

# FTSE RAFI US 1000 INDUSTRY INDEXES

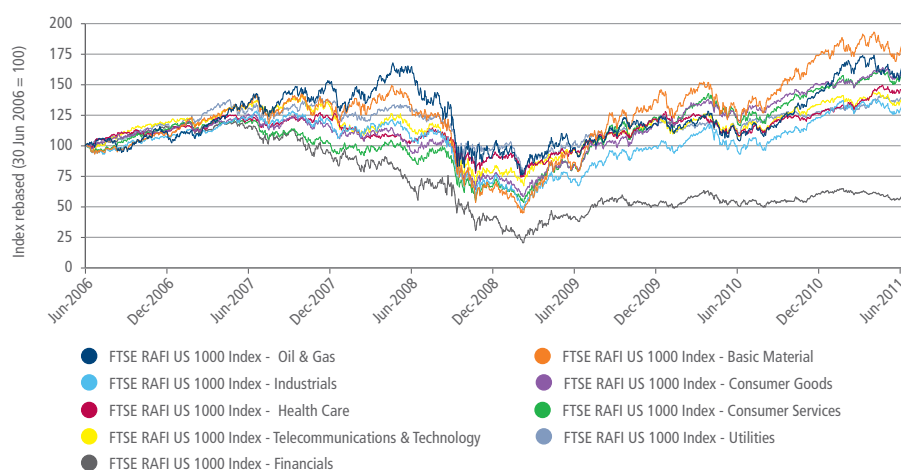
The FTSE RAFI US 1000 Industry Indexes is part of the FTSE RAFI Index Series, launched in association with Research Affiliates. As part of FTSE Group's range of non-market cap weighted indexes, the FTSE RAFI Index Series weights index constituents using four fundamental factors, rather than market capitalization. These factors include total cash dividends, free cash flow, total sales and book equity value.

By using fundamental factors rather than prices to weight stocks, reviews of the FTSE RAFI Indexes take advantage of price movements by reducing the index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind.

## FEATURES

- The indexes are derived from stocks in the FTSE RAFI US 1000 Index in accordance with Industry Classification Benchmark (ICB) industry sectors. The indexes are calculated in accordance with the Industry Classification Benchmark, the global standard for industry sector analysis
- The FTSE RAFI US 1000 Industry Indexes include:
  - o FTSE RAFI US 1000 Index – Oil & Gas
  - o FTSE RAFI US 1000 Index – Basic Materials
  - o FTSE RAFI US 1000 Index – Industrials
  - o FTSE RAFI US 1000 Index – Consumer Goods
  - o FTSE RAFI US 1000 Index – Health Care
  - o FTSE RAFI US 1000 Index – Consumer Services
  - o FTSE RAFI US 1000 Index – Utilities
  - o FTSE RAFI US 1000 Index – Financials
  - o FTSE RAFI US 1000 Index – Telecommunications & Technology
- Each Index is capped quarterly so no one stock is greater than 20% of the index and no stocks over 5% added together consist of more than 50% of the index
- The indexes offer the advantages of an active management strategy with the highlights of passive investment: lower turnover costs and transparent rules-based selection, whilst retaining high investment capacity
- Stocks are free-float weighted and liquidity screened to ensure that only the investable opportunity set is included within the indexes that the indexes are tradable
- The indexes are designed for trading of derivatives, index-tracking funds, exchange traded funds and performance benchmarks

