u>
Shares outstanding (unlimited amount authorized, \$0.01 par value)	2,300,000	16,200,000	88,800,000	31,800,000	43,750,000
Net asset value	\$ 25.94	\$ 14.55	\$ 16.98	\$ 8.89	\$ 15.15
Share price	\$ 26.01	\$ 14.56	\$ 16.97	\$ 8.91	\$ 15.19
Unaffiliated investments, at cost	\$ 58,321,557	\$209,051,306	\$1,190,540,815	\$ 274,112,316	\$ 650,745,072
Affiliated investments, at cost	\$ —	\$ —	\$ 167,668,942	\$ —	\$ 11,407,871
Investment of securities lending collateral in affiliated money market fund, at cost	\$ —	\$ —	\$ —	\$ —	\$ 46,398,715
Total investments, at cost	<u>\$ 58,321,557</u>	<u>\$209,051,306</u>	<u>\$1,358,209,757</u>	<u>\$ 274,112,316</u>	<u>\$ 708,551,658</u>
*Includes securities on loan with an aggregate value of	\$ —	\$ —	\$ —	\$ —	\$ 45,169,602

See Notes to Financial Statements.

Statements of Operations

Six Months Ended October 31, 2011 (Unaudited)

	PowerShares Buyback Achievers™ Portfolio (PKW)	PowerShares Dividend Achievers™ Portfolio (PFM)	PowerShares Financial Preferred Portfolio (PGF)	PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)	PowerShares International Dividend Achievers™ Portfolio (PID)
INVESTMENT INCOME:					
Unaffiliated dividend income	\$ 385,113	\$ 3,098,861	\$ 54,580,289	\$ 4,434,691	\$ 10,243,611
Affiliated dividend income (Note 4)	—	—	6,733,000	—	136,493
Affiliated securities lending income	—	—	—	—	151,404
Foreign withholding tax	—	—	—	—	(1,031,151)
Total Income	<u>385,113</u>	<u>3,098,861</u>	<u>61,313,289</u>	<u>4,434,691</u>	<u>9,500,357</u>
EXPENSES:					
Advisory fees	112,643	423,117	4,171,496	403,599	1,055,460
Accounting & administration fees	34,342	34,342	215,525	34,342	61,071
Sub-licensing	22,528	105,779	834,298	100,901	263,865
Professional fees	15,866	19,702	67,028	19,141	27,370
Custodian & transfer agent fees	5,529	14,140	78,755	11,014	30,677
Trustees fees	3,254	5,522	27,751	5,457	9,822
Recapture (See Note 3)	—	18,583	27,957	12,095	3,162
Other expenses	8,390	13,492	84,243	18,851	42,731
Total Expenses	<u>202,552</u>	<u>634,677</u>	<u>5,507,053</u>	<u>605,400</u>	<u>1,494,158</u>
Less: Waivers	(44,852)	—	—	—	—
Net Expenses	<u>157,700</u>	<u>634,677</u>	<u>5,507,053</u>	<u>605,400</u>	<u>1,494,158</u>
Net Investment Income	<u>227,413</u>	<u>2,464,184</u>	<u>55,806,236</u>	<u>3,829,291</u>	<u>8,006,199</u>
REALIZED AND UNREALIZED GAIN (LOSS):					
Net realized gain (loss) from:					
Unaffiliated investments	(141,967)	(34,621)	(17,984,943)	(728,608)	(1,312,107)
Affiliated investments (Note 4)	—	—	5,181,561	—	(333,247)
In-kind redemptions	313,963	474,738	61,271,479	5,363,365	13,314,291
Foreign currencies	—	—	—	—	(539)
Net realized gain	<u>171,996</u>	<u>440,117</u>	<u>48,468,097</u>	<u>4,634,757</u>	<u>11,668,398</u>
Change in net unrealized appreciation (depreciation) on:					
Unaffiliated investments	(2,389,183)	(9,912,425)	(170,397,441)	(8,766,173)	(62,952,486)
Affiliated investments (Note 4)	—	—	(10,043,065)	—	(81,873)
Net change in unrealized appreciation (depreciation)	<u>(2,389,183)</u>	<u>(9,912,425)</u>	<u>(180,440,506)</u>	<u>(8,766,173)</u>	<u>(63,034,359)</u>
Net realized and unrealized gain (loss)	<u>(2,217,187)</u>	<u>(9,472,308)</u>	<u>(131,972,409)</u>	<u>(4,131,416)</u>	<u>(51,365,961)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(1,989,774)</u>	<u>\$(7,008,124)</u>	<u>\$(76,166,173)</u>	<u>\$(302,125)</u>	<u>\$(43,359,762)</u>

See Notes to Financial Statements.

