

# BKLN

## PowerShares Senior Loan Portfolio

As of June 30, 2011

### Fund Description

The PowerShares Senior Loan Portfolio is based on the S&P/LSTA U.S. Leveraged Loan 100 Index. The Fund will normally invest at least 80% of its total assets in the component securities that comprise the Index. The Index is designed to track the market-weighted performance of the largest institutional leveraged loans based on market weightings, spreads and interest payments.

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 (%)<sup>1</sup>

|                                  | 1 Year | 3 Year | 5 Year | 10 Year | Fund Inception <sup>2</sup> |
|----------------------------------|--------|--------|--------|---------|-----------------------------|
| <b>Underlying Index</b>          |        |        |        |         |                             |
| S&P/LSTA U.S. Leveraged Loan 100 | 10.10  | -      | -      | -       | -0.52                       |
| <b>Benchmark Index</b>           |        |        |        |         |                             |
| S&P/LSTA Leveraged Loan          | 9.40   | -      | -      | -       | 0.16                        |
| Barclays Capital U.S. Aggregate  | 3.90   | -      | -      | -       | 2.35                        |
| <b>Fund</b>                      |        |        |        |         |                             |
| NAV                              | -      | -      | -      | -       | -0.02                       |
| After Tax Held                   | -      | -      | -      | -       | -0.34                       |
| After Tax Sold                   | -      | -      | -      | -       | -0.01                       |
| Market Price                     | -      | -      | -      | -       | -0.14                       |

*This is a new Fund and therefore has no full-year of Fund performance to report as of the most recent quarter end. Performance data quoted represents past performance. The fund's expense ratio of 0.93% is expressed as a unitary fee; however, the Adviser has voluntarily waived 0.10% of its fee, thereby reducing the expense ratio to 0.83%. The fee waiver may be modified or terminated by the Adviser after 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. See [invescopowershares.com](http://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 Data<sup>3</sup>

|                         |           |
|-------------------------|-----------|
| PowerShares Senior Loan | BKLN      |
| Intraday NAV (IIV)      | BKLN.IV   |
| Number of Holdings      | 117       |
| CUSIP                   | 73936Q769 |
| Listing Exchange        | NYSE Arca |
| Yield to Maturity       | 5.50%     |
| Years to Maturity       | 4.45      |
| Weighted Average Coupon | 3.87%     |
| Days to Reset           | 41.05     |
| 3 Month LIBOR           | 0.27%     |

### Annual Fund Operating Expenses

|                                      |       |
|--------------------------------------|-------|
| Management Fee                       | 0.75% |
| Acquired Fund Fees & Expenses        | 0.18% |
| Total Annual Fund Operating Expenses | 0.93% |
| Net Expense Ratio                    | 0.83% |

### Underlying Index Data

|                                  |                   |
|----------------------------------|-------------------|
| S&P/LSTA U.S. Leveraged Loan 100 | SPBDLL            |
| Index Provider                   | Standard & Poor's |
| Years to Maturity                | 4.50              |
| Yield to Maturity                | 4.98%             |
| # of Holdings                    | 100               |

### Fund Inception: March 3, 2011

<sup>1</sup> Index returns do not represent Fund returns. An investor cannot invest directly in an index.

<sup>2</sup> 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/LSTA Leveraged Loan Index is an unmanaged index that tracks the current outstanding balance and spread over LIBOR for fully funded term loans. 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 100,000 Shares.**

As of June 30, 2011

| Top 10 Fund Holdings <sup>4</sup>       |        |            |                    |            |
|---|--------|------------|--------------------|------------|
| Name                                    | Coupon | Maturity   | S&P/Moody's Rating | Weight (%) |
| Tribune Company                         | 0.000  | 6/4/2014   | NR/NR              | 1.93       |
| Texas Competitive Electric Hldgs Nonext | 3.690  | 10/10/2014 | CCC/B2             | 1.83       |
| Intelsat Jackson Holdings S.A.          | 5.250  | 4/2/2018   | BB-/B1             | 1.71       |
| First Data Corporation                  | 4.186  | 3/24/2018  | B+/B1              | 1.70       |
| Hca, Inc.                               | 3.557  | 5/1/2018   | BB/Ba2             | 1.68       |
| Clear Channel Communications, Inc.      | 3.841  | 1/29/2016  | CCC+/Caa1          | 1.67       |
| Charter Communications Operating LLC    | 3.560  | 9/6/2016   | BB+/Ba2            | 1.61       |
| Community Health Systems, Inc.          | 2.500  | 7/25/2014  | BB/Ba3             | 1.59       |
| Univision Communications Inc.           | 4.441  | 3/31/2017  | B+/B2              | 1.47       |
| ING Prime Rate Trust                    | 0.000  | -          | -/-                | 1.45       |

