

## POWERSHARES FTSE RAFI EMERGING MARKETS FUND

### SIMPLIFIED PROSPECTUS

20 December 2010

This Simplified Prospectus contains key information in relation to PowerShares FTSE RAFI Emerging Markets Fund (the “RAFI Emerging Markets Fund”), a sub-fund of PowerShares Global Funds Ireland plc (the “Company”) which is an open-ended umbrella investment company with variable capital having segregated liability between its Funds. The Company was incorporated in Ireland on 5 February 2002 and authorised by the Central Bank of Ireland (the “Central Bank”) on 13 September 2002. On 13 February 2004 the Company was authorised by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended. The Company has nineteen funds, each of which has one Share class. Other funds and classes may be established from time to time.

Potential investors are advised to read the Prospectus and any Supplements or addenda thereto (the “Prospectus”) dated 20 December before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus. Capitalised expressions used and/or defined in this Simplified Prospectus shall bear the meanings as set out in the Prospectus.

The base currency of the RAFI Emerging Markets Fund is US Dollars and there is currently one Share class available to investors – the US Dollar Share class.

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<b>Investment Objective:</b>	To provide investors with investment results which, before expenses, correspond to the price and yield performance of the FTSE RAFI Emerging Markets Index in US Dollar terms.
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<b>Investment Policy:</b>	To achieve this investment objective, the RAFI Emerging Markets Fund will gain exposure to the Index primarily through the use of FDIs, principally total return swaps. The Investment Manager will seek to replicate the Index constituents and <b>may therefore have exposure to or invest up to 20% of the Net Asset Value of the RAFI Emerging Markets Fund in shares issued by the same body, which limit may be raised to 35% for a single issuer in exceptional market circumstances.</b>
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The RAFI Emerging Markets Fund’s use of FDIs (in pursuit of the investment objective) may result in the RAFI Emerging Markets Fund having a substantial portion of its Net Asset Value in cash assets. The Investment Manager will therefore seek to employ an effective cash management policy to seek to maximise the value of such holdings to the RAFI Emerging Markets Fund. In pursuit of the cash management policy, the RAFI Emerging Markets Fund may invest in a variety of money market funds and money market instruments (such as commercial paper, certificates of deposit, treasury bills, treasury notes (fixed and floating rates) government guaranteed bonds, asset-backed securities, mortgage-backed securities, publically traded corporate bonds and floating rate notes), in short/medium/long term deposits and in FDIs including, but not limited to swaps, options and futures, repurchase and/or reverse purchase agreements.

The Investment Manager may, in its discretion, pool all or specified portions of the cash assets of the RAFI Emerging Markets Fund with cash assets of other Funds of the Company in the manner set out under the heading “Common Investment Pools” in the Prospectus.

Where it is not possible to gain exposure to the Index through the use of FDIs such as total return swaps or if the Investment Manager otherwise believes it to be in the best interests of the RAFI Emerging Markets Fund, the Investment Manager may seek to gain the Index exposure by directly holding the constituents of the Index. Where such direct holding is proposed, the Investment Manager’s intention would be to hold a portfolio of securities that, as far as possible and practicable, consists of the component securities of the Index in their respective weightings. However, there are a number of circumstances where this may be prohibited by regulation, or may not otherwise be in the interests of Shareholders. These include, but are not limited to, the following:

- (i) the RAFI Emerging Markets Fund is subject to the Regulations which include, *inter alia*, certain restrictions on the proportion of the RAFI Emerging Markets Fund's value which may be held in individual securities. Depending on the concentration of the Index, this Fund may hold financial derivative instruments ("FDIs") (as outlined below) within the limits set out in the Prospectus, provided that the FDIs are securities which are correlated to, or the return on which is based on securities which form part of the Index;
- (ii) the constituent securities of the Index change from time to time. The Investment Manager may adopt a variety of strategies when trading the RAFI Emerging Markets Fund to bring it in line with the changed benchmark. For example where a security which forms part of the Index is not available or a market for such security does not exist, the RAFI Emerging Markets Fund may instead hold depository receipts relating to such securities (eg ADRs and GDRs);
- (iii) from time to time, securities in the Index may be subject to corporate actions. The Investment Manager has discretion to manage these events in the most efficient manner;
- (iv) the RAFI Emerging Markets Fund may hold ancillary liquid assets and will normally have dividends receivable. The Investment Manager may purchase FDIs, for direct investment purposes, to produce a return similar to the return on the Index;
- (v) securities held by the RAFI Emerging Markets Fund and included in the Index may, from time to time, become illiquid or otherwise unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;
- (vi) the Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring the Fund perfectly in line with the Index at all times; or
- (vii) the RAFI Emerging Markets Fund may sell stocks that are represented in the Index in anticipation of their removal from the Index, or purchase stocks not represented in the Index in anticipation of their addition to the Index.

The Investment Manager may also combine direct investing in securities with other available investment techniques, in seeking to replicate the Index. These may include FDIs including, but not limited to, swaps, swaptions and options to hedge or to achieve exposure to a particular market instead of investing directly. FDIs may be used for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Schedule II to the Prospectus. FDIs will be used subject to the conditions of, and within the limits laid down by the Central Bank and will only be used in conjunction with a risk management process ("RMP") that has been cleared in advance by the Central Bank which enables a Fund to measure, monitor and manage the risks associated with FDIs. The RAFI Emerging Markets Fund may also utilise new techniques and instruments as developed from time to time which may be suitable for use provided that they are in accordance with the requirements of the Central Bank and used in conjunction with an RMP that has been cleared by the Central Bank. In addition to the foregoing, transactions in FDIs may be used for such other reasons as the Directors deem of benefit to this Fund.

Leverage generated in the RAFI Emerging Markets Fund through the use of FDIs will not exceed 100% of its NAV and is in accordance with the Regulations.

In addition to the pooling for cash management purposes outlined above, the RAFI Emerging Markets Fund may, in order to gain exposure to the components of the Index or for cash management purposes, invest in ancillary liquid assets such as those set out above.

**Risk Profile:** **The value of shares may fall as well as rise and investors may not receive back the amount invested.**

In addition to the general risk considerations outlined in the Risk Factors section of the Prospectus, investors in this Fund should consider the following specific risk factors:

The investments of the Fund will be subject to market fluctuations as the value of the equities in which the Fund may invest may rise or fall.

Even though the Shares of this Fund are to be listed on one or more stock exchanges, there can be no certainty that there will be liquidity in the Shares on any stock exchange or that the market price at which the Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share.

Whilst this Fund will seek to track an Index, there can be no guarantee of this.

Derivative instruments involve various types and degrees of risk, depending upon the characteristics of the particular instrument and the assets of the Fund as a whole. Use of these instruments may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large impact on the Fund's performance. Investors are specifically referred to Appendix II of the Full Prospectus in this regard.

The market price of Shares of this Fund will fluctuate in accordance with changes in its Net Asset Value and supply and demand on the relevant exchange. It is expected that Shares in this Fund will

trade closely to their Net Asset Value however supply and demand on the relevant exchange together with any disruptions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value.

The RAFI Emerging Markets Fund will invest in emerging markets. Investments in the securities of issuers in emerging market countries involve certain risks and special considerations not typically associated with investing in the securities of issuers in other more established economies or developed countries. Such risks may include:

- (a) the risk of nationalisation or ex-appropriation of assets or confiscatory taxation;
- (b) social, economic and political instability or uncertainty including war;
- (c) price fluctuations, less liquidity and smaller capitalisation of securities market;
- (d) currency exchange rate fluctuations;
- (e) high rates of inflation;
- (f) controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US Dollars;
- (g) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers;
- (h) less extensive regulation of the securities markets;
- (i) longer settlement periods for securities transactions;
- (j) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and
- (k) as the RAFI Emerging Markets Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the RAFI Emerging Markets Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, maybe exposed to risk in circumstances whereby the Custodian will have no liability.