Statements of Changes in Net Assets

	PowerShares Buyback Achievers™ Portfolio (PKW)		PowerShares Dividend Achievers™ Portfolio (PFM)	
	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30, 2011	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30, 2011
OPERATIONS:				
Net investment income	\$ 227,413	\$ 178,030	\$ 2,464,184	\$ 4,094,843
Net realized gain	171,996	6,770,937	440,117	8,751,449
Net change in unrealized appreciation (depreciation)	(2,389,183)	448,673	(9,912,425)	22,646,874
Net increase (decrease) in net assets resulting from operations	(1,989,774)	7,397,640	(7,008,124)	35,493,166
Undistributed net investment income included in the price of units issued and redeemed	7,980	4,185	175,978	435,134
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(258,824)	(111,858)	(2,584,146)	(4,080,812)
Return of capital	—	—	—	—
Total distributions to shareholders	(258,824)	(111,858)	(2,584,146)	(4,080,812)
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	22,131,947	31,415,572	30,162,746	109,729,654
Value of shares repurchased	(3,869,258)	(33,083,924)	(2,786,714)	(56,663,024)
Net income (loss) equalization	(7,980)	(4,185)	(175,978)	(435,134)
Net increase (decrease) in net assets resulting from shares transactions	18,254,709	(1,672,537)	27,200,054	52,631,496
Increase (Decrease) in Net Assets	16,014,091	5,617,430	17,783,762	84,478,984
NET ASSETS:				
Beginning of period	43,636,636	38,019,206	217,859,254	133,380,270
End of period	\$59,650,727	\$ 43,636,636	\$235,643,016	\$217,859,254
Undistributed net investment income (loss) at end of period	\$ 39,255	\$ 62,686	\$ 662,467	\$ 606,451
CHANGES IN SHARES OUTSTANDING:				
Shares sold	850,000	1,250,000	2,150,000	8,500,000
Shares repurchased	(150,000)	(1,350,000)	(200,000)	(4,350,000)
Shares outstanding, beginning of period	1,600,000	1,700,000	14,250,000	10,100,000
Shares outstanding, end of period	2,300,000	1,600,000	16,200,000	14,250,000

See Notes to Financial Statements.

