

PZA

As of December 31, 2011

Fund Description

The PowerShares Insured National Municipal Bond Portfolio is based on The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities Index. 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 U.S. municipalities in the U.S. domestic market. 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 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 sector investments involve greater risks than more diversified investments.

Fund Data³

Insured National Municipal Bond Portfolio	PZA
Intraday NAV (IIV)	PZA.IV
CUSIP	73936T474
Listing Exchange	NYSE Arca
Options	Yes
Net Expense Ratio	0.28%
Number of Holdings	177
Years to Maturity	24.21
30-Day SEC Yield	4.05%
Effective Duration	12.80
Modified Duration	6.17

Underlying Index Data³

The BofA ML Nat. Insured Long-Term Core Plus Municipal Sec.	UPCM
Effective Duration	10.84
Modified Duration	6.66
Years to Maturity	22.26
Average Yield to Worst	3.96%
Number of Holdings	1,707

Fund Inception: Oct. 11, 2007

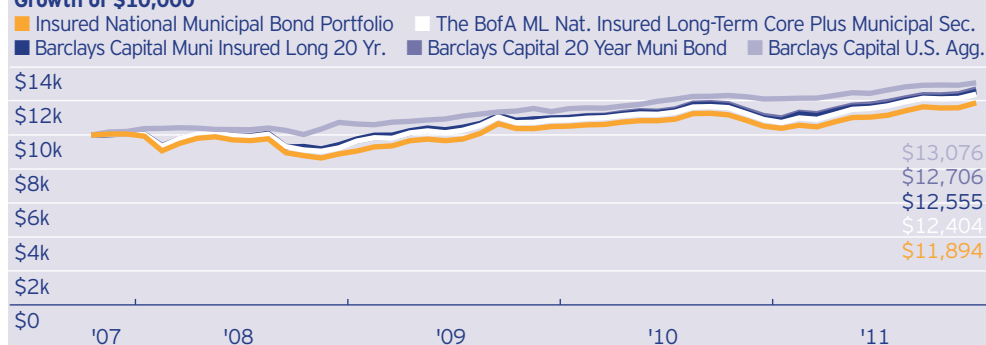
¹ Index returns do not represent Fund returns. An investor cannot invest directly in an index. The initial publication date of the BofA Merrill Lynch National Insured LT Core Plus Municipal Securities Index is May 22, 2009. Index return data up to May 28, 2009 reflects that of the Merrill Lynch National Insured LT Core Municipal Securities Index. From May 28, 2009 forward, the index return data reflects that of the BofA Merrill Lynch National Insured LT Core Plus Municipal Securities 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

PowerShares Insured National Municipal Bond Portfolio

Growth of \$10,000¹



Data beginning Oct. 31, 2007, the month end following Fund inception

Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
The BofA ML Nat. Insured Long-Term Core Plus Municipal Sec.	13.68	10.32	-	-	5.32
Benchmark Indexes					
Barclays Capital Muni Ins Long 20 Yr.	14.11	10.02	-	-	5.63
Barclays Capital 20 Year Muni Bond	13.98	11.04	5.27	6.01	5.91
Barclays Capital U.S. Aggregate	7.84	6.77	6.50	5.78	6.73
Fund					
NAV	13.05	10.20	-	-	4.32
After Tax Held	11.19	8.79	-	-	3.37
After Tax Sold	8.39	8.07	-	-	3.41
Market Price	13.74	10.08	-	-	4.13

Performance data quoted represents past performance. As stated in the Fund's prospectus, the total expense ratio is 0.35%. However, the Adviser has contractually agreed to waive fees and/or pay certain Fund expenses which resulted in a net expense ratio of 0.28%. These waivers and reimbursement contracts extend through at least April 20, 2012. 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 between the highest bid and the lowest offer, as of the time that the Fund's NAV is calculated, generally around 4 p.m. ET and do not represent the returns an investor would receive if shares were traded at other times.

3-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
The BofA ML Nat. Insured Long-Term Core Plus Municipal Sec.	10.32	6.40	-	1.62	-
Barclays Capital Muni Ins Long 20 Yr.	10.02	6.09	1.03	1.65	0.98
Barclays Capital 20 Year Muni Bond	11.04	6.20	1.02	1.79	0.99
Barclays Capital U.S. Aggregate	6.77	2.82	0.63	2.40	0.28

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.