The laws relating to securities investment and regulation have been created on an ad-hoc basis and do not tend to keep pace with market developments, leading to ambiguities in interpretation and inconsistent and arbitrary application of such regulations. Monitoring and enforcement of applicable regulations is rudimentary.

Equity securities in Russia are dematerialised and the only legal evidence of ownership is entry of

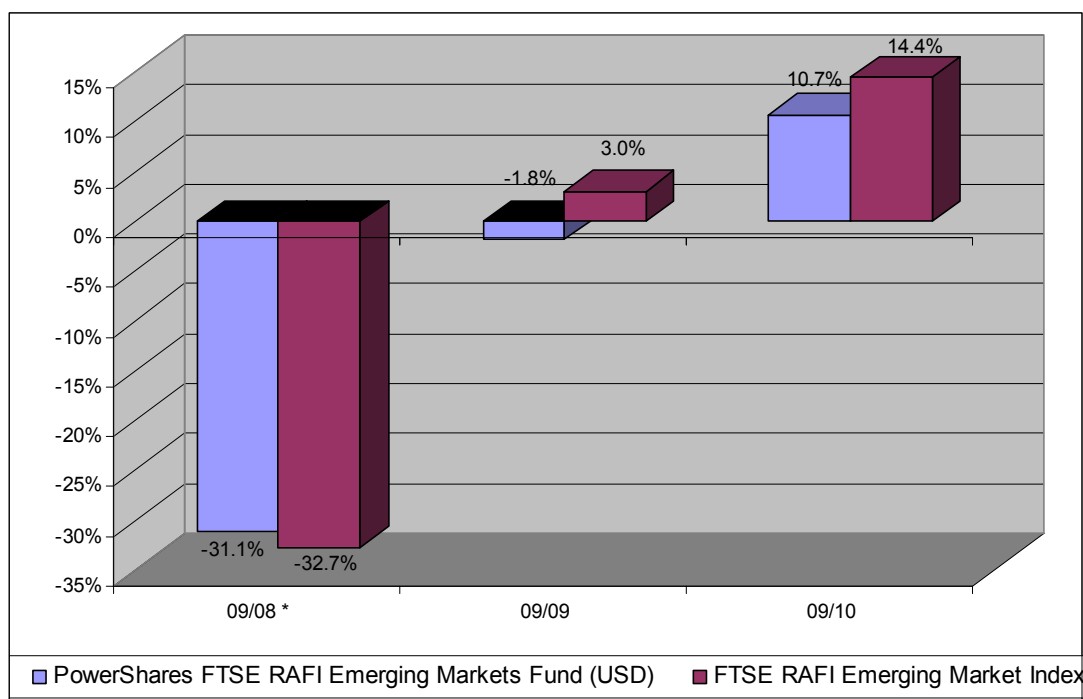
the shareholder's name on the share register of the issuer. The concept of fiduciary duty is not well established and so shareholders may suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Rules regulating corporate governance either do not exist or are undeveloped and offer little protection to minority shareholders.

## Performance Data

### RAFI Emerging Markets Fund performance compared to the Index Performance

To fiscal year end 30 September 2010



\* Reflective of RAFI Emerging Markets Fund's performance from first date of trading on 12 November 2007 to 30 September 2008.

These figures have not been annualised.

***Investors should note that between authorisation of the Fund on 16 August 2007 and 31 January 2010, the FTSE RAFI Emerging Market Fund tracked a different benchmark index, namely the QSG Europe Index.***

***Investors should also note that past performance is not necessarily an indicator to future performance.***

## Profile of the Typical Investor:

Suitable for medium to long-term investors seeking capital growth and income, through investment in equities which may rise or fall in value.

## Distribution Policy:

The Company ordinarily intends in respect of the US Dollar Share class in this Fund, to declare and pay dividends attributable to its US Dollar Share class in respect of each financial quarter in which the total income of the Fund exceeds fees and expenses by more than a de minimis amount determined by the Directors from time to time. Dividends will ordinarily be declared in March, June, September and December and paid (if payable) on the last business day of the following month. Dividends will be paid into the account of the Shareholder as notified to the Administrator.