PowerShares Financial Preferred Portfolio (PGF)		PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)		PowerShares International Dividend Achievers™ Portfolio (PID)	
Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30, 2011	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30, 2011	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30, 2011
\$ 55,806,236	\$ 117,888,409	\$ 3,829,291	\$ 6,550,194	\$ 8,006,199	\$ 14,222,504
48,468,097	76,153,276	4,634,757	12,070,519	11,668,398	43,671,147
<u>(180,440,506)</u>	<u>55,999,303</u>	<u>(8,766,173)</u>	<u>3,341,741</u>	<u>(63,034,359)</u>	<u>31,849,135</u>
<u>(76,166,173)</u>	<u>250,040,988</u>	<u>(302,125)</u>	<u>21,962,454</u>	<u>(43,359,762)</u>	<u>89,742,786</u>
<u>1,424,331</u>	<u>279,389</u>	<u>48,865</u>	<u>65,191</u>	<u>972,138</u>	<u>256,262</u>
<u>(55,484,517)</u>	<u>(120,705,130)</u>	<u>(3,925,813)</u>	<u>(6,552,543)</u>	<u>(9,768,787)</u>	<u>(13,859,836)</u>
<u>—</u>	<u>(4,382,771)</u>	<u>—</u>	<u>(277,932)</u>	<u>—</u>	<u>—</u>
<u>(55,484,517)</u>	<u>(125,087,901)</u>	<u>(3,925,813)</u>	<u>(6,830,475)</u>	<u>(9,768,787)</u>	<u>(13,859,836)</u>
27,840,367	144,693,621	101,998,660	148,651,386	237,165,294	193,763,089
(220,857,698)	(151,955,562)	(23,616,629)	(82,736,906)	(71,290,807)	(147,146,410)
<u>(1,424,331)</u>	<u>(279,389)</u>	<u>(48,865)</u>	<u>(65,191)</u>	<u>(972,138)</u>	<u>(256,262)</u>
<u>(194,441,662)</u>	<u>(7,541,330)</u>	<u>78,333,166</u>	<u>65,849,289</u>	<u>164,902,349</u>	<u>46,360,417</u>
<u>(324,668,021)</u>	<u>117,691,146</u>	<u>74,154,093</u>	<u>81,046,459</u>	<u>112,745,938</u>	<u>122,499,629</u>
<u>1,832,515,512</u>	<u>1,714,824,366</u>	<u>208,470,531</u>	<u>127,424,072</u>	<u>550,282,317</u>	<u>427,782,688</u>
<u>\$1,507,847,491</u>	<u>\$1,832,515,512</u>	<u>\$282,624,624</u>	<u>\$208,470,531</u>	<u>\$663,028,255</u>	<u>\$ 550,282,317</u>
<u>\$ 1,456,730</u>	<u>\$ (289,320)</u>	<u>\$ (55,957)</u>	<u>\$ (8,300)</u>	<u>\$ 1,462,379</u>	<u>\$ 2,252,829</u>
1,600,000	8,300,000	11,550,000	17,700,000	15,700,000	12,650,000
(13,150,000)	(9,000,000)	(2,750,000)	(9,800,000)	(4,600,000)	(10,000,000)
<u>100,350,000</u>	<u>101,050,000</u>	<u>23,000,000</u>	<u>15,100,000</u>	<u>32,650,000</u>	<u>30,000,000</u>
<u>88,800,000</u>	<u>100,350,000</u>	<u>31,800,000</u>	<u>23,000,000</u>	<u>43,750,000</u>	<u>32,650,000</u>

Financial Highlights

PowerShares Buyback Achievers™ Portfolio (PKW)

	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30,				For the Period December 20, 2006* Through April 30, 2007
		2011	2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:						
Net asset value at beginning of period	\$ 27.27	\$ 22.36	\$ 16.15	\$ 22.64	\$ 25.99	\$ 24.98
Net investment income**	0.13	0.11	0.19	0.26	0.10	0.01
Net realized and unrealized gain (loss) on investments	(1.31)	4.87	6.29	(6.55)	(3.35)	1.02
Total from investment operations	(1.18)	4.98	6.48	(6.29)	(3.25)	1.03
Distributions to shareholders from:						
Net investment income	(0.15)	(0.07)	(0.27)	(0.20)	(0.10)	(0.02)
Net asset value at end of period	\$ 25.94	\$ 27.27	\$ 22.36	\$ 16.15	\$ 22.64	\$ 25.99
Share price at end of period***	\$ 26.01	\$ 27.27	\$ 22.37	\$ 16.16		
NET ASSET VALUE, TOTAL RETURN****	(4.32)%	22.34%	40.46%	(27.87)%	(12.53)%	4.13%
SHARE PRICE TOTAL RETURN****	(4.06)%	22.29%	40.43%	(27.80)%		
RATIOS/SUPPLEMENTAL DATA:						
Net assets at end of period (000's omitted)	\$59,651	\$43,637	\$38,019	\$27,456	\$61,132	\$62,383
Ratio to average net assets of:						
Expenses, after Waivers^	0.70%†	0.70%	0.70%	0.70%	0.73%	0.73%†
Expenses, prior to Waivers^	0.90%†	1.00%	0.97%	0.92%	0.79%	1.04%†
Net investment income, after Waivers^	1.01%†	0.49%	0.98%	1.39%	0.41%	0.15%†
Portfolio turnover rate ††	6%	26%	23%	56%	46%	38%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ (0.02)	\$ (0.01)	\$ 0.01

PowerShares Dividend Achievers™ Portfolio (PFM)

