

FTSE RAFI INDEX SERIES

FTSE Group and Research Affiliates have joined forces to create the innovative FTSE RAFI Index Series. As part of FTSE Group’s new range of non-market cap weighted indices, index constituents are weighted using four fundamental factors, rather than market capitalization. These factors include total cash dividends, free cash flow, total sales and book equity value.

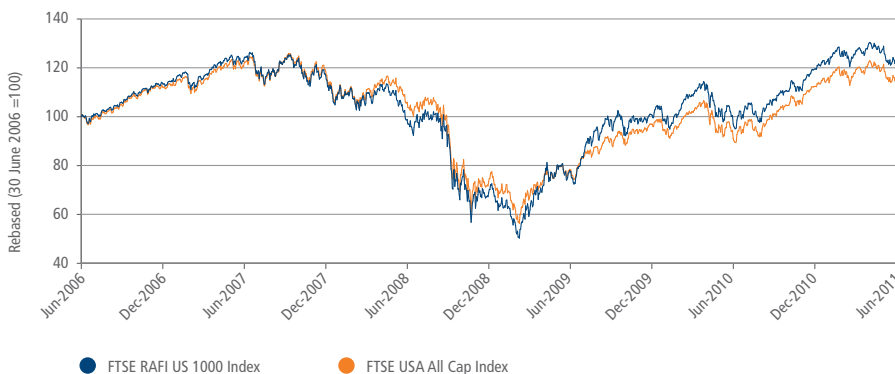
Headline Indices

- FTSE RAFI US 1000 Index – comprises the top 1000 US-listed companies with the largest fundamental value, selected from the constituents of the FTSE USA All Cap Index, part of the Global Equity Index Series (GEIS).
- FTSE RAFI Developed ex US 1000 Index – comprises the top 1000 non US-listed companies with the largest fundamental value, selected from the constituents of the FTSE Developed ex US Index.
- FTSE RAFI US Mid Small 1500 Index – comprises constituents of FTSE USA All Cap Index excluding the FTSE RAFI US 1000 Index.

FEATURES

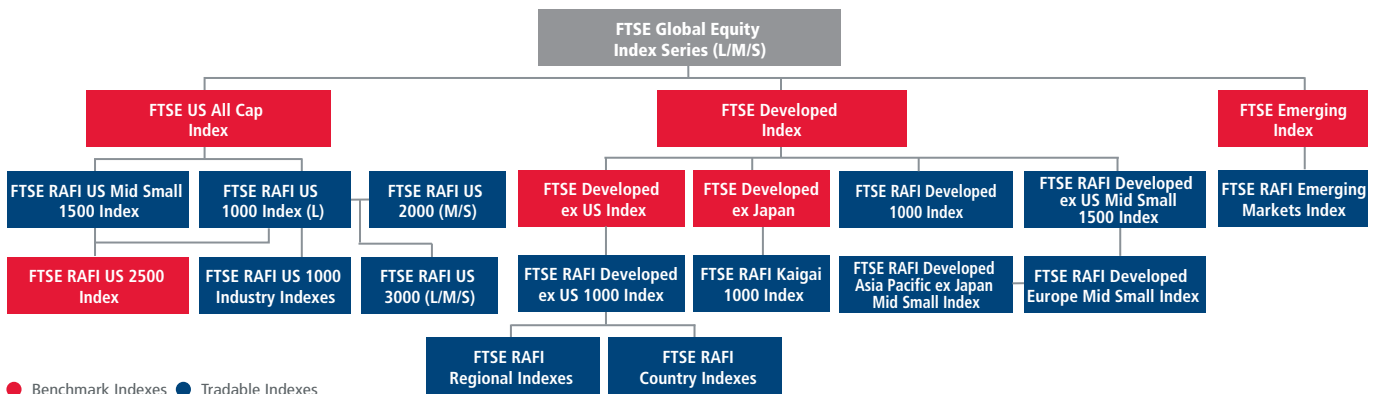
- FTSE RAFI Index-linked products can offer the advantages of an active management strategy with the highlights of passive investment: lower turnover costs and transparent rules-based selection, whilst retaining high investment capacity
- By using fundamental factors rather than prices to weight stocks, reviews of the FTSE RAFI Indices 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
- Fundamentals weighting does not increase exposure to high P/E stocks during episodes of unsustainable P/E expansion. It therefore avoids over-exposure to the more overvalued stocks
- The indices have been designed to support index-linked funds, ETFs and over-the-counter (OTC) products
- FTSE RAFI Index Series ETFs are listed on the following exchanges: Toronto Stock Exchange, New York Stock Exchange, NASDAQ Stock Exchange, American Stock Exchange, Swedish Stock Exchange

FTSE RAFI US 1000 INDEX 5 YEAR PERFORMANCE (USD TOTAL RETURN)