## FTSE RAFI US 1000 INDUSTRY INDEXES 5-YEAR PERFORMANCE (USD TOTAL RETURN)



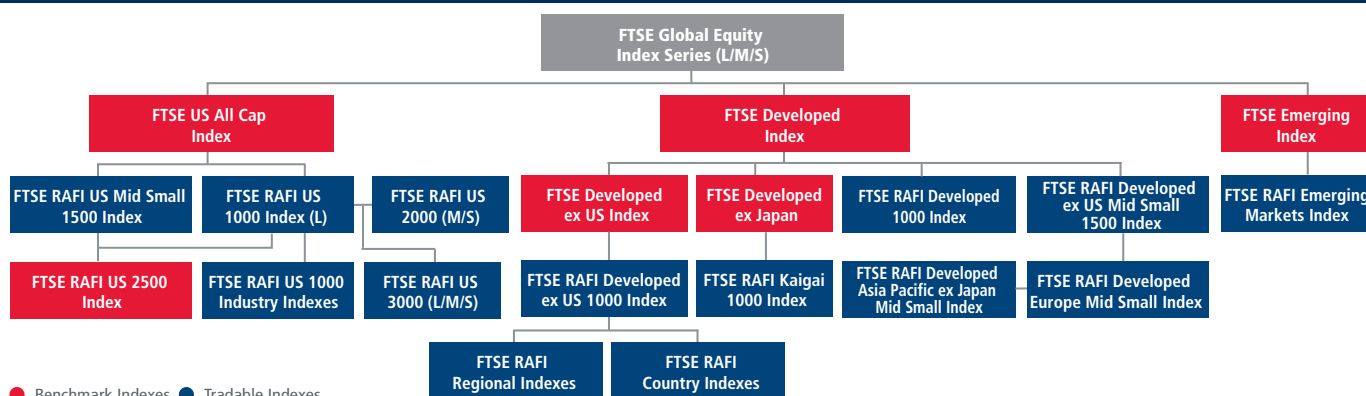
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 INDUSTRY INDEXES PERFORMANCE AND VOLATILITY TABLE (USD TOTAL RETURN)

	PERFORMANCE								VOLATILITY		
	3M (%)	6M (%)	YTD (%)	12M (%)	3YR (%)	5YR (%)	3YR (%pa)	5YR (%pa)	1YR Vol (%pa)*	3YR Vol (%pa)**	5YR Vol (%pa)***
FTSE RAFI US 1000 Index - Oil & Gas	-4.9	13.1	13.1	55.7	0.0	63.8	0.0	10.4	19.3	32.8	23.9
FTSE RAFI US 1000 Index - Basic Material	-2.8	4.1	4.1	50.6	36.0	81.9	10.8	12.7	21.2	38.1	32.4
FTSE RAFI US 1000 Index - Industrials	-1.6	7.8	7.8	39.4	24.5	32.5	7.6	5.8	17.2	30.8	25.6
FTSE RAFI US 1000 Index - Consumer Goods	3.4	6.6	6.6	32.5	67.7	59.8	18.8	9.8	11.7	26.4	22.3
FTSE RAFI US 1000 Index - Health Care	7.3	16.2	16.2	33.9	41.8	46.3	12.3	7.9	12.5	18.8	16.5
FTSE RAFI US 1000 Index - Consumer Services	2.9	7.5	7.5	34.3	74.9	57.7	20.5	9.5	14.5	29.2	23.8
FTSE RAFI US 1000 Index - Telecommunications & Technology	-0.1	3.7	3.7	28.6	21.4	38.8	6.7	6.8	13.3	23.8	20.2
FTSE RAFI US 1000 Index - Utilities	5.7	9.7	9.7	26.0	7.1	39.7	2.3	6.9	11.1	20.3	15.1
FTSE RAFI US 1000 Index - Financials	-6.1	-4.4	-4.4	13.0	-11.2	-42.0	-3.9	-10.3	19.4	48.4	33.5

\* Based on daily annualised total returns using 252 trading days in a year  
 \*\* Based on weekly annualised total returns using 52 weeks (Wednesday to Wednesday)  
 \*\*\* Based on monthly annualised total returns  
 SOURCE: FTSE Group, data as at 30 June 2011

## FAMILY TREE



● Benchmark Indexes ● Tradable Indexes

## FTSE RAFI US 1000 TELECOMMUNICATIONS & TECHNOLOGY INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	AT&T	6,775.78	17.38
2	Verizon Communications	3,945.05	10.12
3	Microsoft Corp	2,976.91	7.64
4	International Bus Machns.	2,651.36	6.80
5	Intel Corp	2,286.65	5.86
6	Hewlett-Packard	1,722.43	4.42
7	Apple Inc.	1,547.20	3.97
8	Cisco Systems	1,327.35	3.40
9	Sprint Nextel	1,101.43	2.82
10	Oracle Corp.	956.85	2.45

SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 INDUSTRIALS INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	General Electric	5,607.99	15.87
2	United Technologies	1,394.26	3.94
3	Boeing	1,085.73	3.07
4	3M Company	1,041.86	2.95
5	Caterpillar	971.78	2.75
6	United Parcel Service	845.48	2.39
7	Lockheed Martin Corp	803.41	2.27
8	Honeywell International Incorporation	800.65	2.27
9	Northrop Grumman Corp	668.97	1.89
10	Fedex Corporation	666.82	1.89

SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 CONSUMER GOODS INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Procter & Gamble	3,272.08	11.91
2	Altria Group	1,975.19	7.19
3	Coca-Cola	1,831.65	6.67
4	Pepsico	1,616.98	5.89
5	Kraft Foods A	1,400.03	5.10
6	Ford Motor	1,341.99	4.89
7	Philip Morris International	1,272.78	4.63
8	Archer Daniels Midland	633.95	2.31
9	Kimberly-Clark	600.59	2.19
10	Colgate-Palmolive	563.27	2.05

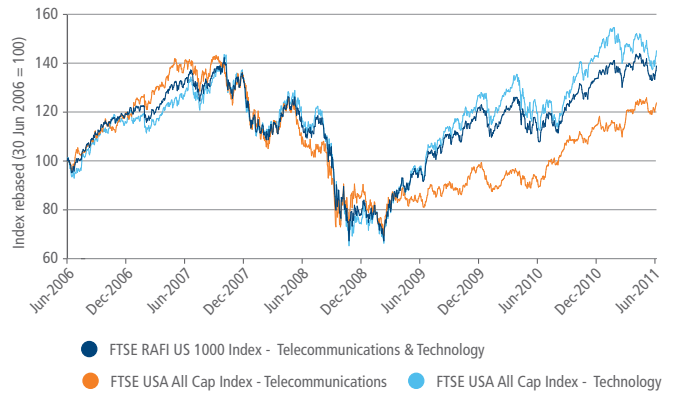
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 OIL & GAS INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Exxon Mobil Corporation	4,698.12	19.59
2	Chevron	3,548.38	14.80
3	ConocoPhillips	2,384.31	9.94
4	Marathon Oil Corp	1,187.58	4.95
5	Valero Energy	968.03	4.04
6	Schlumberger	963.80	4.02
7	Occidental Petroleum	928.89	3.87
8	Hess Corp.	594.61	2.48
9	Halliburton	528.62	2.20
10	Anadarko Petroleum	518.42	2.16

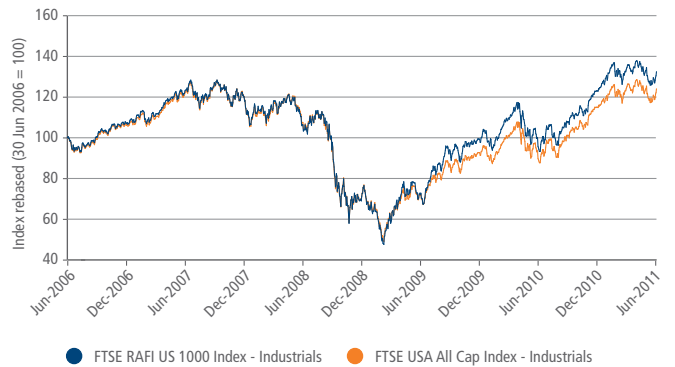
SOURCE: FTSE Group, data as at 30 June 2011

## TELECOMS



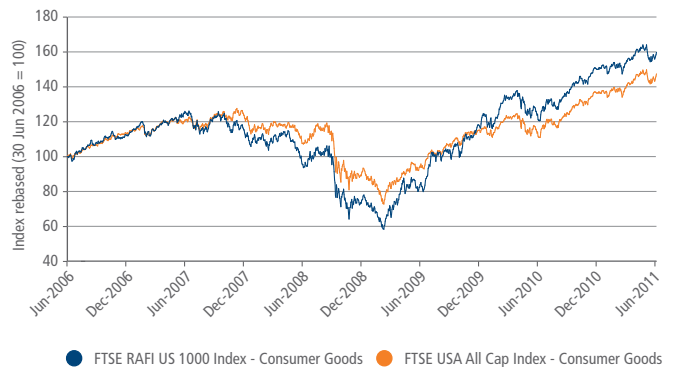
SOURCE: FTSE Group, data as at 30 June 2011