	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30,				
		2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:						
Net asset value at beginning of year	\$ 15.29	\$ 13.21	\$ 10.30	\$ 16.15	\$ 17.52	\$ 15.63
Net investment income**	0.17	0.31	0.27	0.36	0.37	0.32
Net realized and unrealized gain (loss) on investments	(0.73)	2.08	2.96	(5.92)	(1.41)	1.88
Total from investment operations	(0.56)	2.39	3.23	(5.56)	(1.04)	2.20
Distributions to shareholders from:						
Net investment income	(0.18)	(0.31)	(0.32)	(0.29)	(0.33)	(0.31)
Net asset value at end of year	\$ 14.55	\$ 15.29	\$ 13.21	\$ 10.30	\$ 16.15	\$ 17.52
Share price at end of year***	\$ 14.56	\$ 15.29	\$ 13.21	\$ 10.30		
NET ASSET VALUE, TOTAL RETURN****	(3.66)%	18.39%	31.76%	(34.84)%	(6.00)%	14.26%
SHARE PRICE TOTAL RETURN****	(3.59)%	18.39%	31.76%	(34.84)%		
RATIOS/SUPPLEMENTAL DATA:						
Net assets at end of year (000's omitted)	\$235,643	\$217,859	\$133,380	\$85,451	\$59,751	\$70,079
Ratio to average net assets of:						
Expenses, after Waivers^	0.60%†	0.60%	0.60%	0.60%	0.60%	0.60%
Expenses, prior to Waivers^	0.60%†	0.61%	0.64%	0.74%	0.72%	0.92%
Net investment income, after Waivers^	2.33%†	2.30%	2.28%	3.11%	2.15%	1.94%
Portfolio turnover rate ††	6%	11%	18%	31%	8%	9%
Undistributed net investment income included in price of units issued and redeemed**#	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.01)	\$ 0.03

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

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

^ Prior to the fiscal year ended April 30, 2011, expense recapture was netted with expense waivers on the Statements of Operations.

† Annualized.

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

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

(a) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares Financial Preferred Portfolio (PGF)

	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30,				For the Period December 1, 2006* Through April 30, 2007
		2011	2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:						
Net asset value at beginning of period	\$ 18.26	\$ 16.97	\$ 11.41	\$ 21.17	\$ 24.78	\$ 25.12
Net investment income**	0.59	1.18	1.31	1.35	1.35	0.41
Net realized and unrealized gain (loss) on investments	(1.29)	1.36	5.61	(9.63)	(3.50)	(0.12)
Total from investment operations	(0.70)	2.54	6.92	(8.28)	(2.15)	0.29
Distributions to shareholders from:						
Net investment income	(0.58)	(1.21)	(1.30)	(1.46)	(1.46)	(0.63)
Return of capital	—	(0.04)	(0.06)	(0.02)	—	—
Total distributions	(0.58)	(1.25)	(1.36)	(1.48)	(1.46)	(0.63)
Net asset value at end of period	\$ 16.98	\$ 18.26	\$ 16.97	\$ 11.41	\$ 21.17	\$ 24.78
Share price at end of period***	\$ 16.97	\$ 18.28	\$ 16.93	\$ 11.41		
NET ASSET VALUE, TOTAL RETURN****	(3.85)%	15.57%	62.16%	(39.56)%	(8.77)%	1.18%
SHARE PRICE TOTAL RETURN****	(4.01)%	15.97%	61.76%	(39.82)%		
RATIOS/SUPPLEMENTAL DATA:						
Net assets at end of period (000's omitted)	\$1,507,847	\$1,832,516	\$1,714,824	\$773,644	\$237,126	\$99,118
Ratio to average net assets of:						
Expenses, after Waivers^	0.66%†	0.66%	0.65%	0.69%	0.72%	0.72%†
Expenses, prior to Waivers^	0.66%†	0.66%	0.65%	0.68%	0.74%	0.89%†
Net investment income, after Waivers^	6.69%†	6.75%	8.30%	11.49%	6.20%	4.63%†
Portfolio turnover rate ††	3%	26%	23%	45%	80%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.02	\$ 0.00 ^(a)	\$ (0.02)	\$ 0.02	\$ 0.03	\$ 0.07

PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)