**Fees and Expenses:****Shareholder Expenses**

	Subscription Fee	Redemption Fee	Switching Fee
<b>Cash</b>	3%*	3%*	3%*

\* Subject to the discretion of the Manager to waive such fee.

**All-In-Fee**

The Manager will be entitled to a maximum fee of 0.65% per annum of the Net Asset Value of this Fund from which it will discharge fees of the Investment Manager, the Administrator, the Transfer Agent and the Custodian, their reasonable out of pocket expenses and other costs attributable to this Fund as detailed under the heading “Operational Expenses” in the Prospectus.

**Total Expense Ratio**

The total expense ratio for the financial year ended 30 September 2010 was 0.81%.

Prior to 1 February 2010 the Fund tracked the QSG Europe Index. As of 1 February 2010, the Fund tracks the FTSE RAFI Emerging Markets Index

**Portfolio Turnover Ratio**

The portfolio turnover rate for the financial year ended 30 September 2010 was 303.7%.

Prior to 1 February 2010 the Fund tracked the QSG Europe Index. As of 1 February 2010, the Fund tracks the FTSE RAFI Emerging Markets Index.

Details in relation to the total expense ratio and the portfolio turnover rate for the years ended 30 September 2008 and 30 September 2009 are available from the Administrator.

**Taxation:**

The Company is resident in Ireland for tax purposes and is not subject to Irish taxation charges on income or capital gains. No Irish stamp duty is payable on the issue, redemption or transfer of shares in the Company.

**Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Company.**

**Publication of Share Price:**

The latest available Net Asset Value per Share is published daily (on the Business Day following the Valuation Point for the relevant Dealing Day) on [www.invescopowershares.net](http://www.invescopowershares.net).

This Website will also contain the Portfolio Composition File of this Fund (which will be published at 7.00 a.m. GMT on each Dealing Day) and any other information in respect of the Company, including various shareholder communications as may be published from time to time.

**How to Buy/Sell Shares:**

Instructions to buy, sell and switch Shares should be addressed to the Administrator at BNY Mellon Fund Services (Ireland) Limited, Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland (phone: + 353 1 642 8666, facsimile: + 353 1 642 8057, email: [bnym.dublin.etfdealing@bnymellon.com](mailto:bnym.dublin.etfdealing@bnymellon.com) on weekdays on which commercial banks are open for business in Dublin and New York (a “Dealing Day”). Applications to buy, sell and switch Shares must be received by the Administrator no later than 4.00 p.m. (Irish time) on the relevant Dealing Day.

	Minimum Initial Subscription	Minimum Redemption
<b>Cash</b>	100,000 Shares	No Minimum

<b>Additional Important Information</b>	<b>Promoter:</b>	Invesco PowerShares Capital Management LLC
	<b>Manager:</b>	Invesco PowerShares Capital Management Ireland Limited
	<b>Investment Manager:</b>	Invesco PowerShares Capital Management LLC
	<b>Custodian:</b>	BNY Mellon Trust Company (Ireland) Limited
	<b>Administrator:</b>	BNY Mellon Fund Services (Ireland) Limited
	<b>Auditors:</b>	PricewaterhouseCoopers
	<b>Competent Authority:</b>	Central Bank of Ireland Block D Iveagh Court Harcourt Road Dublin 2

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Copies of the Prospectus, the latest annual and half-yearly reports may be obtained free of charge from the BNY Mellon IRL Transfer Agency Department, BNY Mellon Fund Services (Ireland) Limited, Guild House, Guild Street, International Financial Services Centre, Dublin 1, Ireland (phone: + 353 1 642 8666, facsimile: + 353 1 642 8057, email: [bnym.dublin.etfdealing@bnymellon.com](mailto:bnym.dublin.etfdealing@bnymellon.com))

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