

# PWZ

As of March 31, 2012

## Fund Description

The PowerShares Insured California Municipal Bond Portfolio is based on The BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index (BofA ML CA Ins. Muni). The Fund will normally invest at least 80% of its total assets in securities that comprise the Index and generally expects to invest at least 90% of its total assets. The Index is designed to track the performance of U.S.-dollar-denominated, investment-grade, insured, tax-exempt debt publicly issued by California or Puerto Rico or their political subdivisions. The Index is adjusted monthly and its constituents are capitalization-weighted based on their current amount outstanding.

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. The Fund's return may not match the return of the Underlying Index. Concentrated industry investments involve greater risks than more diversified investments.

## Fund Data

Insured California Municipal Bond Portfolio	PWZ
Intraday NAV (IIV)	PWZ.IV
CUSIP	73936T441
Listing Exchange	NYSE Arca
Number of Securities	49
30-Day SEC Yield	3.29%
Years To Maturity	24.02
Effective Duration	11.90
Modified Duration	5.13
Expense Ratio	0.35%
Net Expense Ratio	0.28%

The Adviser has contractually agreed to waive fees and/or pay certain Fund expenses through at least April 20, 2013.

## Underlying Index Data

BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities	UPCC
Index Provider	BofA Merrill Lynch
Effective Duration	10.26
Modified Duration	6.00
Years To Maturity	21.96
Average Yield to Worst	3.26%
Number of Securities	388

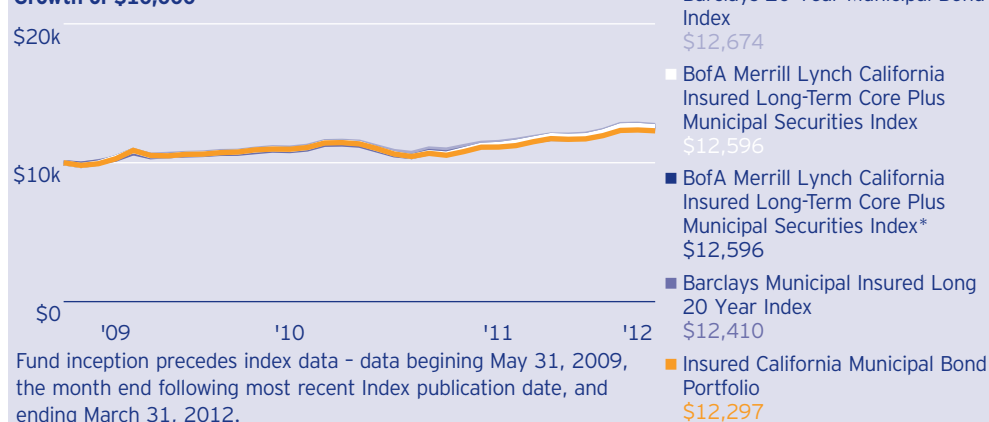
## Fund Inception: Oct. 11, 2007

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

Index data prior to May 28, 2009, reflects that of the Merrill Lynch California Insured LT Core Municipal Securities Index. From May 28, 2009, forward, the index data reflects that of BofA ML CA Ins. Muni. All index history reflects a blend of the performance of these two indexes AND IS NOT INTENDED FOR ANY THIRD PARTY USE (BofA Merrill Lynch California

# PowerShares Insured California Municipal Bond Portfolio

## Growth of \$10,000



## Fund Performance & Index History (%)

	1 Year	3 Year	5 Year	10 Year	Fund Inception
<b>Underlying Index</b>					
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index	18.58	-	-	-	-
<b>Benchmark Indexes</b>					
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index*	18.58	9.80	4.83	5.91	5.35
Barclays Municipal Insured Long 20 Year Index	15.95	8.93	-	-	6.18
Barclays 20 Year Municipal Bond Index	16.17	10.03	5.73	6.21	6.28
<b>Fund</b>					
NAV	16.70	8.93	-	-	4.41
After Tax Held	14.95	7.46	-	-	3.46
After Tax Sold	10.79	6.87	-	-	3.46
Market Price	16.89	8.82	-	-	4.26

Performance data quoted represents past performance. 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. See [invescopowershares.com](http://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

	Beta	Correlation	Sharpe Ratio	Volatility (%)
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index	-	-	5.78	3.17
BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index*	1.00	1.00	5.78	3.17
Barclays Municipal Insured Long 20 Year Index	1.04	0.96	5.37	2.93
Barclays 20 Year Municipal Bond Index	1.11	0.96	5.82	2.74

Beta and correlation are of BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index versus each respective index.