	Six Months Ended October 31, 2011 (Unaudited)	Year Ended April 30,				
		2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:						
Net asset value at beginning of year	\$ 9.06	\$ 8.44	\$ 6.12	\$ 11.36	\$ 15.82	\$ 15.07
Net investment income**	0.16	0.34	0.32	0.43	0.62	0.54
Net realized and unrealized gain (loss) on investments	(0.16)	0.63	2.35	(5.21)	(4.42)	0.84
Total from investment operations	—	0.97	2.67	(4.78)	(3.80)	1.38
Distributions to shareholders from:						
Net investment income	(0.17)	(0.34)	(0.33)	(0.43)	(0.63)	(0.60)
Return of capital	—	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)
Total distributions	(0.17)	(0.35)	(0.35)	(0.46)	(0.66)	(0.63)
Net asset value at end of year	\$ 8.89	\$ 9.06	\$ 8.44	\$ 6.12	\$ 11.36	\$ 15.82
Share price at end of year***	\$ 8.91	\$ 9.06	\$ 8.44	\$ 6.12		
NET ASSET VALUE, TOTAL RETURN****	0.05%	11.91%	44.59%	(42.88)%	(24.67)%	9.28%
SHARE PRICE TOTAL RETURN****	0.27%	11.91%	44.58%	(42.88)%		
RATIOS/SUPPLEMENTAL DATA:						
Net assets at end of year (000's omitted)	\$282,625	\$208,471	\$127,424	\$86,846	\$184,077	\$439,820
Ratio to average net assets of:						
Expenses, after Waivers^	0.60%†	0.60%	0.60%	0.60%	0.60%	0.60%
Expenses, prior to Waivers^	0.60%†	0.62%	0.65%	0.62%	0.56%	0.60%
Net investment income, after Waivers^	3.80%†	4.02%	4.42%	5.24%	4.35%	3.47%
Portfolio turnover rate ††	10%	44%	57%	77%	42%	20%
Undistributed net investment income included in price of units issued and redeemed**#	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.00 ^(a)	\$ 0.02	\$ 0.00 ^(a)

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

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

^ Prior to the fiscal year ended April 30, 2011, expense recapture was netted with expense waivers on the Statements of Operations.

† Annualized.

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

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

(a) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares International Dividend Achievers™ Portfolio (PID)

	Six Months Ended	Year Ended April 30,				
	October 31, 2011 (Unaudited)	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:						
Net asset value at beginning of year	\$ 16.85	\$ 14.26	\$ 10.14	\$ 19.63	\$ 20.12	\$ 16.92
Net investment income*	0.23	0.47	0.35	0.52	0.68	0.53
Net realized and unrealized gain (loss) on investments	(1.64)	2.59	4.24	(9.46)	(0.61)	3.20
Total from investment operations	(1.41)	3.06	4.59	(8.94)	0.07	3.73
Distributions to shareholders from:						
Net investment income	(0.29)	(0.47)	(0.47)	(0.55)	(0.56)	(0.53)
Net asset value at end of year	\$ 15.15	\$ 16.85	\$ 14.26	\$ 10.14	\$ 19.63	\$ 20.12
Share price at end of year**	\$ 15.19	\$ 16.89	\$ 14.26	\$ 10.15		
NET ASSET VALUE, TOTAL RETURN***	(8.35)%	21.95%	45.77%	(46.44)%	0.34%	22.56%
SHARE PRICE TOTAL RETURN***	(8.33)%	22.23%	45.62%	(46.30)%		
RATIOS/SUPPLEMENTAL DATA:						
Net assets at end of year (000's omitted)	\$663,028	\$550,282	\$427,783	\$256,584	\$551,630	\$553,200
Ratio to average net assets of:						
Expenses, after Waivers^	0.57%†	0.58%	0.57%	0.57%	0.58%	0.60%
Expenses, prior to Waivers^	0.57%†	0.58%	0.57%	0.57%	0.56%	0.62%
Net investment income, after Waivers^	3.03%†	3.20%	2.65%	3.87%	3.28%	2.98%
Portfolio turnover rate †	13%	42%	63%	50%	43%	22%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.03	\$ 0.01	\$ 0.02	\$ (0.01)	\$ (0.02)	\$ 0.11

* Based on average shares outstanding.

