

PVI

As of Dec. 31, 2009

Fund Description

The PowerShares VRDO Tax-Free Weekly Portfolio is based on the Thomson Municipal Market Data VRDO Index. The Fund will normally invest at least 90% of its total assets in securities that comprise the Index. The Index is designed to track the performance of a pool of short-term, tax-exempt Variable Rate Demand Obligations (VRDOs) issued by municipalities in the U.S.

VRDOs are floating-rate bonds that provide investors with tax-exempt income in a short-term time frame. VRDOs are always purchased at par. When they are put back to an investment dealer, the investor receives par plus accrued interest. Yields are generally reset on a weekly basis.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply.

Fund Data³

VRDO Tax-Free Weekly Portfolio	PVI
Intraday NAV (IIV)	PVI.IV
# of Holdings	125
CUSIP	73936T433
Listing Exchange	NYSE Arca
Weighted Average Maturity	3/30/2030
30-Day SEC Yield	0.29%
Average Duration	7-Day Reset
Average Credit Quality	AA/Aa3
Expense Ratio	0.25%

Underlying Index Data³

Average Duration	-
Average Credit Quality	AA/Aa2
Weighted Average Maturity	6/20/2030
Average Yield to Worst	-
# of Holdings	2,623

Fund Inception: Nov. 15, 2007

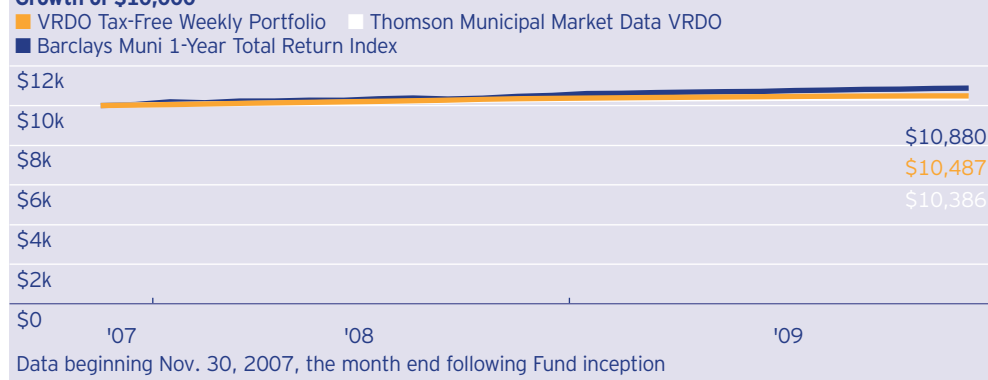
¹ Index returns do not represent Fund returns. An investor cannot invest directly in an index.

² Returns for the benchmark indexes are based on the closest month end to the Fund's inception date.

Neither the underlying Index nor the benchmark indexes charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown; nor do any of the indexes lend securities, and no revenues from

PowerShares VRDO Tax-Free Weekly Portfolio

Growth of \$10,000¹



Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
Thomson Municipal Market Data VRDO	0.75	-	-	-	1.86
Benchmark Index					
Barclays Muni 1-Year Total Return Index	3.49	-	-	-	4.20
Fund					
NAV	1.20	-	-	-	2.32
After Tax Held	0.77	-	-	-	1.47
After Tax Sold	0.78	-	-	-	1.48
Market Price	1.00	-	-	-	2.33

Performance data quoted represents past performance. As stated in the Fund's prospectus, the expense ratio of 0.25% is expressed as a unitary fee to cover expenses incurred in connection with managing the portfolio. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and Shares, when redeemed, may be worth more or less than their original cost. The Shares' performance reflects fee waivers, absent which performance would have been lower. See invescopowershares.com to find the most recent month-end performance numbers. After Tax Held represents total return after taxes on distributions and assumes Shares have not been sold. After Tax Sold represents total return after taxes on distributions and the sale of Fund Shares. After-tax returns reflect the highest federal income tax rate but exclude state and local taxes. Market returns are based on the midpoint of the bid/ask spread at 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

1-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
Thomson Municipal Market Data VRDO	0.75	0.07	-	7.13	-
Barclays Muni 1-Year Total Return Index	3.49	0.45	0.04	7.18	0.05

securities lending were added to the performance shown. In addition, the results actual investors might have achieved would have differed from those shown because of differences in the timing, amounts of their investments, and fees and expenses associated with an investment in the Fund.

The Barclays Capital Muni 1-Year Total Return Index is an unmanaged index of municipal bonds with a remaining maturity of 1-2 years.

Shares are not FDIC insured, may lose value and have no bank guarantee.

Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 50,000 Shares.



