

2011 Semi-Annual Report to Shareholders

April 30, 2011

PowerShares 1-30 Laddered Treasury Portfolio (PLW)

PowerShares Build America Bond Portfolio (BAB)

PowerShares CEF Income Composite Portfolio (PCEF)

PowerShares Emerging Markets Sovereign Debt Portfolio (PCY)

PowerShares Fundamental High Yield® Corporate Bond Portfolio (PHB)

PowerShares Insured California Municipal Bond Portfolio (PWZ)

PowerShares Insured National Municipal Bond Portfolio (PZA)

PowerShares Insured New York Municipal Bond Portfolio (PZT)

PowerShares International Corporate Bond Portfolio (PICB)

PowerShares Preferred Portfolio (PGX)

PowerShares VRDO Tax-Free Weekly Portfolio (PVI)

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Frequency Distribution of Discounts & Premiums

Since Inception through April 30, 2011

Ticker	Fund Name	Inception	Trading Days	Closing Price Above NAV (bps)					
				0-24	25-49	50-99	100-149	150-199	200+
PLW	PowerShares 1-30 Laddered Treasury Portfolio	10/11/07	896	476	82	7	0	0	0
BAB	PowerShares Build America Bond Portfolio	11/17/08	366	132	71	26	2	0	0
PCEF	PowerShares CEF Income Composite Portfolio	2/19/10	303	161	5	11	2	6	33
PCY	PowerShares Emerging Markets Sovereign Debt Portfolio	10/11/07	896	138	63	66	106	88	186
PHB	PowerShares Fundamental High Yield® Corporate Bond Portfolio	11/15/07	871	128	67	166	119	61	144
PWZ	PowerShares Insured California Municipal Bond Portfolio	10/11/07	896	315	93	58	29	11	20
PZA	PowerShares Insured National Municipal Bond Portfolio	10/11/07	896	402	110	62	28	14	7
PZT	PowerShares Insured New York Municipal Bond Portfolio	10/11/07	896	258	72	58	23	14	22
PICB	PowerShares International Corporate Bond Portfolio	6/3/10	231	42	57	78	31	0	0
PGX	PowerShares Preferred Portfolio	1/31/08	819	251	134	94	63	49	97
PVI	PowerShares VRDO Tax-Free Weekly Portfolio	11/15/07	871	486	3	0	0	0	0

Closing Price Below NAV (bps)					
-0-24	-25-49	-50-99	-100-149	-150-199	-200+
302	25	4	0	0	0
107	22	5	0	1	0
68	3	10	1	1	2
148	38	17	7	4	35
89	34	42	3	5	13
275	61	27	4	3	0
199	51	17	5	0	1
353	63	29	2	1	1
15	5	3	0	0	0
108	10	6	3	2	2
377	5	0	0	0	0

Fees and Expenses

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

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

In addition to the fees and expenses which the PowerShares CEF Income Composite Portfolio and the PowerShares Build America Bond Portfolio (the “Portfolios”) bear directly, the Portfolios indirectly bear a pro rata share of the fees and expenses of the investment companies in which the Portfolios invest. The amount of fees and expenses incurred indirectly by the Portfolios will vary because the investment companies have varied expenses and fee levels and the Portfolios may own different proportions of the investment companies at different times. Estimated investment companies expenses are not expenses that are incurred directly by the Portfolios. They are expenses that are incurred directly by the investment companies and are deducted from the value of the investment companies the Portfolios invests in. The effect of the estimated investment companies expenses that you bear indirectly are included in the Portfolios’ total return.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

	Beginning Account Value November 1, 2010	Ending Account Value April 30, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares 1-30 Laddered Treasury Portfolio				
Actual	\$1,000.00	\$967.68	0.25%	\$1.22
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.55	0.25%	\$1.25
PowerShares Build America Bond Portfolio				
Actual	\$1,000.00	\$1,020.40	0.28%	\$1.40
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.41	0.28%	\$1.40

Fees and Expenses (Continued)

	Beginning Account Value November 1, 2010	Ending Account Value April 30, 2011	Annualized Expense Ratio Based on the Six-Month Period	Expenses Paid During the Six-Month Period ⁽¹⁾
PowerShares CEF Income Composite Portfolio				
Actual	\$1,000.00	\$1,039.40	0.50%	\$2.53
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.32	0.50%	\$2.51
PowerShares Emerging Markets Sovereign Debt Portfolio				
Actual	\$1,000.00	\$973.49	0.50%	\$2.45
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.32	0.50%	\$2.51
PowerShares Fundamental High Yield [®] Corporate Bond Portfolio				
Actual	\$1,000.00	\$1,042.03	0.50%	\$2.53
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.32	0.50%	\$2.51
PowerShares Insured California Municipal Bond Portfolio				
Actual	\$1,000.00	\$951.01	0.28%	\$1.35
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.41	0.28%	\$1.40
PowerShares Insured National Municipal Bond Portfolio				
Actual	\$1,000.00	\$963.12	0.28%	\$1.36
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.41	0.28%	\$1.40
PowerShares Insured New York Municipal Bond Portfolio				
Actual	\$1,000.00	\$959.24	0.28%	\$1.36
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.41	0.28%	\$1.40
PowerShares International Corporate Bond Portfolio				
Actual	\$1,000.00	\$1,047.11	0.50%	\$2.54
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.32	0.50%	\$2.51
PowerShares Preferred Portfolio				
Actual	\$1,000.00	\$1,044.25	0.50%	\$2.53
Hypothetical (5% return before expenses)	\$1,000.00	\$1,022.32	0.50%	\$2.51
PowerShares VRDO Tax-Free Weekly Portfolio				
Actual	\$1,000.00	\$1,002.35	0.25%	\$1.24
Hypothetical (5% return before expenses)	\$1,000.00	\$1,023.55	0.25%	\$1.25

⁽¹⁾ Expenses are calculated using the annualized expense ratio, which represents the ongoing expenses as a percentage of net assets for the six months ended April 30, 2011. Expenses are calculated by multiplying the Fund's annualized expense ratio by the average account value for the period; then multiplying the result by 181 and then dividing the result by 365.

Portfolio Composition

PowerShares 1-30 Laddered Treasury Portfolio

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

Maturing in 1 to 5 Years	16.4
Maturing in 6 to 10 Years	16.5
Maturing in 11 to 15 Years	16.4
Maturing in 16 to 20 Years	23.1
Maturing in 21 to 25 Years	10.0
Maturing in 26 to 30 Years	16.6
Other assets less liabilities	1.0

Schedule of Investments

PowerShares 1-30 Laddered Treasury Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Value
	United States Government Obligations—99.0%	
	<i>United States Treasury Notes—23.0%</i>	
\$ 8,988,000	4.625%, 02/29/12	\$ 9,317,329
8,803,000	3.875%, 02/15/13	9,337,368
8,631,000	4.000%, 02/15/14	9,371,376
8,567,000	4.000%, 02/15/15	9,392,242
8,402,000	4.500%, 02/15/16	9,430,590
8,361,000	4.625%, 02/15/17	9,430,949
8,962,000	3.500%, 02/15/18	9,466,811
		65,746,665
	<i>United States Treasury Bonds—76.0%</i>	
6,574,000	8.875%, 02/15/19	9,390,039
6,590,000	8.500%, 02/15/20	9,387,659
6,762,000	7.875%, 02/15/21	9,393,899
6,573,000	8.000%, 11/15/21	9,263,822
7,017,000	7.125%, 02/15/23	9,406,071
7,491,000	6.250%, 08/15/23	9,408,232
6,660,000	7.625%, 02/15/25	9,406,211
7,641,000	6.000%, 02/15/26	9,431,859
7,183,000	6.625%, 02/15/27	9,429,936
7,433,000	6.125%, 11/15/27	9,321,450
8,258,000	5.250%, 02/15/29	9,448,960
7,295,000	6.250%, 05/15/30	9,337,600
24,430,000	5.375%, 02/15/31	28,388,417
27,724,000	4.500%, 02/15/36	28,417,100
8,909,000	4.750%, 02/15/37	9,464,423
9,485,000	4.375%, 02/15/38	9,480,552
11,134,000	3.500%, 02/15/39	9,496,957
9,154,000	4.625%, 02/15/40	9,488,698
8,970,000	4.750%, 02/15/41	9,478,769
		216,840,654
	Total Investments	
	(Cost \$290,126,157)—99.0%	282,587,319
	Other assets less liabilities—1.0%	2,882,645
	Net Assets—100.0%	\$285,469,964

See Notes to Financial Statements.

Portfolio Composition

PowerShares Build America Bond Portfolio

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

Alaska	0.6	New Jersey	5.2
Arizona	1.8	New Mexico	0.2
California	22.7	Nevada	4.4
Colorado	4.6	New York	9.8
Connecticut	0.3	Ohio	3.9
District of Columbia	0.2	Oklahoma	0.1
Delaware	0.6	Oregon	0.1
Florida	7.4	Pennsylvania	1.6
Georgia	0.8	South Carolina	0.3
Hawaii	1.6	South Dakota	0.3
Idaho	0.2	Tennessee	1.2
Illinois	6.7	Texas	6.4
Indiana	1.3	Utah	1.7
Kansas	0.9	Virginia	0.2
Kentucky	0.6	Washington	5.0
Louisiana	0.5	Wisconsin	1.4
Massachusetts	1.3	Wyoming	0.6
Maryland	0.2	Other assets less liabilities	1.9
Michigan	0.9		
Missouri	0.8		
Mississippi	0.9		
North Carolina	0.7		
New Hampshire	0.1		

Schedule of Investments

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
	Municipal Bonds—98.1%			
	<i>Ad Valorem Property Tax—28.6%</i>			
\$ 3,000,000	Anchorage Alaska Ser. 10A-2	5.910%	04/01/30	\$ 3,068,580
2,000,000	Austintown Ohio Local School District Ser. 10 SD CRED PROG	6.306	11/01/47	1,864,820
1,000,000	Beaumont California University School District Ser. 09 AGM	7.471	08/01/34	1,040,370
3,000,000	Bexar County Texas Hospital District Ser. 10	5.263	02/15/31	2,821,680
1,500,000	Bexar County Texas Ser. 10	5.755	06/15/40	1,504,230
1,000,000	Bolingbrook Illinois Ref. Ser. 10B AGM	4.940	01/01/21	1,064,820
8,575,000	California State Ser. 09	7.300	10/01/39	9,425,554
3,135,000	California State Ser. 09	7.350	11/01/39	3,466,150
5,995,000	California State Ser. 10	5.950	03/01/18	6,413,331
4,175,000	California State Ser. 10	6.650	03/01/22	4,566,198
4,500,000	California State Ser. 10	7.950	03/01/36	4,897,710
7,500,000	California State Ser. 10	7.625	03/01/40	8,568,975
1,010,000	Carson City Nevada (Water Improvement) Ser. 10A	6.662	11/01/39	992,547
2,050,000	Cedar Cliff Ohio Local School District Ser. 10 SD CRED PROG	5.965	12/01/35	1,928,128
2,000,000	Channelview Texas Independent School District Ser. 10	5.926	08/15/35	2,030,680
2,000,000	Chicago Illinois (Recovery Zone Economic Development) Ser. 10D	6.257	01/01/40	1,806,920
2,000,000	Chicago Illinois (Taxable Project) Ser. 10B	7.517	01/01/40	2,191,100
1,500,000	Chicago Illinois Ser. 10C	6.207	01/01/36	1,363,050
1,500,000	Clark County Nevada Las Vegas Convention and Visitors Auth. Ser. 10A	6.554	07/01/30	1,635,825

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 1,620,000	Clark County Nevada Las Vegas Convention and Visitors Auth. Ser. 10A	6.754%	07/01/38	\$ 1,773,608
1,500,000	Contra Costa California Community College District Ser. 10	6.504	08/01/34	1,547,085
1,600,000	Cook County Illinois Community Consolidated (School District No. 65) Ser. 09	4.400	12/01/20	1,658,176
1,500,000	Cook County Illinois Ser. 10D	6.229	11/15/34	1,509,015
1,000,000	Corona-Norco California University School District Ser. 09 AGM	7.343	08/01/35	1,043,280
2,000,000	Corpus Christi Texas Independent School District (School Building) Ser. 10B	6.124	08/15/32	2,111,880
200,000	Delaware State Ser. 09D	5.200	10/01/26	207,152
500,000	Denver Colorado City & County School District No. 1 Ser. 09C	5.664	12/01/33	522,915
1,000,000	Dickinson County Kansas University (School District No. 487) Ser. 10	7.270	09/01/35	1,045,970
1,000,000	Dickinson County Kansas University (School District No. 487) Ser. 10	7.370	09/01/41	1,047,890
1,000,000	Douglas County Nevada School District Ser. 10A	6.110	04/01/30	1,022,660
200,000	Edgewood Ohio City School District Ser. 09	7.500	12/01/37	206,220
2,000,000	Elgin Ohio Local School District Qualified School Construction Bonds Ser. 10 SD CRED PROG	5.499	08/31/27	1,938,900
2,000,000	Forsyth County North Carolina Ser. 10	5.166	04/01/30	1,954,140
1,750,000	Glenwood Illinois Ser. 10 AGM	7.030	12/01/28	1,748,110
605,000	Hallettsville Texas Independent School Ser. 10	6.265	08/15/30	611,927
1,000,000	Hallettsville Texas Independent School Ser. 10	6.465	08/15/35	1,013,440
1,000,000	Hawaii State Ser. 10DX	5.530	02/01/30	992,990
2,000,000	Hayward California Unified School District Ser. 10 AGM	7.350	08/01/43	2,059,060
1,000,000	Hillsborough County Florida Ser. 09B	6.350	07/01/39	1,029,360
1,000,000	Holland Michigan School District Qualified School Construction Bonds (School Building & Site) Ser. 10A	6.300	05/01/27	1,000,990
5,000,000	Illinois State Ser. 10	6.125	07/01/21	5,192,950
3,000,000	Illinois State Ser. 10	6.630	02/01/35	2,999,610
200,000	Itasca Illinois Ser. 09A	6.100	02/01/34	200,380
320,000	Itasca Illinois Ser. 09A	6.200	02/01/39	321,034
1,250,000	Katy Texas Independent School District Ser. 10	5.999	02/15/30	1,291,975
2,000,000	Kiski Pennsylvania Area School District Ser. 10 AGM	6.526	09/01/31	2,018,660
1,000,000	Lancaster Texas Ser. 10	6.528	02/15/40	1,011,050
1,000,000	Las Vegas Valley Water District Nevada Ser. 09C	7.263	06/01/34	1,029,580
1,000,000	Las Virgenes California University School District (Election of 2006) Ser. 09B-1	7.262	08/01/34	1,056,370
500,000	Lewisville Texas Independent School District Ser. 10B	6.024	08/12/28	513,100
3,550,000	Lexington-Fayette Urban County Kentucky Government Ser. 10	5.100	09/01/24	3,729,914
375,000	Logan County Kansas Ser. 10	5.200	09/01/25	366,461
3,000,000	Los Angeles California Community College District Ser. 10	6.600	08/01/42	3,248,430
500,000	Los Angeles California Unified School District Qualified School Construction Bonds (Election of 2005) Ser. 10J-1	5.981	05/01/27	508,300
1,000,000	Los Angeles California Unified School District Ser. 10	6.758	07/01/34	1,103,010
200,000	Los Angeles California University School District Ser. 09KRY	5.750	07/01/34	195,630
200,000	Louisville & Jefferson County Kentucky Metro Government (Recovery Zone Economic Development) Ser. 09E	5.450	11/15/27	206,394
500,000	Lubbock Texas Ser. 10B	6.032	02/15/30	510,895
4,300,000	Massachusetts State Ser. 10	4.480	05/01/24	4,295,786
1,000,000	Montgomery County Pennsylvania Ser. 10	6.030	09/01/39	1,022,540
3,000,000	Napa Valley California University School District Ser. 10B	6.507	08/01/43	3,054,120
1,000,000	New Orleans Louisiana Ser. 10A	8.800	12/01/39	1,052,020
3,000,000	New York City New York Ser. 10	4.908	06/01/21	3,103,080
1,000,000	New York City New York Ser. 10	5.817	10/01/31	991,330
9,000,000	New York City New York Ser. 10	5.968	03/01/36	9,327,240
200,000	New York City Ser. 09A-2	5.206	10/01/31	191,020
1,000,000	New York City Ser. 09D-1	6.385	12/01/29	1,037,660

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 960,000	North Las Vegas Nevada Ser. 10	5.372%	06/01/19	\$ 1,012,790
1,000,000	NYE County Nevada Ser. 10B AGM	6.300	08/01/35	1,003,350
1,000,000	NYE County Nevada Ser. 10B AGM	6.400	08/01/40	1,008,890
4,000,000	Oak Lawn Illinois Ser. 10	6.110	12/01/35	3,758,360
2,000,000	Ohio State Ser. 10E	4.861	08/01/24	2,001,980
1,000,000	Peoria County Illinois (School District No. 150) Ser. 09D AGC	6.605	12/01/28	1,017,920
1,450,000	Peoria County Illinois Community Unit School District No. 323 Ser. 10	6.020	04/01/28	1,387,708
1,000,000	Philadelphia Pennsylvania School District Ser. 10	6.615	06/01/30	1,006,520
1,025,000	Pima County Arizona Unified School District No. 13 Tanque Verde (School Improvement Project of 2009) Ser. 10A-2	5.923	07/01/27	1,060,250
500,000	Pima County Arizona Unified School District No. 20 Vail Ser. 10 AGM	5.700	07/01/24	523,560
1,000,000	Pima County Tucson Arizona Unified School District No. 1 School Improvement (Project of 2004) Ser. 10E-2	4.324	07/01/17	1,017,480
500,000	Pima County Tucson Arizona Unified School District No. 1 School Improvement (Project of 2004) Ser. 10E-2	4.617	07/01/18	508,110
1,000,000	Pima County Tucson Arizona Unified School District No. 1 School Improvement (Project of 2004) Ser. 10E-2	4.767	07/01/19	1,015,280
1,000,000	Pima County Tucson Arizona Unified School District No. 1 School Improvement (Project of 2004) Ser. 10E-2	4.967	07/01/20	1,016,640
1,000,000	Quaker Valley Pennsylvania School District Ser. 10 AGM	5.959	10/01/30	1,005,580
2,000,000	Round Rock Texas Independent School District Ser. 10	5.774	08/01/30	2,094,780
1,000,000	Round Rock Texas Independent School District Ser. 10B	6.054	08/01/35	1,005,940
2,000,000	San Antonio Texas Independent School District Ser. 10	6.397	08/15/40	2,093,300
1,500,000	San Francisco California City & County Ser. 10	6.260	06/15/30	1,552,545
3,850,000	San Francisco California City & County Ser. 10D	6.260	06/15/30	3,984,866
1,000,000	San Mateo California Union High School District Ser. 10B	6.733	09/01/34	1,020,180
1,000,000	Santa Monica California Community College (District 2008 Election) Ser. 10A-1	6.663	08/01/30	1,047,840
1,000,000	Santa Monica California Community College (District 2008 Election) Ser. 10A-1	6.763	08/01/34	1,022,800
1,000,000	Santa Monica-Malibu Unified School District California Ser. 10C-1	5.796	07/01/25	1,001,040
3,500,000	Santa Monica-Malibu Unified School District California Ser. 10C-1	6.434	07/01/30	3,570,910
1,000,000	Snohomish County Washington Public Hospital District No. 3 (Cascade Valley Hospital) Ser. 10B	6.329	12/01/35	942,920
200,000	Southwestern Community College District California Ser. 09B	7.130	08/01/31	202,950
1,000,000	Tempe Arizona Ser. 10B	4.367	07/01/21	1,023,240
1,000,000	Tustin Unified School District School Facilities Improvement District No. 2008-1 (2008 Election) Sub-Ser. 10A-1	6.539	08/01/30	1,044,910
1,500,000	Washington State Ser. 2011T	3.640	08/01/19	1,508,445
2,000,000	West Contra Costa California Unified School District Qualified School Construction (Election of 2005) Ser. 10D-1 AGM	6.555	08/01/24	2,064,740
1,500,000	Westlake Ohio City School District Ser. 10	5.728	12/01/35	1,470,480
1,500,000	Westlake Ohio City School District Ser. 10	6.028	12/01/43	1,455,840
2,000,000	Will County Illinois High School (District No. 204 Joliet) Ser. 10	6.204	01/01/30	2,050,100
675,000	Wilson County Tennessee Tenth Special School District Ser. 10	6.130	04/01/35	683,262
10,000,000	Wisconsin State Ser. 10	5.000	05/01/32	9,405,600
				<u>194,865,081</u>
	<i>College Revenue—6.8%</i>			
500,000	Adams State College Colorado (Auxiliary Facilities) Rev. Ser. 09C	6.470	05/15/38	500,295
2,000,000	Bowling Green State University Ohio General Receipts Ser. 10	6.730	06/01/39	2,065,600
1,000,000	California Infrastructure & Economic Development Bank Rev. (California Infrastructure Economic Development) Ser. 10	6.486	05/15/49	1,024,460
1,000,000	Colorado State Board Governors University Enterprise System Rev. Ser. 10	5.957	03/01/33	1,026,660

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 1,145,000	Elizabeth City North Carolina University Rev. Ser. 10 AGM	8.097%	04/01/32	\$ 1,264,641
1,500,000	Fau Finance Corp. Florida Capital Improvement Rev. Ser. 10	7.099	07/01/25	1,633,440
1,300,000	Fau Finance Corp. Florida Capital Improvement Rev. Ser. 10	7.439	07/01/30	1,395,147
535,000	Florida State International University (Parking Facility) Rev. Ser. 09B	6.500	07/01/29	544,758
2,000,000	Indiana University Rev. Ser. 10	5.536	06/01/30	1,975,780
1,500,000	Indiana University Rev. Ser. 10	5.636	06/01/35	1,468,215
1,215,000	Mesa State College Colorado (Auxiliary Facilities Enterprise) Rev. Ser. 09B	5.800	05/15/40	1,158,041
5,000,000	Mesa State College Colorado (Auxiliary Facilities Enterprise) Rev. Ser. 10B	6.746	05/15/42	5,125,450
1,000,000	Michigan State University Rev. General Ser. 10A	6.173	02/15/50	1,006,870
3,000,000	New Jersey State Educational Facilities Auth. Rev. Ser. 10	6.190	07/01/40	2,797,500
1,000,000	New Mexico State University Regents Improvement Rev. Ser. 10B	6.124	04/01/30	1,031,350
1,000,000	North Carolina State University at Raleigh Rev. Ser. 10B	5.927	10/01/30	1,025,070
3,000,000	Northern Arizona University Rev. (Arizona Board of Regents) Ser. 10A	6.593	08/01/30	3,016,680
500,000	Northern Arizona University System Rev. Ser. 09A	6.687	06/01/39	506,300
250,000	Oakland University Michigan Rev. Ser. 09B	7.150	03/01/39	251,450
1,000,000	Pennsylvania State Higher Educational Facilities Auth. Rev. (Temple University) Ser. 10	6.141	04/01/30	1,043,130
1,000,000	University of California Rev. Ser. 10	5.946	05/15/45	951,940
1,000,000	University of Cincinnati Ohio General Receipts Ser. 10C AGM	5.017	06/01/20	1,018,720
500,000	University of Colorado Enterprise System Rev. Sub-Ser. 09B-2	6.114	06/01/29	519,775
3,000,000	University of Hawaii Rev. Ser. 10	5.834	10/01/30	3,013,590
5,000,000	University of Hawaii Rev. Ser. 10	6.034	10/01/40	5,029,600
1,000,000	University of Idaho University Rev. General Ser. 10C	6.520	04/01/41	1,016,790
250,000	University of Michigan (University Rev.) Ser. 10A	5.513	04/01/30	259,235
500,000	University of North Carolina University Ser. 09B	5.757	12/01/39	507,985
2,000,000	University of Washington University Rev. Ref. Ser. 10B	4.897	10/01/33	1,900,400
500,000	Utah State Board of Regents Auxiliary & Campus Facilities System Rev. Ser. 10	6.186	04/01/30	514,980
1,435,000	Washington State Biomedical Research Facilities No. 3 Ser. 10B	6.416	07/01/30	1,472,568
250,000	Wayne State University Ser. 09B	6.536	11/15/39	249,543
				<u>46,315,963</u>
<i>Electric Power Revenue—7.6%</i>				
1,000,000	American Municipal Power, Inc. (Combined Hydroelectric Projects) Ser. 10	7.834	02/15/41	1,180,030
1,000,000	American Municipal Power, Inc. Ohio Ser. 10	5.939	02/15/47	933,810
2,000,000	American Municipal Power, Inc. Ser. 10	7.499	02/15/50	2,145,560
200,000	Anchorage Alaska Electric Utilities Rev. Ser. 09B	6.558	12/01/39	203,366
750,000	Benton County Washington Public Utility (District No. 1 Electric) Rev. Ser. 10	6.546	11/01/30	775,440
6,500,000	Cowlitz County Washington Public Utility (District No. 1 Electric) Ser. 10	6.884	09/01/32	7,090,330
2,000,000	Douglas County Washington Public Utility District No. 001 Wells Hydroelectric Ser. 10B	5.245	09/01/30	1,922,040
1,280,000	Douglas County Washington Public Utility District No. 001 Wells Hydroelectric Ser. 10B	5.495	09/01/40	1,215,654
2,500,000	Grant County Washington Public Utility District No. 2 (Priest Rapids Hydroelectric Project) Ref. Ser. 10L	5.730	01/01/30	2,513,600
2,750,000	Grant County Washington Public Utility District No. 2 (Priest Rapids Hydroelectric Project) Ref. Ser. 10L	5.830	01/01/40	2,739,275
2,000,000	Grays Harbor County Washington Public Utility District No. 1 Electric Rev. Ser. 10A	6.707	07/01/40	2,112,240
500,000	JEA Florida Electric Systems Rev Ser. 09F	6.406	10/01/34	514,265
4,000,000	Los Angeles California Department of Water & Power Rev. Ser. 10	5.716	07/01/39	3,917,320
2,000,000	Los Angeles California Department of Water & Power Rev. Ser. 10	6.166	07/01/40	2,037,040
1,500,000	Los Angeles California Department of Water & Power Rev. Ser. 10	7.000	07/01/41	1,560,615

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 500,000	Missouri Joint Municipal Electric Utility Commission Power Project Rev. Ser. 09A	6.790%	01/01/29	\$ 508,280
1,000,000	Missouri Joint Municipal Electric Utility Commission Power Project Rev. Ser. 10	7.597	01/01/32	1,104,790
2,450,000	Modesto California Irrigation District Financing Auth. Electric System Rev. Ser. 10A	5.477	10/01/19	2,472,369
5,000,000	Municipal Electric Auth. of Georgia (Plant Vogtle Units 3&4 Project J) Ser. 10	6.637	04/01/57	4,761,050
500,000	Municipal Electric Auth. of Georgia Ser. 10	6.655	04/01/57	471,185
250,000	Northern Illinois Municipal Power Agency Power Project Rev. Ser. 10	7.620	01/01/30	271,048
1,000,000	Nothern California Power Agency Rev. (Lodi Energy Center) Ser. 10B	7.311	06/01/40	1,038,690
1,000,000	Oklahoma State Municipal Power Auth. (Power Supply System) Rev. Ser. 10	6.440	01/01/45	1,003,920
1,000,000	Sacramento County California Municipal Utility District Electric Rev. Ser. 10	6.156	05/15/36	992,230
1,900,000	Southern California Public Power Auth. (Power Project) Rev. Ser. 10	5.843	07/01/30	1,860,708
2,000,000	Southern California Public Power Auth. Rev. Ser. 10	5.921	07/01/35	1,921,300
2,570,000	Tacoma Washington Electric System Rev. Ser. 10 AGM	5.791	01/01/32	2,567,147
2,000,000	Tacoma Washington Electric System Rev. Ser. 10	5.966	01/01/35	2,043,960
				<u>51,877,262</u>
	<i>Fuel Sales Tax Revenue—2.8%</i>			
5,000,000	Cape Coral Florida Gas Tax Rev. Ser. 10B	7.147	10/01/30	5,355,400
1,000,000	Clark County Nevada Highway Improvement Rev. (Motor Vehicle Fuel) Ser. 10A-1	6.350	07/01/29	1,021,570
1,000,000	Kansas State Department Transportation Highway Rev. Ser. 10	4.596	09/01/35	910,750
1,000,000	Oregon State Department of Transportation Highway User Tax Rev. (Sub-Lien) Ser. 10A	5.834	11/15/34	1,023,260
2,000,000	Washington State Ser. 10	5.090	08/01/33	1,964,180
1,400,000	Washoe County Nevada Highway Rev. Ser. 10	7.063	02/01/30	1,434,874
5,000,000	Washoe County Nevada Highway Rev. Ser. 10	7.213	02/01/39	5,117,150
2,000,000	Washoe County Nevada Highway Rev. Ser. 10	7.969	02/01/40	2,282,060
				<u>19,109,244</u>
	<i>General Fund—2.1%</i>			
3,000,000	California State Ser. 10	7.700	11/01/30	3,234,390
7,890,000	California State Various Purpose Ser. 09	7.550	04/01/39	8,950,021
2,000,000	Kauai County Hawaii Ser. 10	5.763	08/01/33	2,056,440
				<u>14,240,851</u>
	<i>Highway Tolls Revenue—3.9%</i>			
5,000,000	Bay Area Toll Auth. California (Toll Bridge) Rev. Ser. 10S-1	6.793	04/01/30	5,225,100
595,000	Idaho Housing & Financing Association Ser. 10A-2	6.348	07/15/28	641,612
200,000	Illinois State Toll Highway Auth. Toll Highway Rev Ser. 09A	5.293	01/01/24	200,272
1,000,000	Missouri State Highway & Transportation Commission State Road Rev. Ser. 10	5.020	05/01/25	1,035,660
250,000	New Hampshire State Turnpike System Rev. Ser. 09B	6.259	11/01/29	258,285
250,000	New Hampshire State Turnpike System Rev. Ser. 09B	6.009	11/01/39	247,608
500,000	New Jersey State Turnpike Auth. Rev. Ser. 10A	7.102	01/01/41	563,935
5,000,000	North Texas Tollway Auth. Rev. Subordinate Lien Ser. 10B-2	8.410	02/01/30	5,149,800
5,000,000	North Texas Tollway Auth. Rev. Subordinate Lien Ser. 10B-2	8.910	02/01/30	5,226,850
3,000,000	Pennsylvania State Turnpike Commission Turnpike Rev. Ser. 10B	5.561	12/01/49	2,813,160
2,000,000	Texas State Transportation Commission Rev. (First Tier) Ser. 10B	5.028	04/01/26	2,050,740
2,000,000	Texas State Transportation Commission Rev. (First Tier) Ser. 10B	5.178	04/01/30	2,038,900
1,200,000	Triborough Bridge & Tunnel Auth. Ser. 09B	5.500	11/15/39	1,146,828
				<u>26,598,750</u>
	<i>Hospital Revenue—1.5%</i>			
1,000,000	Cuyahoga County Ohio Hospital Rev. Ser. 10	8.223	02/15/40	1,064,580
2,000,000	King County Washington Public Hospital District No. 1 Hospital Facilities Rev. Ser. 10	7.900	06/15/30	2,071,900