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

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

^ Prior to the fiscal year ended April 30, 2011, expense recapture was netted with expense waivers on the Statements of Operations.

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

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

See Notes to Financial Statements.

Notes to Financial Statements

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

Note 1. Organization

PowerShares Exchange-Traded Fund Trust (the “Trust”) was organized as a Massachusetts business trust on June 9, 2000 and is authorized to have multiple series of portfolios. The Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). As of October 31, 2011, the Trust offered fifty-eight portfolios. This report includes the following portfolios:

<u>Full Name</u>	<u>Short Name</u>
PowerShares Buyback Achievers™ Portfolio (PKW)	“Buyback Achievers™ Portfolio”
PowerShares Dividend Achievers™ Portfolio (PFM)	“Dividend Achievers™ Portfolio”
PowerShares Financial Preferred Portfolio (PGF)	“Financial Preferred Portfolio”
PowerShares High Yield Equity Dividend Achievers™ Portfolio (PEY)	“High Yield Equity Dividend Achievers™ Portfolio”
PowerShares International Dividend Achievers™ Portfolio (PID)	“International Dividend Achievers™ Portfolio”

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

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

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

Note 2. Significant Accounting Policies

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

A. Security Valuation

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

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

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

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

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

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

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

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

B. Other Risks

Index Risk. Unlike many investment companies, the Funds do not utilize an investing strategy that seeks returns in excess of each Fund's respective Underlying Index. Therefore, a Fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from its respective Underlying Index, even if that security generally is underperforming.

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

Equity Risk. Equity risk is the risk that the value of the securities the Fund holds will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities the Fund holds 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 the Fund holds; the price of common stock 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 the Fund holds. In addition, common stock 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.

Concentration Risk. A significant percentage of the Underlying Index may be composed of issuers in a single industry or sector of the economy. If a Fund is focused in an industry or sector, it may present more risks than if it were diversified broadly over numerous industries and sectors of the economy. At times, such industry or group of industries may be out of favor and underperform other industries or the market as a whole.

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

requirements set forth in the Internal Revenue Code, the Fund may not be able to invest in all of the stocks comprising its Underlying Index in proportion to their weightings in the Underlying Index at all times.

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

Small and Medium Capitalization Company Risk. Investing in securities of small and medium capitalization companies involves greater risk than customarily is 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 focus are still evolving and, as a result, they may be more sensitive to changing market conditions.

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

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

C. Federal Income Taxes

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

Income and capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from GAAP. These differences are primarily due to differing book and tax treatments for

Notes to Financial Statements (Continued)

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in-kind transactions, losses deferred due to wash sales, and passive foreign investment company adjustments, if any.

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

D. Investment Income and Investment Transactions

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

E. Expenses

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

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

To the extent a Fund invests in other investment companies, the expenses shown in the accompanying financial statements, reflect the expenses of the Fund and do not include any expenses of the investment companies, in which it invests. The effects of the investment companies expenses are included in the realized and unrealized gain/loss on the investments in the investment companies.

F. Dividends and Distributions to Shareholders

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

G. Equalization

All of the Funds use the accounting practice of equalization. This accounting method is used to keep the continuing shareholder's per Share equity in undistributed net investment income from being affected by

Notes to Financial Statements (Continued)

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the continuous sales and redemptions of capital Shares. Equalization is calculated on a per Share basis whereby a portion of the proceeds from the sales and cost of repurchases of capital Shares is applied to undistributed net investment income. The amount of equalization is disclosed in the Statements of Changes in Net Assets as undistributed net investment income included in the price of capital Shares issued or redeemed. The distributions to shareholders of amounts so applied may be deemed to be a return of capital for tax purposes to the extent that such distributions exceed taxable income.

