

XLVS

As of December 31, 2010

PowerShares S&P SmallCap Health Care Portfolio

Fund Description

The PowerShares S&P SmallCap Health Care Portfolio is based on the S&P SmallCap 600 Capped Health Care 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 in the health care sector. Included are healthcare companies principally engaged in the business of providing healthcare-related products and services, including biotechnology, pharmaceuticals, medical technology and supplies, and facilities.

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 Performance & Index History (%) ¹					
	1 Year	3 Year	5 Year	10 Year	Fund Inception ²
Underlying Index					
S&P SmallCap 600 Capped Health Care	22.52	2.51	6.86	7.54	12.16
Benchmark Index					
S&P SmallCap 600	26.31	3.01	4.64	7.66	16.30
Fund					
NAV	-	-	-	-	11.98
After Tax Held	-	-	-	-	11.87
After Tax Sold	-	-	-	-	7.79
Market Price	-	-	-	-	12.39

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 Health Care	7.54	17.64	0.31
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.

Fund Data³

PowerShares S&P SmallCap Health Care Portfolio	XLVS
Intraday NAV (IIV)	XLVS.IV

Underlying Index Data

S&P SmallCap 600 Capped Health Care Index Provider	SPSU6HCT Standard and Poor's
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10-Year Alpha, Beta and Correlation^{1,3}

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

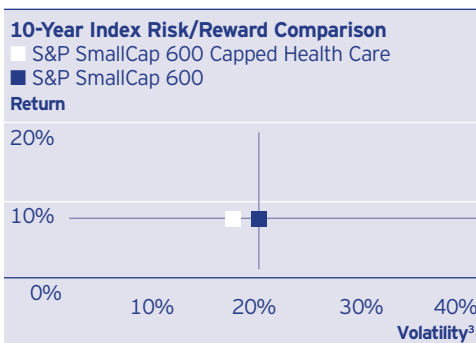
	Alpha	Beta	Correlation
S&P SmallCap 600	1.34	0.74	0.71



PowerShares S&P SmallCap Health Care Portfolio

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Top 30 Fund Holdings (%) ⁴	
Name	Weight
Salix Pharmaceuticals Ltd.	4.45
Cooper Cos.	4.21
Regeneron Pharmaceuticals Inc.	3.90
AMERIGROUP Corp.	3.56
Dionex Corp.	3.36
Catalyst Health Solutions Inc.	2.97
HMS Holdings Corp.	2.92
Magellan Health Services Inc.	2.59
Haemonetics Corp.	2.56
HealthSpring Inc.	2.48
Chemed Corp.	2.37
American Medical Systems Holdings Inc.	2.36
West Pharmaceutical Services Inc.	2.24
Par Pharmaceutical Cos. Inc.	2.24
ViroPharma Inc.	2.21
Quality Systems Inc.	2.18
Align Technology Inc.	2.17
Cubist Pharmaceuticals Inc.	2.07
PSS World Medical Inc.	2.04
Centene Corp.	2.04
PAREXEL International Corp.	2.02
Martek Biosciences Corp.	1.71
Invacare Corp.	1.60
Amedisys Inc.	1.59
Integra LifeSciences Holdings Corp.	1.57
Meridian Bioscience Inc.	1.54
Neogen Corp.	1.52
Zoll Medical Corp.	1.31
Gentiva Health Services Inc.	1.30
MWI Veterinary Supply Inc.	1.29



Fund Details³

Weighted Harmonic Average	
Stock Price-to-Earnings Ratio	17.70
Weighted Harmonic Average	
Stock Price-to-Book-Value Ratio	2.28
Weighted Average Return on Equity	9.70
Weighted Market Cap (mm)	1,343
Number of Securities	74
Expense Ratio	0.29%
CUSIP	73937B886
Listing Exchange	NASDAQ

Annual Index Performance (%)

	S&P SmallCap 600 Capped Health Care	S&P Small-Cap 600
2001	1.50	6.51
2002	-18.44	-14.63
2003	31.54	38.79
2004	22.64	22.65
2005	11.16	7.68
2006	8.73	15.12
2007	18.96	-0.30
2008	-28.27	-31.07
2009	22.56	25.57
2010	22.52	26.31

Fund Market-Cap Allocations (%)

Large-Cap Growth	-
Large-Cap Value	-
Mid-Cap Growth	-
Mid-Cap Value	-
Small-Cap Growth	71.73
Small-Cap Value	28.27

Fund Industry Allocations (%)

Health Care Providers & Services	38.46
Health Care Equipment & Supplies	30.99
Biotechnology	10.15
Pharmaceuticals	9.31
Life Sciences Tools & Services	7.29
Health Care Technology	3.80

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

The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers, 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.

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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.

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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.