

XLKS

As of December 31, 2010

Fund Description

The PowerShares S&P SmallCap Information Technology Portfolio is based on the S&P SmallCap 600 Capped Information Technology Index®. The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Index is designed to measure the overall performance of common stocks of U.S. information technology companies. These companies are principally engaged in the business of providing information technology-related products and services, including computer hardware and software, Internet, electronics and semiconductors and communication technologies.

The Index is a subset of the S&P SmallCap 600 Index, which is a float-adjusted, market-capitalization-weighted index reflecting the U.S. small-cap market.

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. Ordinary brokerage commissions apply. Concentrated industry investments involve greater risks than more diversified investments.

Fund Data³

PowerShares S&P SmallCap Information Technology Portfolio	XLKS
Intraday NAV (IIV)	XLKS.IV

Underlying Index Data

S&P SmallCap 600 Capped Information Technology Index Provider	SPSU6TT
	Standard and Poor's

10-Year Alpha, Beta and Correlation^{1,3}

Data shown are that of the underlying Index relative to each respective benchmark index

	Alpha	Beta	Correlation
S&P SmallCap 600	-4.41	1.30	0.79

PowerShares S&P SmallCap Information Technology Portfolio

Fund Performance & Index History (%)¹

	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
S&P SmallCap 600 Capped Information Technology	24.59	3.25	5.66	2.81	14.70
Benchmark Index					
S&P SmallCap 600	26.31	3.01	4.64	7.66	16.30
Fund					
NAV	-	-	-	-	14.37
After Tax Held	-	-	-	-	14.29
After Tax Sold	-	-	-	-	9.34
Market Price	-	-	-	-	14.57

This is a new Fund and therefore does not have a full year of performance to report as of the most recent quarter end. Performance data quoted represents past performance. As stated in the Fund's prospectus, the expense ratio of 0.29% 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. 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.

10-Year Index Statistics^{1,3}

	Performance (%)	Volatility (%)	Sharpe Ratio
S&P SmallCap 600 Capped Information Technology	2.81	29.40	0.02
S&P SmallCap 600	7.66	20.15	0.27

Fund Inception: April 7, 2010

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 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 S&P SmallCap 600 Index is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.

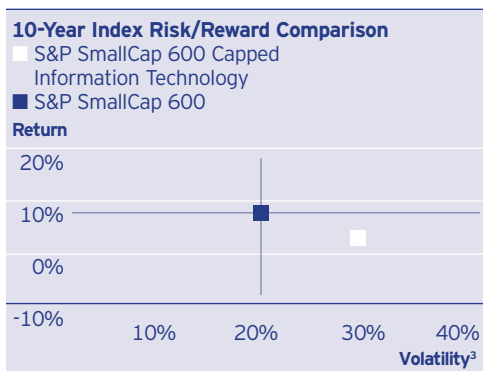
Shares are not FDIC insured, may lose value and have no bank guarantee.

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.

As of December 31, 2010

PowerShares S&P SmallCap Information Technology Portfolio

Top 30 Fund Holdings (%) ⁴	
Name	Weight
Cypress Semiconductor Corp.	3.24
Varian Semiconductor Equipment Associates Inc.	2.87
Microsemi Corp.	2.01
TriQuint Semiconductor Inc.	1.95
Progress Software Corp.	1.92
ViaSat Inc.	1.91
Wright Express Corp.	1.85
Veeco Instruments Inc.	1.80
Anixter International Inc.	1.77
CACI International Inc. (CI A)	1.70
Hittite Microwave Corp.	1.58
Arris Group Inc.	1.46
Cymer Inc.	1.40
j2 Global Communications Inc.	1.39
Blue Coat Systems Inc.	1.35
Plexus Corp.	1.32
MKS Instruments Inc.	1.29
CommVault Systems Inc.	1.29
JDA Software Group Inc.	1.29
NETGEAR Inc.	1.27
Cognex Corp.	1.24
Blackbaud Inc.	1.19
Maximus Inc.	1.19
Power Integrations Inc.	1.18
Taleo Corp. (CI A)	1.17
Tessera Technologies Inc.	1.17
Benchmark Electronics Inc.	1.16
Littelfuse Inc.	1.10
Take-Two Interactive Software Inc.	1.09
FEI Co.	1.06



