

# RAFI™ Multi-Factor Index Series, Global

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 Global Index    | 5.0% | 12.9% | 18.6% | 13.6% | 13.2% | 9.5%  | 12.7%            | 2.4%       |
| RAFI Multi-Factor Global Index            | 5.1% | 12.9% | 18.8% | 13.8% | 13.4% | 9.6%  | 12.7%            | 2.1%       |
| RAFI Value Factor Global Index            | 4.9% | 14.8% | 20.7% | 13.9% | 14.6% | 9.6%  | 14.9%            | 4.5%       |
| RAFI Low Volatility Factor Global Index   | 6.2% | 10.3% | 16.0% | 13.4% | 12.8% | 6.3%  | 11.3%            | 6.0%       |
| RAFI Quality Factor Global Index          | 5.5% | 11.9% | 18.9% | 13.1% | 13.3% | 8.4%  | 12.2%            | 2.5%       |
| RA Momentum Factor Global Index           | 4.7% | 12.6% | 18.7% | 13.5% | 12.0% | 11.4% | 12.6%            | 3.3%       |
| MSCI AC World Index - Gross Return        | 5.7% | 13.5% | 19.9% | 14.1% | 12.2% | 10.6% | 13.1%            | N/A        |
| RAFI Size Factor Developed Index          | 3.2% | 13.2% | 19.1% | 14.8% | 14.6% | 10.7% | 14.4%            | 2.4%       |
| MSCI World Index Small Cap - Gross Return | 3.3% | 13.8% | 21.1% | 14.9% | 15.0% | 11.5% | 15.0%            | N/A        |

Based on data from FactSet. All returns are total returns reported in GBP. 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.

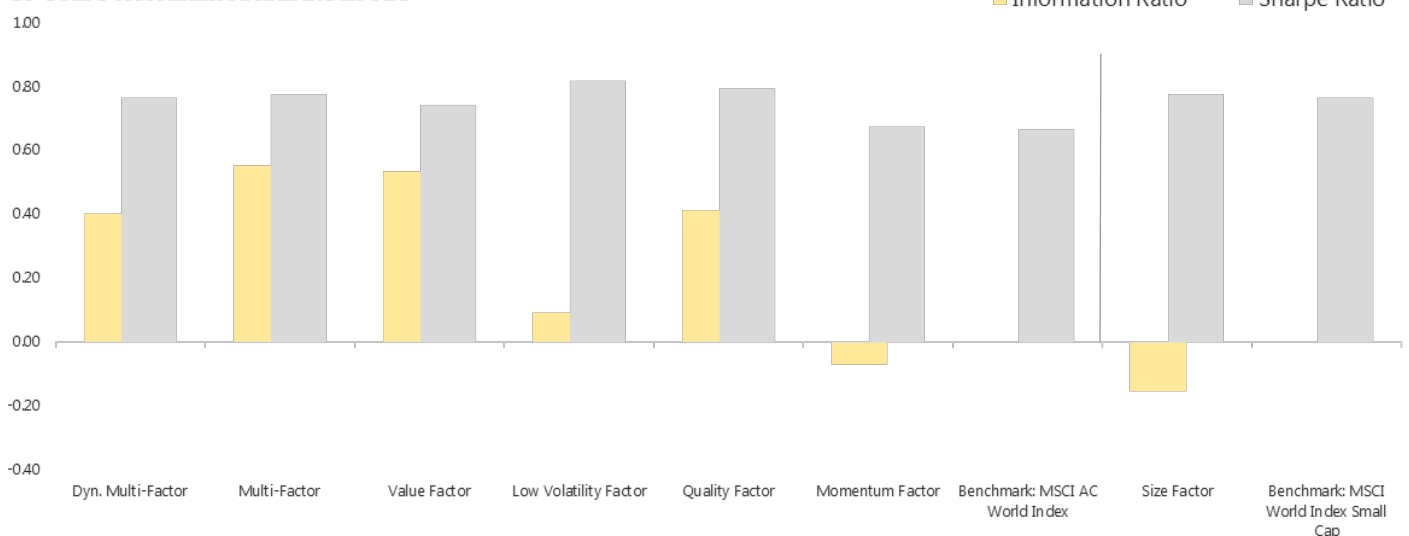
\*\*Tracking error calculated against each section's appropriate benchmark using the first full month of returns following index inception. Index returns prior to inception date are simulated.