The Barclays Capital Muni Insured Long 20 Yr. Index and the Barclays Capital 20 Year Muni Bond Index are unmanaged indexes of insured municipal securities and municipal bonds with a

remaining maturity of 17 to 22 years, respectively. The Barclays Capital U.S. Aggregate Index is an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market.

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 National Municipal Bond Portfolio

As of December 31, 2011

Top 10 Fund Holdings ⁴				
Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Miami-Dade Cnty Fla Wtr & Swr Rev	5.000	10/1/2029	AA-/Aa2	3.89
North Tex Twy Auth Rev Muni	5.750	1/1/2038	AA-/Aa3	3.02
New Jersey St. Trans Tr Fd Muni	5.500	12/15/2038	AA-/Aa3	2.84
Arizona St Hlth Facs Auth	5.000	3/1/2041	AA-/Aa3	2.79
Philadelphia PA Arprt Rev	5.000	6/15/2035	AA-/Aa3	2.71
Chicago Ill	5.000	1/1/2028	AA-/Aa3	2.16
New Jersey Health Care Auth Rev	5.500	7/1/2038	AA-/NR	1.87
Miami-dade Cnty Fla Aviation Rev	5.000	10/1/2041	AA-/Aa3	1.80
Atlanta GA Wtr & Wastewtr Rev	5.250	11/1/2034	AA-/Aa3	1.77
Medford Oregon Hospital Facs Auth	5.500	8/15/2028	AA-/NR	1.62

Credit Ratings (%) ³			Maturity (years)	
	S&P	Moody's		Weight (%)
AAA/Aaa	1.24	0.26	0-1	-
AA/Aa	90.53	84.04	1-5	-
A/A	5.74	5.49	5-10	-
BBB/Baa	0.17	0.27	10-15	1.17
BB/Ba	-	-	15-20	22.02
B/B	-	-	20-25	27.71
Not Rated	2.32	9.95	25+	49.12

	Annual Index Performance (%)			
	The BofA ML Nat. Ins Muni	Barclays Muni Ins	Barclays 20 Year	
2008	-8.16	-6.27	-7.65	
2009	17.72	16.59	18.52	
2010	0.30	0.08	1.32	
2011	13.68	14.11	13.98	

State Allocation (%)	
California	15.62
Florida	13.80
Pennsylvania	10.10
Arizona	7.75
Texas	7.07
Illinois	5.60
Georgia	5.29
New Jersey	5.12
New York	4.76
Michigan	2.15

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 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 and select "Understanding Ratings" under Rating Resources and 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.

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

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.

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'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.

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

The Fund's use of a representative sampling approach will result in its holding a smaller number of securities 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.

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

"BofA Merrill Lynch" and "The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM" are reprinted with permission. ©Copyright 2012 Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofA Merrill Lynch"). All rights reserved. "BofA Merrill Lynch" and "The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM" are service marks of BofA Merrill Lynch and/or its affiliates and have been licensed for use for certain purposes by PowerShares on behalf of the PowerShares Insured National Municipal Bond Portfolio that is based on The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM, and is not issued, sponsored, endorsed or promoted by BofA Merrill Lynch and/or BofA Merrill Lynch's affiliates nor is BofA Merrill Lynch and/or BofA Merrill Lynch's affiliates an adviser to the PowerShares Insured National Municipal Bond Portfolio. BofA Merrill Lynch and BofA Merrill Lynch's affiliates make no representation, express or implied, regarding the advisability of investing

in the PowerShares Insured National Municipal Bond Portfolio or The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM and do not guarantee the quality, accuracy or completeness of The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM, index values or any index related data included herein, provided herewith or derived therefrom and assume no liability in connection with their use. As the index provider, BofA Merrill Lynch is licensing certain trademarks, The BofA Merrill Lynch National Insured Long-Term Core Plus Municipal Securities IndexSM and trade names that are composed by BofA Merrill Lynch without regard to PowerShares, the PowerShares Insured National Municipal Bond Portfolio or any investor. BofA Merrill Lynch and BofA Merrill Lynch's affiliates do not provide investment advice to PowerShares or the PowerShares Insured National Municipal Bond Portfolio and are not responsible for the performance of the PowerShares Insured National Municipal Bond Portfolio.

Invesco 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 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 invescopowershares.com for a prospectus. Please read the prospectus carefully before investing.

Note: Not all products available through all firms.