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Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 3,000,000	Lee Memorial Health System Florida Hospital Rev. Ser. 10A	7.281%	04/01/27	\$ 3,237,000
1,000,000	Medical Center Educational Building Corp. Mississippi Rev. Ser. 10	6.692	06/01/32	1,013,620
1,000,000	New Liberty Missouri Hospital District Hospital Rev. Ser. 10B	7.000	12/01/35	1,013,030
1,000,000	Oak Valley California Hospital District (Health Facility) Rev. Ser. 10B	9.000	11/01/39	979,920
500,000	Tangipahoa Parish Louisiana Hospital Service District No. 1 (North Oaks Health System) Ser. 09A AGC	7.200	02/01/42	506,705
500,000	University California Regents Medical Center Pooled Rev. Ser. 09F	6.458	05/15/29	514,905
				<u>10,401,660</u>
<i>Hotel Occupancy Tax—1.4%</i>				
2,780,000	Dallas Texas Convention Center Hotel Development Corp. Ser. 09	7.088	01/01/42	2,911,355
2,000,000	Metropolitan Government of Nashville & Davidson County Convention Center Auth. Ser. 10A-2	7.431	07/01/43	2,120,940
4,775,000	Metropolitan Government of Nashville & Davidson County Convention Center Auth. Ser. 10B	6.731	07/01/43	4,797,920
				<u>9,830,215</u>
<i>Income Tax Revenue—1.2%</i>				
1,500,000	District of Columbia Income Tax Rev. Ser. 10	5.582	12/01/35	1,531,740
200,000	New York State Dormitory Auth. State (Personal Income Tax) Rev. Ser. 09F	5.292	03/15/25	209,246
1,400,000	New York State Dormitory Auth. State Personal Income Tax Rev. Ser. 10C	4.904	02/15/23	1,434,440
2,000,000	New York State Urban Development Corp. State Personal Income Tax Rev. Ser. 10C	5.838	03/15/40	2,094,100
2,500,000	New York State Urban Development Corp. State Personal Income Tax Rev. Ser. 09	5.770	03/15/39	2,587,250
				<u>7,856,776</u>
<i>Lease Revenue—8.1%</i>				
300,000	Beverly Hills California Public Financing Auth. Lease Rev. (Various Projects) Ser. 10C	6.674	06/01/30	298,827
1,000,000	Beverly Hills California Public Financing Auth. Lease Rev. (Various Projects) Ser. 10C	6.774	06/01/40	1,009,630
2,000,000	Brighton Colorado COP Ser. 10B AGM	6.550	12/01/30	1,971,700
2,000,000	California State Public Works Board Lease Rev. (California State University Projects) Ser. 10B-2	7.804	03/01/35	2,020,840
2,500,000	California State Public Works Board Lease Rev. (University of California Projects) Ser. 10C-2	7.004	03/01/35	2,541,375
500,000	California State Public Works Board Ser. 09-G-2	8.361	10/01/34	532,840
4,000,000	California State Public Works Board Ser. 10A-2	8.000	03/01/35	4,019,360
1,000,000	Camden County New Jersey Improvement Auth. Lease Rev. Ser. 10	7.747	07/01/34	1,038,790
5,000,000	Colorado State Building Excellent Schools Today COP Ser. 10B	6.242	03/15/30	5,140,600
3,000,000	Colorado State Building Excellent Schools Today COP Ser. 10E	7.017	03/15/31	3,196,770
1,000,000	Columbus Indiana Multi-High School Building Corp. Ser. 10	6.446	01/15/30	1,026,360
2,000,000	Consolidated Wyoming Municipalities Electric Power System Joint Powers Board (Gillette Electric) Ser. 10B	6.279	06/01/25	2,027,320
2,000,000	Consolidated Wyoming Municipalities Electric Power System Joint Powers Board (Gillette Electric) Ser. 10B	6.854	06/01/35	2,000,380
280,000	Escondido California Union High School District COP (Qualified School Construction Bonds) Ser. 10 AGM	5.000	06/01/17	279,196
2,000,000	Escondido California Union High School District COP (Qualified School Construction Bonds) Ser. 10 AGM	7.150	06/01/27	2,010,420
1,000,000	Franklin County Ohio Convention Facilities Auth Ser. 10	6.390	12/01/30	1,046,870
500,000	Las Vegas Nevada COP (City Hall Project) Ser. 09B	7.750	09/01/29	534,330

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 500,000	Los Angeles California Municipal Improvement Corp. Lease Rev. (Recovery Zone Economic Development) Ser. 09D	7.757%	09/01/39	\$ 507,770
1,000,000	Menlo Park California Fire Protection District COP Ser. 09B	7.138	08/01/29	1,015,880
2,000,000	Miami-Dade County Florida School Board COP Ser. 10	6.935	06/15/32	2,003,140
1,500,000	Michigan Finance Auth. Local Government Loan Program (Local Project) Ser. 10E	8.369	11/01/35	1,713,675
1,000,000	New Jersey State Educational Facilities Auth. Rev. Ser. 10B	7.225	07/01/30	1,052,330
2,000,000	New York City Educational Construction Fund Rev. Ser. 10	6.000	04/01/35	1,947,640
2,000,000	Ohio State Building Auth. State Facilities (Administration Building) Ser. 10B	6.103	10/01/29	2,081,060
1,000,000	Passaic County New Jersey Ser. 10	6.540	08/01/31	999,870
500,000	Peoria Illinois Public Building Commission (School District Facilities) Rev. Ser. 09C AGC	6.580	12/01/29	508,805
1,000,000	Prescott Arizona Municipal Property Corp. Rev. Ser. 10	6.245	07/01/29	1,026,890
3,000,000	Regional Transportation District Colorado COP Ser. 10	7.672	06/01/40	3,241,020
500,000	Salt Lake County Utah Municipal Building Auth. (Lease Rev.) Ser. 09B	5.820	12/01/29	512,315
3,000,000	San Francisco California City and County COP Ser. 09D	6.487	11/01/41	2,850,390
1,000,000	St. Charles Missouri COP Ser. 10B	5.650	02/01/30	957,570
2,000,000	USF Financing Corp. Florida COP Ser. 10	8.548	07/01/40	2,243,840
2,250,000	Williamsburg County South Carolina Public Facilities Corp. (Installment Purchase Rev.) Ser. 10	6.526	12/01/30	2,229,255
				<u>55,587,058</u>
<i>Miscellaneous Revenue—8.1%</i>				
500,000	Battery Park City Auth. Rev. Ser. 09A	6.375	11/01/39	510,665
500,000	Camden County New Jersey Improvement Auth. Rev. Ser. 09A	6.180	01/15/27	514,665
2,000,000	Commonwealth Financing Auth. Pennsylvania Rev. Ser. 10	5.587	06/01/30	1,941,280
5,000,000	Illinois State Ser. 10	4.550	07/01/14	5,198,000
1,500,000	Illinois State Ser. 10	7.350	07/01/35	1,611,210
1,000,000	Indianapolis Indiana Local Public Improvement Bond Bank Ser. 10	5.854	01/15/30	1,029,110
3,500,000	Indianapolis Indiana Local Public Improvement Bond Bank Ser. 10B-2	5.966	01/15/30	3,701,320
500,000	Jacksonville Florida Special Rev. Ser. 09C-2	4.990	10/01/21	513,465
500,000	Kansas State Development Finance Auth. Rev. (Kansas State Projects) Ser. 10E-2	6.120	11/01/29	536,830
2,000,000	Kansas State Development Finance Auth. Rev. Ser. 10	5.945	03/01/30	2,239,320
7,000,000	Miami-Dade County Florida Special Obligation Ser. 10B	6.743	04/01/40	7,047,320
5,000,000	Mississippi Development Bank Special Obligation Ser. 10	6.413	01/01/40	5,201,600
3,000,000	New Jersey Economic Development Auth. Rev. Ser. 10CC-1	6.425	12/15/35	3,086,700
6,220,000	New Jersey State Turnpike Auth. Rev. Ser. 09F	7.414	01/01/40	7,133,905
7,500,000	New York State Thruway Auth. (Second General Highway & Bridge Trust Fund) Ser. 10B	5.449	04/01/25	7,840,875
3,000,000	Ohio State Water Development Auth. Water Pollution Control Loan Fund Rev. (Water Quality) Ser. 10B-2	4.879	12/01/34	2,918,460
1,000,000	Port St. Lucie Florida Stormwater Utility Rev. Ser. 10A AGC	7.376	05/01/39	1,031,490
2,000,000	St. Cloud Florida Capital Improvement Rev. Ser. 10B AGM	5.849	09/01/30	1,914,860
1,500,000	Virginia College Building Auth. (Educational Facilities) Rev. Ser. 09F-2	5.625	02/01/28	1,543,125
				<u>55,514,200</u>
<i>Multiple Utility Revenue—0.7%</i>				
1,000,000	Austin Texas Electric Utility System Rev. Ser. 10	4.536	11/15/20	1,025,790
2,000,000	Colorado Springs Colorado Utilities Rev. Ser. 10	5.467	11/15/40	1,890,200
1,500,000	Colorado Springs Colorado Utilities Rev. Ser. 10	6.615	11/15/40	1,670,805
				<u>4,586,795</u>

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Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

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Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
<i>Parimutuel Betting—0.6%</i>				
\$ 2,500,000	Florida State Board of Education Lottery Rev. Ser. 10	6.041%	07/01/25	\$ 2,596,050
1,500,000	Florida State Board of Education Lottery Rev. Ser. 10	6.584	07/01/29	1,528,605
				4,124,655
<i>Port, Airport & Marina Revenue—4.7%</i>				
1,000,000	Alaska State International Airports Rev. Ser. 10D	6.284	10/01/35	980,860
5,000,000	Chicago Illinois O'Hare International Airport Ser. 10	6.845	01/01/38	5,010,700
5,000,000	Chicago Illinois O'Hare International Airport Ser. 10	6.395	01/01/40	4,932,300
5,000,000	Clark County Nevada Airport System Rev. Ser. 09B	6.881	07/01/42	5,039,950
2,000,000	Clark County Nevada Airport System Rev. Ser. 10C	6.820	07/01/45	2,118,820
1,500,000	Denver Colorado City & County Airport Rev. Ser. 09	6.414	11/15/39	1,512,540
250,000	Long Beach California Senior Airport Rev. Ser. 09C	7.765	06/01/39	247,580
5,000,000	Port Authority of New York & New Jersey (Consolidated Bonds One Hundred Sixty-Fifth Series) Ser. 10	5.647	11/01/40	4,942,800
1,910,000	San Diego County California Regional Airport Auth. Airport Rev. Subordinate Ser. 10C	6.628	07/01/40	1,911,643
5,000,000	South Jersey Port Corp. New Jersey Rev. (Marine Terminal) Ser. 09-P-3	7.365	01/01/40	5,268,950
				31,966,143
<i>Resource Recovery Revenue—0.6%</i>				
3,905,000	Delaware State Solid Waste Auth. Solid Waste System Rev. Ser. 10B	4.970	06/01/19	3,977,672
<i>Sales Tax Revenue—3.2%</i>				
1,000,000	Broward County Florida Half-Cent Sales Tax Rev. Ser. 10	5.764	10/01/25	1,024,300
5,000,000	Dallas Texas Area Rapid Transit Senior Lien Sales Tax Rev. Ser. 09	5.999	12/01/44	5,330,800
1,000,000	Florida State Department Environmental Protection Preservation Rev. Ser. 10B	7.045	07/01/29	1,068,520
200,000	Glendale Arizona Municipal Property Corp. (Excise Tax) Rev. Ser. 08B AGM	6.157	07/01/33	191,848
2,000,000	Massachusetts Bay Transportation Auth. Sales Tax Rev. Ser. 10	5.769	07/01/31	2,097,660
250,000	Massachusetts State School Building Auth. Dedicated Sales Tax Rev. Ser. 09B	5.715	08/15/39	260,632
2,500,000	Miami-Dade County Florida Transit Sales Surtax Rev. Ser. 10B	5.534	07/01/32	2,429,175
3,000,000	New York City Transitional Finance Auth. Rev. Ser. 10	5.508	08/01/37	3,003,000
1,000,000	Sarasota County Florida Capital Improvement Rev. Ser. 10	6.696	10/01/29	1,029,140
2,105,000	Sioux Falls South Dakota Sales Tax Rev. (Recovery Zone Economic Development) Ser. 09B-2	5.750	11/15/27	2,172,213
3,000,000	Washoe County Nevada Sales Tax Rev. Ser. 10	7.451	02/01/40	3,102,090
				21,709,378
<i>Sewer Revenue—4.0%</i>				
500,000	Eagle River Colorado Water & Sanitation District Ser. 09B	6.790	12/01/39	502,865
1,500,000	East Baton Rouge Louisiana Sewerage Commission Rev. Ser. 10	6.087	02/01/45	1,529,040
3,000,000	East Bay California Municipal Utility District Wastewater System Rev. Ser. 10	5.026	06/01/32	2,823,720
500,000	Hollywood Florida Water & Sewer Improvement Rev. Ser. 10B	7.198	10/01/39	518,690
1,030,000	Jurupa California Community Services District COP Ser. 10B	6.347	09/01/25	1,069,954
1,070,000	Jurupa California Community Services District COP Ser. 10B	6.497	09/01/26	1,117,230
1,125,000	Jurupa California Community Services District COP Ser. 10B	6.597	09/01/27	1,176,221
1,170,000	Jurupa California Community Services District COP Ser. 10B	6.697	09/01/28	1,225,996
500,000	Knoxville Tennessee Waste Water System Rev. Ser. 10	6.300	04/01/45	515,065
200,000	Memphis Tennessee Sanitary Sewage System Rev. Ser. 09B AGC	6.300	10/01/29	204,432
500,000	Metropolitan St. Louis Missouri Wastewater System Rev. Ser. 10B	5.856	05/01/39	515,110
1,000,000	Millbrae California Wastewater Rev. COP Ser. 09A	7.423	12/01/39	1,010,820
2,000,000	Sacramento County California Sanitation Districts Financing Auth. Rev. Ser. 10A	6.325	08/01/40	2,011,360
5,000,000	San Francisco California City & County Public Utilities Commission Ser. 10	5.750	10/01/35	4,660,300

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Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

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Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 200,000	Sarasota Florida Water & Sewer System Rev. Ser. 10B	5.425%	10/01/30	\$ 189,760
3,000,000	Timpanogos Special Service District Utah Sewer Rev. Ser. 10 AGM	6.500	06/01/30	3,139,920
5,000,000	Timpanogos Special Service District Utah Sewer Rev. Ser. 10 AGM	6.680	06/01/35	5,220,750
				<u>27,431,233</u>
<i>Special Assessment—0.2%</i>				
1,500,000	Macomb Interceptor Drainage District Michigan Ser. 10A	5.375	05/01/35	<u>1,430,130</u>
<i>Tax Increment Revenue—0.7%</i>				
2,375,000	Orlando Florida Community Redevelopment Agency Tax Increment Rev. (Orlando Community Redevelopment) Ser. 10B	7.784	09/01/40	2,490,662
500,000	Pensacola Florida Redevelopment Rev. Ser. 09B	7.263	04/01/33	522,700
1,000,000	Temecula California Redevelopment Agency Tax Allocation Rev. (Temecula Redevelopment No. 1) Ser. 10B	7.930	08/01/30	1,022,770
1,000,000	Temecula California Redevelopment Agency Tax Allocation Rev. (Temecula Redevelopment No. 1) Ser. 10B	8.180	08/01/39	1,017,920
				<u>5,054,052</u>
<i>Tobacco & Liquor Taxes—0.2%</i>				
1,000,000	Ohio State Ser. 10	5.651	10/01/23	<u>1,062,460</u>
<i>Transit Revenue—4.6%</i>				
1,000,000	Maryland State Transportation Auth. (Transportation Facilities Projects) Rev. Ser. 10B	5.604	07/01/30	1,043,180
2,000,000	Metropolitan Transportation Auth. New York Dedicated Tax Fund (Metro Transit Auth.) Ser. 10A-2	6.089	11/15/40	2,033,600
5,000,000	Metropolitan Transportation Auth. New York Rev. (Transportation) Ser. 10C-1	4.969	11/15/18	5,116,250
8,000,000	Metropolitan Transportation Auth. New York Rev. Ser. 09	5.871	11/15/39	7,664,000
1,000,000	Metropolitan Transportation Auth. New York Rev. Ser. 10	6.648	11/15/39	1,054,780
1,000,000	Metropolitan Transportation Auth. New York Rev. Ser. 10E	7.134	11/15/30	1,053,930
1,000,000	Metropolitan Transportation Auth. New York Rev. Ser. 10E	6.814	11/15/40	1,069,890
500,000	Metropolitan Transportation Auth. New York Transportation Rev. Ser. 10A	6.668	11/15/39	523,210
1,000,000	New Jersey State Transportation Trust Fund Auth System Ser. 10B	6.561	12/15/40	1,054,210
11,000,000	New Jersey State Transportation Trust Fund Auth. Ser. 10C	5.754	12/15/28	10,936,860
				<u>31,549,910</u>
<i>Water Revenue—6.5%</i>				
500,000	Arapahoe County Colorado Water & Wastewater Auth. Rev. Ser. 09A	6.680	12/01/39	507,450
1,500,000	Beaumont Texas Waterworks & Sewer System Ser. 10B	6.007	09/01/30	1,495,935
2,000,000	Central Utah Water Conservancy District Rev. Ser. 10A	5.450	10/01/28	1,979,940
200,000	Davie Florida Water & Sewer Rev. Ser. 10B AGM	6.599	10/01/30	204,894
2,000,000	Fresno California Water System Rev. Ser. 10A-2	6.500	06/01/30	2,034,500
1,250,000	JEA Florida Water & Sewer System Rev. Ser. 10A	6.210	10/01/33	1,308,912
2,000,000	Jurupa California Community Services District COP (Water Bonds) Ser. 10B	7.192	09/01/40	2,070,220
125,000	Kalamazoo Michigan Water Supply System Rev. Ser. 09	6.710	09/01/34	126,094
350,000	Lake City Florida Utility Rev. Ser. 10 AGM	6.175	07/01/35	345,426
2,000,000	Los Angeles California Department of Water & Power Rev. Ser. 10	7.003	07/01/41	2,055,880
500,000	Los Angeles California Department of Water & Power Water System Rev. Ser. 09C	5.381	07/01/24	492,145
2,500,000	Massachusetts State Water Pollution Abatement Trust Ser. 10	5.192	08/01/40	2,456,550
1,000,000	Metropolitan Water District of Southern California Ser. 10	6.947	07/01/40	1,078,290
1,000,000	Moulton-Niguel California Water District COP Ser. 09	6.790	09/01/29	1,044,410
2,000,000	New York City Municipal Water Finance Auth. Water & Sewer Rev. Ser. 10	5.724	06/15/42	2,042,160
1,100,000	New York City Municipal Water Finance Auth. Water & Sewer Rev. Ser. 10	6.124	06/15/42	1,094,456
1,000,000	New York City Municipal Water Finance Auth. Water & Sewer Rev. Ser. 10	5.790	06/15/41	960,080

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Build America Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 1,500,000	New York City Municipal Water Finance Auth. Water & Sewer Rev. Ser. 10	5.440%	06/15/43	\$ 1,468,695
1,000,000	New York City Municipal Water Financing Auth. Water & Sewer Rev. Ser. 10DD	6.452	06/15/41	1,015,170
1,000,000	New York State Environmental Facilities Corp. (State Clean Water & Drinking) Ser. 10	5.707	06/15/30	1,035,140
500,000	Passaic Valley New Jersey Water Commission Water Supply Rev. Ser. 09B	7.570	12/15/29	529,770
500,000	Passaic Valley New Jersey Water Commission Water Supply Rev. Ser. 09B	7.820	12/15/39	520,690
3,000,000	Polk County Florida Utility System Rev. Ser. 10B	5.935	10/01/40	2,821,710
500,000	Riverside California Water Rev. Ser. 09B	6.349	10/01/39	499,245
500,000	San Diego County California Water Auth. (Financing Agency Water) Rev. Ser. 10B	6.138	05/01/49	525,970
3,000,000	San Francisco California City & County Public Utilities Commission Water Rev. Ser. 10DE	5.700	11/01/27	2,962,140
500,000	Sarasota County Florida Utility System Rev. Ser. 10	7.126	10/01/30	546,005
2,000,000	Seminole County Florida Water & Sewer Rev. Ser. 10B	6.443	10/01/40	2,046,980
2,000,000	South Central Connecticut Regional Water Auth. Water System Rev. Ser. 10	6.243	08/01/30	2,043,840
1,500,000	Sunrise Florida Utility System Rev. Ser. 10B	5.813	10/01/30	1,469,685
1,000,000	Tacoma Washington Water System Rev. Ser. 10B	5.371	12/01/30	1,002,350
1,275,000	Tucson Arizona Water Rev. Ser. 10	5.789	07/01/26	1,287,597
2,500,000	Upper Eagle Regional Water Auth. Colorado Rev. Ser. 10	6.518	12/01/39	2,556,600
500,000	Western Nassau County Water Auth. Water System Rev. Ser. 10	6.701	04/01/40	534,070
				<u>44,162,999</u>
	Total Investments			669,252,487
	(Cost \$653,606,280)(a)—98.1%			12,943,884
	Other assets less liabilities—1.9%			<u>\$682,196,371</u>

Investment Abbreviations:

Auth.	– Authority
COP	– Certificate of Participation
Ref.	– Refunding Bonds
Rev.	– Revenue
Ser.	– Series

Glossary of Terms:

AGC	– Assured Guaranty Corp.
AGM	– Assured Guaranty Municipal Corp.
SD CRED PROG	– School District Credit Program

Notes to Schedule of Investments:

(a) This table, as of April 30, 2011, provides a listing of those entities that have either guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the value of securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the borrower's obligations but may be called upon to satisfy the borrower's obligations.

Entities	Percentage of Total Investments
Assured Guaranty Municipal Corp.	5.2%

See Notes to Financial Statements.

Portfolio Composition

PowerShares CEF Income Composite Portfolio

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

Option Income	37.0
Bonds	35.3
Bonds/High Yield	27.7
Liabilities in excess of other assets	(0.0)

Schedule of Investments

PowerShares CEF Income Composite Portfolio

April 30, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
	Closed-End Funds—100.0%			Closed-End Funds (Continued)	
	<i>Bonds—35.3%</i>		609,605	Nuveen Multi-Strategy Income and Growth Fund II	\$ 5,608,366
1,034,150	AllianceBernstein Income Fund	\$ 7,921,589	245,745	Nuveen Quality Preferred Income Fund	1,902,066
105,053	BlackRock Core Bond Trust	1,298,455	450,507	Nuveen Quality Preferred Income Fund II	3,721,188
179,454	BlackRock Credit Allocation Income Trust II, Inc.	1,808,896	88,552	Nuveen Quality Preferred Income Fund III	726,126
81,562	BlackRock Credit Allocation Income Trust III, Inc.	875,976	67,572	PIMCO Corporate Income Fund	1,172,374
228,928	BlackRock Credit Allocation Income Trust IV	2,829,550	32,334	PIMCO Income Opportunity Fund	929,602
39,620	BlackRock Enhanced Government Fund, Inc.	611,337	152,138	Putnam Master Intermediate Income Trust	903,700
134,222	BlackRock Income Opportunity Trust, Inc.	1,284,505	321,563	Putnam Premier Income Trust	2,083,728
277,929	BlackRock Income Trust, Inc.	1,887,138	62,010	Strategic Global Income Fund, Inc.	691,411
125,432	BlackRock Limited Duration Income Trust	2,187,534	250,749	Templeton Global Income Fund	2,745,702
94,091	Duff & Phelps Utility and Corporate Bond Trust, Inc.	1,028,415	334,360	Wells Fargo Advantage Income Opportunities Fund	3,470,657
52,094	Eaton Vance Short Duration Diversified Income Fund	877,263	58,379	Western Asset Global Corporate Defined Opportunity Fund, Inc.	1,078,260
36,444	Eaton Vance Tax-Advantaged Bond and Options Strategies Fund	600,233	36,677	Western Asset Investment Grade Defined Opportunity Trust, Inc.	752,612
37,414	Federated Enhanced Treasury Income Fund	571,312	214,262	Western Asset/Claymore Inflation-Linked Opportunities & Income Fund	2,680,418
70,141	Franklin Templeton Limited Duration Income Trust	924,458	99,414	Western Asset/Claymore Inflation-Linked Securities & Income Fund	1,306,300
68,823	Guggenheim Build America Bonds Managed Duration Trust	1,286,990			<u>73,839,658</u>
43,849	Invesco Van Kampen Bond Fund(~)	797,175	286,527	<i>Bonds/High Yield—27.7%</i>	
211,914	MFS Charter Income Trust	1,968,681	139,810	AllianceBernstein Global High Income Fund, Inc.	4,237,734
112,374	MFS Government Markets Income Trust	728,183	66,440	BlackRock Build America Bond Trust	2,463,452
399,793	MFS Intermediate Income Trust	2,482,715	112,361	BlackRock Corporate High Yield Fund III, Inc.	471,724
302,459	MFS Multimarket Income Trust	2,032,524	16,000	BlackRock Corporate High Yield Fund V, Inc.	1,351,703
63,417	Nuveen Build American Bond Term Fund	1,160,531	54,009	BlackRock Corporate High Yield Fund VI, Inc.	189,120
56,538	Nuveen Floating Rate Income Opportunity Fund	710,117	364,400	BlackRock Corporate High Yield Fund, Inc.	385,624
32,557	Nuveen Global Government Enhanced Income Fund	486,076	47,611	BlackRock Debt Strategies Fund, Inc.	1,541,412
42,692	Nuveen Mortgage Opportunity Term Fund	1,060,469	81,001	BlackRock Floating Rate Income Strategies Fund II, Inc.	745,112
188,360	Nuveen Multi-Currency Short-Term Government Income Fund	2,770,776			1,152,644
433,585	Nuveen Multi-Strategy Income and Growth Fund	3,876,250			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares CEF Income Composite Portfolio

April 30, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Closed-End Funds (Continued)			Closed-End Funds (Continued)		
128,492	BlackRock Floating Rate Income Strategies Fund, Inc.	\$ 1,983,916	97,620	BlackRock Enhanced Capital and Income Fund, Inc.	\$ 1,511,158
148,596	BlackRock Senior High Income Fund, Inc.	621,131	158,156	BlackRock Enhanced Dividend Achievers Trust	1,398,099
29,064	Blackstone / GSO Senior Floating Rate Term Fund	617,319	80,365	BlackRock Global Energy and Resources Trust	2,526,676
167,180	Credit Suisse Asset Management Income Fund, Inc.	620,238	159,280	BlackRock Global Opportunities Equity Trust	3,066,140
75,193	Eaton Vance Floating-Rate Income Trust	1,218,879	20,808	BlackRock Health Sciences Trust	591,571
396,162	Eaton Vance Limited Duration Income Fund	6,366,323	285,014	BlackRock International Growth and Income Trust	2,972,696
64,409	Eaton Vance Senior Floating-Rate Trust	1,084,003	128,064	BlackRock Real Asset Equity Trust	2,010,605
95,487	Flaherty & Crumrine/Claymore Preferred Securities Income Fund, Inc.	1,702,533	48,074	Columbia Seligman Premium Technology Growth Fund	950,904
59,382	Global High Income Fund, Inc.	763,059	90,820	Dow 30 Enhanced Premium & Income Fund, Inc.	1,099,830
386,060	ING Prime Rate Trust	2,416,736	27,577	Dow 30 Premium & Dividend Income Fund, Inc.	419,446
99,635	John Hancock Preferred Income Fund	1,910,003	153,698	Eaton Vance Enhanced Equity Income Fund	1,887,411
81,476	John Hancock Preferred Income Fund II	1,553,747	161,756	Eaton Vance Enhanced Equity Income Fund II	1,971,806
116,964	John Hancock Preferred Income Fund III	1,959,147	281,829	Eaton Vance Risk-Managed Diversified Equity Income Fund	3,505,953
80,718	Morgan Stanley Emerging Markets Debt Fund, Inc.	831,395	86,391	Eaton Vance Tax-Managed Buy-Write Income Fund	1,179,237
70,042	New America High Income Fund, Inc.	726,336	245,087	Eaton Vance Tax-Managed Buy-Write Opportunities Fund	3,183,680
218,925	Nuveen Floating Rate Income Fund	2,736,563	585,863	Eaton Vance Tax-Managed Diversified Equity Income Fund	6,602,676
109,846	PIMCO Corporate Opportunity Fund	2,213,397	416,208	Eaton Vance Tax-Managed Global Buy-Write Opportunities Fund	5,181,790
46,276	PIMCO Income Strategy Fund	566,881	1,191,443	Eaton Vance Tax-Managed Global Diversified Equity Income Fund	13,117,787
112,155	PIMCO Income Strategy Fund II	1,193,329	76,745	First Trust Enhanced Equity Income Fund	985,406
71,137	PIMCO Strategic Global Government Fund, Inc.	827,323	51,262	Guggenheim Enhanced Equity Income Fund	470,072
138,286	Templeton Emerging Markets Income Fund	2,375,754	24,208	ING Asia Pacific High Dividend Equity Income Fund	474,235
165,263	Wells Fargo Advantage Multi-Sector Income Fund	2,500,429	42,608	ING Global Advantage and Premium Opportunity Fund	575,634
124,105	Western Asset Emerging Markets Debt Fund, Inc.	2,335,656	260,142	ING Global Equity Dividend & Premium Opportunity Fund	2,942,206
123,302	Western Asset Emerging Markets Income Fund, Inc.	1,660,878	73,471	ING Infrastructure Industrials and Materials Fund	1,592,117
45,504	Western Asset Global High Income Fund, Inc.	587,002	43,873	ING Risk Managed Natural Resources Fund	700,213
163,823	Western Asset High Income Opportunity Fund, Inc.	1,043,553	77,680	Madison/Claymore Covered Call & Equity Strategy Fund	685,138
71,685	Western Asset High Yield Defined Opportunity Fund, Inc.	1,369,184	49,372	NASDAQ Premium Income & Growth Fund, Inc.	743,049
106,791	Western Asset Managed High Income Fund, Inc.	681,327	346,601	NFJ Dividend Interest & Premium Strategy Fund	6,474,507
27,321	Western Asset Mortgage Defined Opportunity Fund, Inc.	600,242	89,968	Nuveen Equity Premium Advantage Fund	1,147,092
21,499	Western Asset Premier Bond Fund	330,870	56,732	Nuveen Equity Premium and Growth Fund	770,420
		<u>57,935,678</u>			
	<i>Option Income—37.0%</i>				
46,893	Advent Claymore Enhanced Growth & Income Fund	573,032			
23,186	AGIC International & Premium Strategy Fund	333,878			
21,399	BlackRock EcoSolutions Investment Trust	263,422			

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares CEF Income Composite Portfolio

April 30, 2011 (Unaudited)

<u>Number of Shares</u>		<u>Value</u>
Closed-End Funds (Continued)		
133,624	Nuveen Equity Premium Income Fund	\$ 1,682,326
229,795	Nuveen Equity Premium Opportunity Fund	2,883,927
51,868	Nuveen Global Value Opportunities Fund	1,039,435
		<u>77,513,574</u>
Total Investments		
	(Cost \$202,137,785)—100.0%	209,288,910
	Liabilities in excess of other assets—(0.0%)	(21,521)
	Net Assets—100.0%	<u><u>\$209,267,389</u></u>

Notes to Schedule of Investments:

(~) Affiliated company. The Fund's Adviser is a subsidiary of Invesco Ltd. and therefore, Invesco Van Kampen Bond Fund is considered to be affiliated with the Fund. See Note 4.