## 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 Global Index  | 3,348              | 15.54 | 0.98 | 1.95 | 2.59           | 60.29                  | 56%              | 34.06        |
| RAFI Multi-Factor Global Index          | 3,375              | 15.61 | 1.01 | 1.99 | 2.63           | 57.70                  | 43%              | 45.29        |
| RAFI Value Factor Global Index          | 734                | 11.63 | 0.52 | 1.13 | 3.05           | 37.96                  | 27%              | 24.95        |
| RAFI Low Volatility Factor Global Index | 986                | 16.09 | 1.05 | 1.96 | 3.00           | 52.50                  | 21%              | 47.35        |
| RAFI Quality Factor Global Index        | 953                | 15.79 | 1.30 | 2.88 | 2.90           | 73.51                  | 23%              | 47.53        |
| RA Momentum Factor Global Index         | 911                | 17.13 | 1.55 | 2.50 | 2.08           | 98.78                  | 94%              | 6.38         |
| RAFI Size Factor Developed Index        | 1,728              | 18.10 | 1.16 | 2.18 | 2.16           | 5.86                   | 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 GBP



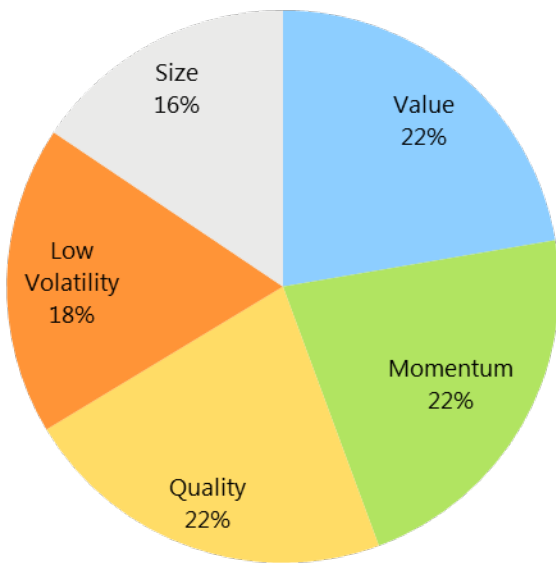
**Factor Exposure**

6/2007–6/2018

| Index                                   | Alpha (Annual) | Beta (Mkt-Rf) | Size (SMB) | Value (HML) | Profitability (RMW) | Investment (CMA) | Momentum (WML) | Low Beta (BAB) |
|-----------------------------------------|----------------|---------------|------------|-------------|---------------------|------------------|----------------|----------------|
| RAFI Dynamic Multi-Factor Global Index  | -0.23%         | 0.99          | 0.06       | 0.01        | 0.14                | 0.23             | 0.09           | 0.01           |
| RAFI Multi-Factor Global Index          | -0.23%         | 1.00          | 0.07       | 0.01        | 0.16                | 0.22             | 0.05           | 0.03           |
| RAFI Value Factor Global Index          | 0.99%          | 0.96          | 0.18       | 0.14        | 0.11                | 0.40             | 0.02           | -0.18          |
| RAFI Low Volatility Factor Global Index | -0.97%         | 1.05          | 0.03       | 0.01        | 0.09                | 0.27             | -0.15          | 0.48           |
| RAFI Quality Factor Global Index        | -0.20%         | 0.98          | -0.06      | -0.08       | 0.34                | 0.25             | 0.01           | -0.01          |
| RA Momentum Factor Global Index         | -1.04%         | 1.00          | -0.09      | 0.02        | 0.13                | 0.01             | 0.25           | -0.03          |
| RAFI Size Factor Developed Index        | 1.12%          | 0.98          | 0.43       | -0.09       | -0.06               | 0.19             | 0.10           | -0.09          |

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

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



**Top 10 Holdings Decomposition**

| RAFI Dynamic Multi-Factor Global Index | Weights (%) | Value Factor | Low Vol. Factor | Quality Factor | Mom. Factor | Size Factor |
|----------------------------------------|-------------|--------------|-----------------|----------------|-------------|-------------|
| 1 Wal-Mart                             | 0.97        | 2.14         | 2.28            | -              | 0.56        | -           |
| 2 IBM                                  | 0.91        | 0.96         | 2.06            | 2.03           | -           | -           |
| 3 Chevron                              | 0.88        | 2.06         | -               | -              | 0.98        | -           |
| 4 Verizon                              | 0.83        | -            | 1.02            | 2.12           | 0.93        | -           |
| 5 Target                               | 0.76        | 1.22         | 1.10            | 1.13           | 0.20        | -           |
| 6 ConocoPhillips                       | 0.75        | 2.23         | -               | -              | 0.38        | -           |
| 7 Amazon                               | 0.70        | -            | -               | -              | 2.48        | -           |
| 8 CVS Caremark                         | 0.68        | 1.85         | 1.68            | -              | -           | -           |
| 9 Microsoft                            | 0.66        | -            | -               | -              | 2.34        | -           |
| 10 BP                                  | 0.65        | 1.19         | -               | -              | 1.03        | -           |