## INDUSTRIALS



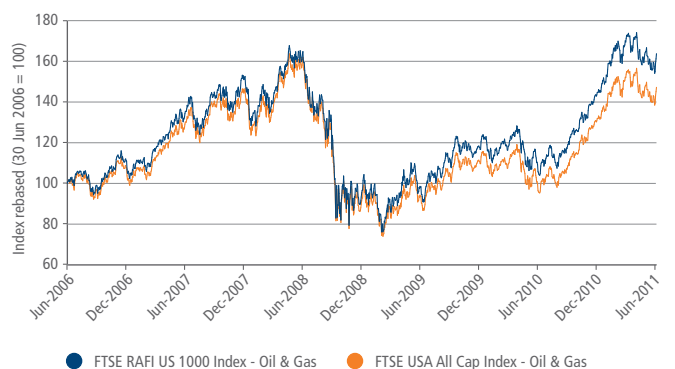
SOURCE: FTSE Group, data as at 30 June 2011

## CONSUMER GOODS



SOURCE: FTSE Group, data as at 30 June 2011

## OIL & GAS



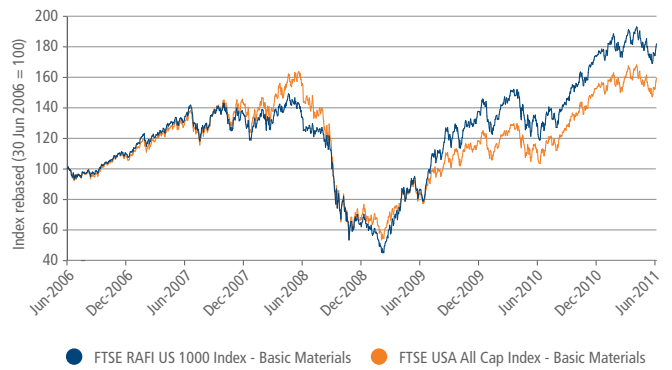
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 BASIC MATERIALS INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Dow Chemical	1,118.32	12.20
2	Du Pont De Nemours	845.22	9.22
3	Alcoa	553.54	6.04
4	Freeport-McMoRan Copper & Gold	527.11	5.75
5	International Paper	506.59	5.53
6	Praxair	407.41	4.44
7	Nucor Corp	388.28	4.24
8	Newmont Mining	344.29	3.76
9	Air Products And Chemcom	330.88	3.61
10	LyondellBasell Industries Cl A	305.85	3.34

SOURCE: FTSE Group, data as at 30 June 2011

## BASIC MATERIALS



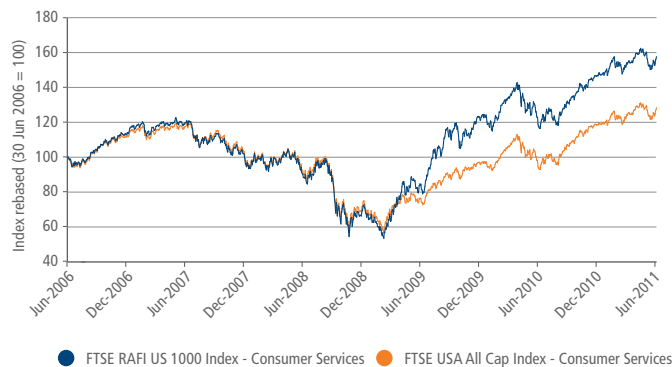
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 CONSUMER SERVICES INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Wal-Mart Stores	4,268.39	11.11
2	Home Depot	1,471.16	3.83
3	CVS Caremark	1,359.77	3.54
4	Time Warner	1,299.94	3.38
5	McDonald'S Corp	1,165.39	3.03
6	Disney (Walt) Company	1,069.55	2.78
7	McKesson	948.91	2.47
8	Comcast A	936.43	2.44
9	Cardinal Health	920.66	2.40
10	Target Corp	898.36	2.34