See Notes to Financial Statements.

Portfolio Composition

PowerShares Emerging Markets Sovereign Debt Portfolio

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

Venezuela	4.5
Vietnam	4.4
Colombia	4.4
Uruguay	4.4
Turkey	4.4
Mexico	4.4
Panama	4.4
Brazil	4.4
Indonesia	4.3
Qatar	4.3
Russia	4.3
Hungary	4.2
Poland	4.2
El Salvador	4.2
Ukraine	4.2
Croatia	4.2
Bulgaria	4.2
Lithuania	4.2
Pakistan	4.2
South Africa	4.2
Peru	4.2
Philippines	4.1
South Korea	4.0
United States	0.3
Other assets less liabilities	1.4

Schedule of Investments

PowerShares Emerging Markets Sovereign Debt Portfolio

April 30, 2011 (Unaudited)

<u>Principal Amount</u>		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
	Sovereign Debt Obligations—98.3%			
	<i>Brazil—4.4%</i>			
\$10,900,000	Republic of Brazil	8.750%	02/04/25	\$ 14,905,750
10,600,000	Republic of Brazil	8.250	01/20/34	14,151,000
11,790,000	Republic of Brazil	7.125	01/20/37	14,206,950
				<u>43,263,700</u>
	<i>Bulgaria—4.2%</i>			
35,526,000	Republic of Bulgaria	8.250	01/15/15	<u>41,609,828</u>
	<i>Colombia—4.4%</i>			
10,200,000	Republic of Colombia	8.125	05/21/24	13,198,800
14,309,000	Republic of Colombia	7.375	09/18/37	17,528,525
12,400,000	Republic of Colombia	6.125	01/18/41	13,082,000
				<u>43,809,325</u>
	<i>Croatia—4.2%</i>			
18,944,000	Republic of Croatia	6.750	11/05/19	20,171,476
20,400,000	Republic of Croatia	6.625	07/14/20	21,460,800
				<u>41,632,276</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Emerging Markets Sovereign Debt Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Sovereign Debt Obligations (Continued)				
<i>El Salvador—4.2%</i>				
\$15,654,000	Republic of El Salvador	8.250%	04/10/32	\$ 17,415,075
11,950,000	Republic of El Salvador	7.650	06/15/35	12,141,200
12,500,000	Republic of El Salvador	7.625	02/01/41	12,500,000
				<u>42,056,275</u>
<i>Hungary—4.2%</i>				
21,635,000	Republic of Hungary	4.750	02/03/15	22,024,062
19,400,000	Republic of Hungary	6.250	01/29/20	20,146,493
				<u>42,170,555</u>
<i>Indonesia—4.3%</i>				
12,563,000	Republic of Indonesia	8.500	10/12/35	16,583,160
11,750,000	Republic of Indonesia	6.625	02/17/37	12,682,703
10,950,000	Republic of Indonesia	7.750	01/17/38	13,468,500
				<u>42,734,363</u>
<i>Lithuania—4.2%</i>				
20,175,000	Republic of Lithuania	6.750	01/15/15	22,293,375
17,005,000	Republic of Lithuania	7.375	02/11/20	19,300,675
				<u>41,594,050</u>
<i>Mexico—4.4%</i>				
10,350,000	United Mexican States, Series A, MTN	7.500	04/08/33	12,808,125
13,075,000	United Mexican States, Series A, MTN	6.750	09/27/34	14,970,875
15,000,000	United Mexican States, Series A, MTN	6.050	01/11/40	15,637,500
				<u>43,416,500</u>
<i>Pakistan—4.2%</i>				
21,707,000	Islamic Republic of Pakistan	7.125	03/31/16	19,988,435
24,373,000	Islamic Republic of Pakistan	6.875	06/01/17	21,448,240
				<u>41,436,675</u>
<i>Panama—4.4%</i>				
11,470,000	Republic of Panama	7.250	03/15/15	13,488,720
13,060,000	Republic of Panama	7.125	01/29/26	15,724,240
10,293,000	Republic of Panama	8.875	09/30/27	14,199,194
				<u>43,412,154</u>
<i>Peru—4.2%</i>				
13,125,000	Republic of Peru	7.350	07/21/25	15,290,625
9,954,000	Republic of Peru	8.750	11/21/33	12,845,637
14,900,000	Republic of Peru	5.625	11/18/50	13,186,500
				<u>41,322,762</u>
<i>Philippines—4.1%</i>				
10,246,000	Republic of Philippines	9.500	02/02/30	14,549,320
10,685,000	Republic of Philippines	7.750	01/14/31	13,142,550
12,180,000	Republic of Philippines	6.375	10/23/34	12,948,716
				<u>40,640,586</u>
<i>Poland—4.2%</i>				
12,600,000	Republic of Poland	3.875	07/16/15	12,907,289
15,522,000	Republic of Poland	5.000	10/19/15	16,585,723
11,250,000	Republic of Poland	6.375	07/15/19	12,639,082
				<u>42,132,094</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Emerging Markets Sovereign Debt Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Sovereign Debt Obligations (Continued)				
<i>Qatar—4.3%</i>				
\$11,275,000	State of Qatar	6.550%	04/09/19	\$ 13,079,000
9,667,000	State of Qatar	9.750	06/15/30	14,089,653
14,000,000	State of Qatar	6.400	01/20/40	15,085,000
				<u>42,253,653</u>
<i>Russia—4.3%</i>				
13,000,000	Russian Foreign Bond - Eurobond	3.625	04/29/15	13,221,000
12,817,000	Russian Foreign Bond - Eurobond	11.000	07/24/18	18,039,927
10,800,000	Russian Foreign Bond - Eurobond	5.000	04/29/20	10,989,000
				<u>42,249,927</u>
<i>South Africa—4.2%</i>				
12,701,000	Republic of South Africa	6.875	05/27/19	14,841,119
12,000,000	Republic of South Africa	5.500	03/09/20	12,810,000
12,712,000	Republic of South Africa	5.875	05/30/22	13,760,740
				<u>41,411,859</u>
<i>South Korea—4.0%</i>				
20,716,000	Republic of Korea	5.125	12/07/16	22,537,661
14,400,000	Republic of Korea	7.125	04/16/19	17,117,554
				<u>39,655,215</u>
<i>Turkey—4.4%</i>				
10,750,000	Republic of Turkey	8.000	02/14/34	13,313,875
15,728,000	Republic of Turkey	6.875	03/17/36	17,292,936
11,200,000	Republic of Turkey	7.250	03/05/38	12,852,000
				<u>43,458,811</u>
<i>Ukraine—4.2%</i>				
13,425,000	Ukraine Government	6.580	11/21/16	13,676,719
14,240,000	Ukraine Government	6.750	11/14/17	14,530,069
13,200,000	Ukraine Government	7.750	09/23/20	13,794,000
				<u>42,000,788</u>
<i>Uruguay—4.4%</i>				
12,100,000	Republic of Uruguay	8.000	11/18/22	15,215,750
12,100,000	Republic of Uruguay	7.875	01/15/33	14,891,470
11,125,000	Republic of Uruguay	7.625	03/21/36	13,433,437
				<u>43,540,657</u>
<i>Venezuela—4.5%</i>				
16,900,000	Republic of Venezuela	8.500	10/08/14	16,055,000
17,900,000	Republic of Venezuela	5.750	02/26/16	13,827,750
14,843,000	Republic of Venezuela	13.625	08/15/18	14,546,140
				<u>44,428,890</u>
<i>Vietnam—4.4%</i>				
20,472,000	Socialist Republic of Vietnam	6.875	01/15/16	22,209,008
20,625,000	Socialist Republic of Vietnam	6.750	01/29/20	21,656,250
				<u>43,865,258</u>
	Total Sovereign Debt Obligations			
	(Cost \$956,601,642)			<u>974,096,201</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Emerging Markets Sovereign Debt Portfolio

April 30, 2011 (Unaudited)

<u>Number of Shares</u>		<u>Value</u>
	Money Market Fund—0.3%	
2,767,483	Goldman Sachs Financial Square Prime Obligations Institutional Share Class (Cost \$2,767,483)	\$ 2,767,483
	Total Investments	
	(Cost \$959,369,125)—98.6%	976,863,684
	Other assets less liabilities—1.4%	<u>14,337,529</u>
	Net Assets—100.0%	<u><u>\$991,201,213</u></u>

Investment Abbreviations:

MTN – Medium-Term Notes

See Notes to Financial Statements.

Portfolio Composition

PowerShares Fundamental High Yield® Corporate Bond Portfolio

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

Oil & Gas	10.1	Entertainment	1.1
Telecommunications	9.9	Aerospace/Defense	1.0
Diversified Financial Services	8.2	Household Products/Wares	1.0
Retail	6.2	Holding Companies - Diversified	0.9
Electric	5.4	Forest Products & Paper	0.9
Food	4.8	Leisure Time	0.8
Banks	4.0	Electronics	0.8
Commercial Services	3.3	Computers	0.8
Chemicals	3.2	Textiles	0.7
Home Builders	3.0	Semiconductors	0.7
Auto Parts & Equipment	2.9	Software	0.7
Healthcare - Services	2.4	Transportation	0.6
REITs	2.3	Apparel	0.5
Lodging	2.3	Mining	0.5
Packaging & Containers	2.2	Beverages	0.5
Media	2.1	Pharmaceuticals	0.4
Pipelines	2.0	Real Estate	0.4
Iron/Steel	1.8	Miscellaneous Manufacturing	0.4
Building Materials	1.6	Agriculture	0.3
Advertising	1.5	Machinery - Diversified	0.3
Coal	1.3	Energy - Alternate Sources	0.3
Biotechnology	1.3	Oil & Gas Services	0.2
Internet	1.2	Money Market Fund	0.4
Healthcare - Products	1.2	Other assets less liabilities	1.6

Schedule of Investments

PowerShares Fundamental High Yield® Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds—98.0%				
<i>Advertising—1.5%</i>				
\$1,600,000	Interpublic Group of Cos., Inc. (The)	6.250%	11/15/14	\$ 1,764,000
1,500,000	Interpublic Group of Cos., Inc. (The)	10.000	07/15/17	1,796,250
1,800,000	Lamar Media Corp.	9.750	04/01/14	2,106,000
1,500,000	Lamar Media Corp.	7.875	04/15/18	1,620,000
				<u>7,286,250</u>
<i>Aerospace/Defense—1.0%</i>				
1,500,000	Alliant Techsystems, Inc.	6.875	09/15/20	1,582,500
1,475,000	BE Aerospace, Inc.	8.500	07/01/18	1,648,312
1,500,000	Triumph Group, Inc.	8.625	07/15/18	1,666,875
				<u>4,897,687</u>
<i>Agriculture—0.3%</i>				
1,600,000	Alliance One International, Inc.	10.000	07/15/16	1,644,000
<i>Apparel—0.5%</i>				
2,400,000	Hanesbrands, Inc.	6.375	12/15/20	2,388,000

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds (Continued)				
<i>Auto Parts & Equipment—2.9%</i>				
\$1,800,000	Dana Holding Corp.	6.500%	02/15/19	\$ 1,822,500
2,236,000	Goodyear Tire & Rubber Co. (The)	10.500	05/15/16	2,543,450
3,500,000	Goodyear Tire & Rubber Co. (The)	8.250	08/15/20	3,906,875
3,030,000	Lear Corp.	8.125	03/15/20	3,378,450
1,900,000	Tenneco, Inc.	6.875	12/15/20	1,957,000
				<u>13,608,275</u>
<i>Banks—4.0%</i>				
3,910,000	Discover Bank	8.700	11/18/19	4,815,626
2,230,000	M&I Marshall & Ilsley Bank	4.850	06/16/15	2,365,464
3,700,000	Regions Bank	7.500	05/15/18	3,998,616
2,700,000	Regions Financial Corp.	7.750	11/10/14	2,952,029
5,050,000	Synovus Financial Corp.	5.125	06/15/17	4,747,495
				<u>18,879,230</u>
<i>Beverages—0.5%</i>				
2,091,000	Constellation Brands, Inc.	7.250	09/01/16	2,289,645
<i>Biotechnology—1.3%</i>				
1,875,000	Bio-Rad Laboratories, Inc.	4.875	12/15/20	1,879,688
1,210,000	Life Technologies Corp.	4.400	03/01/15	1,279,162
1,270,000	Life Technologies Corp.	6.000	03/01/20	1,393,335
1,500,000	Talecris Biotherapeutics Holdings Corp.	7.750	11/15/16	1,657,500
				<u>6,209,685</u>
<i>Building Materials—1.6%</i>				
1,500,000	Masco Corp.	5.875	07/15/12	1,567,625
1,770,000	Masco Corp.	6.125	10/03/16	1,831,637
2,500,000	Owens Corning	9.000	06/15/19	2,985,742
1,000,000	Texas Industries, Inc.	9.250	08/15/20	1,082,500
				<u>7,467,504</u>
<i>Chemicals—3.2%</i>				
3,000,000	Ashland, Inc.	9.125	06/01/17	3,483,750
2,000,000	CF Industries, Inc.	7.125	05/01/20	2,295,000
3,200,000	Huntsman International LLC	8.625	03/15/20	3,616,000
1,800,000	Nalco Co.	8.250	05/15/17	1,968,750
1,840,000	PolyOne Corp.	7.375	09/15/20	1,967,650
1,615,000	Solutia, Inc.	8.750	11/01/17	1,794,669
				<u>15,125,819</u>
<i>Coal—1.3%</i>				
1,500,000	Arch Coal, Inc.	8.750	08/01/16	1,687,500
1,700,000	Consol Energy, Inc.	8.000	04/01/17	1,887,000
2,500,000	Peabody Energy Corp.	6.500	09/15/20	2,690,625
				<u>6,265,125</u>
<i>Commercial Services—3.3%</i>				
3,454,000	Avis Budget Car Rental LLC	9.625	03/15/18	3,851,210
3,400,000	Avis Budget Car Rental LLC	8.250	01/15/19	3,629,500
1,000,000	Cenveo Corp.	8.875	02/01/18	1,010,000
1,000,000	Corrections Corp. of America	7.750	06/01/17	1,100,000
1,500,000	National Money Mart Co. (Canada)	10.375	12/15/16	1,680,000
1,800,000	PHH Corp.	7.125	03/01/13	1,881,000
2,000,000	United Rentals North America, Inc.	9.250	12/15/19	2,270,000
				<u>15,421,710</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds (Continued)				
<i>Computers—0.8%</i>				
\$3,300,000	Seagate Technology HDD Holdings (Cayman Islands)	6.800%	10/01/16	\$ 3,539,250
<i>Diversified Financial Services—8.2%</i>				
5,390,000	Ford Motor Credit Co. LLC	7.000	10/01/13	5,844,080
4,600,000	Ford Motor Credit Co. LLC	8.000	12/15/16	5,353,190
3,050,000	Icahn Enterprises LP	8.000	01/15/18	3,164,375
7,000,000	International Lease Finance Corp.	6.375	03/25/13	7,297,500
4,800,000	International Lease Finance Corp.	8.250	12/15/20	5,358,000
3,200,000	SLM Corp., MTN	6.250	01/25/16	3,396,570
3,808,000	SLM Corp., MTN	8.000	03/25/20	4,223,514
3,800,000	Textron Financial Corp.	5.400	04/28/13	4,009,654
				<u>38,646,883</u>
<i>Electric—5.4%</i>				
2,500,000	AES Corp. (The)	7.750	10/15/15	2,743,750
2,633,000	AES Corp. (The)	8.000	10/15/17	2,876,552
3,840,000	Ameren Corp.	8.875	05/15/14	4,454,930
2,800,000	Edison Mission Energy	7.500	06/15/13	2,800,000
3,234,000	Edison Mission Energy	7.000	05/15/17	2,579,115
1,800,000	GenOn Energy, Inc.	7.625	06/15/14	1,894,500
1,800,000	GenOn Energy, Inc.	7.875	06/15/17	1,827,000
4,200,000	NRG Energy, Inc.	8.500	06/15/19	4,494,000
1,500,000	Public Service Co. of New Mexico	7.950	05/15/18	1,700,460
				<u>25,370,307</u>
<i>Electronics—0.8%</i>				
3,100,000	Jabil Circuit, Inc.	8.250	03/15/18	3,572,750
<i>Energy - Alternate Sources—0.3%</i>				
1,275,000	Covanta Holding Corp.	7.250	12/01/20	1,369,418
<i>Entertainment—1.1%</i>				
1,700,000	Cinemark USA, Inc.	8.625	06/15/19	1,870,000
1,500,000	Pinnacle Entertainment, Inc.	8.625	08/01/17	1,657,500
1,500,000	WMG Acquisition Corp.	9.500	06/15/16	1,605,000
				<u>5,132,500</u>
<i>Food—4.8%</i>				
970,000	B&G Foods, Inc.	7.625	01/15/18	1,046,387
5,600,000	Dean Foods Co.	7.000	06/01/16	5,418,000
1,600,000	Ingles Markets, Inc.	8.875	05/15/17	1,736,000
3,200,000	Smithfield Foods, Inc.	7.750	07/01/17	3,464,000
5,372,000	SUPERVALU, Inc.	8.000	05/01/16	5,607,025
1,000,000	TreeHouse Foods, Inc.	7.750	03/01/18	1,078,750
3,400,000	Tyson Foods, Inc.	10.500	03/01/14	4,122,500
				<u>22,472,662</u>
<i>Forest Products & Paper—0.9%</i>				
760,000	Cascades, Inc. (Canada)	7.750	12/15/17	815,100
2,600,000	Domtar Corp.	10.750	06/01/17	3,302,000
				<u>4,117,100</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds (Continued)				
<i>Healthcare - Products—1.2%</i>				
\$1,600,000	Alere, Inc.	9.000%	05/15/16	\$ 1,724,000
1,800,000	Boston Scientific Corp.	4.500	01/15/15	1,889,568
1,800,000	Boston Scientific Corp.	6.000	01/15/20	1,951,295
				<u>5,564,863</u>
<i>Healthcare - Services—2.4%</i>				
1,000,000	Coventry Health Care, Inc.	6.300	08/15/14	1,071,081
1,800,000	Coventry Health Care, Inc.	5.950	03/15/17	1,892,509
3,500,000	Health Net, Inc.	6.375	06/01/17	3,640,000
1,600,000	Tenet Healthcare Corp.	9.000	05/01/15	1,752,000
1,000,000	Tenet Healthcare Corp.	10.000	05/01/18	1,165,000
1,650,000	Universal Health Services, Inc.	7.125	06/30/16	1,816,097
				<u>11,336,687</u>
<i>Holding Companies - Diversified—0.9%</i>				
1,500,000	Leucadia National Corp.	8.125	09/15/15	1,672,500
1,000,000	Leucadia National Corp.	7.125	03/15/17	1,055,000
1,400,000	Susser Holdings LLC	8.500	05/15/16	1,522,500
				<u>4,250,000</u>
<i>Home Builders—3.0%</i>				
1,500,000	Centex Corp.	6.500	05/01/16	1,582,500
3,500,000	D.R. Horton, Inc.	6.500	04/15/16	3,675,000
2,000,000	KB Home	6.250	06/15/15	1,990,000
2,000,000	Lennar Corp., Series B	5.600	05/31/15	1,995,000
1,500,000	Lennar Corp., Series B	12.250	06/01/17	1,860,000
1,000,000	Pulte Group, Inc.	5.250	01/15/14	1,020,000
1,750,000	Toll Brothers Finance Corp.	8.910	10/15/17	2,070,362
				<u>14,192,862</u>
<i>Household Products/Wares—1.0%</i>				
4,340,000	Jarden Corp.	7.500	05/01/17	4,681,775
<i>Internet—1.2%</i>				
1,700,000	Equinix, Inc.	8.125	03/01/18	1,848,750
2,000,000	Expedia, Inc.	5.950	08/15/20	1,980,000
1,500,000	Terremark Worldwide, Inc.	12.000	06/15/17	1,848,750
				<u>5,677,500</u>
<i>Iron/Steel—1.8%</i>				
1,900,000	AK Steel Corp.	7.625	05/15/20	2,006,875
1,975,000	Steel Dynamics, Inc.	7.375	11/01/12	2,108,312
4,290,000	United States Steel Corp.	7.375	04/01/20	4,547,400
				<u>8,662,587</u>
<i>Leisure Time—0.8%</i>				
1,750,000	Royal Caribbean Cruises Ltd. (Liberia)	7.000	06/15/13	1,892,188
1,700,000	Royal Caribbean Cruises Ltd. (Liberia)	7.250	06/15/16	1,823,250
				<u>3,715,438</u>
<i>Lodging—2.3%</i>				
1,500,000	MGM Resorts International	10.375	05/15/14	1,741,875
1,500,000	MGM Resorts International	11.125	11/15/17	1,751,250
1,700,000	Starwood Hotels & Resorts Worldwide, Inc.	7.875	10/15/14	1,950,750
1,600,000	Starwood Hotels & Resorts Worldwide, Inc.	6.750	05/15/18	1,756,000

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds (Continued)				
\$1,700,000	Wyndham Worldwide Corp.	6.000%	12/01/16	\$ 1,821,793
1,500,000	Wynn Las Vegas LLC	7.750	08/15/20	1,646,250
				<u>10,667,918</u>
<i>Machinery - Diversified—0.3%</i>				
1,450,000	Manitowoc Co., Inc. (The)	8.500	11/01/20	<u>1,595,000</u>
<i>Media—2.1%</i>				
1,700,000	Cablevision Systems Corp.	8.625	09/15/17	1,912,500
1,600,000	CSC Holdings LLC	8.500	06/15/15	1,754,000
2,743,000	DISH DBS Corp.	7.125	02/01/16	2,935,010
1,700,000	DISH DBS Corp.	7.875	09/01/19	1,848,750
1,500,000	McClatchy Co. (The)	11.500	02/15/17	1,646,250
				<u>10,096,510</u>
<i>Mining—0.5%</i>				
2,200,000	Vulcan Materials Co.	7.000	06/15/18	<u>2,321,581</u>
<i>Miscellaneous Manufacturing—0.4%</i>				
1,600,000	SPX Corp.	7.625	12/15/14	<u>1,778,000</u>
<i>Oil & Gas—10.1%</i>				
2,500,000	Anadarko Petroleum Corp.	7.625	03/15/14	2,873,518
3,300,000	Anadarko Petroleum Corp.	6.375	09/15/17	3,732,158
913,000	Chesapeake Energy Corp.	6.500	08/15/17	999,735
1,500,000	Chesapeake Energy Corp.	6.625	08/15/20	1,623,750
1,700,000	Cimarex Energy Co.	7.125	05/01/17	1,806,250
1,000,000	Concho Resources, Inc.	7.000	01/15/21	1,057,500
4,000,000	Denbury Resources, Inc.	8.250	02/15/20	4,480,000
1,700,000	EXCO Resources, Inc.	7.500	09/15/18	1,731,875
2,089,000	Forest Oil Corp.	7.250	06/15/19	2,183,005
2,724,000	Newfield Exploration Co.	7.125	05/15/18	2,928,300
1,500,000	Newfield Exploration Co.	6.875	02/01/20	1,593,750
900,000	Petrohawk Energy Corp.	7.875	06/01/15	958,500
1,000,000	Petrohawk Energy Corp.	7.250	08/15/18	1,067,500
1,500,000	Pioneer Natural Resources Co.	6.650	03/15/17	1,652,973
4,186,000	Plains Exploration & Production Co.	7.750	06/15/15	4,374,370
1,000,000	Plains Exploration & Production Co.	10.000	03/01/16	1,135,000
1,000,000	Plains Exploration & Production Co.	8.625	10/15/19	1,118,750
2,090,000	Pride International, Inc.	6.875	08/15/20	2,420,644
1,500,000	Quicksilver Resources, Inc.	11.750	01/01/16	1,762,500
1,500,000	Range Resources Corp.	6.750	08/01/20	1,612,500
1,000,000	SandRidge Energy, Inc.	8.750	01/15/20	1,105,000
1,400,000	Southwestern Energy Co.	7.500	02/01/18	1,597,750
2,000,000	Tesoro Corp.	6.500	06/01/17	2,075,000
1,700,000	Whiting Petroleum Corp.	6.500	10/01/18	1,785,000
				<u>47,675,328</u>
<i>Oil & Gas Services—0.2%</i>				
1,000,000	Key Energy Services, Inc.	6.750	03/01/21	<u>1,030,000</u>
<i>Packaging & Containers—2.2%</i>				
2,525,000	Ball Corp.	6.750	09/15/20	2,670,187
1,600,000	Graphic Packaging International, Inc.	9.500	06/15/17	1,800,000

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds (Continued)				
\$3,100,000	Owens-Brockway Glass Container, Inc.	7.375%	05/15/16	\$ 3,433,250
2,000,000	Sealed Air Corp.	7.875	06/15/17	2,260,390
				<u>10,163,827</u>
<i>Pharmaceuticals—0.4%</i>				
1,800,000	Omnicare, Inc.	7.750	06/01/20	<u>1,944,000</u>
<i>Pipelines—2.0%</i>				
4,154,000	El Paso Corp.	7.000	06/15/17	4,631,245
4,465,000	Kinder Morgan Finance Co. ULC (Canada)	5.700	01/05/16	4,721,737
				<u>9,352,982</u>
<i>Real Estate—0.4%</i>				
1,500,000	CB Richard Ellis Services, Inc.	11.625	06/15/17	<u>1,781,250</u>
<i>REITs—2.3%</i>				
3,550,000	Host Hotels & Resorts LP	6.000	11/01/20	3,541,125
6,300,000	Weyerhaeuser Co.	7.375	10/01/19	7,246,821
				<u>10,787,946</u>
<i>Retail—6.2%</i>				
3,300,000	AutoNation, Inc.	6.750	04/15/18	3,473,250
1,800,000	Gap, Inc. (The)	5.950	04/12/21	1,823,488
4,800,000	J.C. Penney Co.	5.650	06/01/20	4,812,000
3,675,000	Limited Brands, Inc.	6.900	07/15/17	3,959,812
2,623,000	Macy's Retail Holdings, Inc.	5.750	07/15/14	2,845,955
2,000,000	Macy's Retail Holdings, Inc.	5.900	12/01/16	2,172,500
1,600,000	Phillips-Van Heusen Corp.	7.375	05/15/20	1,740,000
2,650,000	Rite Aid Corp.	9.750	06/12/16	2,997,813
3,400,000	Rite Aid Corp.	8.000	08/15/20	3,680,500
1,700,000	Wendy's/Arby's Restaurants LLC	10.000	07/15/16	1,895,500
				<u>29,400,818</u>
<i>Semiconductors—0.7%</i>				
3,250,000	Advanced Micro Devices, Inc.	8.125	12/15/17	<u>3,453,125</u>
<i>Software—0.7%</i>				
3,075,000	Fidelity National Information Services, Inc.	7.625	07/15/17	<u>3,382,500</u>
<i>Telecommunications—9.9%</i>				
1,500,000	American Tower Corp.	4.625	04/01/15	1,581,594
1,000,000	American Tower Corp.	4.500	01/15/18	989,576
1,500,000	Cincinnati Bell, Inc.	8.375	10/15/20	1,507,500
1,750,000	Cricket Communications, Inc.	7.750	05/15/16	1,876,875
972,000	Crown Castle International Corp.	9.000	01/15/15	1,083,780
1,000,000	Crown Castle International Corp.	7.125	11/01/19	1,073,750
1,500,000	Frontier Communications Corp.	6.250	01/15/13	1,586,250
1,600,000	Frontier Communications Corp.	8.500	04/15/20	1,742,000
1,500,000	GCI, Inc.	8.625	11/15/19	1,661,250
1,600,000	Global Crossing Ltd. (Bermuda)	12.000	09/15/15	1,880,000
2,000,000	MetroPCS Wireless, Inc.	6.625	11/15/20	2,007,500
2,500,000	NII Capital Corp.	10.000	08/15/16	2,881,250
1,000,000	PAETEC Holding Corp.	8.875	06/30/17	1,096,250
2,900,000	Qwest Communications International, Inc.	8.000	10/01/15	3,197,250
2,600,000	Qwest Communications International, Inc.	7.125	04/01/18	2,847,000

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

April 30, 2011 (Unaudited)

<u>Principal Amount</u>		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
	Corporate Bonds (Continued)			
\$2,000,000	SBA Telecommunications, Inc.	8.000%	08/15/16	\$ 2,177,500
7,330,000	Sprint Nextel Corp.	6.000	12/01/16	7,467,438
3,900,000	Virgin Media Finance PLC, Series 1 (United Kingdom)	9.500	08/15/16	4,489,875
1,000,000	Windstream Corp.	8.125	08/01/13	1,102,500
4,166,000	Windstream Corp.	8.625	08/01/16	4,415,960
				46,665,098
	<i>Textiles—0.7%</i>			
3,300,000	Mohawk Industries, Inc., Series D	7.200	04/15/12	3,489,750
	<i>Transportation—0.6%</i>			
1,500,000	Bristow Group, Inc.	7.500	09/15/17	1,590,000
1,000,000	RailAmerica, Inc.	9.250	07/01/17	1,117,500
				2,707,500
	Total Corporate Bonds			
	(Cost \$446,271,547)			462,078,645
<u>Number of Shares</u>				
	Money Market Fund—0.4%			
1,930,214	Goldman Sachs Financial Square Prime Obligations Institutional Share Class (Cost \$1,930,214)			1,930,214
	Total Investments			
	(Cost \$448,201,761)—98.4%			464,008,859
	Other assets less liabilities—1.6%			7,465,951
	Net Assets—100.0%			\$471,474,810

Investment Abbreviations:

MTN – Medium-Term Notes
REIT – Real Estate Investment Trust

See Notes to Financial Statements.