| Annual Index Performance (%) |                                  |                         |
|------------------------------|----------------------------------|-------------------------|
|                              | S&P/LSTA U.S. Leveraged Loan 100 | S&P/LSTA Leveraged Loan |
| 2011 YTD                     | 1.95                             | 2.61                    |

| Asset Type Allocation (%) |       |
|---------------------------|-------|
| High-Yield Securities     | 4.01  |
| Closed-End Fund           | 5.09  |
| Loan                      | 90.90 |

| Credit Ratings (%) <sup>3</sup> |       |         |
|---------------------------------|-------|---------|
|                                 | S&P   | Moody's |
| AAA/Aaa                         | -     | -       |
| AA/Aa                           | -     | -       |
| A/A                             | -     | -       |
| BBB/Baa                         | 5.68  | 5.81    |
| BB/Ba                           | 39.36 | 34.36   |
| B/B                             | 38.46 | 49.45   |
| CCC/Caa                         | 6.45  | 2.13    |
| Not Rated                       | 10.05 | 8.26    |

| Maturity (years) |            |
|------------------|------------|
|                  | Weight (%) |
| 0-1              | -          |
| 1-5              | 53.13      |
| 5-10             | 41.34      |
| 10-15            | 0.44       |
| 15-20            | -          |
| 20-25            | -          |
| 25+              | -          |

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Underlying Index performance does not represent Fund performance.

<sup>3</sup> The Intraday NAV is a symbol representing estimated fair value based on the most recent intraday price of underlying assets.

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](http://standardandpoors.com) and select "Understanding Ratings" under Rating Resources and [moody.com](http://moody.com) and select "Rating Methodologies" under Research and Ratings.

<sup>4</sup> Please see the website for complete holdings information. Holdings are subject to change.

Investments in loans are subject to interest rate risk and credit risk. Interest rate risk refers to fluctuations in the value of a loan resulting from changes in the general level of interest rates. Credit risk refers to the possibility that the borrower of a loan will be unable and/or unwilling to make timely interest payments and/or repay the principal on its obligation. There is no organized exchange on which loans are traded and reliable market quotations may not be readily available.

As the purchaser of a loan assignment, the Fund typically succeeds to all assigning institution rights and obligations and becomes a lender under the credit agreement with respect to the debt obligation. However, the Fund may not be able to enforce all rights and remedies under the loan including any associated collateral. If the loan is foreclosed, the Fund may become part owner of any collateral and may bear the costs and liabilities of owning and disposing of the collateral. The Fund may be required to pass on to a purchaser that buys a loan from the Fund a portion of fees it is entitled to under the loan. In connection with purchasing loan participations, the Fund will have no right to enforce borrower compliance with the terms of the

loan agreement, nor any rights of set-off against the borrower, and the Fund may not benefit from any collateral supporting the loan. Consequently, the Fund will be subject to the credit risk of both the borrower and the lender that is selling the participation. In the event of the insolvency of the lender selling a participation, the Fund may be treated as the lender's general creditor and may not benefit from any set-off between the lender and the borrower.

The Fund may invest in non-investment grade, or high-yield, securities (junk bonds). High-yield securities have additional risks, including interest-rate changes, decreased market liquidity and a larger amount of outstanding debt than investment-grade securities.

Proceeds from a current investment of the Fund, both interest payments and principal payments, may be reinvested in instruments that offer lower yields than the current investment due in part to market conditions and the interest rate environment at the time of reinvestment.

The market value of the shares of closed-end investment companies may differ from their NAV. In addition, the shares of closed-end investment companies frequently trade at a discount to their NAV. As an investor in closed-end investment companies, the Fund would bear its ratable share of those closed-end investment companies' fees and expenses, including its investment advisory and administration fees, while continuing to pay its own advisory and administration fees and other expenses. As a result, shareholders will be absorbing duplicate levels of fees with respect to investments in closed-end investment companies.

The Fund may invest all or a portion of its assets in loans of non-U.S. borrowers. Loans of non-U.S. borrowers have additional risks, including decreased market liquidity, political instability and taxation by foreign governments.

The Fund's use of a representative sampling approach will result in its holding a smaller number of loans than are in the Underlying Index, and may subject the Fund to greater volatility.

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 Fund is non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund.

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

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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](http://invescopowershares.com) for a prospectus. Please read the prospectus carefully before investing.**

Note: Not all products available through all firms.