SOURCE: FTSE Group, data as at 30 June 2011

## CONSUMER SERVICES



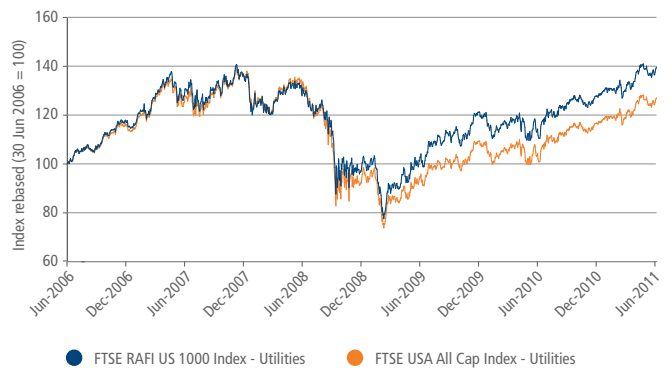
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 UTILITIES INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Exelon Corporation	905.05	5.47
2	Duke Energy Corp	901.88	5.45
3	Southern Co	883.28	5.34
4	Dominion Resources	731.93	4.43
5	NextEra Energy Inc	685.08	4.14
6	Firstenergy Corp.	626.29	3.79
7	American Elec Power Com	616.61	3.73
8	Cons Edison Holding	508.93	3.08
9	Public Svc Enterprise Group	504.68	3.05
10	Progress Energy	484.89	2.93

SOURCE: FTSE Group, data as at 30 June 2011

## UTILITIES



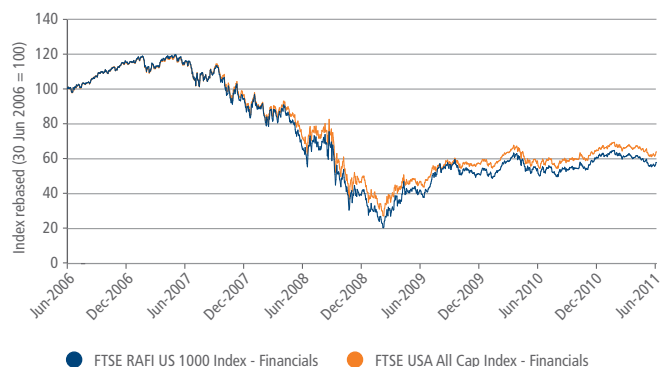
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 FINANCIALS INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Bank of America	5,100.66	9.26
2	JPMorgan Chase & Co	4,501.00	8.17
3	Citigroup	4,448.44	8.08
4	Wells Fargo & Company	3,278.31	5.95
5	Goldman Sachs Group	1,555.60	2.82
6	Berkshire Hathaway -CL A	1,518.42	2.76
7	Berkshire Hathaway B	1,464.71	2.66
8	American Express Com	1,190.81	2.16
9	US Bancorp	1,170.71	2.13
10	Morgan Stanley	1,063.87	1.93

SOURCE: FTSE Group, data as at 30 June 2011

## FINANCIALS



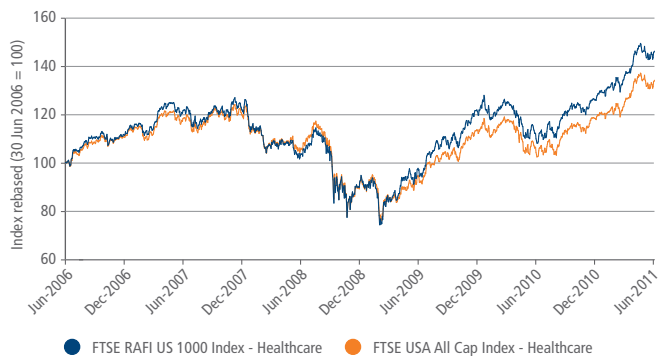
SOURCE: FTSE Group, data as at 30 June 2011

## FTSE RAFI US 1000 HEALTH CARE INDEX TOP 10 STOCKS BY WEIGHT

Rank	Constituent name	RAFI Net Mkt Cap USDm	Wt (%)
1	Pfizer	4,513.01	16.74
2	Johnson & Johnson	3,277.18	12.16
3	Merck & Co	2,300.16	8.53
4	Unitedhealth Group	1,367.92	5.08
5	Bristol Myers Squibb	1,115.43	4.14
6	Wellpoint	1,095.14	4.06
7	Abbott Laboratories	1,079.24	4.00
8	Lilly (Eli) & Co	1,065.64	3.95
9	Amgen Corp	975.36	3.62
10	Medtronic	632.84	2.35