Portfolio Composition

PowerShares Insured California Municipal Bond Portfolio

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

Ad Valorem Property Tax	28.3
Lease Revenue	18.2
Electric Power Revenue	10.5
Water Revenue	8.0
Hospital Revenue	7.7
Sewer Revenue	5.9
Sales Tax Revenue	5.5
Special Assessment	4.3
Special Tax	3.6
College Revenue	2.4
Highway Tolls Revenue	1.0
General Fund	0.9
Tax Increment Revenue	0.8
Other assets less liabilities	2.9

Schedule of Investments

PowerShares Insured California Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
	Municipal Bonds—97.1%			
	<i>Ad Valorem Property Tax—28.3%</i>			
\$1,350,000	Antelope Valley California Community College District (Election 2004) Ser. 07B NATL RE	5.250%	08/01/39	\$ 1,328,400
500,000	Arcadia California Unified School District (Election 2006) Ser. 07A AGM	5.000	08/01/37	479,515
1,000,000	Colton California Joint Unified School District (Election 2008) Ser. 09-A AGC	5.375	08/01/34	973,390
1,000,000	Corona-Norco California Unified School District (Election 2006) Ser. 09C AGM	5.500	08/01/39	1,002,530
500,000	Desert California Community College District Ser. 07C AGM	5.000	08/01/37	476,110
1,500,000	El Monte California Union High School District (Election 2008) Ser. 09A AGC	5.500	06/01/34	1,519,440
500,000	Los Angeles California Community College District (Election 2001) Ser. 07A NATL RE	5.000	08/01/32	498,015
500,000	Los Angeles California Community College District Ref. (Election 2001) Ser. 05A AGM	5.000	08/01/25	513,600
1,505,000	Los Angeles Unified School District (Election 2002) Ser. 07C AGM	5.000	07/01/32	1,459,037
1,100,000	Puerto Rico Commonwealth Public Improvement Ref. Ser. 07A-4 AGM	5.000	07/01/31	1,034,605
500,000	Riverside Community College District (Election 2004) Ser. 07C NATL RE	5.000	08/01/32	494,800
400,000	San Diego California Community College District (Election 2006) Ser. 07 AGM	5.000	08/01/32	394,816
				<u>10,174,258</u>
	<i>College Revenue—2.4%</i>			
500,000	California State University Rev. Systemwide Ser. 07A AGM	5.000	11/01/37	455,200
450,000	University of California General Revenue Ser. 03A AMBAC	5.000	05/15/36	421,340
				<u>876,540</u>
	<i>Electric Power Revenue—10.5%</i>			
800,000	Anaheim California Public Financing Auth. Rev. (Electric System Distribution Facilities) Ser. 02-A AGM	5.000	10/01/31	791,888
1,500,000	California State Department of Water Resources Power Supply Rev. Ser. 10L	5.000	05/01/12	1,568,835
400,000	Los Angeles California Water & Power Rev. (Power System) Sub-Ser. 07A-1 AMBAC	5.000	07/01/39	389,364
1,000,000	Redding California Electric System Rev. COP Ser. 08A AGM	5.000	06/01/30	1,008,850
				<u>3,758,937</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured California Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
<i>General Fund—0.9%</i>				
\$ 400,000	California State Ref. Ser. 07 NATL RE	4.250%	08/01/33	\$ 331,424
<i>Highway Tolls Revenue—1.0%</i>				
400,000	Puerto Rico Commonwealth Highway & Transportation Auth. Rev. Ref. Ser. 07N FGIC	5.250	07/01/39	<u>351,580</u>
<i>Hospital Revenue—7.7%</i>				
1,000,000	California Statewide Communities Development Auth. Rev. (Catholic Healthcare West) Ser. 07K AGC	5.500	07/01/41	981,150
1,000,000	California Statewide Communities Development Auth. Rev. (St. Joseph Health System-Remarketed) Insured Ser. 07C FGIC	5.750	07/01/47	929,890
945,000	University of California Regents Medical Center Pooled Rev. Ser. 07A NATL RE	4.750	05/15/31	<u>869,929</u>
<u>2,780,969</u>				
<i>Lease Revenue—18.2%</i>				
1,000,000	Carlsbad California University School District COP Ser. 09A AGC	5.000	10/01/34	947,160
1,500,000	Kern County California COP (Capital Improvements Projects) Ser. 09A AGC	5.750	08/01/35	1,506,360
1,000,000	Los Angeles California Municipal Improvement Corp. Lease Rev. (Real Property) Ser. 09B AGC	5.500	04/01/39	968,100
400,000	Los Angeles California Municipal Improvement Corp., Lease Rev. Police Headquarters FAC Ser. 06A NATL RE	4.250	01/01/37	309,592
500,000	Los Angeles California Municipal Improvement Corp., Lease Rev. Ser. 07B-1 NATL RE	4.750	08/01/37	424,935
1,000,000	Richmond Joint Powers Financing Auth. Lease Rev. (Civic Center Project) Ser. 09 AGC	5.750	08/01/29	1,055,600
400,000	Santa Clara Valley California Water District (CTFS Partner Water Utility System Improvement) Ser. 07A NATL RE	5.000	06/01/37	393,684
1,000,000	Yuba California Levee Financing Auth. Rev. (Levee Financing Project) Ser. 08A AGC	5.000	09/01/38	<u>949,960</u>
<u>6,555,391</u>				
<i>Sales Tax Revenue—5.5%</i>				
1,500,000	Los Angeles County California Metropolitan Transportation Auth. Sales Tax Rev. (Proposition A First Tier Senior) Ser. 05-A AMBAC	5.000	07/01/35	1,508,850
500,000	San Mateo County California Transit District (Sales Tax) Rev. Ref. Ser. 05A NATL RE	4.750	06/01/34	<u>461,435</u>
<u>1,970,285</u>				
<i>Sewer Revenue—5.9%</i>				
400,000	Bakersfield California Wastewater Rev. Ser. 07A AGM	5.000	09/15/32	398,416
400,000	Clovis California Public Financing Auth. Wastewater Rev. Ser. 07 AMBAC	4.500	08/01/38	338,956
500,000	Fresno California Sewer Rev. Ser. 08A AGC	5.000	09/01/37	479,485
460,000	Hollister California Joint Powers Financing Auth. (Wastewater Rev. Refinancing & Improvement Project) Ser. 01 AGM	5.000	06/01/32	432,184
500,000	Los Angeles California Wastewater System Rev. Ref. Ser. 05A NATL RE	4.750	06/01/35	<u>477,210</u>
<u>2,126,251</u>				
<i>Special Assessment—4.3%</i>				
1,500,000	Sacramento California Area Flood Control Agency Consolidated Capital Assessment District Ser. 08 BHAC	5.625	10/01/37	<u>1,547,070</u>
<i>Special Tax—3.6%</i>				
1,375,000	Tustin California Unified School District Special Tax Senior Lien (Community Facilities District No. 97-1) Ser. 02A AGM	5.000	09/01/38	<u>1,287,481</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured California Municipal Bond Portfolio

April 30, 2011 (Unaudited)

<u>Principal Amount</u>		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Municipal Bonds (Continued)				
<i>Tax Increment Revenue—0.8%</i>				
\$ 400,000	San Jose California Redevelopment Agency Tax Allocation Ref. (Merged Area Redevelopment Project) Ser. 06C NATL RE	4.250%	08/01/30	\$ 294,156
<i>Water Revenue—8.0%</i>				
1,000,000	East Bay California Municipal Utility District Water System Rev. Ref. Ser. 07A NATL RE	5.000	06/01/32	1,023,620
500,000	East Bay California Municipal Utility District Water System Rev. Subordinated Ser. 05A NATL RE	5.000	06/01/35	501,990
500,000	Puerto Rico Commonwealth Aqueduct & Sewer Auth. Rev. (Senior Lien) Ser. 08A AGC	5.125	07/01/47	441,935
500,000	San Francisco City & County Public Utilities Commission Water Rev. Ser. 06A AGM	4.500	11/01/31	464,910
500,000	San Luis Obispo County California Financing Auth. Rev. (Nacimiento Water Project) Ser. 07A NATL RE	5.000	09/01/38	458,240
				<u>2,890,695</u>
Total Investments				
	(Cost \$36,022,876)(a)—97.1%			34,945,037
	Other assets less liabilities—2.9%			<u>1,042,477</u>
	Net Assets—100.0%			<u><u>\$35,987,514</u></u>

Investment Abbreviations:

Auth.	– Authority
COP	– Certificate of Participation
Ref.	– Refunding Bonds
Rev.	– Revenue
Ser.	– Series

Glossary of Terms:

AGC	– Assured Guaranty Corp.
AGM	– Assured Guaranty Municipal Corp.
AMBAC	– American Municipal Bond Assurance Corp.*
BHAC	– Berkshire Hathaway Assurance Corp.
FGIC	– Financial Guaranty Insurance Co.
NATL RE	– National Public Finance Guarantee Corp.

Notes to Schedule of Investments:

(a) This table, as of April 30, 2011, provides a listing of those entities that have either guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the value of securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the borrower's obligations but may be called upon to satisfy the borrower's obligations.

<u>Entities</u>	<u>Percentage of Total Investments</u>
Assured Guaranty Municipal Corp.	29.2%
Assured Guaranty Corp.	28.1
National Public Finance Guarantee Corp.	22.5
American Municipal Bond Assurance Corp.*	7.6

* Filed for bankruptcy on November 8, 2010.

See Notes to Financial Statements.

Portfolio Composition

PowerShares Insured National Municipal Bond Portfolio

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

Alabama	1.8	New Hampshire	0.3
Arizona	5.0	New Jersey	5.5
California	17.4	Nevada	0.4
Colorado	1.2	New York	2.4
Connecticut	0.1	Ohio	0.2
District of Columbia	1.8	Oregon	1.8
Florida	10.4	Pennsylvania	13.2
Georgia	5.7	Puerto Rico	1.3
Guam	0.6	South Carolina	0.9
Iowa	0.5	Texas	8.4
Illinois	5.6	Virginia	0.2
Indiana	1.7	Washington	1.4
Kentucky	2.0	Other assets less liabilities	2.1
Louisiana	1.3		
Massachusetts	0.3		
Maryland	0.1		
Maine	0.8		
Michigan	2.3		
Missouri	1.1		
North Carolina	2.2		

Schedule of Investments

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds—96.9%				
<i>Ad Valorem Property Tax—11.8%</i>				
\$ 2,000,000	Arcadia California Unified School District (Election 2006) Ser. 07A AGM	5.000%	08/01/37	\$ 1,918,060
2,150,000	Beaumont Texas Independent School District School Building Ser. 09 AGC	5.000	02/15/38	2,185,432
3,000,000	Beaver County Pennsylvania Ser. 09 AGM	5.550	11/15/31	3,138,480
3,000,000	California State Ser. 05 NATL RE	4.750	03/01/35	2,658,660
1,500,000	Chicago Illinois Ref. Ser. 10A AGM	5.000	01/01/27	1,483,860
11,500,000	Chicago Illinois Ref. Ser. 10A AGM	5.000	01/01/28	11,244,930
1,500,000	Chicago Illinois Ref. Ser. 10A AGM	5.000	01/01/29	1,453,710
5,000,000	Corona-Norca California Unified School District (Election 2006) Ser. 09B AGC	5.375	02/01/34	5,007,000
2,000,000	Corona-Norco California Unified School District (Election 2006) Ser. 09C AGM	5.500	08/01/39	2,005,060
1,500,000	District of Columbia Ser. 08E BHAC	5.000	06/01/33	1,507,035
1,000,000	El Monte California Union High School District (Election 2008) Ser. 09A AGC	5.500	06/01/34	1,012,960
2,000,000	Lackawanna County Pennsylvania Ser. 10B AGM	5.000	09/01/35	1,928,960
2,500,000	Los Angeles Unified School District (Election 2002) Ser. 07C AGM	5.000	07/01/32	2,423,650
2,500,000	Philadelphia Pennsylvania Ser. 09B AGC	7.125	07/15/38	2,723,575
3,000,000	Port St. Lucie Florida Utility Rev. Ref. System Ser. 09 AGC	5.000	09/01/35	2,925,570
2,600,000	Puerto Rico Commonwealth Public Improvement Ref. Ser. 07A-4 AGM	5.250	07/01/30	2,575,014
500,000	Puerto Rico Commonwealth Public Improvement Ref. Ser. 07A-4 AGM	5.000	07/01/31	470,275
890,000	Reading Pennsylvania School District (State Aid Withholding) Ser. 08 AGM	5.000	03/01/35	892,100
2,000,000	Riverside Community College District (Election 2004) Ser. 07C NATL RE	5.000	08/01/32	1,979,200
2,500,000	San Jacinto Unified School District (Election 2006) Ser. 07 AGM	5.250	08/01/32	2,515,650

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 2,500,000	Victor Valley California Union High School District (Election 2008) Ser. 09A AGC	5.000%	08/01/34	\$ 2,439,400
2,535,000	Yosemite California Community College District (Election 2004) Ser. 08C AGM	5.000	08/01/32	2,508,636
				<u>56,997,217</u>
<i>Auto Parking Revenue—0.9%</i>				
2,000,000	Miami Florida Special Obligation (Marlins Stadium Project) Ser. 10A AGM	5.250	07/01/35	1,936,040
2,500,000	Miami Florida Special Obligation (Marlins Stadium Project) Ser. 10A AGM	5.250	07/01/39	2,393,600
				<u>4,329,640</u>
<i>College Revenue—3.2%</i>				
3,000,000	California State University Rev. Systemwide Ser. 09A AGC	5.250	11/01/38	2,813,670
3,000,000	District of Columbia Rev. (Catholic University of America) Ser. 07 NATL RE	5.000	10/01/29	3,013,560
4,245,000	Georgia State Higher Education Facilities Auth. Rev. (USG Real Estate III) Ser. 10A AGC	5.000	06/15/38	4,015,982
1,000,000	Lafayette Louisiana Public Trust Financing Auth. Rev. Ragin' Cajun Facilities (Housing & Parking Project) Ser. 10 AGM	5.500	10/01/41	997,010
1,250,000	Massachusetts State Health & Educational Facilities Auth. Rev. (Massachusetts Institute of Technology) Ser. 09O	6.000	07/01/36	1,387,788
1,000,000	New York State Dormitory Auth. Rev. (The New School) Ser. 10 AGM	5.500	07/01/43	1,012,110
250,000	New York State Dormitory Auth. Rev. Non-Special Treatment Supported Debt (Fordham University) Ser. 08B AGC	5.000	07/01/38	250,430
2,000,000	University of California Rev. Ser. 05C NATL RE	4.750	05/15/37	1,804,860
				<u>15,295,410</u>
<i>Electric Power Revenue—1.5%</i>				
3,000,000	Guam Power Auth. Rev. Ser. 10A (Guam) AGM	5.000	10/01/37	2,730,150
900,000	Kentucky State Municipal Power Agency System Rev. (Prairie State Project) Ser. 07A NATL RE	5.000	09/01/37	871,776
2,500,000	Long Island Power Auth. New York Electric Systems Rev. General Ser. 08A BHAC	5.500	05/01/33	2,611,650
1,000,000	Redding California Electric System Rev. COP Ser. 08A AGM	5.000	06/01/30	1,008,850
				<u>7,222,426</u>
<i>General Fund—0.1%</i>				
500,000	California State Ref. Ser. 07 NATL RE	4.250	08/01/33	414,280
<i>Highway Tolls Revenue—9.1%</i>				
7,500,000	Delaware River Port Auth. Pennsylvania & New Jersey Rev. Ser. 10D AGM	5.000	01/01/40	7,520,400
500,000	Miami-Dade County Florida Expressway Auth. Toll System Rev. Ser. 06 AMBAC	5.000	07/01/37	463,020
4,250,000	North Carolina Turnpike Auth. Triangle Expressway System Rev. Ser. 09A AGC	5.500	01/01/29	4,455,148
4,000,000	North Carolina Turnpike Auth. Triangle Expressway System Rev. Ser. 09A AGC	5.750	01/01/39	4,091,560
16,000,000	North Texas Thruway Auth. Rev. Ref. System (First Tier) Ser. 08K-1 AGC	5.750	01/01/38	16,028,000
3,000,000	Pennsylvania State Turnpike Commission Rev. Subordinate Ser. 11A	6.500	12/01/36	3,184,140
8,000,000	Pennsylvania State Turnpike Commission Rev. Subordinate Ser. 08C AGC	6.250	06/01/38	8,520,800
				<u>44,263,068</u>
<i>Hospital Revenue—17.4%</i>				
500,000	Birmingham Alabama Special Care Facilities Financing Auth. Health Care Facilities Rev. (Children's Hospital) Ser. 09 AGC	6.000	06/01/34	528,105
2,500,000	Birmingham Alabama Special Care Facilities Financing Auth. Health Care Facilities Rev. (Children's Hospital) Ser. 09 AGC	6.000	06/01/39	2,613,625

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 500,000	California Health Facilities Financing Auth. Rev. (Childrens Hospital Los Angeles) Ser. 10A AGM	5.250%	07/01/38	\$ 443,465
1,000,000	California Statewide Communities Development Auth. Rev. (Catholic Healthcare West) Ser. 07K AGC	5.500	07/01/41	981,150
5,000,000	Christian County Kentucky Hospital Rev. (Hospital-Jennie Stuart Medical Center) Ser. 06 AGC	5.500	02/01/36	4,966,100
2,500,000	Cobb County Georgia Kennestone Hospital Auth. Rev. Certificates Sub-Ser 05B AMBAC	5.500	04/01/37	2,505,100
5,000,000	Colorado Health Facilities Auth. Rev. (Catholic Health) Ser. 06C-1 AGM	5.100	10/01/41	4,791,300
300,000	Connecticut State Health & Educational Facility Auth. (Yale - New Haven Hospital) Ser. 06J-1 AMBAC	5.000	07/01/31	296,973
1,570,000	District of Columbia Hospital Rev. (Children's Hospital Obligation Group) Ser. 08 AGC	5.250	07/15/38	1,487,308
3,000,000	District of Columbia Rev. (Medlantic/Helix-Remarketed) Ser. 98C AGM	5.000	08/15/38	2,797,110
3,000,000	Gwinnett County Georgia Hospital Auth. RAC (Gwinnett Hospital System) Ser. 07D AGM	5.500	07/01/41	2,815,560
2,000,000	Halifax Hospital Medical Center (Florida Hospital) Rev. Ser. 06B-1 AGM	5.500	06/01/38	1,945,040
3,800,000	Harris County Health Facilities Development Corp. Thermal Utility Rev. (TECO Project) Ser. 08 AGC	5.125	11/15/37	3,759,150
1,000,000	Illinois Financing Auth. Rev. (Southern Illinois Healthcare) Ser. 05 AGM	5.250	03/01/30	998,740
1,700,000	Indiana Health & Educational Facilities Finance Auth. Rev. (St. Francis) Ref. Ser. 06E AGM	5.250	05/15/41	1,606,874
2,500,000	Iowa Finance Auth. Health Facilities Rev. (Remarketed) Ser. 08A AGC	5.625	08/15/37	2,525,300
5,500,000	Jefferson Parish Louisiana Hospital District No. 1 Hospital Rev. (West Jefferson Medical Center) Ser. 98B AGM	5.250	01/01/28	5,598,505
2,000,000	Johnston North Carolina Memorial Hospital Auth. Ser. 08 AGM	5.250	10/01/36	2,033,480
485,000	Maryland State Health & Higher Educational Facilities Auth. Rev. Ser. 06A NATL RE	4.750	07/01/36	421,232
8,270,000	Medford Oregon Hospital Facilities Auth. Rev. Ref. (Asanthe Health System) Ser. 10 AGM	5.500	08/15/28	8,743,209
4,500,000	Medical Center Hospital Auth. Georgia RAC (Columbus Regional Healthcare) Ser. 10 AGM	5.000	08/01/41	3,940,155
2,000,000	Medical Center Hospital Auth. Georgia RAC (Columbus Regional Healthcare) Ser. 10 AGM	5.000	08/01/45	1,739,560
10,000,000	New Jersey Health Care Facilities Financing Auth. Rev. (Virtua Health) Ser. 09 AGC	5.500	07/01/38	10,031,800
1,000,000	Ohio State Higher Educational Facilities Community Rev. (Summa Health System 2010 Project) Ser. 10 AGM	5.250	11/15/35	965,230
2,500,000	Palm Beach County Florida Health Facilities Auth. Health Facilities Rev. (Bethesda Healthcare System, Inc. Project) Ser. 10A AGM	5.250	07/01/40	2,395,525
1,000,000	Roanoke Virginia Industrial Development Auth. Hospital Rev. (Carilion Health System) Remarketed Ser. 05B AGM	5.000	07/01/38	939,220
1,000,000	Scottsdale Arizona Industrial Development Auth. Hospital Rev. (Scottsdale Healthcare) Remarketed Ser. 06C AGM	5.000	09/01/35	956,550
1,000,000	Scottsdale Arizona Industrial Development Auth. Hospital Rev. (Scottsdale Healthcare) Remarketed Ser. 06D AGM	5.000	09/01/39	940,850
2,250,000	South Carolina Jobs-Economic Development Auth. Hospital Facilities Rev. (Ref-Palmetto Health-Remarketed) Ser. 08A AGM	5.000	08/01/35	2,094,480
1,000,000	South Carolina Jobs-Economic Development Auth. Hospital Rev. Ref. & Improvement (Anmed Health) Ser. 09B AGC	5.500	02/01/38	980,690
1,500,000	South Carolina Jobs-Economic Development Auth. Hospital Rev. Ref. (Palmetto Health) Ser. 11A AGM	6.500	08/01/39	1,521,075

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
\$ 1,000,000	South Fork Municipal Auth. Pennsylvania Hospital Rev. (Conemaugh Valley Memorial Hospital) Ser. 10B AGC	5.375%	07/01/35	\$ 966,470
450,000	University of California Regents Medical Center Pooled Rev. Ser. 07A NATL RE	4.750	05/15/31	414,252
1,900,000	Waco Health Facilities Development Corporation (Hillcrest Health System Project) Ser. 06A NATL RE	5.000	08/01/31	1,786,836
2,050,000	Washington State Health Care Facilities Auth. Rev. (Multicare Health System Remarketed) Ser. 07B AGM	5.500	08/15/38	2,035,486
850,000	Washington State Health Care Facilities Auth. Rev. (Providence Health) Ser. 06E AGM	5.250	10/01/33	860,821
				<u>84,426,326</u>
<i>Hotel Occupancy Tax—0.4%</i>				
2,000,000	Pittsburgh & Allegheny County Pennsylvania Sports & Exhibition Auth. Hotel Ref. Ser. 10 AGM	5.000	02/01/35	1,929,800
<i>Lease Revenue—8.0%</i>				
3,000,000	Arizona State COP (Department of Administration) Ser. 10A AGM	5.250	10/01/26	3,088,170
2,000,000	Arizona State COP (Department of Administration) Ser. 10A AGM	5.000	10/01/27	2,016,300
2,000,000	Arizona State COP (Department of Administration) Ser. 10A AGM	5.250	10/01/28	2,050,440
3,000,000	Carlsbad California University School District COP Ser. 09A AGC	5.000	10/01/34	2,841,480
3,500,000	Escondido California Union High School District COP (Qualified School Construction Bonds) Ser. 10 AGM	5.000	06/01/33	3,355,380
2,500,000	Escondido California Union High School District COP (Qualified School Construction Bonds) Ser. 10 AGM	5.000	06/01/37	2,324,575
500,000	Kern County California COP (Capital Improvements Projects) Ser. 09A AGC	5.750	08/01/35	502,120
7,000,000	Los Angeles California Municipal Improvement Corp. Lease Rev. (Real Property) Ser. 09B AGC	5.500	04/01/39	6,776,700
2,150,000	Miami-Dade County Florida School Board COP Ser. 08B AGC	5.000	05/01/33	2,102,292
500,000	Miami-Dade County Florida School Board COP Ser. 09A AGC	5.375	02/01/34	491,900
3,000,000	Michigan State Building Auth. Rev. (Facilities Program) Ser. 09H AGM	5.000	10/15/26	3,057,870
4,000,000	Richmond Joint Powers Financing Auth. Lease Rev. (Civic Center Project) Ser. 09 AGC	5.750	08/01/29	4,222,400
5,000,000	State Public School Building Auth. Pennsylvania School Rev. (Harrisburg School District Project) Ser. 09A AGC	4.750	11/15/29	5,026,450
1,000,000	Yuba California Levee Financing Auth. Rev. (Levee Financing Project) Ser. 08A AGC	5.000	09/01/38	949,960
				<u>38,806,037</u>
<i>Miscellaneous Revenue—5.5%</i>				
7,500,000	Arizona State Lottery Rev. Ser. 10A AGM	5.000	07/01/28	7,536,150
7,500,000	Arizona State Lottery Rev. Ser. 10A AGM	5.000	07/01/29	7,509,975
2,500,000	Dallas Texas Civic Center Rev. Ref. & Improvement Ser. 09 AGC	5.250	08/15/34	2,545,150
1,000,000	Hudson Yards Infrastructure Corp. New York Rev. Ser. 06A NATL RE	4.500	02/15/47	765,830
2,025,000	Indianapolis Indiana Local Public Improvement Bond Bank (PILOT Infrastructure Project) Ser. 10F AGM	5.000	01/01/35	1,951,411
1,000,000	Kentucky Economic Development Financial Auth. (Louisville Arena Project) Rev. Sub-Ser 08A-1 AGC	6.000	12/01/33	1,025,400
3,000,000	Kentucky Economic Development Financial Auth. (Louisville Arena Project) Rev. Sub-Ser 08A-1 AGC	6.000	12/01/38	3,051,630
1,000,000	New York City Industrial Development Agency Rev. Queens Baseball Stadium (Pilot) Ser. 09 AGC	6.500	01/01/46	1,034,580
1,000,000	Newark New Jersey Housing Auth. Housing Rev. (South Ward Police Facility) Ser. 09 AGC	6.750	12/01/38	1,113,400
				<u>26,533,526</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
<i>Port, Airport & Marina Revenue—9.9%</i>				
\$ 3,000,000	Birmingham Alabama Airport Auth. Airport Rev. Ser. 10 AGM	5.250%	07/01/30	\$ 3,047,760
1,500,000	Birmingham Alabama Airport Auth. Airport Rev. Ser. 10 AGM	5.500	07/01/40	1,502,010
5,000,000	Chicago Illinois O'Hare International Airport Rev. (Ref-Third Indenture) Ser. 05A NATL RE	5.000	01/01/29	4,840,150
2,000,000	Clark County Nevada Airport Rev. Subordinate Lien Ser. 09C AGM	5.000	07/01/26	2,017,200
1,500,000	Manchester New Hampshire General Airport Rev. Ref. Remarketed Ser. 09A AGM	5.125	01/01/30	1,513,605
7,000,000	Miami-Dade County Florida Aviation Rev. Ser. 10B AGM	5.000	10/01/35	6,695,500
25,000,000	Philadelphia Pennsylvania Airport Rev. Ser. 10A AGM	5.000	06/15/35	24,249,000
500,000	Port Authority of New York & New Jersey (Consolidated One Hundred Forty-Eighth) Ser. 07 AGM	5.000	08/15/37	501,565
2,500,000	Port of Seattle Rev. (Intermediate Lien) Ref. Ser. 05A NATL RE	5.000	03/01/35	2,425,325
1,500,000	Sacramento County California Airport System Senior Rev. Ser. 08A AGM	5.000	07/01/41	1,332,915
				<u>48,125,030</u>
<i>Recreational Revenue—2.0%</i>				
5,000,000	Miami-Dade County Florida Professional Sports Franchise Facilities Tax Ser. 09C AGC	5.375	10/01/28	5,151,400
4,000,000	New York City Industrial Development Agency Rev. Yankee Stadium (Pilot) Ser. 09 AGC	7.000	03/01/49	4,358,400
				<u>9,509,800</u>
<i>Sales Tax Revenue—4.3%</i>				
5,240,000	Bi-State Development Agency of Missouri-Illinois Metropolitan District Mass Transit Sales Tax (MetroLink Cross County Extension) Ser. 09 AGC	5.000	10/01/35	5,289,885
1,500,000	Central Puget Sound Regional Transportation Auth. Sales & Use Tax Rev. Ser. 07A AGM	5.000	11/01/34	1,541,805
400,000	Dallas Area Rapid Transit (SR Lien) Ser. 07 AMBAC	5.000	12/01/32	407,776
300,000	Illinois Regional Transportation Auth. Ser. 06A NATL RE	4.500	07/01/35	248,199
3,000,000	Metropolitan Atlanta Rapid Transit Auth. Georgia Sales Tax Rev. Ref. (Third Indenture) Ser. 07B AGM	5.000	07/01/37	2,995,440
3,000,000	Pittsburgh & Allegheny County Pennsylvania Sports & Exhibition Auth. Sales Ref. (Regional Asset District) Ser. 10 AGM	5.000	02/01/31	2,992,320
2,500,000	Puerto Rico Sales Tax Financing Corp. (Sales Tax) Rev. First Subordinate Ser. 10A AGM	5.000	08/01/40	2,357,100
1,000,000	Puerto Rico Sales Tax Financing Corp. (Sales Tax) Rev. First Subordinate Ser. 10C AGM	5.125	08/01/42	944,250
1,815,000	Regional Transit Auth. - Illinois Ser. 00A NATL RE	6.500	07/01/30	1,993,977
1,000,000	San Francisco California Bay Area Rapid Transit District Sales Tax Rev. Ref. Ser. 05A NATL RE	5.000	07/01/30	1,017,190
1,000,000	Santa Clara Valley California Transportation Auth. Sales Tax Rev. (Ref-Measure A) Ser. 07A AMBAC	5.000	04/01/36	1,005,540
				<u>20,793,482</u>
<i>Sewer Revenue—3.0%</i>				
2,500,000	Chicago Illinois Wastewater Transmission Rev. Ser. 08A BHAC	5.500	01/01/38	2,502,550
2,250,000	Detroit Michigan Sewer Disposal Rev. (Senior Lien-Remarketed) Ser. 03B AGM	7.500	07/01/33	2,559,825
2,500,000	Fresno California Sewer Rev. Ser. 08A AGC	5.000	09/01/37	2,397,425
500,000	Los Angeles California Wastewater System Rev. Ref. Ser. 05A NATL RE	4.750	06/01/35	477,210
1,400,000	Sacramento County California Sanitation District Financing Auth. Rev. (County Sanitation District 1) Ser. 05 NATL RE	5.000	08/01/35	1,406,790
5,000,000	Sacramento County California Sanitation District Financing Auth. Rev. (Sacramento Regional County Sanitation) Ser. 06 NATL RE	5.000	12/01/36	5,017,600
				<u>14,361,400</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
<i>Special Assessment—0.9%</i>				
\$ 4,000,000	Sacramento California Area Flood Control Agency Consolidated Capital Assessment District Ser. 08 BHAC	5.625%	10/01/37	\$ 4,125,520
<i>Student Loan Revenue—0.8%</i>				
3,670,000	Maine Educational Loan Auth. Student Loan Rev. Ser. 09A-3 Class A AGC	5.875	12/01/39	3,727,509
<i>Tax Increment Revenue—2.1%</i>				
1,000,000	Park Creek Metropolitan District Colorado Rev. Ref. (Senior Limited Property Tax) Ser. 11A AGM	6.125	12/01/41	999,250
3,930,000	Westminster California Redevelopment Agency Tax Allocation Rev. Subordinate (Commercial Redevelopment Project No. 1) Ser. 09 AGC	6.250	11/01/39	4,235,518
5,000,000	Westminster California Redevelopment Agency Tax Allocation Rev. Subordinate (Commercial Redevelopment Project No. 1) Ser. 09 AGC	5.750	11/01/45	5,121,350
				<u>10,356,118</u>
<i>Transit Revenue—3.3%</i>				
500,000	Metropolitan Transportation Auth. New York Rev. Ref. Insured Ser. 02A AGM	5.750	11/15/32	505,230
400,000	New Jersey State Transportation Trust Fund Auth. (Transit System) Ser. 07A AMBAC	5.000	12/15/32	389,160
15,000,000	New Jersey State Transportation Trust Fund Auth. (Transit System) Ser. 08A AGC	5.500	12/15/38	15,326,250
				<u>16,220,640</u>
<i>Water Revenue—12.7%</i>				
9,500,000	Atlanta Georgia Water & Wastewater Rev. Ser. 09-B AGM	5.250	11/01/34	9,474,540
1,000,000	Birmingham Alabama Waterworks & Sewer Board Rev. Ser. 09A AGC	5.250	01/01/39	1,013,770
2,250,000	Chicago Illinois Water Rev. Ref. (Second Lien) AGM	5.250	11/01/33	2,232,382
2,000,000	Detroit Michigan Water Supply System Rev. (Second Lien-Remarketed) Ser. 06B AGM	6.250	07/01/36	2,068,160
2,000,000	Detroit Michigan Water Supply System Rev. (Second Lien-Remarketed) Ser. 06B AGM	7.000	07/01/36	2,182,540
1,500,000	Detroit Water Supply System Rev. (Second Lien) Ref. Ser. 06C AGM	5.000	07/01/29	1,331,685
1,000,000	East Bay California Municipal Utility District Water System Rev. Subordinated Ser. 05A NATL RE	5.000	06/01/35	1,003,980
3,570,000	Houston Texas Utility System Rev. Ref. (Combined-First Lien) Ser. 09A AGC	6.000	11/15/35	3,884,874
4,500,000	Indianapolis Industry Local Public Improvement (Waterworks Project) Ser. 09A AGC	5.500	01/01/38	4,584,060
1,000,000	Miami-Dade County Florida Water & Sewer System Rev. Ser. 10 AGM	5.000	10/01/27	1,064,810
20,000,000	Miami-Dade County Florida Water & Sewer System Rev. Ser. 10 AGM	5.000	10/01/29	20,915,600
400,000	New York City Municipal Water Finance Auth. Water & Sewer System Rev. (Second General Resolution) Ser. 11GG	5.000	06/15/43	398,076
5,000,000	North Fort Bend Water Auth. Texas Water System Rev. Ser. 09 AGC	5.250	12/15/34	5,128,550
2,000,000	North Sumter County Utility Ser. 10 AGM	5.375	10/01/40	1,851,480
875,000	Philadelphia Pennsylvania Water & Wastewater Rev. Ser. 10C AGM	5.000	08/01/40	853,913
2,790,000	Riverside California Water Rev. Ser. 08B AGM	5.000	10/01/38	2,789,860
500,000	San Francisco City & County Public Utilities Commission Water Rev. Ser. 06A AGM	4.500	11/01/31	464,910
500,000	San Luis Obispo County California Financing Auth. Rev. (Nacimiento Water Project) Ser. 07A NATL RE	5.000	09/01/38	458,240
				<u>61,701,430</u>
Total Municipal Bonds				
(Cost \$470,725,535)				<u>469,138,659</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured National Municipal Bond Portfolio

April 30, 2011 (Unaudited)

<u>Principal Amount</u>		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
	Municipal Notes—1.0%			
	<i>Miscellaneous Revenue—1.0%</i>			
\$ 5,000,000	Texas State Tax and Rev. Anticipation Notes Ser. 10 (Cost \$5,028,636)	2.000%	08/31/11	\$ 5,028,750
	Total Investments			474,167,409
	(Cost \$475,754,171)(a)—97.9%			10,275,875
	Other assets less liabilities—2.1%			<u>\$484,443,284</u>
	Net Assets—100.0%			<u>\$484,443,284</u>

Investment Abbreviations:

Auth.	– Authority
COP	– Certificate of Participation
RAC	– Revenue Anticipation Certificates
Ref.	– Refunding Bonds
Rev.	– Revenue
Ser.	– Series

Glossary of Terms:

AGC	– Assured Guaranty Corp.
AGM	– Assured Guaranty Municipal Corp.
AMBAC	– American Municipal Bond Assurance Corp.*
BHAC	– Berkshire Hathaway Assurance Corp.
NATL RE	– National Public Finance Guarantee Corp.