Fund Details ³	
Weighted Harmonic Average Stock Price-to-Earnings Ratio	17.55
Weighted Harmonic Average Stock Price-to-Book-Value Ratio	2.22
Weighted Average Return on Equity	11.43
Weighted Market Cap (mm)	1,126
Number of Securities	131
Expense Ratio	0.29%
CUSIP	73937B860
Listing Exchange	NASDAQ

	Annual Index Performance (%)	
	S&P SmallCap 600 Capped Information Technology	S&P Small-Cap 600
2001	-3.74	6.51
2002	-36.42	-14.63
2003	53.86	38.79
2004	6.65	22.65
2005	-0.24	7.68
2006	9.43	15.12
2007	9.30	-0.30
2008	-40.37	-31.07
2009	48.15	25.57
2010	24.59	26.31

Fund Market-Cap Allocations (%)	
Large-Cap Growth	-
Large-Cap Value	-
Mid-Cap Growth	2.87
Mid-Cap Value	-
Small-Cap Growth	76.37
Small-Cap Value	20.76

Fund Industry Allocations (%)	
Semiconductors & Semiconductor Equipment	30.08
Electronic Equipment Instruments & Components	20.07
Software	18.45
Communications Equipment	11.95
It Services	8.58
Internet Software & Services	6.22
Computers & Peripherals	4.65

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.

Alpha is a measure of performance on a risk-adjusted basis.

Stock Price-to-Earnings Ratio is the share price divided by earnings per share. It is measured on a 12-month trailing basis.

Stock Price-to-Book-Value Ratio is the ratio of a stock's market price to a company's net asset value.

Weighted Harmonic Average is a method of calculating an average value that lessens the impact of large outlying data points.

Weighted Average Return on Equity is net income divided by shareholders' equity.

Weighted Market Cap is the sum of each underlying securities' market value.

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

The Global Industry Classification Standard was developed by and is the exclusive property and a service mark of MSCI, Inc. and Standard & Poor's.

The Fund contains securities in the information technology sector. Companies engaged in this sector are subject to greater risks, and are more greatly impacted by market volatility, than more diversified investments.

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

Investing in securities of small capitalization companies may involve greater risk than is customarily associated with investing in large companies.

Standard & Poor's[®] and S&P[®] are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and have been licensed for use by Invesco PowerShares Capital Management LLC. The

Fund is not sponsored, endorsed, sold or promoted by S&P or its affiliates, and S&P and its affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding units/shares in the Fund.

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.

Supplemental Information

At close of business on March 22, 2011, the following Funds' ticker symbols will change. The Funds' names, underlying index names and index tickers will remain the same. The new tickers will take effect on March 23, 2011. Please reference the table below for these changes.

Portfolio Name	Old Ticker	New Ticker
PowerShares S&P SmallCap Consumer Discretionary Portfolio	XLYS	PSCD
PowerShares S&P SmallCap Consumer Staples Portfolio	XLPS	PSCC
PowerShares S&P SmallCap Energy Portfolio	XLES	PSCE
PowerShares S&P SmallCap Financials Portfolio	XLFS	PSCF
PowerShares S&P SmallCap Health Care Portfolio	XLVS	PSCH
PowerShares S&P SmallCap Industrials Portfolio	XLIS	PSCI
PowerShares S&P SmallCap Information Technology Portfolio	XLKS	PSCT
PowerShares S&P SmallCap Materials Portfolio	XLBS	PSCM
PowerShares S&P SmallCap Utilities Portfolio	XLUS	PSCU
PowerShares QQQ	QQQQ	QQQ

For additional information call Invesco PowerShares at 800 983 0903.

Not FDIC Insured I May Lose Value I No Bank Guarantee

Note: Not all products available through all firms

PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC (Invesco PowerShares). Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd. Invesco Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust and the PowerShares Exchange-Traded Fund Trust II.

ALPS Distributors, Inc. is the distributor of PowerShares QQQ, a unit investment trust. Invesco PowerShares is not affiliated with ALPS Distributors, Inc.

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