Form **8937**(December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

| Part I Reporting Issuer | | | | |
|--|--|--|--|--|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | | |
| PowerShares KBW Capital Markets Portfolio | | 45-3552674 | | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | | |
| | | | | |
| PowerShares Client Services | 800-983-0903 | info@powershares.com | | |
| 6 Number and street (or P.O. box if mail is not | 7 City, town, or post office, state, and Zip code of contact | | | |
| | | | | |
| 3500 Lacey Road, Suite 700 | | Downers Grove, IL 60515 | | |
| 8 Date of action | 9 Classification and description | | | |
| | | | | |
| See Attachment | Full Fund Liquidation | 12 Account number(a) | | |
| 10 CUSIP number 11 Serial number | (s) 12 Ticker symbol | 13 Account number(s) | | |
| Con Attachment | Sac Attachment | | | |
| See Attachment Part II Organizational Action Attac | See Attachment | e back of form for additional questions. | | |
| | | against which shareholders' ownership is measured for | | |
| | | | | |
| | | 016, wherein all of the shares of the Fund were | | |
| redeemed in exchange for liquidating distribu | ition(s) pursuant to a plan of liquidation a | and termination. | | |
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| 15 Describe the quantitative effect of the erg | enizational action on the basis of the securit | y in the hands of a U.S. taxpayer as an adjustment per | | |
| | | | | |
| | | zational action, each shareholder generally will | | |
| | | der's gain or loss will generally be measured as the | | |
| difference between gross proceeds received | in the liquidating distributions and the ta | x basis in these shares. After the transaction and the | | |
| recognition event, the shareholder will no lon | ger own any shares or have any tax basis | s in the shares. Gain or loss realized on shares may be | | |
| | | he specific circumstances surrounding their shares | | |
| subject to this organizational action. | - | | | |
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| | | tion, such as the market values of securities and the | | |
| valuation dates ► Amounts received by a | shareholder in a distribution in complet | e liquidation of the Fund is treated as full payment in | | |
| exchange for the stock. This sale or exchange | e treatment results in the offsetting of a | shareholder's basis against the liquidation distribution | | |
| | | e shareholder will no longer own any shares or have | | |
| any tax basis in the redeemed shares. | | • | | |
| arry tax basis in the redomined straines. | | | | |
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Form 8937 (Rev. 12-2011)

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| Part II | C | Organizational Action (continued) | | |
|---------------|-----------------|--|---|--|
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| 7 List | t the a | applicable Internal Revenue Code section(s) and subsection(s) upon | which the tax treatment is based | |
| R.C. Se | ction | 334(a), General Rule - If property is received in a distribution in | complete liquidation, and if gain | or loss is recognized |
| | | such property, then the basis of the property in the hands of the | distributee shall be the fall man | tet value of Such property at |
| ne time | or the | e distribution. | | |
| R.C. Se | ction | 346(a) Complete Liquidation - For purposes of this subchapter, | a distribution shall be treated as | in complete liquidation of |
| corpor | ation | if the distribution is one of a series of distributions in redemption | on of all of the stock of the corpo | ration pursuant to a plan. |
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| 1 8 Ca | n anv | resulting loss be recognized? ► A recognized loss can occur on | the shares redeemed in the liqui | dation. Some recognized |
| osses m | nav no | ot be part of taxable transactions. Please consult your tax advis | or to determine the tax conseque | ences of the shares |
| | | your account. | | |
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| | | any other information necessary to implement the adjustment, such | as the reportable tax year ▶ | |
| This org | aniza | tional action is reportable with respect to calender year 2016. | | |
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| | | | | and to the best of multimoulodge, or |
| | Under belief | r penalties of perjury, I declare that I have examined this return, including ac ; it is true, correct, and complete. Declaration of preparer (other than officer) is | companying schedules and statements, based on all information of which prepa | and to the best of my knowledge an arer has any knowledge. |
| Sign | 50.101 | , | | |
| Here | 0' | /S/ Stoven M. Hill | Date ► O | 4/21/2016 |
| | Signa | ature▶ /S/ Steven M. Hill | Date | |
| | Drint : | your name ► A signed copy is maintained by the issuer. | Title ► T | reasurer |
| | , init | Print/Type preparer's name Preparer's signature | Date | Check if PTIN |
| Paid | | | | self-employed |
| Prepa | | Firm's name | | Firm's EIN ▶ |
| Use O | illy | Firm's address ▶ | | Phone no. |
| Send Fo | rm 89 | 937 (including accompanying statements) to: Department of the Trea | sury, Internal Revenue Service, Og | den, UT 84201-0054 |

EIN: 45-3552674

| | | Payable <u>Date</u> | Per Share | | | | |
|-----------|------------------|------------------------|---------------------------|----------------------------|-------------------------|----------------------|--|
| CUSIP | Ticker Symbol | | Distribution Per Share | Income <u>Dividends</u> | Capital <u>Gains</u> | Return of capital | Cash Liquidation <u>Distribution</u> |
| 73937B738 | KBWC | 3/28/2016 | 49.59083 | 0.24000 | 0.00000 | 0.00000 | 49.35083 |
| Total | | | 49.59083 | 0.24000 | 0.00000 | 0.00000 | 49.35083 |