Notes to Schedule of Investments:

(a) This table, as of April 30, 2011, provides a listing of those entities that have either guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the value of securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the borrower's obligations but may be called upon to satisfy the borrower's obligations.

<u>Entities</u>	<u>Percentage of Total Investments</u>
Assured Guaranty Municipal Corp.	50.2%
Assured Guaranty Corp.	37.4
National Public Finance Guarantee Corp.	7.0

* Filed for bankruptcy on November 8, 2010.

See Notes to Financial Statements.

Portfolio Composition

PowerShares Insured New York Municipal Bond Portfolio

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

Electric Power Revenue	13.7
Miscellaneous Revenue	13.2
Highway Tolls Revenue	10.7
Sales Tax Revenue	8.5
Ad Valorem Property Tax	7.6
Water Revenue	7.4
Transit Revenue	6.8
College Revenue	6.6
Recreational Revenue	4.4
Lease Revenue	4.2
Hospital Revenue	4.1
Port, Airport & Marina Revenue	4.0
Hotel Occupancy Tax	3.7
Income Tax Revenue	2.6
Other assets less liabilities	2.5

Schedule of Investments

PowerShares Insured New York Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds—93.5%				
<i>Ad Valorem Property Tax—3.6%</i>				
\$1,000,000	Puerto Rico Commonwealth Public Improvement Ref. Ser. 07A-4 AGM	5.250%	07/01/30	\$ 990,390
400,000	Puerto Rico Commonwealth Public Improvement Ref. Ser. 07A-4 AGM	5.000	07/01/31	376,220
				<u>1,366,610</u>
<i>College Revenue—6.6%</i>				
1,500,000	New York State Dormitory Auth. Rev. (The New School) Ser. 10 AGM	5.500	07/01/43	1,518,165
500,000	New York State Dormitory Auth. Rev. Non-Special Treatment Supported Debt (Fordham University) Ser. 08B AGC	5.000	07/01/38	500,860
500,000	New York State Dormitory Auth. Rev. Non-Special Treatment Supported Debt Mount Sinai School (Medical New York) Ser. 07 NATL RE	5.000	07/01/35	480,980
				<u>2,500,005</u>
<i>Electric Power Revenue—13.7%</i>				
500,000	Long Island Power Auth. Electric System Rev. Ser. 04A AMBAC	5.000	09/01/34	499,965
4,500,000	Long Island Power Auth. New York Electric Systems Rev. General Ser. 08A BHAC	5.500	05/01/33	4,700,970
				<u>5,200,935</u>
<i>Highway Tolls Revenue—10.7%</i>				
1,000,000	New York State Thruway Auth. General Rev. Ser. 05G AGM	5.000	01/01/30	1,008,140
1,000,000	New York State Thruway Auth. General Rev. Ser. 05G AGM	5.000	01/01/32	1,002,540
600,000	New York State Thruway Auth. General Rev. Ser. 07H NATL RE	5.000	01/01/37	575,682
400,000	Puerto Rico Commonwealth Highway & Transportation Auth. Rev. Ref. Ser. 07N FGIC	5.250	07/01/39	351,580
1,100,000	Triborough Bridge & Tunnel Auth. Rev. Ref. Ser. 02 NATL RE	5.000	11/15/32	1,103,509
				<u>4,041,451</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured New York Municipal Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Municipal Bonds (Continued)				
<i>Hospital Revenue—4.1%</i>				
\$ 600,000	New York State Dormitory Auth. Rev. (Mental Health Services Facilities Improvement) Ser. 05B AMBAC	5.000%	02/15/30	\$ 609,654
1,000,000	New York State Dormitory Auth. Rev. Special Treatment Supported Debt (Mental Health Services Facilities Improvement) Ser. 08A AGM	5.000	02/15/38	964,190
				<u>1,573,844</u>
<i>Hotel Occupancy Tax—3.7%</i>				
1,500,000	New York Convention Center Development Corp. Rev. (Hotel Unit Fee Secured) Ser. 05 AMBAC	5.000	11/15/44	1,390,020
<i>Income Tax Revenue—2.6%</i>				
500,000	New York State Urban Development Corp. Rev. (State Personal Income Tax) Ser. 07C NATL RE	4.500	03/15/37	471,525
500,000	New York State Urban Development Corp. Rev. (State Personal Income Tax) Ser. 09B-1	5.000	03/15/36	504,175
				<u>975,700</u>
<i>Lease Revenue—4.2%</i>				
1,000,000	Puerto Rico Public Buildings Auth. Rev. Ref. (Government Facilities-Remarketed) Ser. 04K AGM	5.250	07/01/27	1,011,170
700,000	Rensselaer City School District Ser. 06 XLCA	5.000	06/01/36	580,664
				<u>1,591,834</u>
<i>Miscellaneous Revenue—13.2%</i>				
500,000	Erie County New York Industrial Development Agency School Facility Rev. (City School District of the city of Buffalo Project) Ser. 03A AGM	5.750	05/01/28	544,820
1,100,000	Hudson Yards Infrastructure Corp. New York Rev. Ser. 06A NATL RE	4.500	02/15/47	842,413
2,000,000	New York City Industrial Development Agency Rev. Queens Baseball Stadium (Pilot) Ser. 09 AGC	6.500	01/01/46	2,069,160
1,000,000	New York City Transitional Finance Auth. Building Aid Rev. (Fiscal 2007) Ser. 06S-1 NATL RE	5.000	07/15/36	997,080
600,000	New York City Transitional Finance Auth. Building Aid Rev. Ser. 07S-2 NATL RE	4.250	01/15/34	542,436
				<u>4,995,909</u>
<i>Port, Airport & Marina Revenue—4.0%</i>				
1,000,000	Port Auth. of New York & New Jersey (Consolidated-One Hundred Forty-Eighth) Ser. 07 AGM	5.000	08/15/33	1,014,990
500,000	Port Authority of New York & New Jersey (Consolidated One Hundred Forty-Eighth) Ser. 07 AGM	5.000	08/15/37	501,565
				<u>1,516,555</u>
<i>Recreational Revenue—4.4%</i>				
1,000,000	New York City Industrial Development Agency Rev. Yankee Stadium (Pilot) Ser. 09 AGC	7.000	03/01/49	1,089,600
600,000	New York City Trust for Cultural Resources Rev. (American Museum of National History) Ser. 04A NATL RE	5.000	07/01/44	597,072
				<u>1,686,672</u>
<i>Sales Tax Revenue—8.5%</i>				
3,190,000	Sales Tax Asset Receivables Corp. Ser. 04A AMBAC	5.000	10/15/32	3,237,276
<i>Transit Revenue—6.8%</i>				
2,005,000	Metropolitan Transportation Auth. New York Rev. Ref. Insured Ser. 02A AGM	5.750	11/15/32	2,025,972
600,000	Metropolitan Transportation Auth. Rev. Ser. 07A NATL RE	4.750	11/15/37	545,688
				<u>2,571,660</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Insured New York Municipal Bond Portfolio

April 30, 2011 (Unaudited)

<u>Principal Amount</u>		<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Municipal Bonds (Continued)				
<i>Water Revenue—7.4%</i>				
\$1,100,000	Nassau County New York Sewer & Storm Water Finance Auth. System Rev. Ser. 08A BHAC	5.375%	11/01/28	\$ 1,187,472
600,000	New York City Municipal Finance Auth. Water & Sewer System Rev. Ser. 07A AGM	4.250	06/15/39	522,480
1,000,000	New York City Municipal Water Finance Auth. Water & Sewer Rev. (2nd Generation Resolution) Ser. 08DD	6.000	06/15/40	<u>1,082,800</u>
				<u>2,792,752</u>
Total Municipal Bonds (Cost \$35,446,772)				<u>35,441,223</u>
Municipal Notes—4.0%				
<i>Ad Valorem Property Tax—4.0%</i>				
1,500,000	Oyster Bay New York BAN Ser. 11 (Cost \$1,526,827)	2.500	03/09/12	<u>1,526,745</u>
Total Investments (Cost \$36,973,599)(a)—97.5%				36,967,968
Other assets less liabilities—2.5%				<u>962,070</u>
Net Assets—100.0%				<u><u>\$37,930,038</u></u>

Investment Abbreviations:

Auth.	– Authority
BAN	– Bond Anticipation Notes
Ref.	– Refunding Bonds
Rev.	– Revenue
Ser.	– Series

Glossary of Terms:

AGC	– Assured Guaranty Corp.
AGM	– Assured Guaranty Municipal Corp.
AMBAC	– American Municipal Bond Assurance Corp.*
BHAC	– Berkshire Hathaway Assurance Corp.
FGIC	– Financial Guaranty Insurance Co.
NATL RE	– National Public Finance Guarantee Corp.
XLCA	– XL Capital Assurance, Inc.

Notes to Schedule of Investments:

(a) This table, as of April 30, 2011, provides a listing of those entities that have either guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the value of securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the borrower's obligations but may be called upon to satisfy the borrower's obligations.

<u>Entities</u>	<u>Percentage of Total Investments</u>
Assured Guaranty Municipal Corp.	31.1%
National Public Finance Guarantee Corp.	16.7
Berkshire Hathaway Assurance Corp.	15.9
American Municipal Bond Assurance Corp.*	15.5
Assured Guaranty Corp.	9.9

* Filed for bankruptcy on November 8, 2010.

See Notes to Financial Statements.

Portfolio Composition

PowerShares International Corporate Bond Portfolio

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

Banks	39.7
Electric	13.0
Telecommunications	12.6
Pharmaceuticals	3.6
Oil & Gas	3.3
Gas	3.1
Sovereign	2.7
Commercial Services	2.3
Food	1.7
Insurance	1.7
Agriculture	1.6
Water	1.6
Auto Manufacturers	1.5
Engineering & Construction	1.4
Building Materials	1.1
Transportation	1.1
Diversified Financial Services	0.9
Distribution/Wholesale	0.8
Iron/Steel	0.7
Media	0.5
Beverages	0.4
Mining	0.4
Aerospace/Defense	0.4
Savings & Loans	0.4
Chemicals	0.3
Holding Companies-Diversified	0.3
Miscellaneous Manufacturing	0.3
Country Funds-Closed-end	0.2
Other assets less liabilities	2.4

Schedule of Investments

PowerShares International Corporate Bond Portfolio

April 30, 2011 (Unaudited)

	Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds(a)—97.6%					
<i>Australia—5.4%</i>					
AUD	250,000	Australia & New Zealand Banking Group Ltd., Series TD	8.500%	04/22/13	\$ 287,037
EUR	150,000	Commonwealth Bank of Australia, Series E, MTN	4.375	02/25/20	222,118
AUD	200,000	National Australia Bank Ltd.	8.250	05/20/13	228,851
AUD	650,000	National Australia Bank Ltd., Series DIP	6.750	09/16/14	721,215
EUR	150,000	National Australia Bank Ltd., Series G, MTN	4.000	07/13/20	215,987
EUR	100,000	Telstra Corp. Ltd., Series E, MTN	4.750	03/21/17	156,092
EUR	150,000	Westpac Banking Corp., Series E, MTN	4.250	09/22/16	225,516
AUD	300,000	Westpac Banking Corp., MTN	7.250	11/18/16	334,794
GBP	150,000	Westpac Banking Corp., Series E, MTN	5.000	10/21/19	256,384
					<u>2,647,994</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Corporate Bond Portfolio

April 30, 2011 (Unaudited)

	Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds(a) (Continued)					
<i>Austria—0.5%</i>					
EUR	150,000	Hypo Alpe-Adria-Bank International AG, Series E, MTN	4.375%	01/24/17	\$ 220,093
<i>Belgium—0.3%</i>					
EUR	100,000	Fortis Bank SA/NV, Series E, MTN	5.757	10/04/17	156,473
<i>Canada—9.8%</i>					
CAD	125,000	Bank of Montreal, Series DPNT	3.930	04/27/15	136,490
CAD	125,000	Bank of Montreal, Series DPNT	3.490	06/10/16	132,430
CAD	150,000	Bank of Montreal, Series DPNT	6.020	05/02/18	179,172
CAD	125,000	Bank of Nova Scotia, Series DPNT	3.350	11/18/14	133,920
CAD	1,000,000	Bank of Nova Scotia, Series DPNT	3.340	03/25/15	1,067,829
CAD	100,000	Bell Canada, MTN	4.850	06/30/14	111,441
CAD	225,000	Bell Canada	4.400	03/16/18	239,159
CAD	200,000	Canadian Imperial Bank of Commerce/Canada, Series DPNT, MTN	3.100	03/02/15	211,863
CAD	500,000	Canadian Imperial Bank of Commerce/Canada, Series DPNT, MTN	3.950	07/14/17	535,822
CAD	100,000	CDP Financial, Inc.	4.600	07/15/20	109,658
CAD	250,000	Manulife Financial Corp., MTN	4.896	06/02/14	276,158
CAD	275,000	Rogers Communications, Inc.	5.340	03/22/21	292,981
CAD	250,000	Royal Bank of Canada, Series DPNT	3.360	01/11/16	264,510
CAD	250,000	Royal Bank of Canada, Series DPNT	3.660	01/25/17	265,034
CAD	200,000	Royal Bank of Canada	3.770	03/30/18	211,005
CAD	100,000	Shaw Communications, Inc.	5.650	10/01/19	108,838
CAD	150,000	Shaw Communications, Inc.	6.750	11/09/39	153,445
CAD	200,000	TELUS Corp., Series CH	5.050	07/23/20	212,071
GBP	100,000	Xstrata Canada Financial Corp., Series E, MTN	7.375	05/27/20	194,233
					<u>4,836,059</u>
<i>Cayman Islands—0.7%</i>					
GBP	200,000	Thames Water Utilities Cayman Finance Ltd., Series E, MTN	5.500	02/11/41	342,764
<i>Denmark—0.4%</i>					
EUR	150,000	Carlsberg Breweries A/S, Series E, MTN	3.375	10/13/17	212,922
<i>France—12.9%</i>					
EUR	200,000	Banque Federative du Credit Mutuel, Series E, MTN	4.000	10/22/20	272,152
EUR	100,000	BNP Paribas, Series E, MTN	5.431	09/07/17	156,105
EUR	100,000	Bouygues SA	6.125	07/03/15	164,511
EUR	100,000	Bouygues SA	4.250	07/22/20	147,713
EUR	100,000	Carrefour SA, Series E, MTN	3.875	04/25/21	142,183
EUR	150,000	Casino Guichard Perrachon SA	4.481	11/12/18	224,409
EUR	200,000	Credit Agricole SA, Series E, MTN	5.971	02/01/18	316,073
EUR	100,000	Dexia Credit Local SA, Series E, MTN	5.375	07/21/14	152,557
EUR	150,000	Electricite de France SA, Series E, MTN	6.250	01/25/21	259,380
EUR	100,000	Electricite de France SA, Series E, MTN	4.625	09/11/24	148,985
GBP	500,000	Electricite de France SA, Series E, MTN	6.125	06/02/34	928,981
EUR	75,000	France Telecom SA, Series E, MTN	4.750	02/21/17	118,012
EUR	900,000	France Telecom SA, Series E, MTN	3.875	04/09/20	1,313,540
EUR	100,000	GDF Suez, Series E, MTN	6.875	01/24/19	177,403
EUR	400,000	GDF Suez, Series E, MTN	3.500	10/18/22	554,207
EUR	200,000	Lafarge SA, Series E, MTN	5.375	11/29/18	297,021
EUR	100,000	LVMH Moet Hennessy Louis Vuitton SA, Series E, MTN	4.375	05/12/14	154,004
EUR	50,000	Societe Generale, Series E, MTN	3.750	08/21/14	75,201

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Corporate Bond Portfolio

April 30, 2011 (Unaudited)

	Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds(a) (Continued)					
EUR	150,000	Societe Generale, Series E, MTN	3.125%	09/21/17	\$ 211,215
EUR	100,000	Societe Generale, Series E, MTN	4.750	03/02/21	148,348
EUR	100,000	Veolia Environnement, Series E, MTN	4.375	01/16/17	152,784
GBP	150,000	Veolia Environnement, Series E, MTN	6.125	10/29/37	275,201
					<u>6,389,985</u>
<i>Germany—2.0%</i>					
EUR	150,000	Commerzbank AG, Series E, MTN	3.875	03/22/17	216,299
EUR	150,000	Commerzbank AG, Series E, MTN	6.375	03/22/19	218,046
EUR	50,000	Deutsche Bank AG, Series E, MTN	5.125	08/31/17	79,957
EUR	150,000	Deutsche Bank AG, Series E, MTN	5.000	06/24/20	221,187
AUD	100,000	Landwirtschaftliche Rentenbank, MTN	6.500	04/12/17	111,006
EUR	100,000	Merck Financial Services GmbH, Series E, MTN	4.500	03/24/20	151,907
					<u>998,402</u>
<i>Italy—8.3%</i>					
EUR	100,000	Atlantia SpA, Series E, MTN	5.000	06/09/14	155,361
EUR	700,000	Atlantia SpA, Series E, MTN	3.375	09/18/17	991,460
EUR	100,000	Banco Popolare SC, Series E, MTN	4.125	10/22/14	148,749
GBP	200,000	Enel SpA, Series E, MTN	6.250	06/20/19	363,013
EUR	400,000	ENI SpA	4.125	09/16/19	593,552
EUR	100,000	Intesa Sanpaolo SpA, Series E, MTN	5.375	12/19/13	155,097
EUR	200,000	Intesa Sanpaolo SpA, Series E, MTN	3.375	01/19/15	292,193
EUR	200,000	Intesa Sanpaolo SpA, Series G, MTN	4.000	11/08/18	283,342
GBP	200,000	Telecom Italia SpA, Series E, MTN	7.375	12/15/17	374,396
EUR	200,000	Telecom Italia SpA, Series E, MTN	5.250	02/10/22	292,559
EUR	100,000	Terna Rete Elettrica Nazionale SpA, Series E, MTN	4.750	03/15/21	149,463
EUR	100,000	UniCredit SpA, Series E, MTN	5.250	01/14/14	153,762
EUR	100,000	UniCredit SpA, Series E, MTN	5.750	09/26/17	151,536
					<u>4,104,483</u>
<i>Japan—4.2%</i>					
JPY	50,000,000	Development Bank of Japan	1.650	06/20/12	625,411
JPY	10,000,000	Development Bank of Japan	1.750	03/17/17	130,293
JPY	50,000,000	Development Bank of Japan	1.050	06/20/23	586,100
JPY	20,000,000	East Japan Railway Co., Series 3	3.950	02/25/16	284,829
JPY	40,000,000	Tokyo Electric Power Co., Inc. (The), Series 517	1.355	06/15/15	463,279
					<u>2,089,912</u>
<i>Jersey Islands—0.7%</i>					
GBP	200,000	BAA Funding Ltd., Series E, MTN	6.750	12/03/26	369,792
<i>Luxembourg—3.1%</i>					
EUR	200,000	ArcelorMittal	9.375	06/03/16	361,752
EUR	250,000	Enel Finance International SA, Series E, MTN	5.000	09/14/22	382,259
EUR	250,000	Glencore Finance Europe SA, Series E, MTN	5.250	03/22/17	383,066
CHF	225,000	Nestle Finance International Ltd., Series E, MTN	2.000	08/05/13	266,308
EUR	100,000	Novartis Finance SA, Series E, MTN	4.250	06/15/16	155,109
					<u>1,548,494</u>
<i>Netherlands—14.6%</i>					
EUR	200,000	ABN Amro Bank NV, Series E, MTN	3.625	10/06/17	282,881
EUR	250,000	Allianz Finance II BV, Series E, MTN	4.750	07/22/19	388,989
EUR	150,000	Deutsche Bahn Finance BV, MTN	4.875	03/12/19	240,247
EUR	500,000	Deutsche Telekom International Finance BV, Series E, MTN	4.250	07/13/22	727,414

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Corporate Bond Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds(a) (Continued)				
EUR 1,100,000	E.ON International Finance BV, Series E, MTN	5.750%	05/07/20	\$ 1,856,113
EUR 250,000	EDP Finance BV, Series E, MTN	3.250	03/16/15	343,108
EUR 100,000	Fortis Bank Nederland NV, Series E, MTN	4.000	02/03/15	149,366
EUR 100,000	ING Bank NV	3.375	03/03/15	147,351
EUR 100,000	ING Groep NV, Series E, MTN	4.750	05/31/17	151,299
EUR 100,000	Koninklijke KPN NV, Series G, MTN	4.000	06/22/15	152,032
EUR 100,000	Rabobank Nederland, Series E, MTN	3.000	02/16/15	147,375
EUR 350,000	Rabobank Nederland, Series E, MTN	3.375	04/21/17	504,530
EUR 100,000	Rabobank Nederland, Series E, MTN	4.750	01/15/18	154,871
EUR 100,000	Rabobank Nederland, Series G, MTN	4.125	01/14/20	146,439
EUR 300,000	Rabobank Nederland, Series G, MTN	3.750	11/09/20	404,664
EUR 100,000	Repsol International Finance BV, Series E, MTN	6.500	03/27/14	161,364
EUR 100,000	RWE Finance BV, Series E, MTN	6.625	01/31/19	174,525
EUR 500,000	Shell International Finance BV, Series E, MTN	4.375	05/14/18	778,139
EUR 90,000	Siemens Financieringsmaatschappij NV, Series E, MTN	5.125	02/20/17	144,399
EUR 100,000	Volkswagen International Finance NV, Series E, MTN	7.000	02/09/16	171,626
				<u>7,226,732</u>
<i>Norway—0.4%</i>				
EUR 75,000	DnB NOR Bank ASA, Series E, MTN	3.875	06/29/20	107,402
GBP 50,000	Statoil ASA, Series E, MTN	6.875	03/11/31	103,332
				<u>210,734</u>
<i>Spain—5.7%</i>				
EUR 100,000	BBVA Senior Finance SAU, Series G, MTN	3.250	04/23/15	141,256
EUR 150,000	BBVA Senior Finance SAU, Series G, MTN	3.875	08/06/15	215,987
EUR 100,000	Gas Natural Capital Markets SA, Series E, MTN	5.250	07/09/14	153,959
GBP 150,000	Iberdrola Finanzas SAU, Series E, MTN	7.375	01/29/24	285,839
EUR 100,000	Santander International Debt SA Unipersonal, MTN	3.500	08/12/14	144,901
EUR 100,000	Santander International Debt SA Unipersonal, Series E, MTN	4.125	10/04/17	142,730
EUR 100,000	Telefonica Emisiones SAU, Series E, MTN	3.406	03/24/15	146,649
EUR 1,000,000	Telefonica Emisiones SAU, Series G, MTN	3.661	09/18/17	1,426,125
EUR 100,000	Telefonica Emisiones SAU, Series E, MTN	4.693	11/11/19	148,164
				<u>2,805,610</u>
<i>Sweden—2.7%</i>				
EUR 100,000	Akzo Nobel Sweden Finance AB	7.750	01/31/14	165,775
EUR 200,000	Nordea Bank AB, Series E, MTN	2.750	08/11/15	286,233
EUR 100,000	Nordea Bank AB, Series E, MTN	4.500	03/26/20	142,289
EUR 200,000	Vattenfall AB, Series E, MTN	6.250	03/17/21	348,484
SEK 1,000,000	Volvo Treasury AB, Series E, MTN	4.500	04/04/14	165,003
EUR 150,000	Volvo Treasury AB, Series E, MTN	5.000	05/31/17	231,829
				<u>1,339,613</u>
<i>Switzerland—3.8%</i>				
EUR 150,000	Credit Suisse/Guernsey, Series E, MTN	2.875	09/24/15	216,108
EUR 125,000	Credit Suisse/London, Series E, MTN	3.875	01/25/17	184,150
CHF 200,000	Holcim Ltd., Series E, MTN	4.000	12/09/13	243,658
CHF 600,000	Roche Kapitalmarkt AG	4.500	03/23/17	777,283
CHF 100,000	Swisscom AG	3.250	09/14/18	120,207
EUR 225,000	UBS AG/London, Series E, MTN	3.500	07/15/15	333,191
				<u>1,874,597</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares International Corporate Bond Portfolio

April 30, 2011 (Unaudited)

	Principal Amount		Interest Rate	Maturity Date	Value
Corporate Bonds(a) (Continued)					
<i>United Kingdom—21.7%</i>					
GBP	700,000	Barclays Bank PLC, Series E, MTN	10.000%	05/21/21	\$ 1,467,427
GBP	250,000	Barclays Bank PLC, Series E, MTN	5.750	08/17/21	436,426
GBP	200,000	BAT International Finance PLC, Series E, MTN	7.250	03/12/24	394,825
GBP	200,000	British Telecommunications PLC, MTN	8.750	12/07/16	401,721
GBP	750,000	Centrica PLC, Series E, MTN	6.375	03/10/22	1,392,827
GBP	500,000	GlaxoSmithKline Capital PLC, Series E, MTN	5.250	12/19/33	853,104
EUR	100,000	HSBC Bank PLC, Series E, MTN	3.750	11/30/16	148,573
GBP	850,000	HSBC Holdings PLC, Series E, MTN	6.500	05/20/24	1,594,210
GBP	200,000	HSBC Holdings PLC, Series E, MTN	5.750	12/20/27	328,358
GBP	100,000	Imperial Tobacco Finance PLC, Series E, MTN	7.750	06/24/19	198,151
GBP	100,000	Imperial Tobacco Finance PLC, Series E, MTN	9.000	02/17/22	217,097
GBP	175,000	Lloyds TSB Bank PLC, Series E, MTN	6.375	04/15/14	315,675
GBP	350,000	Lloyds TSB Bank PLC, Series E, MTN	7.625	04/22/25	600,023
GBP	100,000	Nationwide Building Society, Series E, MTN	5.625	09/09/19	173,071
GBP	100,000	Rolls-Royce PLC	6.750	04/30/19	193,013
GBP	200,000	Royal Bank of Scotland PLC (The), Series E, MTN	6.375	04/29/14	358,987
GBP	400,000	Royal Bank of Scotland PLC (The), Series E, MTN	6.000	05/17/17	704,668
GBP	400,000	Royal Bank of Scotland PLC (The), Series E, MTN	6.875	05/17/25	705,878
GBP	125,000	Tesco PLC, Series E, MTN	6.125	02/24/22	229,320
					<u>10,713,354</u>
<i>United States—0.4%</i>					
EUR	100,000	BMW US Capital LLC, Series E, MTN	5.000	05/28/15	158,301
JPY	5,000,000	General Electric Capital Corp., Series E, MTN	1.000	03/21/12	61,764
					<u>220,065</u>
Total Investments					48,308,078
(Cost \$45,576,688)—97.6%					1,166,992
Other assets less liabilities—2.4%					
Net Assets—100.0%					<u><u>\$49,475,070</u></u>

Investment Abbreviations:

DIP	– Debt Issuance Program
DPNT	– Deposit Notes
MTN	– Medium-Term Notes
TD	– Time Deposits

Currency Legend

AUD	– Australian Dollar
CAD	– Canadian Dollar
CHF	– Swiss Franc
EUR	– Euro
GBP	– British Pound
JPY	– Japanese Yen
SEK	– Swedish Krona

Notes to Schedule of Investments:

(a) Foreign denominated security. Principal amount denominated in currency indicated.

See Notes to Financial Statements.