SOURCE: FTSE Group, data as at 30 June 2011

## HEALTH CARE



SOURCE: FTSE Group, data as at 30 June 2011

## ICB SECTOR WEIGHTINGS

ICB Sector	Stocks	Mkt Cap (USD) after RAFI Factor	Wt (%)
<b>FTSE RAFI US 1000 INDEX - OIL &amp; GAS</b>	<b>70</b>	<b>23,979.11</b>	<b>100.00</b>
Alternative Energy	1	43.19	0.18
Oil & Gas Producers	39	19,054.74	79.46
Oil Equipment, Services & Distribution	30	4,881.17	20.36
<b>FTSE RAFI US 1000 INDEX - BASIC MATERIAL</b>	<b>49</b>	<b>9,168.09</b>	<b>100.00</b>
Chemicals	28	5,281.69	57.61
Forestry & Paper	2	658.17	7.18
Industrial Metals & Mining	14	2,445.60	26.68
Mining	5	782.63	8.54
<b>FTSE RAFI US 1000 INDEX - INDUSTRIALS</b>	<b>177</b>	<b>35,342.59</b>	<b>100.00</b>
Aerospace & Defense	19	6,524.94	18.46
Construction & Materials	22	2,234.74	6.32
Electronic & Electrical Equipment	29	3,527.03	9.98
General Industrials	21	9,847.85	27.86
Industrial Engineering	30	4,883.14	13.82
Industrial Transportation	25	4,375.80	12.38
Support Services	31	3,949.09	11.17
<b>FTSE RAFI US 1000 INDEX - CONSUMER GOODS</b>	<b>98</b>	<b>27,462.58</b>	<b>100.00</b>
Automobiles & Parts	17	3,918.31	14.27
Beverages	8	4,374.42	15.93
Food Producers	25	6,502.29	23.68
Household Goods & Home Construction	22	5,292.69	19.27
Leisure Goods	8	764.22	2.78
Personal Goods	13	2,471.65	9.00
Tobacco	5	4,139.00	15.07
<b>FTSE RAFI US 1000 INDEX - HEALTH CARE</b>	<b>73</b>	<b>26,953.41</b>	<b>100.00</b>
Health Care Equipment & Services	53	10,835.98	40.20
Pharmaceuticals & Biotechnology	20	16,117.43	59.80
<b>FTSE RAFI US 1000 INDEX - CONSUMER SERVICES</b>	<b>152</b>	<b>38,424.63</b>	<b>100.00</b>
Food & Drug Retailers	19	7,942.06	20.67
General Retailers	69	16,344.64	42.54
Media	28	8,437.17	21.96
Travel & Leisure	36	5,700.77	14.84
<b>FTSE RAFI US 1000 INDEX - TELECOMMUNICATIONS</b>	<b>102</b>	<b>38,988.97</b>	<b>100.00</b>
Fixed Line Telecommunications	10	12,109.10	31.06
Mobile Telecommunications	8	1,735.24	4.45
Software & Computer Services	29	10,108.18	25.93
Technology Hardware & Equipment	55	15,036.45	38.57
<b>FTSE RAFI US 1000 INDEX - UTILITIES</b>	<b>67</b>	<b>16,535.40</b>	<b>100.00</b>
Electricity	43	12,136.86	73.40
Gas, Water & Multiutilities	24	4,398.54	26.60
<b>FTSE RAFI US 1000 INDEX - FINANCIALS</b>	<b>209</b>	<b>55,080.74</b>	<b>100.00</b>
Banks	44	24,151.74	43.85
Financial Services	40	10,495.09	19.05
Life Insurance	15	3,509.96	6.37
Nonlife Insurance	47	10,917.81	19.82
Real Estate Investment & Services	2	130.58	0.24
Real Estate Investment Trusts	61	5,875.56	10.67
<b>FTSE RAFI US 1000 INDICES</b>	<b>997</b>	<b>271,935.53</b>	

SOURCE: FTSE Group, data as at 30 June 2011

## INFORMATION

### Index Universe

FTSE US All Cap

### Index Launch

28 November 2005

### Base Date

30 September 2005

### Base Value

5000

### Investability Screen

Free float adjusted and liquidity screened

### Index Calculation

Real-time (every 15 seconds) and end-of-day

### End-of-Day Distribution

Indices available at 23:30 GMT via FTP and email

### Currency

USD

### Review Dates

Annually in March

### Index Rules

Available at [www.ftse.com/rafi](http://www.ftse.com/rafi)

### Vendor Codes

Available at [www.ftse.com/rafi](http://www.ftse.com/rafi)

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