

FTSE RAFI KAIGAI 1000 INDEX

The FTSE RAFI® Kaigai 1000 Index is part of the FTSE RAFI Index Series, launched in association with Research Affiliates, LLC. 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 capitalisation. These factors are dividends, cash flow, sales and book value.

The FTSE RAFI Kaigai 1000 Index comprises the 1000 non Japan-listed companies with the largest RAFI fundamental values, selected from the constituents of the FTSE Developed ex Japan All Cap Index.

FTSE RAFI KAIGAI 1000 INDEX 5 YEAR PERFORMANCE (YEN TOTAL RETURN)



SOURCE: FTSE Group, data as at 30 June, 2011

FTSE RAFI KAIGAI 1000 INDEX TOP 10 CONSTITUENTS

Rank	Security	Country	Supersector	FTSE RAFI Kaigai 1000 Index Weight (%)	FTSE Kaigai 1000 Index Weight (%)	Difference (%)
1	Exxon Mobil Corporation	USA	Oil & Gas	1.54	1.62	-0.08
2	AT&T	USA	Telecommunications	1.28	0.75	0.53
3	BP	UK	Oil & Gas	1.23	0.56	0.67
4	ING Group CVA	Netherlands	Insurance	1.19	0.19	1.00
5	General Electric	USA	Industrial Goods & Services	1.06	0.81	0.25
6	Chevron	USA	Oil & Gas	0.98	0.83	0.15
7	Bank of America	USA	Banks	0.97	0.45	0.52
8	Total	France	Oil & Gas	0.95	0.52	0.43
9	HSBC Hldgs	UK	Banks	0.95	0.71	0.23
10	Royal Dutch Shell A	UK	Oil & Gas	0.90	0.52	0.38
			Total	11.05	6.96	

SOURCE: FTSE Group, data as at 30 June, 2011

FTSE RAFI KAIGAI 1000 INDEX COUNTRY BREAKDOWN

Country	FTSE RAFI Kaigai 1000 Index		FTSE Kaigai 1000 Index		Difference (%)
	Weight (%)	No. of Constituents	Weight (%)	No. of Constituents	
Australia	3.11	43	4.16	103	-1.06
Austria	0.27	5	0.20	9	0.08
Belgium	0.57	10	0.44	13	0.13
Canada	3.49	55	5.05	72	-1.56
Denmark	0.34	6	0.57	13	-0.22
Finland	0.67	13	0.46	14	0.21
France	7.64	56	5.42	78	2.21
Germany	6.06	42	4.32	49	1.74
Greece	0.23	7	0.10	8	0.13
Hong Kong	0.93	21	2.24	120	-1.31
Ireland	0.12	2	0.13	5	-0.01
Israel	0.17	3	0.38	43	-0.21
Italy	3.13	31	1.52	39	1.61
Korea	2.57	34	2.79	112	-0.22
Netherlands	2.65	20	1.34	23	1.30
New Zealand	0.08	2	0.07	11	0.01
Norway	0.57	9	0.46	10	0.11
Portugal	0.17	3	0.16	10	0.01
Singapore	0.51	11	0.88	45	-0.37
Spain	2.85	18	1.87	30	0.99
Sweden	1.74	29	1.53	36	0.21
Switzerland	3.02	22	3.91	38	-0.90
UK	12.10	92	10.06	115	2.03
US	47.02	486	51.94	617	-4.93
Total	100.00	1,020	100.00	1,613	

SOURCE: FTSE Group, data as at 30 June, 2011

FEATURES

- FTSE RAFI Index-linked products offer the a better beta, while maintaining the best features of passive index investment: broad market exposure, low turnover, and transparent rules-based selection, whilst retaining high investment capacity.
- By using fundamental factors rather than prices to select and 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. This is effectively a buy-low, sell-high strategy.
- Fundamentals Weighted® indices do 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 index is calculated in accordance with the Industry Classification Benchmark, the global standard for industry sector analysis
- The index has been designed for the creation of derivatives, index tracking funds and ETFs
- A capital and total return index is available
- Stocks are free-float weighted to ensure that only the investable opportunity set is included within the indices
- Stocks are liquidity screened to ensure that the index is tradable