Portfolio Composition

PowerShares Preferred Portfolio

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

Banks	50.5
Diversified Financial Services	23.5
Insurance	10.0
REITs	6.6
Electric	5.3
Media	2.8
Telecommunications	1.5
Chemicals	0.1
Money Market Fund	1.6
Liabilities in excess of other assets	(1.9)

Schedule of Investments

PowerShares Preferred Portfolio

April 30, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
	Preferred Stocks and Other Equity Interests—100.3%			Preferred Stocks and Other Equity Interests (Continued)	
	<i>Banks—50.5%</i>			USB Capital XI, 6.60%	\$ 36,330,200
379,064	BAC Capital Trust X, 6.25%, Series B	\$ 8,889,051	1,419,703	Wachovia Capital Trust IV, 6.38%	33,512,659
1,836,306	Bank of America Corp., 8.20%	47,743,956	1,325,659	Wells Fargo & Co., 8.00%, Series J	71,613,399
1,818,215	Bank of America Corp., 8.63%, Series MER	48,946,348	2,478,830		<u>715,199,571</u>
2,461,099	Barclays Bank PLC, 8.13%, Series 5 (United Kingdom)	65,465,233	21,367	<i>Chemicals—0.1%</i>	
611,834	BB&T Capital Trust VI, 9.60%	17,100,760		E.I. du Pont de Nemours & Co., 4.50%, Series B	<u>1,947,816</u>
246,079	BNY Capital V, 5.95%, Series F	6,183,965		<i>Diversified Financial Services—23.5%</i>	
1,107,462	Deutsche Bank Capital Funding Trust IX, 6.63%	27,376,461	110,030	Ameriprise Financial, Inc., 7.75%	3,063,235
279,093	Deutsche Bank Contingent Capital Trust III, 7.60%	7,457,365	162,470	Capital One Capital II, 7.50%	4,155,983
1,434,488	Deutsche Bank Contingent Capital Trust V, 8.05%	39,018,074	2,234,935	Citigroup Capital XII, 8.50%	59,114,031
812,610	Fifth Third Capital Trust VI, 7.25%	20,778,438	2,141,983	Citigroup Capital XIII, 7.88%	59,461,448
595,593	Goldman Sachs Group, Inc. (The), 6.13%	14,669,455	1,293,129	Countrywide Capital V, 7.00%	32,017,874
372,678	Goldman Sachs Group, Inc. (The), 6.20%, Series B	9,309,496	665,909	Credit Suisse Guernsey, 7.90% (Switzerland)	18,192,634
1,794,263	HSBC Holdings PLC, 8.00%, Series 2 (United Kingdom)	49,216,634	771,086	General Electric Capital Corp., 5.88%	19,462,211
1,922,607	HSBC Holdings PLC, 8.13% (United Kingdom)	52,717,884	1,576,044	General Electric Capital Corp., 6.10%	40,126,080
1,980,249	JPMorgan Chase & Co., 8.63%, Series J	54,734,082	803,013	JPMorgan Chase Capital XXIX, 6.70%	20,958,639
1,329,305	JPMorgan Chase Capital X, 7.00%	34,003,622	843,376	JPMorgan Chase Capital XXVIII, 7.20%	22,079,584
468,077	KeyCorp Capital IX, 6.75%	11,800,221	2,095,671	Morgan Stanley Capital Trust VII, 6.60%	51,490,636
380,536	Lloyds Banking Group PLC, 7.75% (United Kingdom)	10,167,922	152,475	SLM Corp., 6.00%	<u>3,288,886</u>
764,443	National City Capital Trust II, 6.63%	19,531,519			<u>333,411,241</u>
405,630	PNC Capital Trust D, 6.13%	10,177,257	946,146	<i>Electric—5.3%</i>	
641,041	Santander Finance Preferred SA Unipersonal, 10.50%, Series 10 (Spain)	18,455,570	118,780	Alabama Power Co., 5.88%, Series 07-B	24,732,256
			22,006	BGE Capital Trust II, 6.20%	2,963,561
			318,056	Consolidated Edison Co. of New York, Inc., 5.00%, Series A	2,092,330
			118,447	Dominion Resources, Inc., 8.38%, Series A	9,147,291
				Entergy Arkansas, Inc., 5.75%	2,961,175

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares Preferred Portfolio

April 30, 2011 (Unaudited)

Number of Shares		Value	Number of Shares		Value
Preferred Stocks and Other Equity Interests (Continued)			Preferred Stocks and Other Equity Interests (Continued)		
210,708	Entergy Texas, Inc., 7.88%	\$ 6,140,031	167,099	Realty Income Corp., 6.75%, Series E	\$ 4,202,540
78,964	Interstate Power & Light Co., 8.38%, Series B	2,291,535	286,859	Vornado Realty LP, 7.88%	7,756,667
612,060	NextEra Energy Capital Holdings, Inc., 6.60%, Series A	15,595,289	318,535	Vornado Realty Trust, 6.63%, Series I	7,858,258
54,982	Pacific Gas & Electric Co., 6.00%, Series A	1,463,071			<u>93,296,610</u>
79,274	SCANA Corp., 7.70%	2,210,159		<i>Telecommunications—1.5%</i>	
186,931	Xcel Energy, Inc., 7.60%	5,069,569	526,972	AT&T, Inc., 6.38%	13,938,409
		<u>74,666,267</u>	291,474	Telephone & Data Systems, Inc., 6.63%	7,170,261
					<u>21,108,670</u>
	<i>Insurance—10.0%</i>			Total Preferred Stocks and Other Equity Interests	
1,372,164	Aegon NV, 6.38%(Netherlands)	31,916,535		(Cost \$1,262,046,413)	<u>1,421,396,906</u>
888,780	Allianz SE, 8.38%(Germany)	23,719,316			
694,804	American International Group, Inc., 7.70%	17,529,905		Money Market Fund—1.6%	
153,475	Arch Capital Group Ltd., 8.00%, Series A	3,885,987	22,809,778	Goldman Sachs Financial Square Prime Obligations Institutional Share Class (Cost \$22,809,778)	<u>22,809,778</u>
184,152	Assured Guaranty Municipal Holdings, Inc., 6.25%	4,091,858		Total Investments	
109,869	Berkley W.R. Capital Trust II, 6.75%	2,734,640		(Cost \$1,284,856,191)—101.9%	1,444,206,684
98,603	Endurance Specialty Holdings Ltd., 7.75%, Series A	2,567,622		Liabilities in excess of other assets—(1.9%)	<u>(26,721,730)</u>
155,294	Everest Re Capital Trust II, 6.20%, Series B	3,748,797		Net Assets—100.0%	<u><u>\$1,417,484,954</u></u>
75,660	Markel Corp., 7.50%	1,948,245			
763,276	MetLife, Inc., 6.50%, Series B	19,501,702		Investment Abbreviations:	
243,778	PartnerRe Ltd., 6.75%, Series C	6,057,883		REIT – Real Estate Investment Trust	
241,439	Principal Financial Group, Inc., 6.52%, Series B	6,031,146		Notes to Schedule of Investments:	
100,053	Prudential Financial, Inc., 9.00%	2,809,488		This Fund has holdings greater than 10% of net assets in the following country:	
247,180	Prudential PLC, 6.50%(United Kingdom)	6,181,972		United Kingdom	12.9%
263,904	RenaissanceRe Holdings Ltd., 6.60%, Series D	6,613,434			
46,795	Selective Insurance Group, Inc., 7.50%	1,176,426			
61,403	Torchmark Capital Trust III, 7.10%	1,556,566			
		<u>142,071,522</u>			
	<i>Media—2.8%</i>				
317,785	CBS Corp., 6.75%	8,068,561			
895,075	Comcast Corp., 7.00%, Series B	22,994,477			
334,710	Viacom, Inc., 6.85%	8,632,171			
		<u>39,695,209</u>			
	<i>REITs—6.6%</i>				
79,054	Equity Residential Properties, 6.48%, Series N	1,996,114			
370,251	Kimco Realty Corp., 7.75%, Series G	9,589,501			
136,059	PS Business Parks, Inc., 7.00%, Series H	3,401,475			
1,305,733	Public Storage, 6.50%, Series Q	32,982,816			
1,009,068	Public Storage, 7.25%, Series I	25,509,239			

See Notes to Financial Statements.

Portfolio Composition

PowerShares VRDO Tax-Free Weekly Portfolio

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

Alabama	0.2	Mississippi	0.5
California	4.3	North Carolina	0.1
Colorado	5.4	New Hampshire	3.2
District of Columbia	0.7	New Jersey	7.4
Florida	5.9	New York	15.0
Georgia	5.8	Pennsylvania	8.8
Illinois	11.5	Rhode Island	0.7
Indiana	5.2	Tennessee	3.1
Kentucky	1.3	Texas	13.0
Massachusetts	4.8	Virginia	0.5
Maryland	0.1	Other assets less liabilities	2.5

Schedule of Investments

PowerShares VRDO Tax-Free Weekly Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate (!)	Maturity Date	Value
	Municipal Bonds (#)—97.5%			
	<i>Ad Valorem Property Tax—6.6%</i>			
\$ 3,700,000	Chicago Illinois Board of Education Ser. 00B AGM	0.750%	03/01/32	\$ 3,700,000
18,320,000	Chicago Illinois Board of Education Ser. 00D AGM	0.800	03/01/32	18,320,000
5,000,000	Luzerne County Pennsylvania Ser. 06A AGM	0.500	11/15/26	5,000,000
400,000	New York - City of New York Sub-Ser. 96-J3 (Remarketed)	0.220	02/15/16	400,000
1,500,000	Shelby County Tennessee Ser. 06C	0.750	12/01/31	1,500,000
				<u>28,920,000</u>
	<i>College Revenue—10.6%</i>			
2,160,000	Broward County Florida Educational Facilities Auth. Rev. (Nova Southeastern University) Ser. 02A	0.850	04/01/22	2,160,000
1,500,000	Charlottesville Virginia Industrial Development Auth. Educational Facilities Rev. (University of Virginia Foundation Projects) Ser. 06B	0.280	12/01/37	1,500,000
20,000,000	New York State Dormitory Auth. Rev. (Rockefeller University) Ser. 09B	0.220	07/01/40	20,000,000
3,000,000	Rhode Island State Health & Educational Building Corp. Rev. (Catholic School Pool Program) Ser. 05A	0.340	04/01/35	3,000,000
4,900,000	Shelby County Health Educational & Housing Facilities Board Rev. (Southern College of Optometry Project) Ser. 01	3.250	06/01/26	4,900,000
15,100,000	University of Texas Rev. (Financing System) Ser. 08B	0.170	08/01/32	15,100,000
				<u>46,660,000</u>
	<i>Electric Power Revenue—13.0%</i>			
23,200,000	Austin Texas Water & Wastewater System Rev. Ref. Ser. 04 AGM	0.450	05/15/24	23,200,000
12,770,000	JEA Florida Electric System Rev. Ser. Three 08C-2	0.240	10/01/34	12,770,000
2,000,000	Long Island Power Auth. Electric System Rev. (Remarketed) Ser. 03I AGM	0.750	12/01/29	2,000,000
9,000,000	Long Island Power Auth. Electric System Rev. Ser. 03D AGM	0.800%	12/01/29	9,000,000
7,600,000	Municipal Electric Auth. of Georgia (Project One-Remarketed) Ser. 94B AGM	1.000	01/01/16	7,600,000
3,000,000	Municipal Electric Auth. of Georgia Subordinated (Remarketed) Ser. 94D AGM	0.700	01/01/22	3,000,000
				<u>57,570,000</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares VRDO Tax-Free Weekly Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate (!)	Maturity Date	Value
Municipal Bonds (#) (Continued)				
<i>Fuel Sales Tax Revenue—0.7%</i>				
\$ 3,050,000	Metropolitan Transportation Auth. New York Dedicated Tax Fund Ser. 02-B AGM	0.750	11/01/22	\$ 3,050,000
<i>General Fund—0.1%</i>				
500,000	North Carolina State Public Improvements Ser. 02D	0.240	05/01/21	500,000
<i>Highway Tolls Revenue—11.3%</i>				
4,800,000	Delaware River Joint Toll Bridge Commission Pennsylvania Bridge Rev. Ser. 07B-1	0.800	07/01/32	4,800,000
1,800,000	Illinois State Toll Highway Auth. Rev. Ref. Ser. 98B AGM	0.400	01/01/16	1,800,000
1,400,000	Illinois State Toll Highway Auth. Rev. Ref. Ser. 98B AGM	0.400	01/01/17	1,400,000
17,300,000	New Jersey State Turnpike Auth. Turnpike Rev. Ser. 03C-1 AGM	0.600	01/01/24	17,300,000
14,850,000	New Jersey State Turnpike Auth. Turnpike Rev. Ser. 03C-2 AGM	0.750	01/01/24	14,850,000
700,000	New Jersey Turnpike Auth. Turnpike Rev. Ser. 91-D NATL RE	0.280	01/01/18	700,000
1,000,000	Orlando & Orange County Expressway Auth. (Florida Expressway) Ref. Rev. Ser. 03-C-2 AGM	0.650	07/01/25	1,000,000
5,000,000	Orlando & Orange County Expressway Auth. (Florida Expressway) Rev. Ref. Sub-Ser. 08B-1	0.250	07/01/40	5,000,000
2,910,000	Triborough Bridge & Tunnel Auth. New York Rev. Ser. 05A	0.750	11/01/35	2,910,000
				<u>49,760,000</u>
<i>Hospital Revenue—17.5%</i>				
19,000,000	Harris County Texas Health Facilities Development Corp. Hospital Rev. Ref. (Memorial Hermann Healthcare System) Ser. 08A AGM	0.750	06/01/27	19,000,000
15,585,000	Illinois Finance Auth. Rev. (Elmhurst Memorial Healthcare) Ser. 08E	0.470	01/01/48	15,585,000
14,300,000	New Hampshire Health & Education Facilities Auth. Rev. (Dartmouth Hitchcock Obligation) Ser. 01A AGM	0.750	08/01/31	14,300,000
5,550,000	Russell Kentucky Rev. (Bon Secours Health System Obligated Group) Ser. 02-B AGM	0.800	11/01/26	5,550,000
22,970,000	White County Industrial Hospital Association Lease Rental Rev. Ser. 06	1.530	10/01/38	22,970,000
				<u>77,405,000</u>
<i>Industrial Revenue—2.5%</i>				
900,000	Fairfax County Virginia Economic Development Auth. Rev. (NISH Project) Ser. 02	0.850	08/01/32	900,000
2,300,000	Mississippi Business Financing Corp. Rev. (DDR Gulfport Promenade LLC Project) Ser. 07	1.530	12/01/37	2,300,000
7,945,000	Rensselaer County New York Industrial Development Agency Civic Facility Rev. (Rensselaer Polytech Institute Project) Ser. 97-A	0.250	02/01/22	7,945,000
				<u>11,145,000</u>
<i>Lease Revenue—1.9%</i>				
5,000,000	Broward County Florida School Board COP Ser. 05 AGM	0.290%	07/01/21	5,000,000
3,215,000	San Francisco California City & County Finance Corp. Lease Rev. Ref. (Moscone Center) Ser. 08-1	0.250	04/01/30	3,215,000
				<u>8,215,000</u>
<i>Local Housing Revenue—1.0%</i>				
990,000	Alabama Housing Financing Auth. Ref. Ser. 89	1.830	04/01/14	990,000
3,380,000	Colorado Housing & Financing Auth. (Multi-Family Project) Class I Ser. 05A2	0.800	04/01/36	3,380,000
				<u>4,370,000</u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares VRDO Tax-Free Weekly Portfolio

April 30, 2011 (Unaudited)

Principal Amount		Interest Rate (!)	Maturity Date	Value
Municipal Bonds (#) (Continued)				
<i>Miscellaneous Revenue—14.1%</i>				
\$ 400,000	Baltimore Maryland Industrial Development Auth. (Baltimore Capital Acquisition) Ser. 86	0.340	08/01/16	\$ 400,000
1,500,000	Blount County Public Building Authority	0.910	06/01/32	1,500,000
4,375,000	Clarksville Tennessee Public Building Auth. Rev. (Pooled Financing Tennessee Municipal Bond Fund) Ser. 99	0.310	06/01/29	4,375,000
2,600,000	Delaware Valley Pennsylvania Regional Finance Auth. Local Government Rev. Ser. 85A	0.320	12/01/18	2,600,000
15,000,000	Delaware Valley Regional Finance Auth. Local Government Rev. Ser. 85C	0.320	12/01/20	15,000,000
11,500,000	Delaware Valley Regional Finance Auth. Local Government Rev. Ser. 86-1	0.310	08/01/16	11,500,000
10,000,000	Illinois State Ser. 03B	3.250	10/01/33	10,000,000
10,000,000	Massachusetts Bay Transportation Auth. (General Transportation System) Ser. 00	0.600	03/01/30	10,000,000
1,600,000	Montgomery County Tennessee Public Building Auth. Pooled Funding Government Obligation (Tennessee County Loan Pool) Ser. 95	0.350	03/01/25	1,600,000
5,165,000	Southern California Public Power Auth. Transmission Project Rev. (Southern Transmission Project) Ser. 01-A AGM	0.750	07/01/21	5,165,000
				<u>62,140,000</u>
<i>Multiple Utility Revenue—4.4%</i>				
19,350,000	Colorado Springs Colorado Utilities Rev. (Sub-Lien Improvement) Ser. 06B	0.500	11/01/36	19,350,000
<i>Port, Airport & Marina Revenue—0.6%</i>				
2,880,000	Metropolitan Washington DC Airport Auth. System Sub-Ser. 09-A-1	0.290	10/01/39	2,880,000
<i>Tax Increment Revenue—0.2%</i>				
915,000	Denver Colorado Urban Renewal Auth. Tax Increment Rev. Ref. (South Broadway Urban Renewal Project) Ser. 02	3.000	12/01/15	915,000
<i>Transit Revenue—4.9%</i>				
800,000	California Transit Finance Auth. Ser. 97 AGM	0.800	10/01/27	800,000
16,190,000	Metropolitan Transportation Auth. New York Rev. Ref. Ser. 02D-1 AGM	0.400	11/01/29	16,190,000
4,550,000	Metropolitan Transportation Auth. of New York Rev. Ref. Ser. 02D-2 AGM	0.800	11/01/32	4,550,000
				<u>21,540,000</u>
<i>Water Revenue—8.1%</i>				
15,000,000	Forsyth County Georgia Water & Sewage Auth. Rev. Ser. 05B	0.750	04/01/35	15,000,000
5,060,000	Massachusetts State Water Resources Auth. Ref. Subordinated Ser. 08C	0.260	11/01/26	5,060,000
5,900,000	Massachusetts State Water Resources Auth. Ref. Subordinated Ser. 08D	0.260%	08/01/11	5,900,000
2,000,000	Metropolitan Water District Southern California Rev. Ser. 00B-2	0.300	07/01/35	2,000,000
8,000,000	Metropolitan Water District Southern California Waterworks Rev. Ref. Ser. 08A-2	0.220	07/01/37	8,000,000
				<u>35,960,000</u>
Total Investments				
	(Cost \$430,380,000)(a)—97.5%			\$430,380,000
	Other assets less liabilities—2.5%			10,863,182
	Net Assets—100.0%			<u><u>\$441,243,182</u></u>

See Notes to Financial Statements.

Schedule of Investments (Continued)

PowerShares VRDO Tax-Free Weekly Portfolio

April 30, 2011 (Unaudited)

Investment Abbreviations:

Auth. – Authority
COP – Certificate of Participation
Ref. – Refunding Bonds
Rev. – Revenue
Ser. – Series

Glossary of Terms:

AGM – Assured Guaranty Municipal Corp.
NATL RE – National Public Finance Guarantee Corp.

Notes to Schedule of Investments:

(#) Demand Securities payable upon demand by the Fund for an amount equal to par value plus accrued interest at specified time intervals.

(!) Variable rate coupon. Stated interest rate was in effect at April 30, 2011.

(a) This table, as of April 30, 2011, provides a listing of those entities that have either guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the value of securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the borrower's obligations but may be called upon to satisfy the borrower's obligations.

<u>Entities</u>	<u>Percentage of Total Investments</u>
Assured Guaranty Municipal Corp.	42.2%

See Notes to Financial Statements.

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Statements of Assets and Liabilities

April 30, 2011 (Unaudited)

	PowerShares 1-30 Laddered Treasury Portfolio	PowerShares Build America Bond Portfolio	PowerShares CEF Income Composite Portfolio	PowerShares Emerging Markets Sovereign Debt Portfolio
ASSETS:				
Unaffiliated investments, at value	\$282,587,319	\$669,252,487	\$208,491,735	\$ 976,863,684
Affiliated investments, at value (Note 4)	—	—	797,175	—
Total investments, at value	<u>282,587,319</u>	<u>669,252,487</u>	<u>209,288,910</u>	<u>976,863,684</u>
Cash	—	904,015	36,828	948,425
Foreign currencies, at value	—	—	—	—
Receivables:				
Dividends and interest	3,030,777	12,195,366	190,507	15,186,652
Investments sold	—	—	3,719,361	—
Foreign tax reclaims	—	—	—	—
Shares sold	—	—	—	10,657,900
Total Assets	<u>285,618,096</u>	<u>682,351,868</u>	<u>213,235,606</u>	<u>1,003,656,661</u>
LIABILITIES:				
Due to custodian	90,197	—	—	—
Payables:				
Shares repurchased	—	—	3,882,403	—
Investments purchased	—	—	—	12,061,433
Accrued unitary management fees	57,935	155,162	85,814	394,015
Accrued expenses	—	335	—	—
Total Liabilities	<u>148,132</u>	<u>155,497</u>	<u>3,968,217</u>	<u>12,455,448</u>
NET ASSETS	<u>\$285,469,964</u>	<u>\$682,196,371</u>	<u>\$209,267,389</u>	<u>\$ 991,201,213</u>
NET ASSETS CONSIST OF:				
Shares of beneficial interest	\$294,720,562	\$667,698,392	\$205,972,444	\$ 960,622,141
Undistributed net investment income (loss)	(1,508,926)	(166,144)	(2,512,188)	(2,335,780)
Undistributed net realized gain (loss)	(202,834)	(982,084)	(1,343,992)	15,420,293
Net unrealized appreciation (depreciation)	(7,538,838)	15,646,207	7,151,125	17,494,559
Net Assets	<u>\$285,469,964</u>	<u>\$682,196,371</u>	<u>\$209,267,389</u>	<u>\$ 991,201,213</u>
Shares outstanding (unlimited amount authorized, \$ 0.01 par value)	10,250,000	26,350,000	8,050,000	37,100,000
Net asset value	<u>\$ 27.85</u>	<u>\$ 25.89</u>	<u>\$ 26.00</u>	<u>\$ 26.72</u>
Share price	<u>\$ 27.91</u>	<u>\$ 25.85</u>	<u>\$ 26.00</u>	<u>\$ 26.72</u>
Unaffiliated investments, at cost	<u>\$290,126,157</u>	<u>\$653,606,280</u>	<u>\$201,296,806</u>	<u>\$ 959,369,125</u>
Affiliated investments, at cost	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 840,979</u>	<u>\$ —</u>
Total investments, at cost	<u>\$290,126,157</u>	<u>\$653,606,280</u>	<u>\$202,137,785</u>	<u>\$ 959,369,125</u>
Foreign currencies, at cost	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See Notes to Financial Statements.

PowerShares Fundamental High Yield® Corporate Bond Portfolio	PowerShares Insured California Municipal Bond Portfolio	PowerShares Insured National Municipal Bond Portfolio	PowerShares Insured New York Municipal Bond Portfolio	PowerShares International Corporate Bond Portfolio	PowerShares Preferred Portfolio	PowerShares VRDO Tax-Free Weekly Portfolio
\$464,008,859	\$34,945,037	\$474,167,409	\$36,967,968	\$48,308,078	\$1,444,206,684	\$430,380,000
—	—	—	—	—	—	—
<u>464,008,859</u>	<u>34,945,037</u>	<u>474,167,409</u>	<u>36,967,968</u>	<u>48,308,078</u>	<u>1,444,206,684</u>	<u>430,380,000</u>
—	515,004	312,750	336,008	69,954	31,102	10,765,696
—	—	—	—	10,811	—	—
9,287,692	536,108	7,427,723	635,295	1,129,905	4,958,803	189,840
1,853,756	—	7,529,548	—	575,325	11,630,753	—
—	—	—	—	10,882	—	—
—	—	—	—	1,455,153	720,257	—
<u>475,150,307</u>	<u>35,996,149</u>	<u>489,437,430</u>	<u>37,939,271</u>	<u>51,560,108</u>	<u>1,461,547,599</u>	<u>441,335,536</u>
413,571	—	—	—	—	—	—
—	—	—	—	—	—	—
3,071,570	—	4,883,755	—	2,066,467	43,486,959	—
190,356	8,023	109,779	8,621	18,571	575,686	91,742
—	612	612	612	—	—	612
<u>3,675,497</u>	<u>8,635</u>	<u>4,994,146</u>	<u>9,233</u>	<u>2,085,038</u>	<u>44,062,645</u>	<u>92,354</u>
<u>\$471,474,810</u>	<u>\$35,987,514</u>	<u>\$484,443,284</u>	<u>\$37,930,038</u>	<u>\$49,475,070</u>	<u>\$1,417,484,954</u>	<u>\$441,243,182</u>
\$450,273,940	\$37,596,555	\$492,242,772	\$38,453,708	\$47,040,712	\$1,313,822,839	\$441,006,541
(1,687,504)	(29,533)	(122,082)	(69,487)	(242,943)	(1,107,521)	233,541
7,081,276	(501,669)	(6,090,644)	(448,552)	(112,829)	(54,580,857)	3,100
15,807,098	(1,077,839)	(1,586,762)	(5,631)	2,790,130	159,350,493	—
<u>\$471,474,810</u>	<u>\$35,987,514</u>	<u>\$484,443,284</u>	<u>\$37,930,038</u>	<u>\$49,475,070</u>	<u>\$1,417,484,954</u>	<u>\$441,243,182</u>
25,300,000	1,600,000	21,250,000	1,700,000	1,700,000	98,400,000	17,650,000
\$ 18.64	\$ 22.49	\$ 22.80	\$ 22.31	\$ 29.10	\$ 14.41	\$ 25.00
<u>\$ 18.66</u>	<u>\$ 22.48</u>	<u>\$ 22.79</u>	<u>\$ 22.28</u>	<u>\$ 29.09</u>	<u>\$ 14.42</u>	<u>\$ 25.00</u>
<u>\$448,201,761</u>	<u>\$36,022,876</u>	<u>\$475,754,171</u>	<u>\$36,973,599</u>	<u>\$45,576,688</u>	<u>\$1,284,856,191</u>	<u>\$430,380,000</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<u>\$448,201,761</u>	<u>\$36,022,876</u>	<u>\$475,754,171</u>	<u>\$36,973,599</u>	<u>\$45,576,688</u>	<u>\$1,284,856,191</u>	<u>\$430,380,000</u>
\$ —	\$ —	\$ —	\$ —	\$ 10,748	\$ —	\$ —

Statements of Operations

Six Months Ended April 30, 2011 (Unaudited)

	PowerShares 1-30 Laddered Treasury Portfolio	PowerShares Build America Bond Portfolio	PowerShares CEF Income Composite Portfolio	PowerShares Emerging Markets Sovereign Debt Portfolio
INVESTMENT INCOME:				
Unaffiliated interest income	\$ 3,880,704	\$19,197,854	\$ —	\$ 26,792,107
Unaffiliated dividend income	346	—	6,676,740	2,348
Affiliated dividend income (Note 4)	—	—	7,398	—
Foreign withholding tax	—	—	—	(86,737)
Total Income	<u>3,881,050</u>	<u>19,197,854</u>	<u>6,684,138</u>	<u>26,707,718</u>
EXPENSES:				
Unitary management fees	306,420	1,087,203	466,075	2,287,401
Other expenses	—	335	—	—
Total Expenses	<u>306,420</u>	<u>1,087,538</u>	<u>466,075</u>	<u>2,287,401</u>
Unitary management fees waivers	—	(217,441)	—	—
Net Expenses	<u>306,420</u>	<u>870,097</u>	<u>466,075</u>	<u>2,287,401</u>
Net Investment Income	<u>3,574,630</u>	<u>18,327,757</u>	<u>6,218,063</u>	<u>24,420,317</u>
REALIZED AND UNREALIZED GAIN (LOSS):				
Net realized gain (loss) from:				
Investments	(480,656)	(866,720)	(2,147,344)	(1,071,648)
In-kind redemptions	294,035	—	1,820,700	18,470,997
Foreign currencies	—	—	—	—
Distributions from underlying fund shares	—	—	46,894	—
Net realized gain (loss)	<u>(186,621)</u>	<u>(866,720)</u>	<u>(279,750)</u>	<u>17,399,349</u>
Net change in unrealized appreciation (depreciation) on:				
Investments	(9,767,432)	(546,357)	1,805,523	(69,101,880)
Foreign currencies	—	—	—	—
Net change in unrealized appreciation (depreciation)	<u>(9,767,432)</u>	<u>(546,357)</u>	<u>1,805,523</u>	<u>(69,101,880)</u>
Net realized and unrealized gain (loss)	<u>(9,954,053)</u>	<u>(1,413,077)</u>	<u>1,525,773</u>	<u>(51,702,531)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$(6,379,423)</u>	<u>\$16,914,680</u>	<u>\$ 7,743,836</u>	<u>\$(27,282,214)</u>

See Notes to Financial Statements.

PowerShares Fundamental High Yield® Corporate Bond Portfolio	PowerShares Insured California Municipal Bond Portfolio	PowerShares Insured National Municipal Bond Portfolio	PowerShares Insured New York Municipal Bond Portfolio	PowerShares International Corporate Bond Portfolio	PowerShares Preferred Portfolio	PowerShares VRDO Tax-Free Weekly Portfolio
\$13,479,934	\$ 961,106	\$ 13,053,580	\$ 899,307	\$ 761,546	\$ —	\$2,016,624
1,594	—	—	—	—	49,504,756	—
—	—	—	—	—	—	—
—	—	—	—	(14,391)	—	—
<u>13,481,528</u>	<u>961,106</u>	<u>13,053,580</u>	<u>899,307</u>	<u>747,155</u>	<u>49,504,756</u>	<u>2,016,624</u>
1,059,770	67,980	889,594	66,333	98,833	3,392,159	659,965
—	—	—	—	—	—	—
1,059,770	67,980	889,594	66,333	98,833	3,392,159	659,965
—	(13,596)	(177,919)	(13,267)	—	—	—
<u>1,059,770</u>	<u>54,384</u>	<u>711,675</u>	<u>53,066</u>	<u>98,833</u>	<u>3,392,159</u>	<u>659,965</u>
<u>12,421,758</u>	<u>906,722</u>	<u>12,341,905</u>	<u>846,241</u>	<u>648,322</u>	<u>46,112,597</u>	<u>1,356,659</u>
1,585,910	(496,328)	(4,427,144)	(186,583)	(55,219)	1,847,350	3,100
6,238,518	—	—	—	—	14,860,211	—
—	—	—	—	(54,963)	—	—
—	—	—	—	—	—	—
<u>7,824,428</u>	<u>(496,328)</u>	<u>(4,427,144)</u>	<u>(186,583)</u>	<u>(110,182)</u>	<u>16,707,561</u>	<u>3,100</u>
(2,382,239)	(2,673,715)	(34,444,127)	(2,308,662)	1,757,600	(3,489,709)	(3,100)
—	—	—	—	73,603	—	—
<u>(2,382,239)</u>	<u>(2,673,715)</u>	<u>(34,444,127)</u>	<u>(2,308,662)</u>	<u>1,831,203</u>	<u>(3,489,709)</u>	<u>(3,100)</u>
5,442,189	(3,170,043)	(38,871,271)	(2,495,245)	1,721,021	13,217,852	—
<u>\$17,863,947</u>	<u>\$(2,263,321)</u>	<u>\$(26,529,366)</u>	<u>\$(1,649,004)</u>	<u>\$2,369,343</u>	<u>\$59,330,449</u>	<u>\$1,356,659</u>

Statements of Changes in Net Assets

	PowerShares 1-30 Laddered Treasury Portfolio		PowerShares Build America Bond Portfolio	
	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	For the Period November 16, 2009* Through October 31, 2010
OPERATIONS:				
Net investment income	\$ 3,574,630	\$ 2,372,573	\$ 18,327,757	\$ 15,156,662
Net realized gain (loss)	(186,621)	2,213,832	(866,720)	(115,364)
Net change in unrealized appreciation (depreciation)	(9,767,432)	2,602,479	(546,357)	16,192,564
Net increase (decrease) in net assets resulting from operations	(6,379,423)	7,188,884	16,914,680	31,233,862
Undistributed net investment income (loss) included in the price of units issued and redeemed	(922,632)	(14,231)	(9,917)	104,373
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(4,160,924)	(2,372,573)	(18,483,984)	(15,160,337)
Tax-exempt income	—	—	—	—
Return of capital	—	(343,489)	—	(274,123)
Total distributions to shareholders	(4,160,924)	(2,716,062)	(18,483,984)	(15,434,460)
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	232,582,764	46,531,933	139,426,958	553,806,111
Value of shares repurchased	(12,596,686)	(41,160,807)	(25,266,796)	—
Net income (loss) equalization	922,632	14,231	9,917	(104,373)
Net increase (decrease) in net assets resulting from shares transactions	220,908,710	5,385,357	114,170,079	553,701,738
Increase (Decrease) in Net Assets	209,445,731	9,843,948	112,590,858	569,605,513
NET ASSETS:				
Beginning of period	76,024,233	66,180,285	569,605,513	—
End of period	\$285,469,964	\$ 76,024,233	\$682,196,371	\$569,605,513
Undistributed net investment income (loss) at end of period	\$ (1,508,926)	\$ —	\$ (166,144)	\$ —
CHANGES IN SHARES OUTSTANDING:				
Shares sold	8,100,000	1,650,000	5,550,000	21,800,000
Shares repurchased	(450,000)	(1,450,000)	(1,000,000)	—
Shares outstanding, beginning of period	2,600,000	2,400,000	21,800,000	—
Shares outstanding, end of period	10,250,000	2,600,000	26,350,000	21,800,000

* Commencement of Investment Operations.

