

# RAFI™ Multi-Factor Index Series, Developed

As of 9/30/2018

The RAFI™ Multi-Factor index series offers diversified factor exposures through allocations to value, low volatility, quality, momentum, and size. The Dynamic Multi-Factor strategy takes time-varying exposures to the same five factors. The index uses recent and historical metrics to tilt toward factor portfolios which are particularly attractive on a forward looking basis.

## Performance Table

Index	QTD	1-Yr	3-Yr	5-Yr	10-Yr	ITD*	10-Yr Volatility	10-Yr TE**
RAFI Dynamic Multi-Factor Developed Index	4.4%	12.9%	11.3%	12.9%	12.2%	7.5%	11.2%	2.5%
RAFI Multi-Factor Developed Index	4.5%	12.8%	11.5%	13.0%	12.4%	7.4%	11.3%	2.1%
RAFI Value Factor Developed Index	4.0%	14.5%	12.6%	13.0%	13.6%	7.6%	13.5%	4.5%
RAFI Low Volatility Factor Developed Index	5.7%	10.0%	9.2%	12.9%	11.8%	4.1%	9.8%	6.1%
RAFI Quality Factor Developed Index	5.1%	12.7%	12.0%	12.8%	12.7%	7.0%	10.7%	2.6%
RA Momentum Factor Developed Index	4.8%	13.4%	11.4%	12.7%	10.9%	9.4%	11.3%	3.4%
MSCI World Index - Gross Return	5.6%	13.8%	12.7%	13.3%	11.3%	8.3%	11.9%	N/A
RAFI Size Factor Developed Index	2.5%	12.0%	11.8%	13.4%	13.2%	7.8%	13.5%	2.5%
MSCI World Index Small Cap - Gross Return	2.6%	12.6%	13.7%	13.5%	13.6%	8.6%	14.4%	N/A

Based on data from FactSet. All returns are total returns reported in EUR. All returns greater than one year are annualized. Please see important disclosure information at end.

\*Inception to Date (ITD) returns and Tracking Error are calculated using the first full month of returns following index inception. Index returns prior to inception date are simulated. Inception date is 3/31/2017.

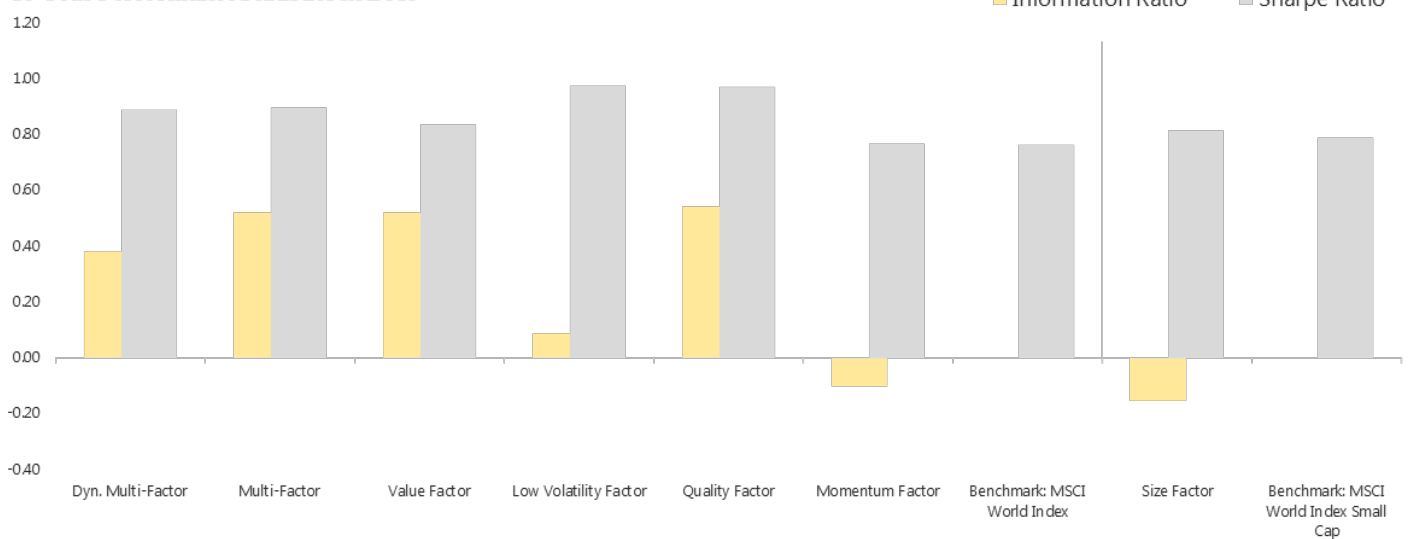
\*\*Tracking error calculated against each section's appropriate benchmark using the first full month of returns following index inception. Index returns prior to inception date are simulated.