H. Securities Lending

Effective May 24, 2011, the International Dividend Achievers™ Portfolio may lend portfolio securities having a market value up to one-third of the Fund's total assets. Such loans are secured by cash collateral equal to no less than 102% of the market value of the loaned securities determined daily by the securities lending provider. Cash collateral received in connection with these loans is invested in an affiliated money market fund and is shown as such on the Schedule of Investments. It is a Fund's policy to obtain additional collateral from or return excess collateral to the borrower by the end of the next business day, following the valuation date of the securities loaned. Therefore, the value of the collateral held may be temporarily less than the value of the securities on loan. Lending securities entails a risk of loss to a Fund if and to the extent that the market value of the securities loaned were to increase and the borrower did not increase the collateral accordingly, and the borrower fails to return the securities. Upon the failure of the borrower to return the securities, collateral may be liquidated and the securities may be purchased on the open market to replace the loaned securities. A Fund could experience delays and costs in gaining access to the collateral. A Fund bears the risk of any deficiency in the amount of the collateral available for return to the borrower due to any loss on the collateral invested. Dividends received on cash collateral investments for securities lending transactions, which are net of compensation to counterparties, is included in Affiliated securities lending income on the Statements of Operations. The aggregate value of securities out on loan is shown as a footnote on the Statements of Assets and Liabilities, if any.

Note 3. Investment Advisory Agreement and Other Agreements

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

The Adviser has entered into an Amended and Restated Excess Expense Agreement ("Expense Agreement") with the Trust, pursuant to which the Adviser has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of each Fund (excluding interest expense, brokerage commissions and other trading expenses, sub-licensing fees, offering costs, taxes and extraordinary expenses) from exceeding 0.50% of the Fund's average daily net assets per year (0.60% of the Fund's average daily net assets per year for the Buyback Achievers™ Portfolio and Financial Preferred Portfolio) (the "Expense Cap"), at least until August 31, 2012. Offering costs excluded from the Expense Cap are: (a) initial legal fees pertaining to the Funds' Shares offered for sale; (b) initial Securities and Exchange Commission and state registration fees; and (c) initial fees paid to be listed on an exchange.

The Expense Agreement provides that the expenses borne by the Adviser are subject to recapture by the Adviser for up to three years from the date the fee or expense was borne by the Adviser, but no recapture

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

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payment will be made by a Fund if it would result in the Fund exceeding its Expense Cap as specified above.

The amounts available for potential future recapture by the Adviser under the Expense Agreement and the expiration schedule at October 31, 2011 are as follows:

	Total Potential Recapture Amounts	Potential Recapture Amounts Expiring			
		04/30/12	04/30/13	04/30/14	10/31/14
Buyback Achievers™ Portfolio	\$297,278	\$50,588	\$91,435	\$110,403	\$44,852
Dividend Achievers™ Portfolio	126,494	48,954	55,625	21,915	—
High Yield Equity Dividend Achievers™ Portfolio	123,120	30,914	51,657	40,549	—

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

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

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

Each Underlying Index name trademark is owned by its respective Licensor. These trademarks have been licensed to the Adviser for use with the Funds. Each Fund is entitled to use its Underlying Index pursuant to the Trust’s sub-licensing agreement with the Adviser. The Funds are required to pay the sub-licensing fees that are shown on the Statements of Operations. The Funds are not sponsored, endorsed, sold or promoted by the Licensors and the Licensors make no representation regarding the advisability of investing in any of these Funds.

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

Note 4. Investments in Affiliates

The 1940 Act defines “affiliate” to include issuers of which a fund holds 5% or more of the outstanding voting securities. The following is a summary of the transactions with affiliates for the six-month period ended October 31, 2011.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

Financial Preferred Portfolio

	Value April 30, 2011	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain	Value October 31, 2011	Dividend Income
Goldman Sachs Group, Inc. (The), 6.20%, Series B	\$ 47,432,898	\$ 2,811,037	\$ (6,379,282)	\$ (1,677,639)	\$1,464,122	\$ 43,651,136	\$1,431,915
HSBC Finance Corp., 6.36%, Series B	36,200,466	1,164,374	(4,421,993)	(4,715,852)	1,410,383	29,637,378	1,170,606
HSBC USA, Inc., 6.50%, Series H . . .	30,954,400	484,915	(4,106,981)	(1,149,196)	839,537	27,022,675	956,056
Prudential PLC, 6.75% (United Kingdom)	15,384,116	244,051	(1,928,043)	(818,944)	887,423	13,768,603	492,677
U.S. Bancorp, 7.88%, Series D . . .	27,583,389	5,516,195	(4,181,864)	(318,795)	570,551	29,169,476	1,106,274
Zions Bancorp, 9.50%, Series C	27,995,824	14,517,349	(4,863,275)	(1,362,639)	9,545	36,296,804	1,575,472
Total Investments in Affiliates	<u>\$185,551,093</u>	<u>\$24,737,921</u>	<u>\$(25,881,438)</u>	<u>\$(10,043,065)</u>	<u>\$5,181,561</u>	<u>\$179,546,072</u>	<u>\$6,733,000</u>

