Invesco

powerSHARES®

PFIG

PowerShares Fundamental Investment Grade Corporate Bond Portfolio

As of Dec. 31, 2014

Fund Description

The PowerShares Fundamental Investment Grade Corporate Bond Portfolio is based on the RAFI® Bonds US Investment Grade 1-10 Index. The Fund will normally invest at least 80% of its total assets in the securities that comprise the Index. The Underlying Index is comprised of US dollar-denominated bonds that are registered with the SEC or that are Rule 144A securities that provide for registration rights and whose issuers are public companies listed on a major US stock exchange. Only investible, non-convertible, non-exchangeable, non-zero, fixed coupon investment-grade corporate bonds qualify for inclusion in the Underlying Index. The Fund and the Index are rebalanced monthly and reconstituted annually in March.

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

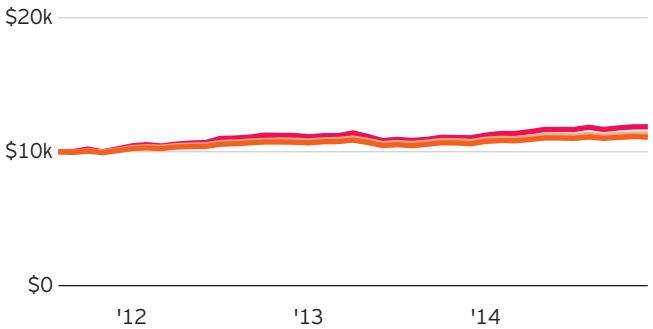
Fundamental Investment Grade Corporate Bond Portfolio	PFIG
Intraday NAV (IIV)	PFIGIV
CUSIP	73937B761
Listing Exchange	NYSE Arca
Number of Securities	252
30-Day SEC Yield	2.29%
30-Day SEC Unsubsidized Yield	2.29%
Years To Maturity	5.12
Effective Duration	4.5 Yrs
Total Expense Ratio	0.22%

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

Underlying Index Data

RAFI Bonds US Investment Grade 1-10	RAFIIG
Index Provider	Research Affiliates, LLC
Effective Duration	4.66 Yrs
Years To Maturity	5.36
Average Yield to Worst	2.51%
Average Coupon	4.13%
Number of Securities	517

Growth of $10,000



- Barclays U.S. Corporate Index $11,864
- RAFI Bonds US Investment Grade 1-10 Index $11,309
- Fundamental Investment Grade Corporate Bond Portfolio $11,089

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					
RAFI Bonds US Investment Grade 1-10 Index	5.10	3.76	5.47	–	3.81
Benchmark Index					
Barclays U.S. Corporate Index	7.46	5.13	6.49	5.53	5.33
Fund					
NAV	4.60	3.22	–	–	3.19
After Tax Held	3.52	2.27	–	–	2.25
After Tax Sold	2.60	2.07	–	–	2.05
Market Price	5.77	3.16	–	–	3.47

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 (%)
RAFI Bonds US Investment Grade 1-10 Index	–	–	–	1.72	3.13
Barclays U.S. Corporate Index	0.74	0.72	0.95	1.56	4.11

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

A Smart Beta Portfolio

Fund Inception: Sept. 15, 2011

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 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. Corporate Index is an unmanaged index considered representative of fixed-rate, investment-grade taxable bond debt.

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.

PFIG

PowerShares Fundamental Investment Grade Corporate Bond Portfolio

As of Dec. 31, 2014

Top 10 Fund Holdings

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Wal-Mart Stores Inc	3.250	10/25/2020	AA/Aa2	1.08
Mondelez International Inc	4.125	2/9/2016	BBB-/Baa1	1.00
Citigroup Inc	6.125	11/21/2017	A-/Baa2	0.89
United Parcel Service Inc	3.125	1/15/2021	A+/Aa3	0.84
Jefferies Group LLC	6.875	4/15/2021	BBB-/Baa3	0.73
Kimberly-Clark Corp	6.125	8/1/2017	A/A2	0.72
Hartford Financial Services Group Inc/The	5.125	4/15/2022	BBB/Baa3	0.72
Marsh & McLennan Cos Inc	4.800	7/15/2021	A-/Baa1	0.72
Berkshire Hathaway Finance Corp	5.400	5/15/2018	AA/Aa2	0.71
Verizon Communications Inc	5.150	9/15/2023	BBB+/Baa1	0.71

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

Annual Index Performance (%)

	RAFI Bonds US Investment Grade 1-10 Index	Barclays U.S. Corp.
2010	–	9.00
2011	7.48	8.14
2012	7.22	9.82
2013	-0.88	-1.53
2014	5.10	7.46

Fund Sector Allocations (%)

Consumer Discretionary	11.17
Consumer Staples	10.59
Energy	9.82
Financials	23.21
Health Care	12.88
Industrials	9.55
Information Technology	9.92
Materials	4.80
Telecommunication Services	2.74
Utilities	5.32

Credit Ratings (%)

	S&P	Moody's
AAA/Aaa	1.51	1.51
AA/Aa	10.90	8.04
A/A	44.47	36.77
BBB/Baa	42.97	52.86
BB/Ba	0.14	0.82
B/B	–	–
Not Rated/Not Rated	–	–

Maturity (years)

	Weight (%)
0-1	2.03
1-5	46.41
5-10	51.56
10-15	–
15-20	–
20-25	–
25+	–

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 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.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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.

Liquidity risk exists when a particular investment is difficult to purchase or sell. If the Fund invests in illiquid securities or current portfolio securities become illiquid, it may reduce the returns of the Fund because the Fund may be unable to sell the illiquid securities at an advantageous time or price.

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. **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 moodys.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. **Beta** is a measure of risk representing how a security is expected to respond to general market movements. **Smart Beta** represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, or both. Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.

Typically, security classifications used in calculating allocation tables are as of the last trading day of the previous month.

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

Fundamental Index®, Research Affiliates®, RAFI® and all other RA trademarks, trade names, patented and patent-pending concepts are the exclusive property of Research Affiliates, LLC. The RAFI® Bonds US Investment Grade 1-10 Index is calculated and maintained by ALM Research Solutions, Inc. (a wholly owned subsidiary of Ryan ALM, Inc.) in conjunction with Research Affiliates, LLC and is the exclusive property of Research Affiliates.

Invesco Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust II.

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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.

Note: Not all products available through all firms or in all jurisdictions.

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