Invesco PowerShares

powerSHARES
Xchange Traded Funds™

PWZ

PowerShares Insured California Municipal Bond Portfolio

As of June 30, 2011

Fund Description

The PowerShares Insured California Municipal Bond Portfolio is based on The BofA Merrill Lynch California Insured Long-Term Core Plus Municipal Securities Index. The Fund will normally invest at least 80% of its total assets in securities that comprise the Index and generally expects to invest at least 90% of its total assets. The Index is designed to track the performance of U.S.-dollar-denominated, investment-grade, insured, tax-exempt debt publicly issued by California or Puerto Rico or their political subdivisions. The Index is adjusted monthly and its constituents are capitalization-weighted based on their current amount outstanding.

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. Concentrated sector investments involve greater risks than more diversified investments.

Fund Data[3]	
Insured California Municipal Bond Portfolio	PWZ
Intraday NAV (IIV)	PWZ.IV
# of Holdings	44
CUSIP	73936T441
Listing Exchange	NYSE Arca
Years to Maturity	24.49
30-Day SEC Yield	4.70%
Effective Duration	13.04
Modified Duration	8.54
Net Expense Ratio	0.28%

Underlying Index Data[3]	
The BofA ML CA Insured Long-Term Core Plus Municipal Sec.	UPCC
Effective Duration	12.98
Modified Duration	8.83
Years to Maturity	22.11
Average Yield to Worst	4.89%
# of Holdings	402

Fund Inception: Oct. 11, 2007

[1] Index returns do not represent Fund returns. An investor cannot invest directly in an index. The initial publication date of The BofA Merrill Lynch California Insured LT Core Plus Municipal Securities Index is May 22, 2009. Index return data up to May 28, 2009 reflects that of the Merrill Lynch California Insured LT Core Municipal Securities Index. From May 28, 2009 forward, the index return data reflects that of The BofA Merrill Lynch California Insured LT Core Plus Municipal Securities 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 Barclays Capital Municipal Insured Long 20 Yr. Index and the Barclays Capital 20 Year Muni Bond Index are unmanaged indexes of insured municipal securities and municipal bonds with a remaining maturity of 17 to 22 years, respectively.

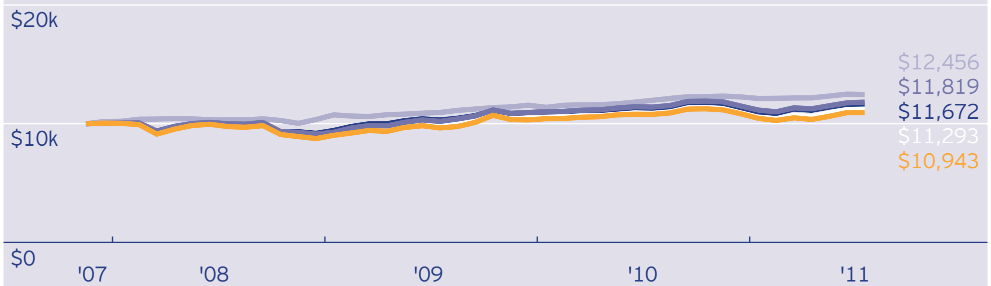
The Barclays Capital U.S. Aggregate Index is an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market.

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 50,000 Shares.

Growth of $10,000[1]

Insured CA Municipal Bond Portfolio · The BofA ML CA Insured Long-Term Core Plus Municipal Sec. · Barclays Cap Muni Insured Long 20 Yr. · Barclays Cap 20 Year Muni Bond · Barclays Capital U.S. Agg.