## Characteristics Table

Index	Number of Holdings	P/E	P/S	P/B	Dividend Yield	Market Cap (€Billions)	One-Way Turnover	Capacity \$B
RAFI Dynamic Multi-Factor Developed Index	2,821	16.22	1.02	2.09	2.52	71.63	53%	32.89
RAFI Multi-Factor Developed Index	2,848	16.29	1.05	2.14	2.56	68.44	41%	45.45
RAFI Value Factor Developed Index	539	12.32	0.54	1.29	2.92	46.22	24%	30.64
RAFI Low Volatility Factor Developed Index	678	16.96	1.14	2.28	2.98	66.36	20%	58.14
RAFI Quality Factor Developed Index	648	16.44	1.41	3.09	2.78	90.48	22%	57.08
RA Momentum Factor Developed Index	681	18.17	1.57	2.64	2.03	119.31	95%	6.36
RAFI Size Factor Developed Index	1,728	18.10	1.16	2.18	2.15	6.58	56%	5.95

Note: Portfolio characteristics derived from FactSet. Data prior to launch is simulated. One-way turnover data is based on simulated history through 2016. Capacity and transaction cost estimates are as of 12/31/2017. Please see disclosures for important information regarding simulated data.

## 10-Year Performance Statistics in EUR



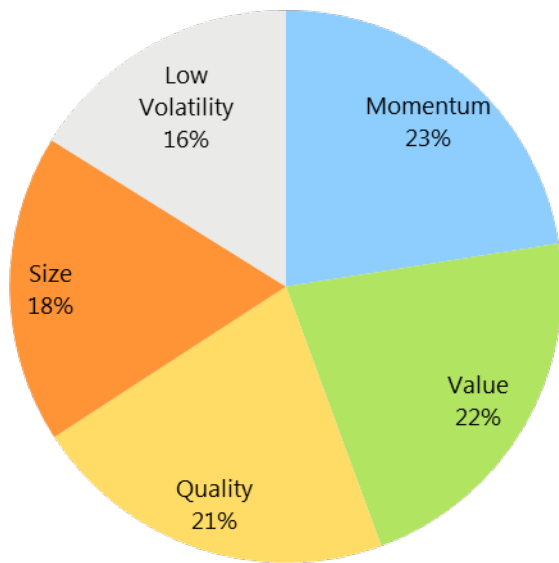
**Factor Exposure**

6/1992–6/2018

Index	Alpha (Annual)	Beta (Mkt-Rf)	Size (SMB)	Value (HML)	Profitability (RMW)	Investment (CMA)	Momentum (WML)	Low Beta (BAB)
RAFI Dynamic Multi-Factor Developed Index	0.19%	0.99	0.17	0.13	0.16	0.09	0.08	0.05
RAFI Multi-Factor Developed Index	0.23%	0.99	0.18	0.13	0.18	0.08	0.04	0.07
RAFI Value Factor Developed Index	1.10%	1.02	0.28	0.37	0.29	0.19	-0.05	-0.04
RAFI Low Volatility Factor Developed Index	1.18%	0.98	0.13	0.04	-0.02	0.13	-0.08	0.35
RAFI Quality Factor Developed Index	0.45%	0.98	0.05	0.03	0.34	0.16	-0.03	0.09
RA Momentum Factor Developed Index	-0.84%	0.99	-0.11	0.05	0.11	-0.03	0.23	-0.02
RAFI Size Factor Developed Index	0.32%	1.01	0.68	0.19	0.19	-0.01	0.08	0.00

Note: Factor returns simulated by Research Affiliates in USD. Please see disclosures for important information regarding simulated data.

**RAFI Dynamic Multi-Factor Developed Index Factor Allocation**



**Top 10 Holdings Decomposition**

RAFI Dynamic Multi-Factor Developed Index	Weights (%)	Value Factor	Low Vol. Factor	Quality Factor	Mom. Factor	Size Factor
1 Wal-Mart	1.09	2.51	2.66	-	0.66	-
2 IBM	1.03	1.12	2.39	2.35	-	-
3 Chevron	0.99	2.41	-	-	1.16	-
4 Verizon	0.94	-	1.19	2.46	1.09	-
5 ConocoPhillips	0.85	2.61	-	-	0.45	-
6 Target	0.83	1.42	1.28	1.31	0.23	-
7 Amazon	0.79	-	-	-	2.91	-
8 CVS Caremark	0.76	2.17	1.96	-	-	-
9 Microsoft	0.75	-	-	-	2.74	-
10 BP	0.73	1.39	-	-	1.21	-