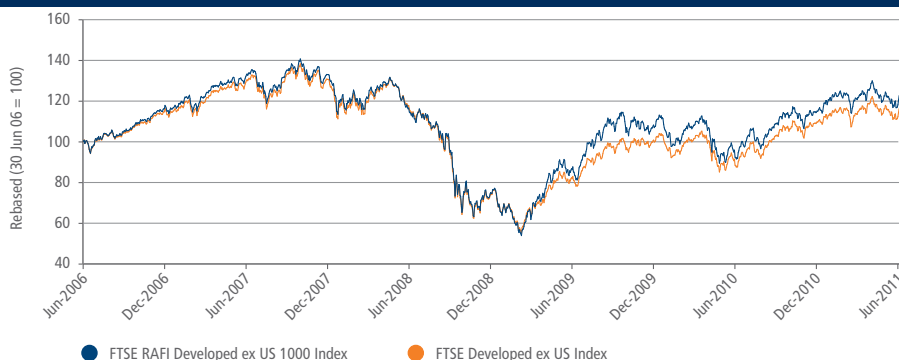


SOURCE: FTSE Group, data as at 30 June 2011

FAMILY TREE



FTSE RAFI DEVELOPED EX US 1000 INDEX 5 YEAR PERFORMANCE (USD TOTAL RETURN)



SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED EX US 1000 INDEX COUNTRY WEIGHTS

Country	FTSE RAFI Developed ex US 1000		FTSE Developed ex US		Difference (%)
	Index Weight (%)	No. Constituents	Index Weight (%)	No. of Constituents	
Australia	5.02	60	7.26	103	-2.24
Austria	0.47	8	0.34	9	0.13
Belgium	0.92	14	0.76	13	0.16
Canada	5.84	82	8.81	72	-2.97
Denmark	0.57	9	0.99	13	-0.41
Finland	1.10	18	0.80	14	0.30
France	11.80	74	9.45	78	2.35
Germany	9.17	48	7.53	49	1.64
Greece	0.37	8	0.18	8	0.19
Hong Kong	1.64	33	3.90	120	-2.26
Ireland	0.27	6	0.23	5	0.04
Israel	0.32	6	0.66	43	-0.34
Italy	4.86	41	2.65	39	2.21
Japan	15.56	243	16.22	450	-0.66
Korea	4.52	61	4.86	112	-0.34
Netherlands	4.14	29	2.34	23	1.80
New Zealand	0.12	2	0.13	11	-0.01
Norway	0.90	12	0.80	10	0.10
Portugal	0.32	6	0.28	10	0.04
Singapore	0.93	19	1.53	45	-0.61
Spain	4.43	25	3.26	30	1.17
Sweden	2.90	43	2.67	36	0.23
Switzerland	4.80	36	6.82	38	-2.02
UK	19.04	138	17.54	115	1.49
Total	100.00	1,021	100.00	1,446	

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED EX US 1000 INDEX SUPERSECTOR WEIGHTS

ICB Code	ICB Supersector	FTSE RAFI Developed ex US 1000		FTSE Developed ex US		Difference (%)
		Index Weight (%)	No. Constituents	Index Weight (%)	No. of Constituents	
0500	Oil & Gas	10.30	57	9.21	71	1.09
1300	Chemicals	3.16	47	4.19	65	-1.03
1700	Basic Resources	4.62	58	7.58	92	-2.96
2300	Construction & Materials	2.95	53	2.39	66	0.56
2700	Industrial Goods & Services	9.52	169	10.60	210	-1.08
3300	Automobiles & Parts	5.39	39	4.29	51	1.10
3500	Food & Beverage	3.41	41	5.24	65	-1.82
3700	Personal & Household Goods	3.56	46	5.09	76	-1.52
4500	Health Care	4.83	34	7.01	67	-2.18
5300	Retail	4.02	59	3.30	76	0.72
5500	Media	1.38	23	1.56	45	-0.19
5700	Travel & Leisure	1.87	47	1.86	67	0.01
6500	Telecommunications	7.33	37	4.92	43	2.41
7500	Utilities	5.75	51	4.30	61	1.45
8300	Banks	16.36	93	14.63	122	1.73
8500	Insurance	8.72	53	5.00	57	3.71
8600	Real Estate	1.91	41	2.97	85	-1.05
8700	Financial Services	1.85	40	1.79	64	0.07
9500	Technology	3.07	33	4.08	63	-1.02
Total		100.00	1,021	100.00	1,446	

Source: FTSE Group, data as at 30 June 2011

INFORMATION

Index Universe

FTSE USA All Cap Index, FTSE Developed ex US Index

Index Series Launch

28 November 2005

Base Date

30 September 2005

Base Value

5000

Investability Screens

Free float adjusted and liquidity screened

Index Calculation

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

End-of-Day Distribution

Indexes available at 21:10 GMT | FTSE RAFI Eurozone Index – 16:30 GMT via FTP and email

Currency

CAD, Euro, Sterling, USD, Yen and local (where specified)

Review Dates

Annually in March

Index Rules

Available at www.ftse.com/rafi

Vendor Codes

Available at www.ftse.com/Indices

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