FTSE RAFI KAIGAI 1000 INDEX ICB SECTOR BREAKDOWN

ICB Code	Sector	FTSE RAFI Kaigai 1000		FTSE Kaigai 1000		Difference (%)
		Weight (%)	No. of Constituents	Weight (%)	No. of Constituents	
0530	Oil & Gas Producers	10.55	41	9.12	70	1.43
0570	Oil Equipment, Services & Distribution	1.19	22	2.08	32	-0.89
0580	Alternative Energy	0.02	1	0.08	7	-0.06
1350	Chemicals	2.27	32	3.00	50	-0.72
1730	Forestry & Paper	0.27	6	0.13	7	0.13
1750	Industrial Metals & Mining	1.34	25	1.38	36	-0.04
1770	Mining	1.44	14	3.28	42	-1.84
2350	Construction & Materials	1.74	34	1.40	58	0.34
2710	Aerospace & Defense	1.56	20	1.52	24	0.04
2720	General Industrials	2.96	26	2.67	26	0.29
2730	Electronic & Electrical Equipment	0.72	15	0.99	24	-0.27
2750	Industrial Engineering	1.67	31	2.42	50	-0.75
2770	Industrial Transportation	1.22	19	1.58	43	-0.36
2790	Support Services	0.89	23	1.22	41	-0.33
3350	Automobiles & Parts	2.67	25	1.89	29	0.78
3530	Beverages	1.42	15	2.14	21	-0.72
3570	Food Producers	2.38	25	2.95	48	-0.58
3720	Household Goods & Home Construction	1.17	18	1.27	22	-0.10
3740	Leisure Goods	0.28	4	0.29	8	-0.01
3760	Personal Goods	0.88	14	1.80	34	-0.91
3780	Tobacco	1.18	6	1.36	8	-0.18
4530	Health Care Equipment & Services	1.97	29	2.44	50	-0.47
4570	Pharmaceuticals & Biotechnology	5.61	24	6.69	46	-1.08
5330	Food & Drug Retailers	2.74	28	1.63	29	1.10
5370	General Retailers	3.40	43	3.34	66	0.06
5550	Media	2.29	34	2.62	63	-0.33
5750	Travel & Leisure	1.50	36	1.96	67	-0.46
6530	Fixed Line Telecommunications	4.64	27	2.65	29	1.99
6570	Mobile Telecommunications	2.17	12	1.38	22	0.79
7530	Electricity	3.55	45	2.23	51	1.32
7570	Gas, Water & Multiutilities	2.53	29	1.62	31	0.91
8350	Banks	14.10	84	10.45	105	3.65
8530	Nonlife Insurance	4.40	45	3.01	57	1.38
8570	Life Insurance	3.51	31	1.72	32	1.80
8630	Real Estate Investment & Services	0.47	12	0.87	50	-0.41
8670	Real Estate Investment Trusts	1.13	29	1.66	52	-0.54
8770	Financial Services	2.64	42	3.04	76	-0.40
8980	Equity Investment Instruments	-	-	-	-	-
8990	Nonequity Investment Instruments	-	-	-	-	-
9530	Software & Computer Services	1.93	18	4.42	46	-2.49
9570	Technology Hardware & Equipment	3.61	36	5.68	61	-2.06
	Total	100.00	1,020	100.00	1,613	

SOURCE: FTSE Group, data as at 30 June, 2011

FTSE RAFI KAIGAI 1000 INDEX PORTFOLIO CHARACTERISTICS

	FTSE RAFI Kaigai 1000 Index	FTSE Kaigai 1000 Index
Number of Constituents	1,020	1,613
Net Market Cap (YENbn)	42,683	2,005,450
Constituent Wts (%)		
Average	0.10	0.06
Largest	1.54	1.62
Smallest	0.002	0.0005
Median	0.05	0.03
Top 10 Holdings (% Index Market Cap)	11.05	9.29

SOURCE: FTSE Group, data as at 30 June, 2011

INFORMATION
Index Universe
 FTSE Global Equity Index Series

Index Launch
 6 August 2007

Base Date
 19 March 2007

Base Value
 5000

Investability Screen
 Free float adjusted and liquidity screened

Index Calculation
 Real-time and end-of-day indices available.
 Real-time index calculated every 15 seconds

End-of-Day Distribution
 Index available at 21:10 hours GMT or 20:10 hours BST via FTP and email

Currency
 Yen

Review Dates
 Reviewed annually in March

Index Rules
www.ftse.com/rafi
Vendor Codes
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