RAFI Multi-Factor Developed Index	Weights (%)	Value Factor	Low Vol. Factor	Quality Factor	Mom. Factor	Size Factor
1 Wal-Mart	1.22	2.51	2.66	-	0.66	-
2 IBM	1.13	1.12	2.39	2.35	-	-
3 Verizon	1.00	-	1.19	2.46	1.09	-
4 CVS Caremark	0.86	2.17	1.96	-	-	-
5 Target	0.83	1.42	1.28	1.31	0.23	-
6 Johnson & Johnson	0.81	-	2.55	1.30	-	-
7 Chevron	0.74	2.41	-	-	1.16	-
8 Express Scripts Holding Comp	0.65	1.51	1.49	-	0.26	-
9 ConocoPhillips	0.63	2.61	-	-	0.45	-
10 Apple	0.62	-	-	3.00	-	-

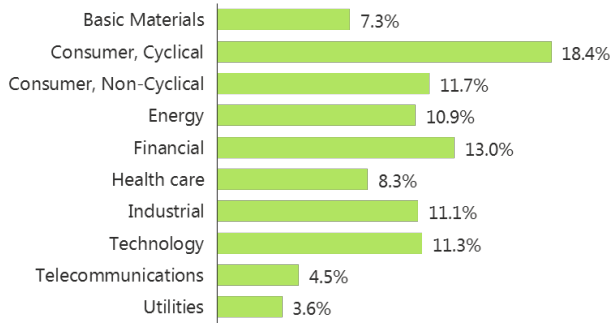
**Top 10 Holdings Comparison**

RAFI Value Factor Developed Index		RAFI Low Volatility Factor Developed Index		RAFI Quality Factor Developed Index		RA Momentum Factor Developed Index		RAFI Size Factor Developed Index	
1 Chevron	2.67	Wal-Mart	2.54	Apple	2.65	Amazon	2.83	Netflix, Inc.	1.03
2 ConocoPhillips	2.51	AT&T	2.53	Verizon	2.39	Microsoft	2.65	American Eagle Outfitters, In	0.56
3 Exxon Mobil	2.44	IBM	2.29	IBM	2.22	Alphabet	2.58	Zoetis, Inc. Class A	0.49
4 Wal-Mart	2.36	Johnson & Johnson	2.28	Home Depot	1.82	Facebook, Inc. Class A	2.21	Brinker International, Inc.	0.47
5 Valero	1.99	Procter & Gamble	2.22	Coca-Cola	1.43	Berkshire Hathaway	1.75	ResMed Inc.	0.46
6 CVS Caremark	1.83	Verizon	1.73	PepsiCo	1.27	JPMorgan Chase	1.71	Tenet Healthcare Corporatio	0.42
7 AIG	1.75	CVS Caremark	1.65	BHP Billiton	1.23	Bank of America	1.30	Copart, Inc.	0.41
8 Phillips 66	1.72	Coca-Cola	1.41	GlaxoSmithKline	1.19	HSBC	1.26	Illumina, Inc.	0.38
9 BP	1.46	GlaxoSmithKline	1.31	Boeing	1.15	BP	1.17	Lonza Group AG	0.37
10 Royal Dutch Shell	1.41	PepsiCo	1.25	Target	1.15	Visa	1.14	Whiting Petroleum Corporati	0.37

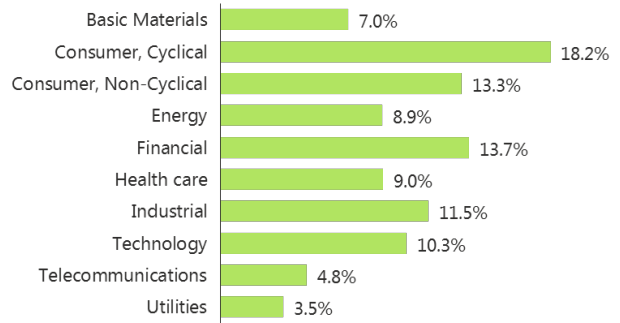
Names highlighted in blue appear in the top ten of both the Dynamic Multi-Factor and the Multi-Factor Index.