| RAFI Multi-Factor Global Index | Weights (%) | Value Factor | Low Vol. Factor | Quality Factor | Mom. Factor | Size Factor |
|--------------------------------|-------------|--------------|-----------------|----------------|-------------|-------------|
| 1 Wal-Mart                     | 1.08        | 2.14         | 2.28            | -              | 0.56        | -           |
| 2 IBM                          | 1.04        | 0.96         | 2.06            | 2.03           | -           | -           |
| 3 Verizon                      | 0.88        | -            | 1.02            | 2.12           | 0.93        | -           |
| 4 CVS Caremark                 | 0.77        | 1.85         | 1.68            | -              | -           | -           |
| 5 Target                       | 0.76        | 1.22         | 1.10            | 1.13           | 0.20        | -           |
| 6 Johnson & Johnson            | 0.72        | -            | 2.20            | 1.12           | -           | -           |
| 7 Chevron                      | 0.66        | 2.06         | -               | -              | 0.98        | -           |
| 8 Express Scripts Holding Comp | 0.60        | 1.29         | 1.28            | -              | 0.22        | -           |
| 9 ConocoPhillips               | 0.56        | 2.23         | -               | -              | 0.38        | -           |
| 10 Apple                       | 0.56        | -            | -               | 2.59           | -           | -           |

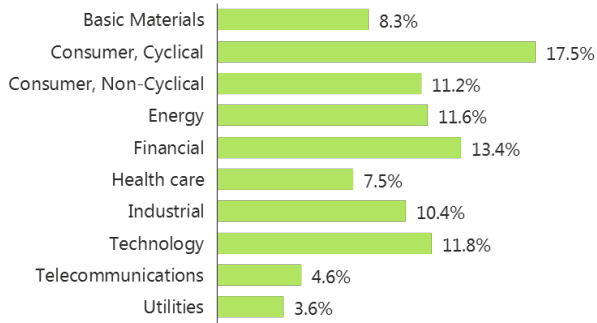
**Top 10 Holdings Comparison**

| RAFI Value Factor Global Index |      | RAFI Low Volatility Factor Global Index |      | RAFI Quality Factor Global Index |      | RA Momentum Factor Global Index |      | RAFI Size Factor Developed Index |      |
|--------------------------------|------|-----------------------------------------|------|----------------------------------|------|---------------------------------|------|----------------------------------|------|
| 1 ConocoPhillips               | 2.23 | AT&T                                    | 2.30 | Apple                            | 2.59 | Amazon                          | 2.48 | Netflix, Inc.                    | 0.78 |
| 2 Wal-Mart                     | 2.14 | Wal-Mart                                | 2.28 | Verizon                          | 2.12 | Microsoft                       | 2.34 | Zoetis, Inc. Class A             | 0.54 |
| 3 Exxon Mobil                  | 2.09 | Johnson & Johnson                       | 2.20 | IBM                              | 2.03 | Berkshire Hathaway              | 1.75 | American Eagle Outfitters, In    | 0.54 |
| 4 Chevron                      | 2.06 | IBM                                     | 2.06 | Home Depot                       | 1.53 | Facebook, Inc. Class A          | 1.63 | ResMed Inc.                      | 0.48 |
| 5 CVS Caremark                 | 1.85 | Procter & Gamble                        | 1.97 | Coca-Cola                        | 1.25 | Visa                            | 1.12 | AutoZone, Inc.                   | 0.48 |
| 6 Valero                       | 1.66 | CVS Caremark                            | 1.68 | Target                           | 1.13 | UnitedHealth                    | 1.06 | Illumina, Inc.                   | 0.48 |
| 7 AIG                          | 1.46 | Express Scripts Holding Com             | 1.28 | Johnson & Johnson                | 1.12 | Royal Dutch Shell               | 1.05 | Lonza Group AG                   | 0.47 |
| 8 Phillips 66                  | 1.44 | Coca-Cola                               | 1.22 | PepsiCo                          | 1.10 | BP                              | 1.03 | Brinker International, Inc.      | 0.42 |
| 9 Express Scripts Holding Com  | 1.29 | Target                                  | 1.10 | Boeing                           | 1.08 | Home Depot                      | 1.01 | Whiting Petroleum Corporati      | 0.35 |
| 10 Target                      | 1.22 | PepsiCo                                 | 1.09 | Lowe's                           | 1.04 | Chevron                         | 0.98 | Copart, Inc.                     | 0.35 |

