

BAB PowerShares Build America Bond Portfolio

As of Dec. 31, 2014

Fund Description

PowerShares fixed-income portfolios seek to provide income through intelligent indexes that derive their investment decisions from methodologies that incorporate technically advanced and robust institutional investment research.

The PowerShares Build America Bond Portfolio is based on The BofA Merrill Lynch Build America Bond Index. The Fund will normally invest at least 80% of its total assets in the securities that comprise the Index. The Index is designed to track the performance of US dollar-denominated Build America Bonds publicly issued by US states and territories, and their political subdivisions, in the US market. The Fund and the Index are rebalanced and reconstituted monthly.

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.

Fund Data

Build America Bond Portfolio	BAB
Intraday NAV (IIV)	BABIV
CUSIP	73937B407
Listing Exchange	NYSE Arca
Number of Securities	258
30-Day SEC Yield	3.78%
30-Day SEC Unsubsidized Yield	3.78%
Years To Maturity	18.72
Effective Duration	8.74 Yrs
Total Expense Ratio	0.28%

As of Dec. 31, 2013, the source of the calculation for these Fund characteristics was changed from Bloomberg to Aladdin (BRS).

Underlying Index Data

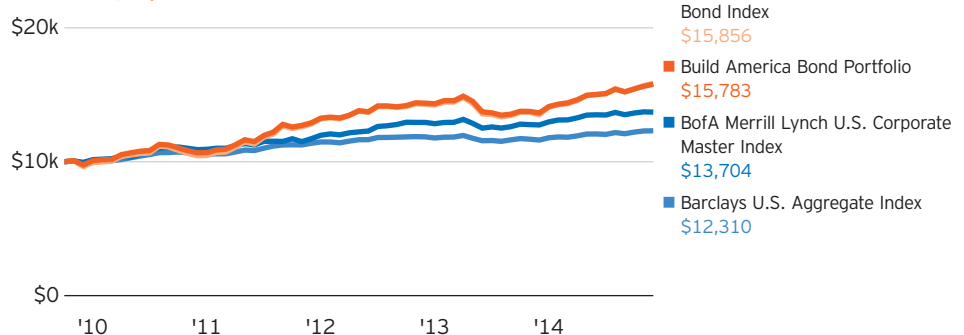
BofA Merrill Lynch Build America Bond Index Provider	BABS BofA Merrill Lynch
Effective Duration	9.88 Yrs
Years To Maturity	20.30
Average Yield to Worst	3.69%
Number of Securities	9,186

Fund Inception: Nov. 17, 2009

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

Growth of \$10,000



Data beginning Fund inception and ending Dec. 31, 2014. Fund performance shown at NAV.

Fund Performance & Index History (%)

	1 year	3 year	5 year	10 year	Fund Inception
Underlying Index					
BofA Merrill Lynch Build America Bond Index	17.33	7.35	10.47	-	9.42
Benchmark Indexes					
BofA Merrill Lynch U.S. Corporate Master Index	7.51	5.35	6.60	5.52	6.35
Barclays U.S. Aggregate Index	5.97	2.66	4.45	4.71	4.14
Fund					
NAV	15.70	6.93	10.09	-	9.32
After Tax Held	13.32	4.84	7.94	-	7.22
After Tax Sold	8.81	4.40	6.99	-	6.39
Market Price	16.85	7.13	10.18	-	9.37

Returns less than one year are cumulative. 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 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. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower.

5-Year Index Statistics

	Alpha	Beta	Correlation	Sharpe Ratio	Volatility (%)
BofA Merrill Lynch Build America Bond Index	-	-	-	1.51	6.89
BofA Merrill Lynch U.S. Corporate Master Index	2.39	1.21	0.71	1.63	4.02
Barclays U.S. Aggregate Index	0.84	2.16	0.84	1.63	2.69

Alpha, beta and correlation are that of the underlying index.

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 U.S. Aggregate Index is an unmanaged index considered representative of the US investment-grade, fixed-rate bond market.

The BofA Merrill Lynch U.S. Corporate Master Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the

US domestic 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.

BAB PowerShares Build America Bond Portfolio

As of Dec. 31, 2014

Top 10 Fund Holdings

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
State of California	7.500	4/1/2034	A+/Aa3	3.75
North Texas Tollway Authority	8.910	2/1/2030	NR/Baa3	2.87
State of Illinois	5.563	2/1/2021	A-/A3	2.33
State of California	6.509	4/1/2039	A+/Aa3	1.89
Chicago Board of Education	6.138	12/1/2039	A+/Baa1	1.82
State of California	7.600	11/1/2040	A+/Aa3	1.76
University of Texas System/The	4.644	8/15/2030	AAA/Aaa	1.64
Municipal Electric Authority of Georgia	7.055	4/1/2057	A-/Baa2	1.56
State of Illinois	6.900	3/1/2035	A-/A3	1.51
Texas Transportation Commission State Highway Fund	5.178	4/1/2030	AAA/Aaa	1.50

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

Credit Ratings (%)

	S&P	Moody's	Maturity (years)	Weight (%)
AAA/Aaa	10.06	7.91	0-1	-
AA/Aa	39.96	45.74	1-5	1.90
A/A	38.58	30.90	5-10	7.04
BBB/Baa	1.34	8.59	10-15	7.88
BB/Ba	0.28	0.13	15-20	35.13
B/B	-	-	20-25	18.41
Not Rated/Not Rated	9.77	6.73	25+	29.64

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.

Investments in fixed-income securities, such as notes and bonds, 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. Due to anticipated Federal Reserve Board policy changes, there is a risk that interest rates will rise in the near future.

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.

The 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.

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, Healthcare, 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.

There is no guarantee that municipalities will continue to take advantage of the BAB program in the future and there can be no assurance that BABs will be actively traded. Furthermore, under the American Recovery and Reinvestment Act of 2009, the ability of municipalities to issue BABs expired on Dec. 31, 2010. As a result, the number of available BABs in the market is limited. In addition, illiquidity of the BABs may negatively affect the value of the BABs.

The Fund currently intends to effect creations and

redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

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. **Alpha** is a measure of performance on a risk-adjusted basis. **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. Futures and other derivatives are not eligible for assigned credit ratings by any NRSRO and are excluded from quality allocations. 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. The **30-Day SEC Yield** is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The **30-Day SEC Unsubsidized Yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers.

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Annual Index Performance (%)

	BofA ML Build America Bond	BofA ML U.S. Corp. Mst	Barclays U.S. Agg.
2010	8.47	9.52	6.54
2011	22.60	7.50	7.84
2012	11.52	10.37	4.21
2013	-5.45	-1.46	-2.02
2014	17.33	7.51	5.97

State Allocation (%)

California	25.26
Illinois	11.30
Texas	10.71
New York	7.28
New Jersey	5.86
Florida	5.65
Washington	4.18
Nevada	3.22
Missouri	2.99
Colorado	2.98

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Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the Fund call 800 983 0903 or visit invescopowershares.com for the prospectus/summary prospectus.

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