## Sector Weights

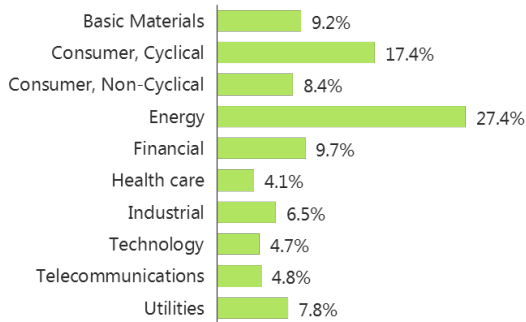
**RAFI Dynamic Multi-Factor Developed Index**



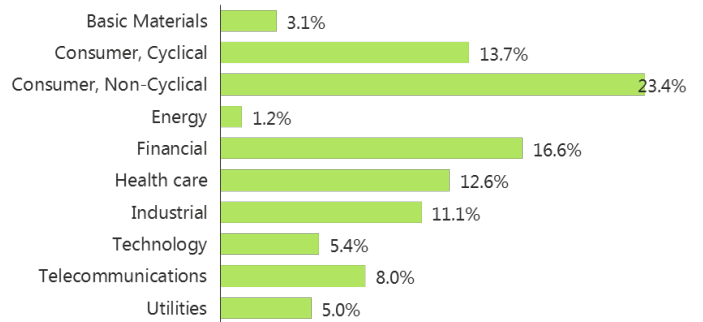
**RAFI Multi-Factor Developed Index**



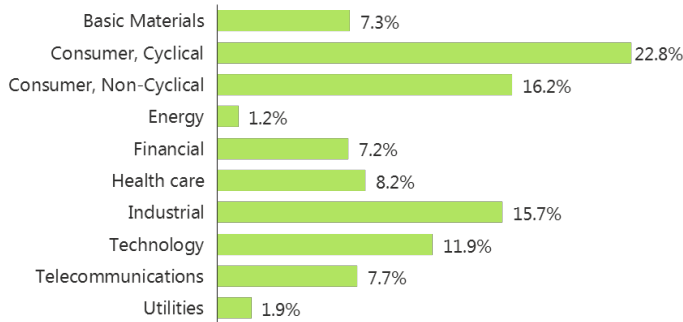
**RAFI Value Factor Developed Index**



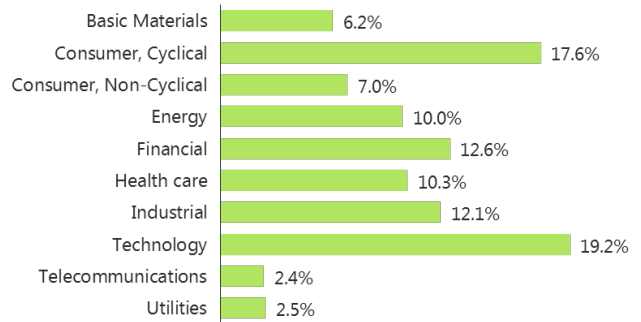
**RAFI Low Volatility Factor Developed Index**



