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

**Part I  Reporting Issuer**

1  Issuer's name  
PowerShares CEF Income Composite Portfolio

2  Issuer's employer identification number (EIN)  
90-0525572

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)  
See Attachment

12  Ticker symbol

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 2013.

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 2013. The non-taxable return of capital represents the amount of distributions paid during the taxable period ended October 31, 2013 in excess of the Fund's current and accumulated earnings and profits under IRC Section 316.
PowerShares CEF Income Composite Portfolio

EIN: 90-0529572

Form 8937 (Rev. 12-2011)

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 2013.

Signature ▶ S/STEVEN M. HILL

Date ▶ 2/14/14

Title ▶ TREASURER

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

Paid Preparer Use Only

Check □ if self-employed

Firm’s name ▶

Firm’s address ▶

Firm’s EIN ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054
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