Data beginning Oct. 31, 2007, the month end following Fund inception

Fund Performance & Index History (%)[1]

	1 Year	3 Year	5 Year	10 Year	Fund Inception[2]
Underlying Index					
The BofA ML CA Insured Long-Term Core Plus Municipal Sec.	3.22	4.67	–	–	3.44
Benchmark Indexes					
Barclays Cap. Muni Ins Long 20 Yr.	3.10	5.45	–	–	4.35
Barclays Cap. 20 Year Muni Bond	3.65	5.74	–	–	4.69
Barclays Cap. U.S. Aggregate	3.90	6.46	–	–	6.28
Fund					
NAV	1.44	3.87	–	–	2.53
After Tax Held	-0.20	2.85	–	–	1.71
After Tax Sold	0.91	2.96	–	–	2.00
Market Price	1.18	3.76	–	–	2.29

Performance data quoted represents past performance. The fund's expense ratio of 0.35% is expressed as a unitary fee; however, the Adviser has voluntarily waived 0.07% of its fee, thereby reducing the expense ratio to 0.28%. 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. The Shares' performance reflects fee waivers, absent which performance would have been lower. 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.

3-Year Index Statistics[1,3]

	Performance (%)	Volatility (%)	Beta	Sharpe Ratio	Correlation
The BofA ML CA Insured Long-Term Core Plus Municipal Sec.	4.67	9.15	–	0.48	–
Barclays Cap. Muni Ins Long 20 Yr.	5.45	8.01	1.10	0.58	0.96
Barclays Cap. 20 Year Muni Bond	5.74	7.99	1.12	0.69	0.98
Barclays Cap. U.S. Aggregate	6.46	4.16	0.68	1.49	0.30

PWZ

PowerShares Insured California Municipal Bond Portfolio

As of June 30, 2011

Top 10 Fund Holdings[4]

Name	Coupon	Maturity	S&P/Moody's Rating	Weight (%)
Sacramento Calif Area Flood Ctl	5.625	10/1/2037	AA+/Aa1	4.65
El Monte Calif Un High Sch Dist.	5.500	6/1/2034	AA+/Aa3	4.57
Kern Cnty Calif Ctfs Partn	5.750	8/1/2035	AA+/Aa3	4.53
Los Angeles Calif Uni Sch Ser 2002-C	5.000	7/1/2032	AA+/Aa2	4.50
Los Angeles Cnty Calif Met	5.000	7/1/2035	AAA/Aa2	4.49
Antelope Valley Calif Cmnty	5.250	8/1/2039	AA-/Aa2	4.03
Tustin Calif Uni Sch Dist	5.000	9/1/2038	AA+/Aa3	3.78
Richmond Calif Jt Pwrs Fing Auth	5.750	8/1/2029	AA+/Aa3	3.17
Puerto Rico Comwlth	5.000	7/1/2031	AA+/Aa3	3.14
East Bay Calif Mun Util Dist W	5.000	6/1/2032	AAA/Aa1	3.09

Annual Index Performance (%)

	The BofA ML CA Ins Muni	Barclays Muni Ins	Barclays 20 Year
2008	-10.19	-6.27	-7.65
2009	17.81	16.59	18.52
2010	0.32	0.08	1.32
2011 YTD	6.17	6.08	6.03

Credit Ratings (%)[3]

	S&P	Moody's
AAA/Aaa	9.10	–
AA/Aa	78.97	83.55
A/A	6.63	9.18
BBB/Baa	1.08	1.46
BB/Ba	–	–
B/B	–	–
Not Rated	4.23	5.80

Maturity (years)

	Weight (%)
0-1	–
1-5	–
5-10	–
10-15	–
15-20	12.87
20-25	44.39
25+	42.74

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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 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.

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 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.

Modified 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 option-free bonds.

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

Municipal securities may be affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. The market for municipal bonds may also be less liquid than for taxable bonds.

California's current economic problems increase the risk of investing in California municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of California municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

Puerto Rico's current economic problems increase the risk of investing in Puerto Rican municipal obligations, including the risk of potential issuer default, and also heighten the risk that the prices of Puerto Rican municipal obligations, and the Fund's net asset value, will experience greater volatility. Please see the prospectus supplement for complete information.

Municipal insurance doesn't protect against losses in the fund.

The fund may invest in debt securities, such as notes and bonds, which 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.

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's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility.

There is no guarantee that the Fund's income will be exempt from federal or state income taxes.

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

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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.