See Notes to Financial Statements.

PowerShares CEF Income Composite Portfolio		PowerShares Emerging Markets Sovereign Debt Portfolio		PowerShares Fundamental High Yield® Corporate Bond Portfolio		PowerShares Insured California Municipal Bond Portfolio	
Six Months Ended April 30, 2011 (Unaudited)	For the Period February 16, 2010* Through October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010
\$ 6,218,063	\$ 4,013,118	\$ 24,420,317	\$ 35,667,756	\$ 12,421,758	\$ 17,867,170	\$ 906,722	\$ 1,644,013
(279,750)	(730,229)	17,399,349	3,996,026	7,824,428	10,253,446	(496,328)	(5,341)
<u>1,805,523</u>	<u>5,345,602</u>	<u>(69,101,880)</u>	<u>65,240,729</u>	<u>(2,382,239)</u>	<u>3,874,819</u>	<u>(2,673,715)</u>	<u>1,344,695</u>
<u>7,743,836</u>	<u>8,628,491</u>	<u>(27,282,214)</u>	<u>104,904,511</u>	<u>17,863,947</u>	<u>31,995,435</u>	<u>(2,263,321)</u>	<u>2,983,367</u>
<u>(400,210)</u>	<u>394,437</u>	<u>(268,630)</u>	<u>(1,385,806)</u>	<u>61,216</u>	<u>737,118</u>	<u>13,938</u>	<u>(20,779)</u>
(8,330,041)	(4,013,118)	(26,487,467)	(35,667,756)	(14,170,478)	(18,390,580)	(950,193)	(60,190)
—	—	—	—	—	—	—	(1,648,334)
—	(1,913,266)	—	(870,695)	—	—	—	—
<u>(8,330,041)</u>	<u>(5,926,384)</u>	<u>(26,487,467)</u>	<u>(36,538,451)</u>	<u>(14,170,478)</u>	<u>(18,390,580)</u>	<u>(950,193)</u>	<u>(1,708,524)</u>
60,300,530	178,467,464	261,755,317	597,967,608	130,984,407	281,534,114	7,835,453	10,638,278
(16,540,596)	(15,075,911)	(219,699,324)	(83,295,548)	(55,096,045)	(75,182,109)	(12,274,641)	—
<u>400,210</u>	<u>(394,437)</u>	<u>268,630</u>	<u>1,385,806</u>	<u>(61,216)</u>	<u>(737,118)</u>	<u>(13,938)</u>	<u>20,779</u>
<u>44,160,144</u>	<u>162,997,116</u>	<u>42,324,623</u>	<u>516,057,866</u>	<u>75,827,146</u>	<u>205,614,887</u>	<u>(4,453,126)</u>	<u>10,659,057</u>
<u>43,173,729</u>	<u>166,093,660</u>	<u>(11,713,688)</u>	<u>583,038,120</u>	<u>79,581,831</u>	<u>219,956,860</u>	<u>(7,652,702)</u>	<u>11,913,121</u>
<u>166,093,660</u>	<u>—</u>	<u>1,002,914,901</u>	<u>419,876,781</u>	<u>391,892,979</u>	<u>171,936,119</u>	<u>43,640,216</u>	<u>31,727,095</u>
<u>\$209,267,389</u>	<u>\$166,093,660</u>	<u>\$ 991,201,213</u>	<u>\$1,002,914,901</u>	<u>\$471,474,810</u>	<u>\$391,892,979</u>	<u>\$ 35,987,514</u>	<u>\$43,640,216</u>
<u>\$ (2,512,188)</u>	<u>\$ —</u>	<u>\$ (2,335,780)</u>	<u>\$ —</u>	<u>\$ (1,687,504)</u>	<u>\$ —</u>	<u>\$ (29,533)</u>	<u>\$ —</u>
2,350,000	6,950,000	9,800,000	22,300,000	7,100,000	15,600,000	350,000	450,000
(650,000)	(600,000)	(8,200,000)	(3,200,000)	(3,000,000)	(4,200,000)	(550,000)	—
<u>6,350,000</u>	<u>—</u>	<u>35,500,000</u>	<u>16,400,000</u>	<u>21,200,000</u>	<u>9,800,000</u>	<u>1,800,000</u>	<u>1,350,000</u>
<u>8,050,000</u>	<u>6,350,000</u>	<u>37,100,000</u>	<u>35,500,000</u>	<u>25,300,000</u>	<u>21,200,000</u>	<u>1,600,000</u>	<u>1,800,000</u>

Statements of Changes in Net Assets (Continued)

	PowerShares Insured National Municipal Bond Portfolio		PowerShares Insured New York Municipal Bond Portfolio	
	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010
OPERATIONS:				
Net investment income	\$ 12,341,905	\$ 24,021,840	\$ 846,241	\$ 1,679,546
Net realized gain (loss)	(4,427,144)	1,119,903	(186,583)	5,046
Net change in unrealized appreciation (depreciation)	(34,444,127)	15,017,058	(2,308,662)	1,471,771
Net increase (decrease) in net assets resulting from operations	(26,529,366)	40,158,801	(1,649,004)	3,156,363
Undistributed net investment income (loss) included in the price of units issued and redeemed	234,766	(389,154)	1,987	(17,667)
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(12,698,753)	(603,904)	(917,715)	(46,279)
Tax-exempt income	—	(24,021,840)	—	(1,672,734)
Return of capital	—	—	—	—
Total distributions to shareholders	(12,698,753)	(24,625,744)	(917,715)	(1,719,013)
SHAREHOLDER TRANSACTIONS:				
Proceeds from shares sold	37,964,354	218,698,787	2,199,409	7,000,013
Value of shares repurchased	(172,359,437)	(22,453,010)	(3,400,267)	—
Net income (loss) equalization	(234,766)	389,154	(1,987)	17,667
Net increase (decrease) in net assets resulting from shares transactions	(134,629,849)	196,634,931	(1,202,845)	7,017,680
Increase (Decrease) in Net Assets	(173,623,202)	211,778,834	(3,767,577)	8,437,363
NET ASSETS:				
Beginning of period	658,066,486	446,287,652	41,697,615	33,260,252
End of period	\$ 484,443,284	\$ 658,066,486	\$ 37,930,038	\$ 41,697,615
Undistributed net investment income (loss) at end of period	\$ (122,082)	\$ —	\$ (69,487)	\$ —
CHANGES IN SHARES OUTSTANDING:				
Shares sold	1,700,000	9,150,000	100,000	300,000
Shares repurchased	(7,550,000)	(950,000)	(150,000)	—
Shares outstanding, beginning of period	27,100,000	18,900,000	1,750,000	1,450,000
Shares outstanding, end of period	21,250,000	27,100,000	1,700,000	1,750,000

* Commencement of Investment Operations.

See Notes to Financial Statements.

PowerShares International Corporate Bond Portfolio		PowerShares Preferred Portfolio		PowerShares VRDO Tax-Free Weekly Portfolio	
Six Months Ended April 30, 2011 (Unaudited)	For the Period June 1, 2010* Through October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31, 2010
\$ 648,322	\$ 81,544	\$ 46,112,597	\$ 67,851,970	\$ 1,356,659	\$ 2,598,825
(110,182)	(71,971)	16,707,561	17,294,444	3,100	—
<u>1,831,203</u>	<u>958,927</u>	<u>(3,489,709)</u>	<u>74,744,017</u>	<u>(3,100)</u>	<u>—</u>
<u>2,369,343</u>	<u>968,500</u>	<u>59,330,449</u>	<u>159,890,431</u>	<u>1,356,659</u>	<u>2,598,825</u>
<u>(189,824)</u>	<u>(328,637)</u>	<u>(427,887)</u>	<u>(3,433,172)</u>	<u>175,836</u>	<u>451,710</u>
(719,830)	—	(46,792,231)	(72,023,335)	(1,298,954)	(18,602)
—	—	—	—	—	(2,598,825)
—	(106,097)	—	(1,246,520)	—	—
<u>(719,830)</u>	<u>(106,097)</u>	<u>(46,792,231)</u>	<u>(73,269,855)</u>	<u>(1,298,954)</u>	<u>(2,617,427)</u>
16,616,832	33,081,133	110,051,528	529,699,942	7,499,640	73,741,501
(2,734,811)	—	(51,085,744)	(40,264,274)	(203,727,168)	(506,188,944)
<u>189,824</u>	<u>328,637</u>	<u>427,887</u>	<u>3,433,172</u>	<u>(175,836)</u>	<u>(451,710)</u>
<u>14,071,845</u>	<u>33,409,770</u>	<u>59,393,671</u>	<u>492,868,840</u>	<u>(196,403,364)</u>	<u>(432,899,153)</u>
15,531,534	33,943,536	71,504,002	576,056,244	(196,169,823)	(432,466,045)
<u>33,943,536</u>	<u>—</u>	<u>1,345,980,952</u>	<u>769,924,708</u>	<u>637,413,005</u>	<u>1,069,879,050</u>
<u>\$49,475,070</u>	<u>\$33,943,536</u>	<u>\$1,417,484,954</u>	<u>\$1,345,980,952</u>	<u>\$ 441,243,182</u>	<u>\$ 637,413,005</u>
<u>\$ (242,943)</u>	<u>\$ 18,389</u>	<u>\$ (1,107,521)</u>	<u>\$ —</u>	<u>\$ 233,541</u>	<u>\$ —</u>
600,000	1,200,000	7,750,000	38,050,000	300,000	2,950,000
(100,000)	—	(3,600,000)	(3,000,000)	(8,150,000)	(20,250,000)
<u>1,200,000</u>	<u>—</u>	<u>94,250,000</u>	<u>59,200,000</u>	<u>25,500,000</u>	<u>42,800,000</u>
<u>1,700,000</u>	<u>1,200,000</u>	<u>98,400,000</u>	<u>94,250,000</u>	<u>17,650,000</u>	<u>25,500,000</u>

Financial Highlights

PowerShares 1-30 Laddered Treasury Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,			For the Period October 11, 2007* Through October 31, 2007
		2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 29.24	\$ 27.58	\$ 26.31	\$ 25.64	\$ 25.21
Net investment income**	0.39	0.87	0.92	0.99	0.07
Net realized and unrealized gain (loss) on investments	(1.34)	1.79	1.33	0.79	0.36
Total from investment operations	(0.95)	2.66	2.25	1.78	0.43
Distribution to shareholders from:					
Net investment income	(0.44)	(0.87)	(0.91)	(1.10)	—
Return of capital	—	(0.13)	(0.07)	(0.01)	—
Total distributions	(0.44)	(1.00)	(0.98)	(1.11)	—
Net asset value at end of period	\$ 27.85	\$ 29.24	\$ 27.58	\$ 26.31	\$ 25.64
Share price at end of period***	\$ 27.91	\$ 29.23	\$ 27.59	\$ 26.36	—
NET ASSET VALUE TOTAL RETURN****	(3.23)%	9.91%	8.55%	7.00%	1.71%
SHARE PRICE TOTAL RETURN****	(2.99)%	9.84%	8.38%	6.95%	—
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$285,470	\$76,024	\$66,180	\$63,147	\$15,384
Ratio to average net assets of:					
Expenses	0.25%†	0.25%	0.25%	0.25%	0.25%†
Net investment income	2.92%†	3.12%	3.22%	3.79%	4.55%†
Portfolio turnover rate ††	3%	1%	1%	0% ^(a)	0%
Undistributed net investment income (loss) included in price of units issued and redeemed***	\$ (0.10)	\$ (0.01)	\$ 0.01	\$ (0.04)	\$ 0.01

PowerShares Build America Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	For the Period November 16, 2009* Through October 31, 2010
PER SHARE OPERATING PERFORMANCE:		
Net asset value at beginning of period	\$ 26.13	\$ 24.90
Net investment income**	0.74	1.30
Net realized and unrealized gain (loss) on investments	(0.24)	1.17
Total from investment operations	0.50	2.47
Distribution to shareholders from:		
Net investment income	(0.74)	(1.22)
Return of capital	—	(0.02)
Total distributions	(0.74)	(1.24)
Net asset value at end of period	\$ 25.89	\$ 26.13
Share price at end of period***	\$ 25.85	\$ 26.16
NET ASSET VALUE TOTAL RETURN****	2.04%	10.16% ^(b)
SHARE PRICE TOTAL RETURN****	1.77%	10.29% ^(b)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted)	\$682,196	\$569,606
Ratio to average net assets of:		
Expenses, after Waivers>	0.28%†	0.28%†
Expenses, prior to Waivers>	0.35%†	0.35%†
Net investment income	5.90%†	5.42%†
Portfolio turnover rate ††	3%	5%
Undistributed net investment income (loss) included in price of units issued and redeemed***	\$ (0.00) ^(c)	\$ 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 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.

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

† Annualized.

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

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

(a) Amount represents less than 1%.

(b) The net asset value total return from Fund Inception (November 17, 2009, first day of trading on the Exchange) to October 31, 2010 was 10.34%. The share price total return from Fund Inception to October 31, 2010 was 10.06%.

(c) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares CEF Income Composite Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	For the Period February 16, 2010* Through October 31, 2010
PER SHARE OPERATING PERFORMANCE:		
Net asset value at beginning of period	\$ 26.16	\$ 25.00
Net investment income**	0.85	1.03
Net realized and unrealized gain on investments	0.13	1.58
Total from investment operations	0.98	2.61
Distribution to shareholders from:		
Net investment income	(1.14)	(0.98)
Return of capital	—	(0.47)
Total distributions	(1.14)	(1.45)
Net asset value at end of period	\$ 26.00	\$ 26.16
Share price at end of period***	\$ 26.00	\$ 26.18
NET ASSET VALUE TOTAL RETURN****	3.94%	10.78% ^(a)
SHARE PRICE TOTAL RETURN****	3.85%	10.81% ^(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted)	\$209,267	\$166,094
Ratio to average net assets of:		
Expenses>	0.50%†	0.50%†
Net investment income	6.67%†	5.90%†
Portfolio turnover rate ††	17%	29%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ (0.05)	\$ 0.10

PowerShares Emerging Markets Sovereign Debt Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,			For the Period October 11, 2007* Through October 31, 2007
		2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 28.25	\$ 25.60	\$ 18.09	\$ 25.92	\$ 25.50
Net investment income**	0.70	1.54	1.58	1.47	0.07
Net realized and unrealized gain (loss) on investments	(1.46)	2.72	7.52	(7.81)	0.35
Total from investment operations	(0.76)	4.26	9.10	(6.34)	0.42
Distribution to shareholders from:					
Net investment income	(0.77)	(1.57)	(1.57)	(1.48)	—
Return of capital	—	(0.04)	(0.02)	(0.01)	—
Total distributions	(0.77)	(1.61)	(1.59)	(1.49)	—
Net asset value at end of period	\$ 26.72	\$ 28.25	\$ 25.60	\$ 18.09	\$ 25.92
Share price at end of period***	\$ 26.72	\$ 28.28	\$ 25.89	\$ 16.69	—
NET ASSET VALUE TOTAL RETURN****	(2.65)%	17.31%	52.11%	(25.83)%	1.65%
SHARE PRICE TOTAL RETURN****	(2.75)%	16.10%	66.52%	(32.26)%	—
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$991,201	\$1,002,915	\$419,877	\$68,725	\$15,552
Ratio to average net assets of:					
Expenses	0.50%†	0.50%	0.50%	0.50%	0.50%†
Net investment income	5.34%†	5.86%	6.89%	5.85%	4.91%†
Portfolio turnover rate ††	5%	5%	13%	48%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ (0.01)	\$ (0.06)	\$ (0.04)	\$ (0.04)	\$ 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 returns calculated for a period of less than one year are not annualized.

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

† Annualized.

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

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

(a) The net asset value total return from Fund Inception (February 19, 2010, first day of trading on the Exchange) to October 31, 2010 was 9.81%. The share price total return from Fund Inception to October 31, 2010 was 9.76%.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares Fundamental High Yield[®] Corporate Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,		For the Period November 13, 2007* Through October 31, 2008
		2010	2009	
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$ 18.49	\$ 17.54	\$ 15.73	\$ 24.84
Net investment income**	0.54	1.39	1.61	1.78
Net realized and unrealized gain (loss) on investments	0.22	1.03	1.81	(9.04)
Total from investment operations	0.76	2.42	3.42	(7.26)
Distribution to shareholders from:				
Net investment income	(0.61)	(1.47)	(1.61)	(1.85)
Net asset value at end of period	\$ 18.64	\$ 18.49	\$ 17.54	\$ 15.73
Share price at end of period***	\$ 18.66	\$ 18.50	\$ 17.51	\$ 16.10
NET ASSET VALUE TOTAL RETURN****	4.20%	14.47%	23.73%	(31.14)% ^(a)
SHARE PRICE TOTAL RETURN****	4.26%	14.70%	20.39%	(29.63)% ^(a)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$471,475	\$391,893	\$171,936	\$15,728
Ratio to average net assets of:				
Expenses	0.50%†	0.50%	0.50%	0.50%†
Net investment income	5.86%†	7.89%	9.93%	9.35%†
Portfolio turnover rate ††	19%	33%	68%	92%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.00 ^(b)	\$ 0.06	\$ 0.07	\$ (0.02)

PowerShares Insured California Municipal Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,			For the Period October 11, 2007* Through October 31, 2007
		2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 24.24	\$ 23.50	\$ 21.26	\$ 24.97	\$ 24.90
Net investment income**	0.52	1.03	1.06	1.03	0.06
Net realized and unrealized gain (loss) on investments	(1.72)	0.78	2.26	(3.64)	0.01
Total from investment operations	(1.20)	1.81	3.32	(2.61)	0.07
Distribution to shareholders from:					
Net investment income	(0.55)	(0.04)	(0.02)	—	—
Tax-exempt income	—	(1.03)	(1.06)	(1.10)	—
Total distributions	(0.55)	(1.07)	(1.08)	(1.10)	—
Net asset value at end of period	\$ 22.49	\$ 24.24	\$ 23.50	\$ 21.26	\$ 24.97
Share price at end of period***	\$ 22.48	\$ 24.24	\$ 23.48	\$ 21.18	
NET ASSET VALUE TOTAL RETURN****	(4.90)%	7.91%	16.06%	(10.82)%	0.28%
SHARE PRICE TOTAL RETURN****	(4.93)%	8.00%	16.38%	(11.04)%	
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$35,988	\$43,640	\$31,727	\$17,011	\$12,487
Ratio to average net assets of:					
Expenses, after Waivers	0.28%†	0.28%	0.28%	0.28%	0.28%†
Expenses, prior to Waivers	0.35%†	0.35%	0.35%	0.35%	0.35%†
Net investment income, after Waivers	4.67%†	4.31%	4.71%	4.42%	3.90%†
Portfolio turnover rate ††	20%	8%	34%	20%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ 0.00 ^(b)

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

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

† 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 15, 2007, first day trading on the exchange) to October 31, 2008 was (30.64)%. The share price total return from Fund Inception to October 31, 2008 was (30.45)%.

(b) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares Insured National Municipal Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,			For the Period October 11, 2007* Through October 31, 2007
		2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 24.28	\$ 23.61	\$ 21.00	\$ 25.05	\$ 24.92
Net investment income**	0.54	1.07	1.12	1.05	0.06
Net realized and unrealized gain (loss) on investments	(1.45)	0.70	2.60	(3.98)	0.07
Total from investment operations	(0.91)	1.77	3.72	(2.93)	0.13
Distribution to shareholders from:					
Net investment income	(0.57)	(0.03)	(0.00) ^(a)	(0.00) ^(a)	—
Tax-exempt income	—	(1.07)	(1.11)	(1.12)	—
Total distributions	(0.57)	(1.10)	(1.11)	(1.12)	—
Net asset value at end of period	\$ 22.80	\$ 24.28	\$ 23.61	\$ 21.00	\$ 25.05
Share price at end of period***	\$ 22.79	\$ 24.29	\$ 23.56	\$ 21.29	
NET ASSET VALUE TOTAL RETURN****	(3.69)%	7.70%	18.22%	(12.13)%	0.52%
SHARE PRICE TOTAL RETURN****	(3.76)%	7.97%	16.35%	(10.64)%	
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$484,443	\$658,066	\$446,288	\$174,317	\$12,525
Ratio to average net assets of:					
Expenses, after Waivers	0.28%†	0.28%	0.28%	0.28%	0.28%†
Expenses, prior to Waivers	0.35%†	0.35%	0.35%	0.35%	0.35%†
Net investment income, after Waivers	4.86%†	4.47%	4.97%	4.55%	3.96%†
Portfolio turnover rate ††	5%	8%	25%	63%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.01	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ 0.00 ^(a)

PowerShares Insured New York Municipal Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,			For the Period October 11, 2007* Through October 31, 2007
		2010	2009	2008	
PER SHARE OPERATING PERFORMANCE:					
Net asset value at beginning of period	\$ 23.83	\$ 22.94	\$ 21.14	\$ 24.95	\$ 24.84
Net investment income**	0.49	1.03	1.06	1.02	0.05
Net realized and unrealized gain (loss) on investments	(1.47)	0.92	1.80	(3.72)	0.06
Total from investment operations	(0.98)	1.95	2.86	(2.70)	0.11
Distribution to shareholders from:					
Net investment income	(0.54)	(0.03)	(0.02)	(0.00) ^(a)	—
Tax-exempt income	—	(1.03)	(1.04)	(1.11)	—
Total distributions	(0.54)	(1.06)	(1.06)	(1.11)	—
Net asset value at end of period	\$ 22.31	\$ 23.83	\$ 22.94	\$ 21.14	\$ 24.95
Share price at end of period***	\$ 22.28	\$ 23.83	\$ 22.92	\$ 21.27	
NET ASSET VALUE TOTAL RETURN****	(4.08)%	8.71%	13.92%	(11.22)%	0.44%
SHARE PRICE TOTAL RETURN****	(4.20)%	8.81%	13.13%	(10.74)%	
RATIOS/SUPPLEMENTAL DATA:					
Net assets at end of period (000's omitted)	\$37,930	\$41,698	\$33,260	\$16,908	\$14,971
Ratio to average net assets of:					
Expenses, after Waivers	0.28%†	0.28%	0.28%	0.28%	0.28%†
Expenses, prior to Waivers	0.35%†	0.35%	0.35%	0.35%	0.35%†
Net investment income, after Waivers	4.47%†	4.42%	4.75%	4.38%	3.83%†
Portfolio turnover rate ††	26%	3%	10%	34%	0%
Undistributed net investment income (loss) included in price of units issued and redeemed*#	\$ 0.00 ^(a)	\$ (0.01)	\$ (0.01)	\$ (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 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) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares International Corporate Bond Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	For the Period June 1, 2010* Through October 31, 2010
PER SHARE OPERATING PERFORMANCE:		
Net asset value at beginning of period	\$ 28.29	\$ 25.00
Net investment income**	0.44	0.17
Net realized and unrealized gain on investments	0.85	3.49
Total from investment operations	1.29	3.66
Distribution to shareholders from:		
Net investment income	(0.48)	—
Return of capital	—	(0.37)
Total distributions	(0.48)	(0.37)
Net asset value at end of period	\$ 29.10	\$ 28.29
Share price at end of period***	\$ 29.09	\$ 28.42
NET ASSET VALUE TOTAL RETURN****	4.71%	14.75% ^(a)
SHARE PRICE TOTAL RETURN****	4.18%	15.28% ^(a)
RATIOS/SUPPLEMENTAL DATA:		
Net assets at end of period (000's omitted)	\$49,475	\$33,944
Ratio to average net assets of:		
Expenses	0.50%†	0.50%†
Net investment income	3.28%†	2.53%†
Portfolio turnover rate ††	10%	14%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ (0.13)	\$ (0.70)

PowerShares Preferred Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,		For the Period January 28, 2008* Through October 31, 2008
		2010	2009	
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$ 14.28	\$ 13.01	\$ 12.25	\$ 20.06
Net investment income**	0.48	0.92	0.98	0.85
Net realized and unrealized gain (loss) on investments	0.14	1.36	0.89	(7.66)
Total from investment operations	0.62	2.28	1.87	(6.81)
Distribution to shareholders from:				
Net investment income	(0.49)	(0.99)	(1.02)	(0.91)
Return of capital	—	(0.02)	(0.09)	(0.09)
Total distributions	(0.49)	(1.01)	(1.11)	(1.00)
Net asset value at end of period	\$ 14.41	\$ 14.28	\$ 13.01	\$ 12.25
Share price at end of period***	\$ 14.42	\$ 14.29	\$ 13.06	\$ 12.62
NET ASSET VALUE TOTAL RETURN****	4.42%	18.08%	17.02%	(35.04)% ^(b)
SHARE PRICE TOTAL RETURN****	4.42%	17.70%	13.88%	(33.14)% ^(b)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$1,417,485	\$1,345,981	\$769,925	\$191,171
Ratio to average net assets of:				
Expenses	0.50%†	0.50%	0.50%	0.50%†
Net investment income	6.80%†	6.66%	8.26%	7.74%†
Portfolio turnover rate ††	21%	12%	34%	52%
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ (0.00) ^(c)	\$ (0.05)	\$ (0.06)	\$ 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 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 (June 3, 2010, first day trading on the exchange) to October 31, 2010 was 15.54%.

The share price total return from Fund Inception to October 31, 2010 was 15.27%.

(b) The net asset value total return from Fund Inception (January 31, 2008, first day trading on the exchange) to October 31, 2008 was

(35.65)%. The share price total return from Fund Inception to October 31, 2008 was (34.67)%.

(c) Amount represents less than \$0.005.

See Notes to Financial Statements.

Financial Highlights (Continued)

PowerShares VRDO Tax-Free Weekly Portfolio

	Six Months Ended April 30, 2011 (Unaudited)	Year Ended October 31,		For the Period November 14, 2007* Through October 31, 2008
		2010	2009	
PER SHARE OPERATING PERFORMANCE:				
Net asset value at beginning of period	\$ 25.00	\$ 25.00	\$ 25.03	\$ 25.03
Net investment income**	0.06	0.07	0.30	0.84
Net realized and unrealized gain (loss) on investments	—	—	0.09	(0.02)
Total from investment operations	0.06	0.07	0.39	0.82
Distribution to shareholders from:				
Net investment income	(0.06)	—	(0.02)	(0.00) ^(a)
Tax-exempt income	—	(0.07)	(0.40)	(0.82)
Total distributions	(0.06)	(0.07)	(0.42)	(0.82)
Net asset value at end of period	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.03
Share price at end of period***	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.05
NET ASSET VALUE TOTAL RETURN****	0.24%	0.31%	1.58%	3.33% ^(b)
SHARE PRICE TOTAL RETURN****	0.24%	0.31%	1.49%	3.40% ^(b)
RATIOS/SUPPLEMENTAL DATA:				
Net assets at end of period (000's omitted)	\$441,243	\$637,413	\$1,069,879	\$142,670
Ratio to average net assets of:				
Expenses	0.25%†	0.25%	0.25%	0.25%†
Net investment income	0.51%†	0.29%	1.24%	3.71%†
Undistributed net investment income (loss) included in price of units issued and redeemed**#	\$ 0.01	\$ 0.01	\$ (0.04)	\$ (0.05)

* Commencement of Investment Operations.

** Based on average shares outstanding.

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

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

† Annualized.

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.

(b) The net asset value total return from Fund Inception (November 15, 2007, first day trading on the exchange) to October 31, 2008 was 3.33%. The share price total return from Fund Inception to October 31, 2008 was 3.40%.

See Notes to Financial Statements.

Notes to Financial Statements

PowerShares Exchange-Traded Fund Trust II

April 30, 2011 (Unaudited)

Note 1. Organization

PowerShares Exchange-Traded Fund Trust II (the “Trust”) was organized as a Massachusetts business trust on October 10, 2006 and is authorized to have multiple series of portfolios. The Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). As of April 30, 2011, the Trust offered forty-five portfolios. This report includes the following portfolios:

<u>Full Name</u>	<u>Short Name</u>
PowerShares 1-30 Laddered Treasury Portfolio	“1-30 Laddered Treasury Portfolio”
PowerShares Build America Bond Portfolio	“Build America Bond Portfolio”
PowerShares CEF Income Composite Portfolio	“CEF Income Composite Portfolio”
PowerShares Emerging Markets Sovereign Debt Portfolio	“Emerging Markets Sovereign Debt Portfolio”
PowerShares Fundamental High Yield® Corporate Bond Portfolio	“Fundamental High Yield® Corporate Bond Portfolio”
PowerShares Insured California Municipal Bond Portfolio	“Insured California Municipal Bond Portfolio”
PowerShares Insured National Municipal Bond Portfolio	“Insured National Municipal Bond Portfolio”
PowerShares Insured New York Municipal Bond Portfolio	“Insured New York Municipal Bond Portfolio”
PowerShares International Corporate Bond Portfolio	“International Corporate Bond Portfolio”
PowerShares Preferred Portfolio	“Preferred Portfolio”
PowerShares VRDO Tax-Free Weekly Portfolio	“VRDO Tax-Free Weekly Portfolio”

Each portfolio (the “Fund” and collectively the “Funds”) represents a separate series of the Trust. The shares of the Funds are referred to herein as “Shares” or “Fund’s Shares.” Each Fund’s Shares are listed and traded on the NYSE Arca, Inc.