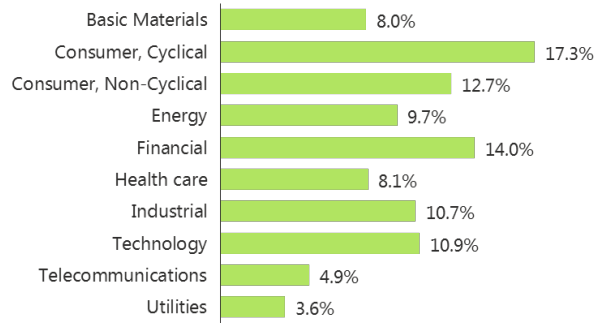
Names highlighted in blue appear in the top ten of both the Dynamic Multi-Factor and the Multi-Factor Index.

## Sector Weights

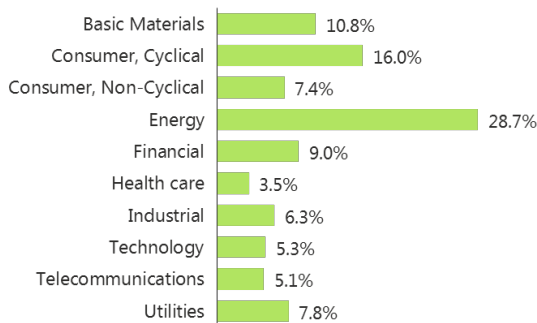
**RAFI Dynamic Multi-Factor Global Index**



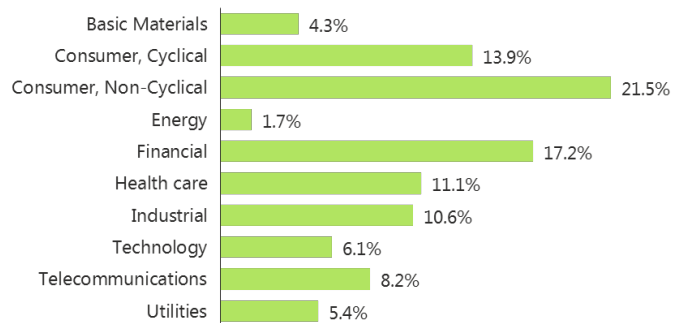
**RAFI Multi-Factor Global Index**



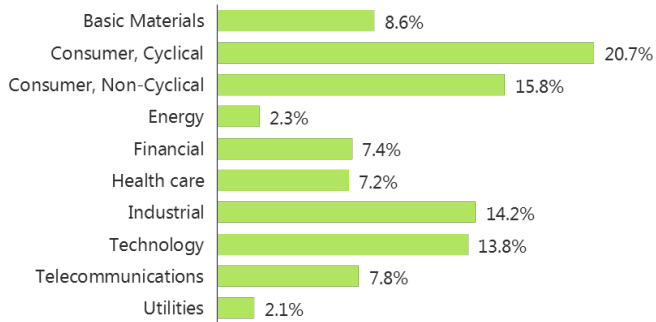
**RAFI Value Factor Global Index**



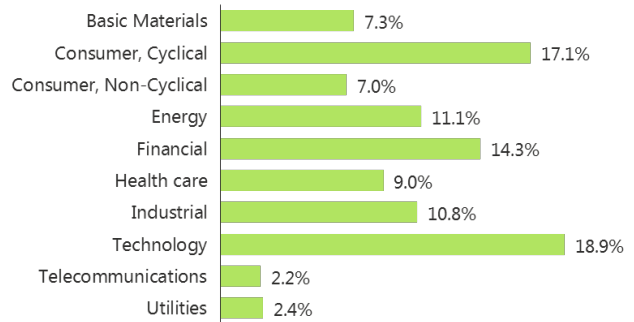
**RAFI Low Volatility Factor Global Index**