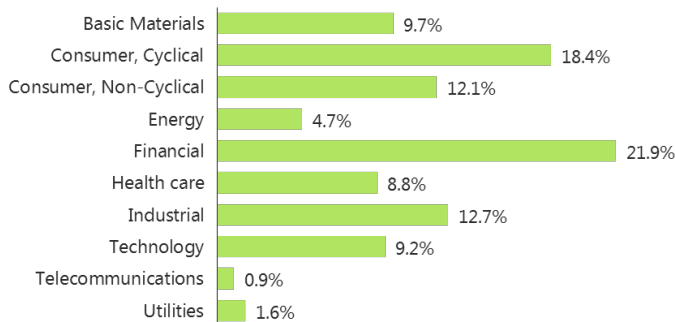
**RAFI Quality Factor Developed Index**



**RAFI Momentum Factor Developed Index**

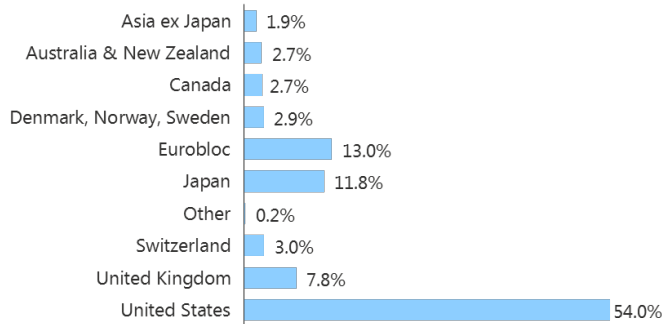


**RAFI Size Factor Developed Index**

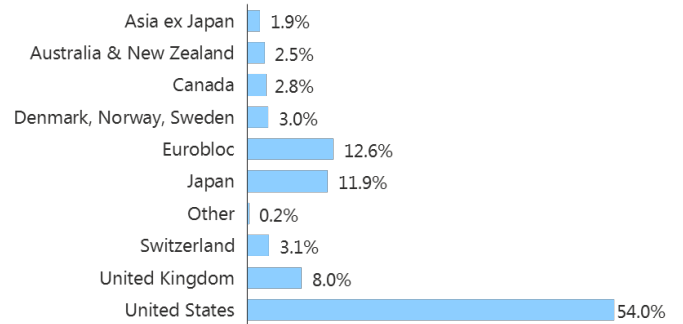


## Region Weights

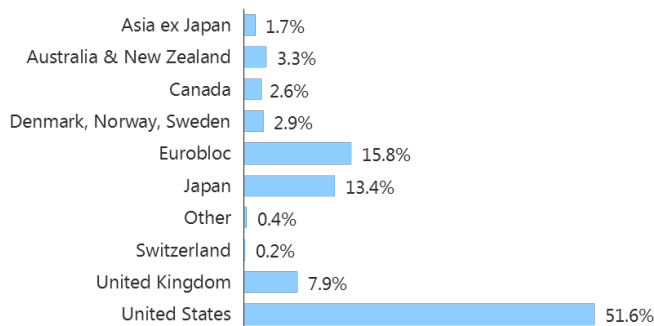
**RAFI Dynamic Multi-Factor Developed Index**



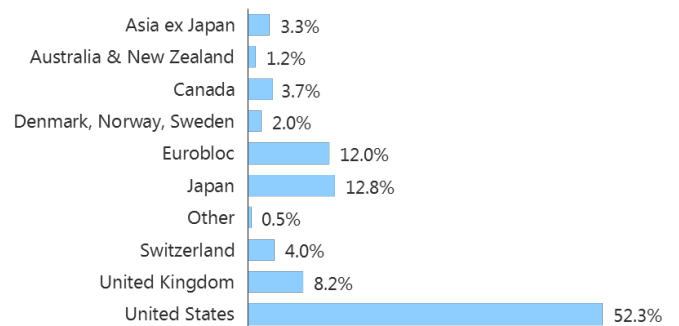
**RAFI Multi-Factor Developed Index**



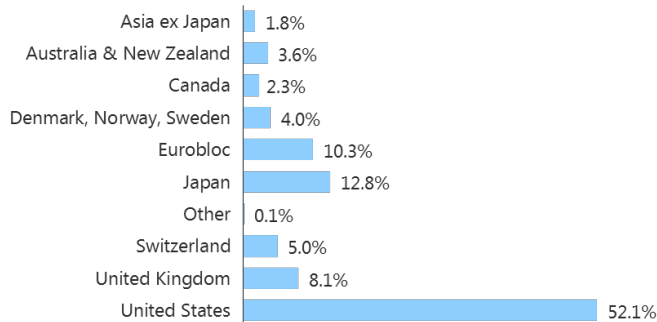
**RAFI Value Factor Developed Index**



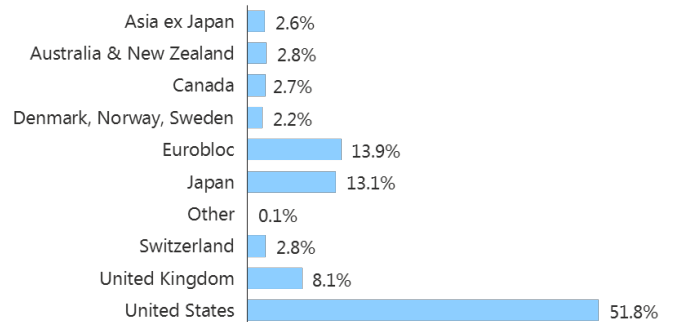
**RAFI Low Volatility Factor Developed Index**



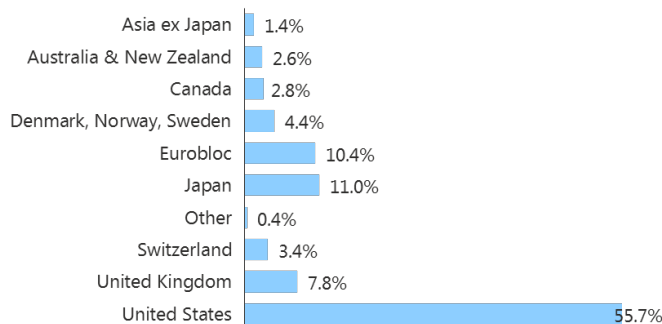
**RAFI Quality Factor Developed Index**



**RA Momentum Factor Developed Index**



**RAFI Size Factor Developed Index**



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