The Funds’ market prices may differ to some degree from the net asset value (“NAV”) of the Shares of each Fund. Unlike conventional mutual funds, each Fund issues and redeems Shares on a continuous basis, at NAV, only in a large specified number of Shares, each called a “Creation Unit.” Creation Units of 1-30 Laddered Treasury Portfolio, CEF Income Composite Portfolio, Emerging Markets Sovereign Debt Portfolio, Fundamental High Yield® Corporate Bond Portfolio and Preferred Portfolio are issued and redeemed generally in-kind for securities included in the relevant index. Creation Units of the Build America Bond Portfolio, Insured California Municipal Bond Portfolio, Insured National Municipal Bond Portfolio, Insured New York Municipal Bond Portfolio, International Corporate Bond Portfolio and VRDO Tax-Free Weekly Portfolio generally are issued and redeemed principally for cash. Except when aggregated in Creation Units by Authorized Participants, the Shares are not individually redeemable securities of the Funds.

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

April 30, 2011 (Unaudited)

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>
1-30 Laddered Treasury Portfolio	Ryan/Mergent 1-30 Year Treasury Laddered Index
Build America Bond Portfolio	The BofA Merrill Lynch Build America Bond Index
CEF Income Composite Portfolio	S-Network Composite Closed-End Fund Index SM
Emerging Markets Sovereign Debt Portfolio	DB Emerging Market USD Liquid Balanced Index
Fundamental High Yield [®] Corporate Bond Portfolio	RAFI [®] High Yield Bond Index
Insured California Municipal Bond Portfolio	The BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index
Insured National Municipal Bond Portfolio	The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities Index
Insured New York Municipal Bond Portfolio	The BofA Merrill Lynch New York Insured Long-Term Core Plus Municipal Securities Index
International Corporate Bond Portfolio	The S&P International Corporate Bond Index [®]
Preferred Portfolio	The BofA Merrill Lynch Core Fixed Rate Preferred Securities Index
VRDO Tax-Free Weekly Portfolio	Bloomberg US Municipal AMT-Free Weekly VRDO Index

Note 2. Significant Accounting Policies

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

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

April 30, 2011 (Unaudited)

institution-size trading in similar groups of securities, developments related to specific securities, dividend rate, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Short-term obligations, including commercial paper, having 60 days or less to maturity are recorded at amortized cost which approximates value. Securities with a demand feature exercisable within one to seven days are valued at par. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

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

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

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

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

B. Other Risks

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

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

April 30, 2011 (Unaudited)

Cash Transaction Risk. Unlike most exchange-traded funds (“ETFs”), the Build America Bond Portfolio, Insured California Municipal Bond Portfolio, Insured National Municipal Bond Portfolio, Insured New York Municipal Bond Portfolio, International Corporate Bond Portfolio and VRDO Tax-Free Weekly Portfolio currently effect creations and redemptions primarily for cash, rather than primarily in-kind because of the nature of the Funds’ investments. As such, investments in such Funds’ Shares may be less tax efficient than investments in conventional ETFs.

With respect to each of the Build America Bond Portfolio, CEF Income Composite Portfolio, Fundamental High Yield® Corporate Bond Portfolio, Insured California Municipal Bond Portfolio, Insured National Municipal Bond Portfolio, Insured New York Municipal Bond Portfolio, International Corporate Bond Portfolio, Preferred Portfolio and VRDO Tax-Free Weekly Portfolio, each Fund’s use of a representative sampling approach will result in the Fund holding a smaller number of securities than are in its respective Underlying Index. As a result, an adverse development respecting an issuer of securities held by the Funds could result in a greater decline in NAV than would be the case if the Funds held all of the securities in their respective Underlying Indices. To the extent the assets in the Funds are smaller, these risks will be greater.

Non-Diversified Fund Risk. Each Fund (except for Fundamental High Yield® Corporate Bond Portfolio, Insured National Municipal Bond Portfolio and VRDO Tax-Free Weekly Portfolio) is considered non-diversified and can invest a greater portion of their assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund.

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

Non-Correlation Risk. Each Fund’s return may not match the return of its Underlying Index for a number of reasons. For example, each Fund incurs operating expenses not applicable to its Underlying Index, and incurs costs in buying and selling securities, especially when rebalancing the 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.

Foreign and Emerging Market Securities Risk. 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 Funds’ returns.

Geographic Risk. Insured California Municipal Bond Portfolio and Insured New York Municipal Bond Portfolio are less diversified across geographic regions, which may subject the Funds to increased risks related to these regions. The economies and financial markets of certain regions can be interdependent and may all decline at the same time.

Small and Medium Capitalization Company Risk. With respect to Preferred Portfolio, investing in securities of small and medium capitalization companies involves greater risk than is customarily associated with investing

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

April 30, 2011 (Unaudited)

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 may make them be more sensitive to changing market conditions.

Restricted Securities Risk. With respect to Build America Bond Portfolio and Fundamental High Yield[®] Corporate Bond Portfolio, limitations on the resale of private placements or restricted securities may have an adverse effect on their marketability, and may prevent a Fund from disposing of them promptly at reasonable prices. A Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration.

Preferred Securities Risk. There are special risks associated with the 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 Emerging Markets Sovereign Debt Portfolio and Fundamental High Yield[®] Corporate Bond Portfolio, investments in high yield securities may involve greater risk and investments 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.

Liquidity Risk. Liquidity risk exists when a particular investment is difficult to purchase or sell. If a Fund invests in illiquid securities or current portfolio securities become illiquid, it may reduce the returns of the Fund because the Fund may be unable to sell the illiquid securities at an advantageous time or price.

Municipal Securities Risk. With respect to Build America Bond Portfolio, Insured California Municipal Bond Portfolio, Insured National Municipal Bond Portfolio, Insured New York Municipal Bond Portfolio and VRDO Tax-Free Weekly Portfolio, municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market. Because certain Funds invest a substantial portion of their assets in state specific municipal securities, such Funds will have greater exposure to negative political, economic and statutory factors within that state than a fund that invests in a broader base of securities.

Notes to Financial Statements (Continued)

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Investments in Closed-End Investment Companies. With respect to CEF Income Composite Portfolio, the shares of closed-end investment companies may trade at a discount or premium to, or at, their net asset value (“NAV”).

The securities of closed-end investment companies in which the Fund may invest may be leveraged. As a result, the Fund may be indirectly exposed to leverage through an investment in such securities. An investment in securities of closed-end investment companies that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund’s long-term returns on such securities (and, indirectly, the long-term returns of the Shares) will be diminished.

The Fund will be subject to provisions of the Investment Company Act of 1940, as amended (the “1940 Act”), that limit the amount the Fund can invest in any one closed-end investment company to 3% of the closed-end investment company’s total outstanding stock. As a result, the Fund may hold a smaller position in an closed-end investment company than if it were not subject to this restriction. To comply with provisions of the 1940 Act, on any matter upon which the closed-end investment company shareholders are solicited to vote the Adviser will vote closed-end investment company shares in the same general proportion as shares held by other shareholders of the closed-end investment company.

Risk of Limited Issuance. With respect to Build America Bond Portfolio, there can be no assurance that Build America Bonds will actually be traded. Furthermore, the ability of municipalities to issue Build America Bonds expired on December 31, 2010. As a result, the number of Build America Bonds available in the market is limited, which may negatively affect the value of the Build America Bonds.

Sovereign Debt Risk. With respect to Emerging Markets Sovereign Debt Portfolio, investments in sovereign debt securities involve special risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor’s policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, the Fund may have limited legal recourse against the issuer and/or guarantor.

Global Bonds Risk. With respect to Emerging Markets Sovereign Debt Portfolio and International Corporate Bond Portfolio, global bonds are subject to the same risks as other debt issues, notably credit risk, market risk, interest rate risk and liquidity risk. Generally, 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.

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 investments.

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

E. Expenses

Each Fund has agreed to pay an annual unitary management fee to Invesco PowerShares Capital Management LLC (the "Adviser"). The Adviser has agreed to pay for substantially all expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses, expenses of the investment companies that are paid indirectly as a result of share ownership of the investment companies in which CEF Income Composite Portfolio and Build America Bond Portfolio invest, and other extraordinary expenses.

Expenses included for CEF Income Composite Portfolio and Build America Bond Portfolio in the accompanying financial statements reflect the expenses of each Fund and do not include any expenses of the investment companies in which the Funds invest. 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 declares and pays dividends from net investment income, if any, to its shareholders monthly and records on ex-dividend date. Each Fund distributes net realized taxable capital gains, if any, generally annually in cash and records them on ex-dividend date. Such distributions on a tax basis are determined in conformity with income tax regulations which may differ from GAAP. Distributions in excess of tax basis earnings and profits, if any, are reported in such Fund's financial statements as a tax return of capital at fiscal period-end.

G. Equalization

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

Notes to Financial Statements (Continued)

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H. Foreign Currency Transactions

The accounting records of the Funds are maintained in U.S. dollars. Foreign currencies, as well as investment securities and other assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollars using the applicable exchange rates as of the close of London world markets. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investments in securities. Certain foreign exchange gains and losses included in realized and unrealized gains or losses are included in or are a reduction of ordinary income in accordance with U.S. Federal income tax regulations.

Note 3. Investment Advisory Agreement and Other Agreements

The Trust has entered into an Investment Advisory Agreement with the Adviser pursuant to which the Adviser has overall responsibility as the Funds' investment adviser for the selection and ongoing monitoring of the Funds' investments, managing the Funds' business affairs and providing certain clerical, bookkeeping and other administrative services. As compensation for its services, each Fund has agreed to pay the Adviser an annual unitary management fee. The Adviser has agreed to pay for substantially all expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses, expenses of the investment companies that are paid indirectly as a result of share ownership of the investment companies in which CEF Income Composite Portfolio and Build America Bond Portfolio invest and other extraordinary expenses. The unitary management fee is paid by each Fund to the Adviser at the following annual rates:

	<u>% of Average Daily Net Assets</u>
1-30 Laddered Treasury Portfolio	0.25%
Build America Bond Portfolio	0.35%*
CEF Income Composite Portfolio	0.50%
Emerging Markets Sovereign Debt Portfolio	0.50%
Fundamental High Yield® Corporate Bond Portfolio	0.50%
Insured California Municipal Bond Portfolio	0.35%*
Insured National Municipal Bond Portfolio	0.35%*
Insured New York Municipal Bond Portfolio	0.35%*
International Corporate Bond Portfolio	0.50%
Preferred Portfolio	0.50%
VRDO Tax-Free Weekly Portfolio	0.25%

* The Adviser has agreed to waive a portion of its unitary management fee until April 20, 2012. After giving effect to such waiver, the Fund's net unitary management fee is 0.28% of its average daily net assets. The fee waiver may be modified or terminated by the Adviser at its discretion after April 20, 2012.

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.

Notes to Financial Statements (Continued)

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

<u>Fund</u>	<u>Licensor</u>
1-30 Laddered Treasury Portfolio	Mergent, Inc.
Build America Bond Portfolio	Merrill Lynch, Pierce, Fenner & Smith Inc.
CEF Income Composite Portfolio	S-Network Global Indexes LLC
Emerging Markets Sovereign Debt Portfolio	Deutsche Bank Securities, Inc.
Fundamental High Yield [®] Corporate Bond Portfolio	Research Affiliates, LLC
Insured California Municipal Bond Portfolio	Merrill Lynch, Pierce, Fenner & Smith Inc.
Insured National Municipal Bond Portfolio	Merrill Lynch, Pierce, Fenner & Smith Inc.
Insured New York Municipal Bond Portfolio	Merrill Lynch, Pierce, Fenner & Smith Inc.
International Corporate Bond Portfolio	Standard & Poor's [®]
Preferred Portfolio	Merrill Lynch, Pierce, Fenner & Smith Inc.
VRDO Tax-Free Weekly Portfolio	Bloomberg Finance L.P.

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

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

Note 4. Investments in Affiliates

The Fund's Adviser is a subsidiary of Invesco Ltd. and therefore, Invesco Van Kampen Bond Fund is considered to be affiliated with the Fund. The table below shows the transactions in and earnings from the investment in Invesco Van Kampen Bond Fund for the six-month period ended April 30, 2011.

CEF Income Composite Portfolio

	<u>Value 10/31/10</u>	<u>Purchases at Cost</u>	<u>Proceeds from Sales</u>	<u>Change in Unrealized Appreciation (Depreciation)</u>	<u>Realized Gain (Loss)</u>	<u>Value 04/30/11</u>	<u>Dividend Income</u>
Invesco Van Kampen Bond Fund	\$534,633	\$340,796	\$(29,452)	\$(48,795)	\$(7)	\$797,175	\$7,398

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

Notes to Financial Statements (Continued)

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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, volatilities and others.

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

Except for the Funds listed below, as of April 30, 2011, the securities in each Fund were valued based on Level 2 inputs. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

With respect to each Fund, during the six-month period ended April 30, 2011, there were no significant transfers between investment levels.

	Investment in Securities			Total
	Level 1	Level 2	Level 3	
PowerShares Emerging Markets Sovereign Debt Portfolio				
Foreign Government Debt Securities	\$ —	\$974,096,201	\$—	\$ 974,096,201
Money Market Fund	2,767,483	—	—	2,767,483
Total Investments	<u>2,767,483</u>	<u>974,096,201</u>	<u>—</u>	<u>976,863,684</u>
PowerShares Fundamental High Yield® Corporate Bond Portfolio				
Corporate Debt Securities	—	462,078,645	—	462,078,645
Money Market Fund	1,930,214	—	—	1,930,214
Total Investments	<u>1,930,214</u>	<u>462,078,645</u>	<u>—</u>	<u>464,008,859</u>
PowerShares Preferred Portfolio				
Equity Securities	1,397,677,590	23,719,316	—	1,421,396,906
Money Market Fund	22,809,778	—	—	22,809,778
Total Investments	<u>1,420,487,368</u>	<u>23,719,316</u>	<u>—</u>	<u>1,444,206,684</u>

Notes to Financial Statements (Continued)

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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 Fund's capital accounts to reflect income and gains available for distributions (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 Fund's 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 October 31, 2010, which expire on October 31 of each year listed below:

	2016	2017	2018	Total*
1-30 Laddered Treasury Portfolio	\$ 831	\$ 15,382	\$ —	\$ 16,213
Build America Bond Portfolio	—	—	115,364	115,364
CEF Income Composite Portfolio	—	—	136,143	136,143
Emerging Markets Sovereign Debt Portfolio . . .	531,185	558,313	212,582	1,302,080
Fundamental High Yield® Corporate Bond Portfolio	—	728,021	—	728,021
Insured California Municipal Bond Portfolio . .	—	—	5,341	5,341
Insured National Municipal Bond Portfolio . . .	1,468,907	182,883	—	1,651,790
Insured New York Municipal Bond Portfolio . .	136,120	125,849	—	261,969
International Corporate Bond Portfolio	—	—	988	988
Preferred Portfolio	18,233,466	48,298,467	—	66,531,933
VRDO Tax-Free Weekly Portfolio	—	—	—	—

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

Note 7. Investment Transactions

For the six-month period ended April 30, 2011, the cost of securities purchased and proceeds from sales of securities, excluding short-term securities, U.S. Government securities, money market funds and in-kind transactions, were as follows:

	Purchases	Sales
Build America Bond Portfolio	\$127,452,662	\$ 18,149,480
CEF Income Composite Portfolio	33,885,986	31,618,551
Emerging Markets Sovereign Debt Portfolio	52,620,550	45,766,625
Fundamental High Yield® Corporate Bond Portfolio	83,893,439	80,465,433
Insured California Municipal Bond Portfolio	7,646,314	11,602,655
Insured National Municipal Bond Portfolio	24,901,803	153,202,723
Insured New York Municipal Bond Portfolio	9,734,015	11,337,879
International Corporate Bond Portfolio	15,442,021	3,878,562
Preferred Portfolio	363,651,624	281,984,011
VRDO Tax-Free Weekly Portfolio	—	—

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For the six-month period ended April 30, 2011, the cost of securities purchased and the proceeds from sales of U.S. government securities, excluding short-term securities, money market funds and in-kind transactions, for the 1-30 Laddered Treasury Portfolio amounted to \$15,029,793 and \$7,157,727, respectively.

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

	<u>Securities Received</u>	<u>Securities Delivered</u>
1-30 Laddered Treasury Portfolio	\$224,441,321	\$ 12,103,425
Build America Bond Portfolio	4,327,240	—
CEF Income Composite Portfolio	56,809,905	17,545,751
Emerging Markets Sovereign Debt Portfolio	254,505,972	218,570,530
Fundamental High Yield® Corporate Bond Portfolio	128,643,662	58,068,339
Insured California Municipal Bond Portfolio	—	—
Insured National Municipal Bond Portfolio	—	—
Insured New York Municipal Bond Portfolio	—	—
International Corporate Bond Portfolio	2,622,650	—
Preferred Portfolio	41,227,555	51,081,232
VRDO Tax-Free Weekly Portfolio	—	—

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

At April 30, 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>
1-30 Laddered Treasury Portfolio . . .	\$ 290,126,157	\$ (7,538,838)	\$ 206,285	\$(7,745,123)
Build America Bond Portfolio	653,606,280	15,646,207	20,411,518	(4,765,311)
CEF Income Composite Portfolio	203,065,884	6,223,026	8,961,317	(2,738,291)
Emerging Markets Sovereign Debt Portfolio	960,046,101	16,817,583	25,706,426	(8,888,843)
Fundamental High Yield® Corporate Bond Portfolio	448,216,892	15,791,967	16,220,482	(428,515)
Insured California Municipal Bond Portfolio	36,022,876	(1,077,839)	313,814	(1,391,653)
Insured National Municipal Bond Portfolio	475,765,881	(1,598,472)	8,257,542	(9,856,014)
Insured New York Municipal Bond Portfolio	36,973,599	(5,631)	763,316	(768,947)
International Corporate Bond Portfolio	45,578,347	2,729,731	2,817,952	(88,221)
Preferred Portfolio	1,289,612,676	154,594,008	159,655,600	(5,061,592)
VRDO Tax-Free Weekly Portfolio . . .	430,380,000	—	—	—

Notes to Financial Statements (Continued)

PowerShares Exchange-Traded Fund Trust II

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Note 8. Trustees' Fees

The Funds compensate each Trustee who is not an "interested person" as defined in the 1940 Act (an "Independent Trustee"). The Adviser, as a result of the unitary management fee, pays for such compensation. The Non-Independent Trustees of the Trust do not receive any Trustees' fees.

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

Note 9. Capital

Shares are created and redeemed by the Trust only in Creation Unit size aggregations of 50,000 Shares (100,000 Shares for Emerging Markets Sovereign Debt Portfolio and Fundamental High Yield[®] Corporate Bond Portfolio). Only Authorized Participants are permitted to purchase or redeem Creation Units from the Funds. 1-30 Laddered Treasury Portfolio, CEF Income Composite Portfolio, Emerging Markets Sovereign Debt Portfolio, Fundamental High Yield[®] Corporate Bond Portfolio and Preferred Portfolio 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. For Build America Bond Portfolio, Insured California Municipal Bond Portfolio, Insured National Municipal Bond Portfolio, Insured New York Municipal Bond Portfolio, International Corporate Bond Portfolio and VRDO Tax-Free Weekly Portfolio, such transactions are principally for cash.

Note 10. Indemnifications

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

Board Considerations Regarding Continuation of Investment Advisory Agreement

At a meeting held on April 14, 2011, the Board of Trustees of the PowerShares Exchange-Traded Fund Trust II (the “Trust”), including the Independent Trustees, unanimously approved the continuation of the Investment Advisory Agreement between Invesco PowerShares Capital Management LLC (the “Adviser”) and the Trust for the following 40 series (each, a “Fund” and collectively, the “Funds”):

PowerShares 1-30 Laddered Treasury Portfolio	PowerShares Global Wind Energy Portfolio
PowerShares Build America Bond Portfolio	PowerShares Ibbotson Alternative Completion Portfolio
PowerShares CEF Income Composite Portfolio	PowerShares Insured California Municipal Bond Portfolio
PowerShares DWA Developed Markets Technical Leaders Portfolio	PowerShares Insured National Municipal Bond Portfolio
PowerShares DWA Emerging Markets Technical Leaders Portfolio	PowerShares Insured New York Municipal Bond Portfolio
PowerShares Dynamic Developed International Opportunities Portfolio	PowerShares International Corporate Bond Portfolio
PowerShares Emerging Markets Infrastructure Portfolio	PowerShares MENA Frontier Countries Portfolio
PowerShares Emerging Markets Sovereign Debt Portfolio	PowerShares Preferred Portfolio
PowerShares FTSE RAFI Asia Pacific ex-Japan Portfolio	PowerShares RiverFront Tactical Balanced Growth Portfolio
PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio	PowerShares RiverFront Tactical Growth & Income Portfolio
PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio	PowerShares S&P SmallCap Consumer Discretionary Portfolio
PowerShares FTSE RAFI Emerging Markets Portfolio	PowerShares S&P SmallCap Consumer Staples Portfolio
PowerShares Fundamental High Yield® Corporate Bond Portfolio	PowerShares S&P SmallCap Energy Portfolio
PowerShares Global Agriculture Portfolio	PowerShares S&P SmallCap Financials Portfolio
PowerShares Global Clean Energy Portfolio	PowerShares S&P SmallCap Health Care Portfolio
PowerShares Global Coal Portfolio	PowerShares S&P SmallCap Industrials Portfolio
PowerShares Global Gold and Precious Metals Portfolio	PowerShares S&P SmallCap Information Technology Portfolio
PowerShares Global Nuclear Energy Portfolio	PowerShares S&P SmallCap Materials Portfolio
PowerShares Global Steel Portfolio	PowerShares S&P SmallCap Utilities Portfolio
PowerShares Global Water Portfolio	PowerShares VRDO Tax-Free Weekly Portfolio

The Trustees reviewed information from the Adviser describing: (i) the nature, extent and quality of services provided, (ii) the investment performance of the Funds and the Adviser, (iii) the costs of services provided and estimated profits realized by the Adviser, (iv) the extent to which economies of scale are realized as the Funds grow, (v) whether fee levels reflect any possible economies of scale for the benefit of Fund shareholders, (vi) comparisons of services rendered and amounts paid to other registered investment companies and (vii) any benefits realized by the Adviser from its relationship with each Fund. Based on all of the information considered and the conclusions reached, the Board, including the Independent Trustees,

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

determined to approve the continuation of the Investment Advisory Agreement for each Fund. No single factor was determinative in the Board's analysis.

Nature, Extent and Quality of Services. In evaluating the nature, extent and quality of the Adviser's services, the Trustees reviewed information concerning the functions performed by the Adviser for the Funds, information describing the Adviser's current organization and projected staffing, including operations assistance provided by the Adviser's parent organization, Invesco Ltd., and the background and experience of the persons responsible for the day-to-day management of the Funds. The Trustees reviewed matters related to the Adviser's execution of portfolio transactions on behalf of the Funds. The Trustees also reviewed information on the performance of the Funds and the performance of their underlying indices through December 31, 2010, including reports on the correlation and tracking error between the underlying index and each Fund's performance, as well as the Adviser's analysis of the tracking error between each Fund and its underlying index. The Trustees noted that the correlation for each Fund, other than PowerShares VRDO Tax-Free Weekly Portfolio, was within the targeted range set forth in the Trust's registration statement and the tracking error for each Fund was within the targeted range set forth in the Trust's registration statement. The Trustees reviewed the reasons for PowerShares VRDO Tax-Free Weekly Portfolio's level of correlation to its underlying index, including the Adviser's representation that a primary cause is the abnormally low yield environment and its expectation that, over time, the Fund's correlation will return to within the targeted range set forth in the Trust's registration statement. The Trustees concluded that each Fund's correlation to its underlying index and the tracking error for each Fund were within an acceptable range given that Fund's particular circumstances.

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

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

Fees, Expenses and Profitability. The Trustees reviewed and discussed the information provided by the Adviser on each Fund's total expense ratio and unitary advisory fee, as compared to information compiled by the Adviser from Lipper Inc. databases on the expense ratios of comparable exchange-traded funds ("ETFs"), open-end (non-ETF) index funds and open-end actively-managed funds. The Trustees noted that the annual advisory fee charged to each Fund, as set forth below, is a unitary fee and that the Adviser pays all other operating expenses of each Fund, except that each Fund pays its brokerage expenses, taxes, interest and extraordinary expenses.

0.25%: PowerShares 1-30 Laddered Treasury Portfolio, PowerShares Ibbotson Alternative Completion Portfolio, PowerShares RiverFront Tactical Balanced Growth Portfolio, PowerShares RiverFront Tactical Growth & Income Portfolio, PowerShares VRDO Tax-Free Weekly Portfolio

0.29%: PowerShares S&P SmallCap Consumer Discretionary Portfolio, PowerShares S&P SmallCap Consumer Staples Portfolio, PowerShares S&P SmallCap Energy Portfolio, PowerShares S&P SmallCap Financials Portfolio, PowerShares S&P SmallCap Health Care Portfolio, PowerShares S&P SmallCap Industrials Portfolio, PowerShares S&P SmallCap Information Technology

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

Portfolio, PowerShares S&P SmallCap Materials Portfolio, PowerShares S&P SmallCap Utilities Portfolio

0.35%: PowerShares Build America Bond Portfolio, PowerShares Insured California Municipal Bond Portfolio, PowerShares Insured National Municipal Bond Portfolio, PowerShares Insured New York Municipal Bond Portfolio

0.50%: PowerShares CEF Income Composite Portfolio, PowerShares Emerging Markets Sovereign Debt Portfolio, PowerShares Fundamental High Yield® Corporate Bond Portfolio, PowerShares International Corporate Bond Portfolio, PowerShares Preferred Portfolio

0.75%: PowerShares Dynamic Developed International Opportunities Portfolio, PowerShares Emerging Markets Infrastructure Portfolio, PowerShares FTSE RAFI Developed Markets ex-U.S. Portfolio, PowerShares FTSE RAFI Developed Markets ex-U.S. Small-Mid Portfolio, PowerShares Global Agriculture Portfolio, PowerShares Global Clean Energy Portfolio, PowerShares Global Coal Portfolio, PowerShares Global Gold and Precious Metals Portfolio, PowerShares Global Nuclear Energy Portfolio, PowerShares Global Steel Portfolio, PowerShares Global Water Portfolio, PowerShares Global Wind Energy Portfolio

0.80%: PowerShares DWA Developed Markets Technical Leaders Portfolio, PowerShares FTSE RAFI Asia Pacific ex-Japan Small-Mid Portfolio

0.85%: PowerShares FTSE RAFI Emerging Markets Portfolio

0.90%: PowerShares DWA Emerging Markets Technical Leaders Portfolio

0.95%: PowerShares MENA Frontier Countries Portfolio

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

- higher than the median expense ratio of its ETF peer funds (except for the advisory fee of each of PowerShares DWA Developed Markets Technical Leaders Portfolio, PowerShares Emerging Markets Sovereign Debt Portfolio, PowerShares Fundamental High Yield® Corporate Bond Portfolio, PowerShares Global Agriculture Portfolio, PowerShares Ibbotson Alternative Completion Portfolio, PowerShares S&P SmallCap Consumer Discretionary Portfolio, PowerShares S&P SmallCap Consumer Staples Portfolio, PowerShares S&P SmallCap Energy Portfolio, PowerShares S&P SmallCap Financials Portfolio, PowerShares S&P SmallCap Health Care Portfolio, PowerShares S&P SmallCap Industrials Portfolio, PowerShares S&P SmallCap Information Technology Portfolio, PowerShares S&P SmallCap Materials Portfolio and PowerShares S&P SmallCap Utilities Portfolio, which was equal to or lower than the median expense ratio of its ETF peer funds); and
- higher than the median expense ratio of its open-end index peer funds (except for the advisory fee of each of PowerShares CEF Income Composite Portfolio, PowerShares DWA Developed Markets Technical Leaders Portfolio, PowerShares Global Agriculture Portfolio, PowerShares Global Clean Energy Portfolio, PowerShares Global Coal Portfolio, PowerShares Global Gold and Precious Metals

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

Portfolio, PowerShares Global Nuclear Energy Portfolio, PowerShares Global Steel Portfolio, PowerShares Global Water Portfolio, PowerShares Global Wind Energy Portfolio, PowerShares Ibbotson Alternative Completion Portfolio, PowerShares RiverFront Tactical Balanced Growth Portfolio, PowerShares RiverFront Tactical Growth & Income Portfolio, PowerShares S&P SmallCap Consumer Discretionary Portfolio, PowerShares S&P SmallCap Consumer Staples Portfolio, PowerShares S&P SmallCap Financials Portfolio, PowerShares S&P SmallCap Health Care Portfolio, PowerShares S&P SmallCap Industrials Portfolio, PowerShares S&P SmallCap Information Technology Portfolio, PowerShares S&P SmallCap Materials Portfolio and PowerShares S&P SmallCap Utilities Portfolio, which was lower than the median expense ratio of its open-end index peer funds; and there was no comparable open-end index peer fund information available for PowerShares Dynamic Developed International Opportunities Portfolio, PowerShares Emerging Markets Sovereign Debt Portfolio, PowerShares FTSE RAFI Asia Pacific ex-Japan Portfolio, PowerShares Fundamental High Yield[®] Corporate Bond Portfolio, PowerShares Insured California Municipal Bond Portfolio, PowerShares Insured National Municipal Bond Portfolio, PowerShares Insured New York Municipal Bond Portfolio, PowerShares International Corporate Bond Portfolio or PowerShares VRDO Tax-Free Weekly Portfolio); but

- lower than the median expense ratio of its open-end actively-managed peer funds.

The Trustees considered that the Adviser had agreed to waive a portion of its advisory fee, at least until April 20, 2012, for PowerShares Build America Bond Portfolio, PowerShares Insured California Municipal Bond Portfolio, PowerShares Insured National Municipal Bond Portfolio, PowerShares Insured New York Municipal Bond Portfolio and PowerShares MENA Frontier Countries Portfolio. The Trustees noted that each Fund's advisory fee was reasonable because of the complexity of the indices, which generally require more frequent rebalancing of the portfolios, the distinguishing factors of the Funds and the higher administrative, operational and management oversight costs for the Adviser. The Trustees also noted that a portion of each Fund's advisory fee was attributable to a license fee payable out of the unitary fee charged to that Fund. The Board concluded that the unitary advisory fee charged to each Fund was reasonable and appropriate in light of the services provided.

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

Economies of Scale and Whether Fee Levels Reflect These Economies of Scale. The Trustees reviewed the information provided by the Adviser as to the extent to which economies of scale are realized as each Fund grows and whether fee levels reflect economies of scale for the benefit of shareholders. The Trustees reviewed each Fund's asset size and expense ratio. The Trustees noted that any reduction in fixed costs associated with the management of the Funds would be enjoyed by the Adviser, but a unitary fee provides certainty in expenses for the Funds. The Trustees considered whether the advisory fee rate for each Fund was reasonable in relation to the asset size of that Fund, and concluded that the flat advisory fee was reasonable and appropriate.

Board Considerations Regarding Continuation of Investment Advisory Agreement (Continued)

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

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

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PROXY VOTING POLICIES AND PROCEDURES

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

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

QUARTERLY PORTFOLIOS

The Funds file their complete schedules of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the Commission's website at www.sec.gov. The Trust's Form N-Qs 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.

powerSHARES®

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