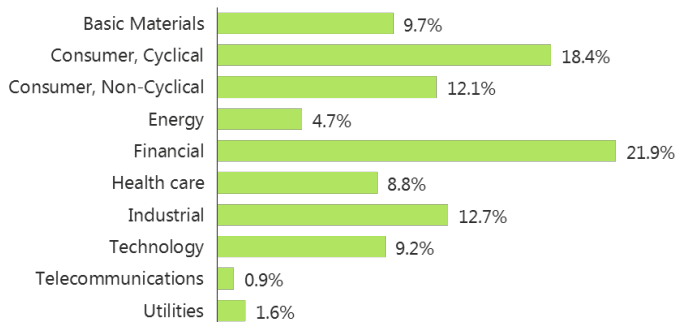
**RAFI Quality Factor Global Index**



**RAFI Momentum Factor Global Index**

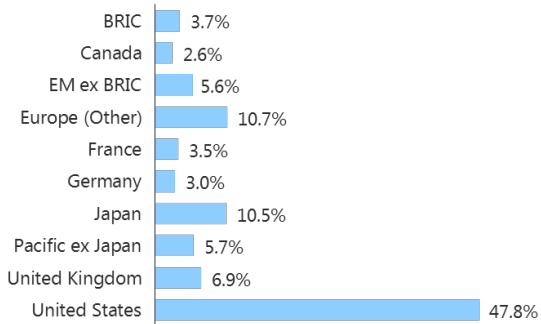


**RAFI Size Factor Developed Index**

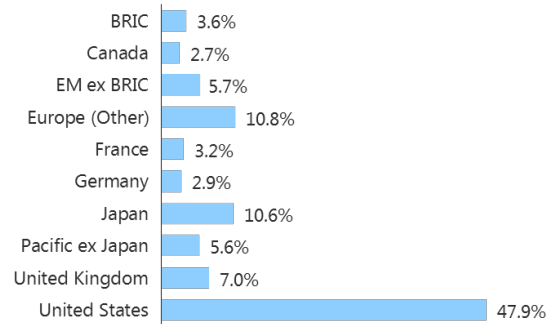


## Region Weights

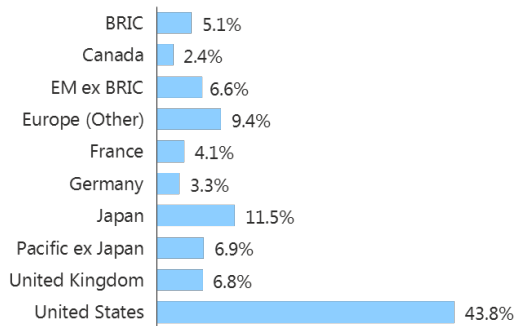
**RAFI Dynamic Multi-Factor Global Index**



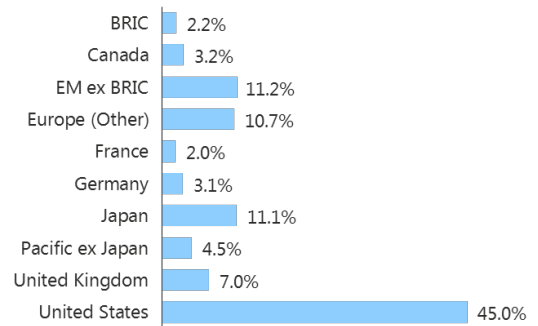
**RAFI Multi-Factor Global Index**



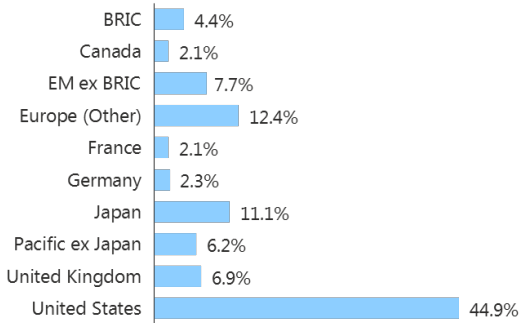
**RAFI Value Factor Global Index**



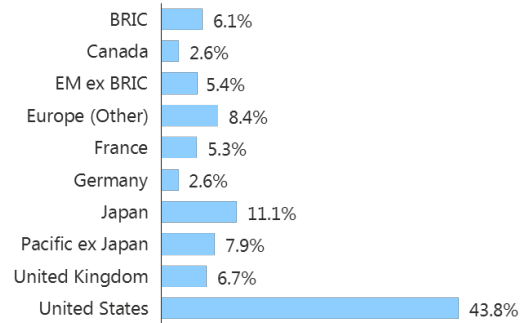
**RAFI Low Volatility Factor Global Index**



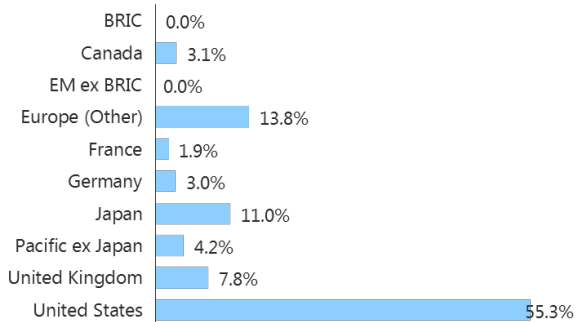
**RAFI Quality Factor Global Index**



**RA Momentum Factor Global Index**



**RAFI Size Factor Developed Index**



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