Insured Long-Term Core Plus Municipal Securities Index\*).

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 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.

**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 Insured California Municipal Bond Portfolio

As of March 31, 2012

Top 10 Fund Holdings				
Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Puerto Rico Commonwealth	5.000	7/1/2035	AA-/Aa3	6.85
San Francisco California Bay Area Rapid	5.000	7/1/2036	AA+/Aa2	5.53
El Monte California Union High School District	5.500	6/1/2034	AA-/Aa3	3.67
Los Angeles California University School Ser.	5.000	7/1/2032	AA-/Aa2	3.67
Sacramento California Area Flood Ctl.	5.625	10/1/2037	AA+/Aa1	3.62
Los Angeles County California Metropolitan	5.000	7/1/2035	AAA/Aa2	3.61
Kern County California Certificates Participation	5.750	8/1/2035	AA-/Aa3	3.61
Puerto Rico Sales Tax Filing	5.125	8/1/2042	AA-/Aa3	3.50
Antelope Valley California Community College	5.250	8/1/2039	AA-/Aa2	3.17
Tustin California Unified School District	5.000	9/1/2038	AA-/Aa3	3.09

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

Credit Ratings (%)			Maturity (years)	
	S&P	Moody's		Weight (%)
AAA/Aaa	7.33	-	0-1	-
AA/Aa	82.80	85.21	1-5	-
A/A	4.86	5.27	5-10	-
BBB/Baa	1.66	3.68	10-15	-
BB/Ba	-	-	15-20	15.84
B/B	-	-	20-25	47.11
Not Rated	3.36	5.84	25+	37.06

	Annual Index Performance (%)			
	BofA ML CA Ins. Muni	BofA ML CA Ins. Muni*	Barclays Muni Ins.	
2010	0.32	0.32	0.08	
2011	14.78	14.78	14.11	
2012 YTD	3.01	3.01	2.88	

## Leading the Intelligent ETF Revolution®

### About risk

The Fund's underlying securities may be subject to call risk, which may result in the Fund having to reinvest the proceeds at lower interest rates, resulting in a decline in the Fund's income.

The Fund may invest in debt securities, such as notes and bonds, which carry interest rate and credit risk. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health.

The Fund is considered non-diversified and may be subject to greater risks than a diversified fund.

The Fund's use of a representative sampling approach will result in its holding a smaller number of bonds than are in the underlying Index, and may be subject to greater volatility.

There is no guarantee that the Fund's income will be exempt from federal or state income taxes.

California's current economic problems increase the risk of investing in California municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of California municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

The Fund will be less diversified geographically than a fund investing across many states and therefore has greater exposure to adverse economic and political changes in California and Puerto Rico.

Municipal insurance doesn't protect against losses in the fund.

Municipal securities may be affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. The market for municipal bonds may also be less liquid than for taxable bonds.

Puerto Rico's current economic problems increase the risk of investing in Puerto Rican municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of Puerto Rican municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

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 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. **Credit ratings** are assigned by Nationally Recognized Statistical Rating Organizations based on assessment of the credit worthiness of the underlying bond issuers. The ratings range from AAA (highest) to D (lowest) and are subject to change. Not rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on rating methodologies, please visit the following NRSRO websites: [standardandpoors.com](http://standardandpoors.com) and select "Understanding Ratings" under Rating Resources and [moody.com](http://moody.com) and select "Rating Methodologies" under Research and Ratings. **Average Yield to Worst** is the lowest of all yield to calls or the yield to maturity. **Effective Duration** is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. This duration measure is appropriate for bonds with embedded options. **Modified Duration** is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. This duration measure is appropriate for option-free bonds.

The Barclays Municipal Insured Long 20 Yr. Index is an unmanaged index of insured municipal securities with a remaining maturity of 17 to 22 years. The Barclays 20 Year Municipal Bond Index is an unmanaged index of municipal bonds with a remaining maturity of 17 to 22 years.

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**An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund. For this and more complete information about the Fund call 800 983 0903 or visit [invescopowershares.com](http://invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.