PowerShares VRDO Tax-Free Weekly Portfolio

As of Dec. 31, 2009

Top 10 Fund Holdings ⁴				
Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Harris County Health Facilities	0.45	6/1/2027	AAA/Aa3	3.49
Hall Cnty. Gainesville Ga. Hosp. Auth. Var.	0.33	5/1/2036	AAA/Baa1	3.38
San Bernardino Cnty. Calif. Cdfs. Partn.	0.30	8/1/2026	A/NR	3.11
Chicago Ill. Brd. Ed. Floater	0.28	3/1/2032	AAA/Aa3	2.93
Charlotte-Mecklenburg Hosp. Aut. Var.	0.28	1/15/2037	AA-/Aa3	2.46
Springfield Tenn. Health Edl. Flt.	1.00	8/1/2033	NR/Baa1	2.22
New York St. Fltr.	0.43	3/13/2020	AAA/Aaa	2.16
White Cnty. Ind. Hosp. Assn. Lease/Rent	1.00	10/1/2038	NR/Baa1	2.10
Maryland St. Health & Higher Ed. Flt.	0.42	10/1/2037	AA+/Aaa	2.09
Austin Tex. Wtr. & Wastewater Floater	0.30	5/15/2024	AAA/Aa3	2.06

Maturity (years)	Weight (%)
0 - 1	0.18
1 - 5	0.13
5 - 10	3.81
10 - 15	18.15
15 - 20	18.03
20 - 25	24.31
25+	35.39

Credit Ratings (%) ³	S&P		Moody's	
	S&P	Moody's	S&P	Moody's
AAA/Aaa	48.35	11.48		
AA/Aa	20.15	55.98		
A/A	10.76	12.78		
BBB/Baa	1.91	14.69		
BB/Ba	-	0.15		
B/B	-	-		
Other	18.83	4.92		

Leading the Intelligent ETF Revolution[®]

Underlying Index performance does not represent Fund performance.

³ The Intraday NAV is a symbol representing estimated fair value based on the most recent intraday price of underlying assets.

Volatility is the annualized standard deviation of monthly index returns.

Beta is a measure of relative risk and the slope of regression.

Sharpe Ratio is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe Ratio indicates better risk-adjusted performance.

Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.

Weighted Average Maturity is the weighted average date to the final payment of each issue.

The credit quality of the Fund's holdings represents the weighted average quality rating of the securities in the portfolio as assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying securities. The ratings range from AAA (highest) to D (lowest).

Average Yield to Worst is the average yield to maturity if the worst possible bond repayment takes place.

⁴ Please see the website for complete holdings information. Holdings are subject to change

Generally, the prices of income securities tend to fall as interest rates rise.

Shares are subject to market fluctuations caused by such factors as economic, political, regulatory or market developments, changes in interest rates and perceived trends in securities prices. Please see the prospectus for more complete information regarding an investment in the Fund.

Variable Rate Debt Obligations Risk: There may not be an active secondary market with respect to

particular variable rate instruments in which the Fund invests, which could make it difficult for the Fund to dispose of a variable rate instrument if the issuer and/or the Remarketing Agent defaulted on its payment obligation or during periods that the Fund is not entitled to exercise its demand rights, and the Fund could, for these or other reasons, suffer a loss with respect to such instruments. 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. Please see the prospectus for more complete information regarding VRDOs and municipal securities.

PVI is typically a low-duration investment vehicle with a strong average credit quality. While in some ways similar, PVI is not a tax-exempt money market fund that seeks to maintain the value of a dollar. Rather, it is a portfolio consisting of VRDOs, which are commonly held in money market fund portfolios.

The Fund's use of a representative sampling approach will result in its holding a smaller number of bonds that are in the underlying Index, potentially resulting in a greater decline in NAV than would be the case if the Fund held all of the bonds in the underlying Index. As a result, an adverse development respecting an issuer of bonds held by the Fund could result in a greater decline in NAV

than would be the case if the Fund held all of the bonds in the Fund's underlying Index. To the extent the assets in the Fund are smaller, these risks will be greater.

The Fund may not be fully invested at times, either as a result of cash flows into the fund or reserves of cash held by the Fund to meet redemptions and expenses.

"Thomson" is a service mark of Thomson Financial and has been licensed for use for certain purposes by Invesco PowerShares Capital Management, LLC. The PowerShares VRDO Tax-Free Weekly Portfolio is not sponsored, endorsed, sold or promoted by Thomson or any of its affiliates or subsidiaries. Thomson, as Index Provider, makes no representation, express or implied, regarding the advisability of investing in this product. As the Index Provider, Thomson is licensing certain trademarks, the underlying Index and trade names, which are composed by Thomson without regard to this Index, this product or any investor.

Invesco Aim Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust II.

PowerShares[®] is a registered trademark of Invesco PowerShares Capital Management LLC. Invesco PowerShares Capital Management LLC and Invesco Aim Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd.

An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. For this and more complete information about the Fund call 800 983 0903 or visit www.invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.