

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name PowerShares California AMT-Free Municipal Bond Portfolio		2 Issuer's employer identification number (EIN) 37-1548901	
3 Name of contact for additional information POWERSHARES CLIENT SERVICES	4 Telephone No. of contact 800-983-0903	5 Email address of contact INFO@POWERSHARES.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 3500 LACEY ROAD, SUITE 700		7 City, town, or post office, state, and ZIP code of contact DOWNERS GROVE, IL 60515	
8 Date of action See Attachment		9 Classification and description COMMON STOCK	
10 CUSIP number See Attachment	11 Serial number(s)	12 Ticker symbol See Attachment	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Fund paid a monthly distribution to shareholders during 2017. A portion of each distribution constitutes a non-taxable return of capital. - See attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of each distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of the issuer. For non-taxable return of capital see attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Fund's current and accumulated earnings were compared to the distributions paid during the period ended October 2017. The non-taxable return of capital represents the amount of distributions paid during the taxable period ended October 31, 2017 in excess of the Fund's current and accumulated earnings and profits under IRC Section 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Internal Revenue Code Sections 301, 316, 852.

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
This organizational action is reportable with respect to calendar year 2017.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ S/ STEVEN M. HILL

Date ▶ 01/16/2018

Print your name ▶ A signed copy is maintained by the issuer.

Title ▶ TREASURER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

CUSIP	Ticker Symbol	Payable Date	Per Share							
			Distribution Per Share	Income Dividends	Short-term Capital Gains	Total Ordinary Dividends	Long-Term Capital Gains	Nondividend Distribution	Exempt Interest Dividends	
73936T441	PWZ	1/31/2017	0.055890000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000657838	0.055232162
73936T441	PWZ	2/28/2017	0.057570000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000677612	0.056892388
73936T441	PWZ	3/31/2017	0.054990000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000647245	0.054342755
73936T441	PWZ	4/28/2017	0.055910000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000658074	0.055251926
73936T441	PWZ	5/31/2017	0.055950000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000658545	0.055291455
73936T441	PWZ	6/30/2017	0.054860000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000645715	0.054214285
73936T441	PWZ	7/31/2017	0.055180000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000649482	0.054530518
73936T441	PWZ	8/31/2017	0.053840000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000633710	0.053206290
73936T441	PWZ	9/29/2017	0.054880000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000645951	0.054234049
73936T441	PWZ	10/31/2017	0.048590000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000571916	0.048018084
73936T441	PWZ	11/30/2017	0.055970000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.055970000
73936T441	PWZ	12/29/2017	0.051010000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.051010000
Total			0.654640000	0.000000000	0.000000000	0.000000000	0.000000000	0.000000000	0.006446088	0.648193912