International Dividend Achievers™ Portfolio

	Value April 30, 2011	Purchases at Cost	Proceeds from Sales	Change in Unrealized Appreciation (Depreciation)	Realized Gain (Loss)	Value October 31, 2011	Dividend Income
Consolidated Water Co. Ltd. . . .	\$8,168,758	\$3,215,514	\$(807,877)	\$(81,873)	\$(333,247)	\$10,161,275	\$136,493

Note 5. Additional Valuation Information

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

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

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

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

Notes to Financial Statements (Continued)

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determining fair value of the securities or instruments and would be based on the best available information.

As of October 31, 2011, the securities in each Fund were valued based on Level 1 inputs (see Schedule of Investments for security categories). The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

With respect to each Fund, during the six-month period ended October 31, 2011, there were no significant transfers between investment levels.

Note 6. Tax Information

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from GAAP. Reclassifications are made to the Funds' capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be reported at the Funds' fiscal year-end.

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

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

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

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

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust

October 31, 2011 (Unaudited)

Note 7. Investment Transactions

For the six-month period ended October 31, 2011, the cost of securities purchased and proceeds from sales of securities, excluding short-term securities, money market funds and in-kind transactions, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Buyback Achievers™ Portfolio	\$ 2,832,164	\$ 2,824,081
Dividend Achievers™ Portfolio	16,043,519	12,056,111
Financial Preferred Portfolio	49,597,523	48,310,724
High Yield Equity Dividend Achievers™ Portfolio	20,873,695	21,046,289
International Dividend Achievers™ Portfolio	72,348,565	73,304,578

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

	<u>Securities Received</u>	<u>Securities Delivered</u>
Buyback Achievers™ Portfolio	\$ 22,107,325	\$ 3,866,626
Dividend Achievers™ Portfolio	25,454,742	2,347,426
Financial Preferred Portfolio	27,800,162	220,392,164
High Yield Equity Dividend Achievers™ Portfolio	102,426,979	24,045,785
International Dividend Achievers™ Portfolio	234,077,360	69,931,833

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

At October 31, 2011 cost of investments on a tax basis includes adjustments for financial reporting purposes, as of the most recently completed Federal income tax reporting period-end.

	<u>Cost</u>	<u>Net Unrealized Appreciation (Depreciation)</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized (Depreciation)</u>
PowerShares Buyback Achievers™ Portfolio	\$ 58,361,950	\$ 1,392,868	\$ 3,961,045	\$ (2,568,177)
PowerShares Dividend Achievers™ Portfolio	211,223,682	24,247,166	28,890,810	(4,643,644)
PowerShares Financial Preferred Portfolio ⁽¹⁾	1,393,683,153	117,742,364	158,635,055	(40,892,691)
PowerShares High Yield Equity Dividend Achievers™ Portfolio	274,799,634	8,321,274	15,622,305	(7,301,031)
PowerShares International Dividend Achievers™ Portfolio	711,138,741	(1,058,968)	30,217,913	(31,276,881)

⁽¹⁾ Tax year-end is October 31.

Notes to Financial Statements (Continued)

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October 31, 2011 *(Unaudited)*

Note 8. Trustees' Fees

The Funds compensate each Independent Trustee. The Non-Independent Trustees of the Trust do not receive any Trustees' fees.

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

Note 9. Capital

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

Note 10. Indemnifications

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

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PROXY VOTING POLICIES AND PROCEDURES

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

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

QUARTERLY PORTFOLIOS

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

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Xchange Traded funds™

301 West Roosevelt Road
Wheaton, IL 60187
800.983.0903
www.invescopowershares.com