

RAFI Fundamental Australia 200 Index, 12/31/2018

The RAFI™ Fundamental Index methodology is built on the principles of contrarian investing and disciplined rebalancing. Security weights are determined by using fundamental measures of company size (adjusted sales, cash flow, dividends + buybacks, and book value) rather than price (market cap). By using a company's fundamental weight as the rebalancing anchor, the fundamental weighting approach rebalances out of securities whose prices have increased and into securities whose prices have fallen.

INDEX INFORMATION

Launch:

7/31/2018

Bloomberg Ticker:

RAFAULT Index

PERFORMANCE SUMMARY

Index	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	10 Yr Vol	10 Yr Sharpe	10 Yr Tracking Error	10 Yr Info Ratio
RAFI Fundamental Australia 200 Index	-7.9%	-4.1%	-4.1%	8.4%	6.3%	10.0%	12.2%	0.80	2.5%	0.40
S&P/ASX 200 Index	-8.2%	-2.8%	-2.8%	6.7%	5.6%	9.0%	12.2%	0.71	N/A	N/A

Performance is based on data from FactSet. Returns reported in AUD.

Returns prior to index inception are simulated, please see disclosures for important information regarding simulated data.

INDEX CHARACTERISTICS

Index	# of Securities	P/B	P/S	P/CF	Dividend Yield	WAMC*	Discount†	Median Historical Discount
RAFI Fundamental Australia 200 Index	198	1.6	1.3	8.9	5.2%	47.5	-14.2%	-13.5%
S&P/ASX 200 Index	200	1.8	1.7	9.8	4.6%	43.2	N/A	N/A

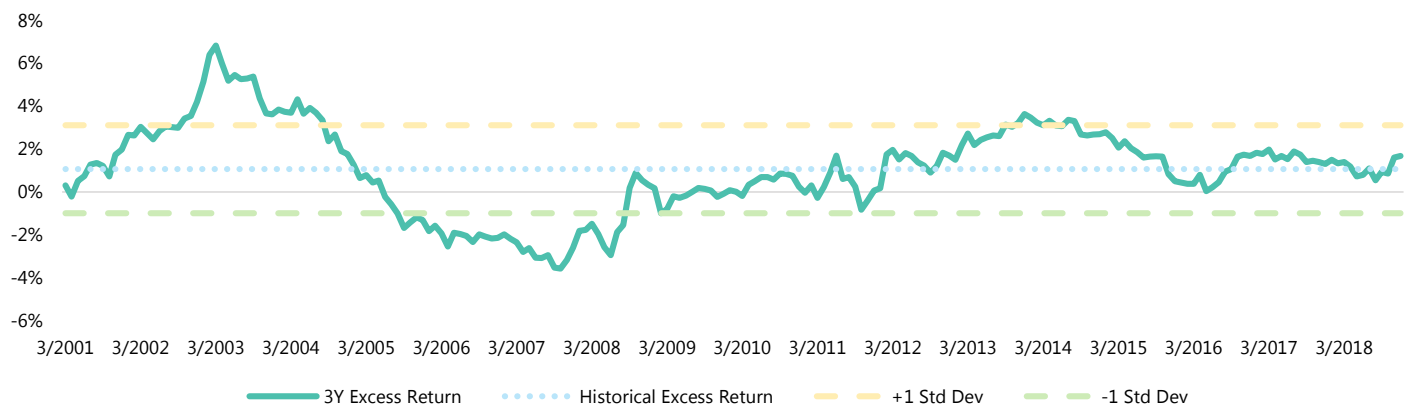
Portfolio characteristics are based on data from FactSet. MSCI All Country World Index data is represented by the iShares Core S&P/ASX 200 ETF.

Holdings prior to inception are simulated, please see disclosures for important information regarding simulated data.

*WAMC represents the weighted average market capitalization of the portfolio in AUD billions.

†Discount of the portfolio is measured by the geometric average of the monthly discounts of price to equity, price to book, price to sales, price to cash flow, and dividend yield. Historical median calculation starts on 12/31/2013.

ROLLING 3-YEAR EXCESS RETURN



Returns prior to index inception are simulated, please see disclosures for important information regarding simulated data. Return data begins on 4/30/1998 in AUD.

HOLDINGS

Top Index Holdings

Name	Weight
1 Comm. Bank of Australia	9.4
2 BHP Billiton	8.5
3 Westpac Banking Corporation	7.7
4 Australia & NZ Banking Grp.	6.6
5 National Australia Bank Limited	6.2
6 Wesfarmers Limited	4.3
7 Woolworths Group Ltd	4.3
8 Woodside Petroleum Ltd	2.5
9 Rio Tinto	2.3
10 Telstra	2.0

Top Benchmark Holdings

Name	Weight
1 Comm. Bank of Australia	8.5
2 BHP Billiton	6.7
3 Westpac Banking Corporation	5.7
4 CSL Limited	5.6
5 Australia & NZ Banking Grp.	4.7
6 National Australia Bank Limited	4.4
7 Woolworths Group Ltd	2.6
8 Wesfarmers Limited	2.4
9 Macquarie Group Limited	2.3
10 Telstra	2.3

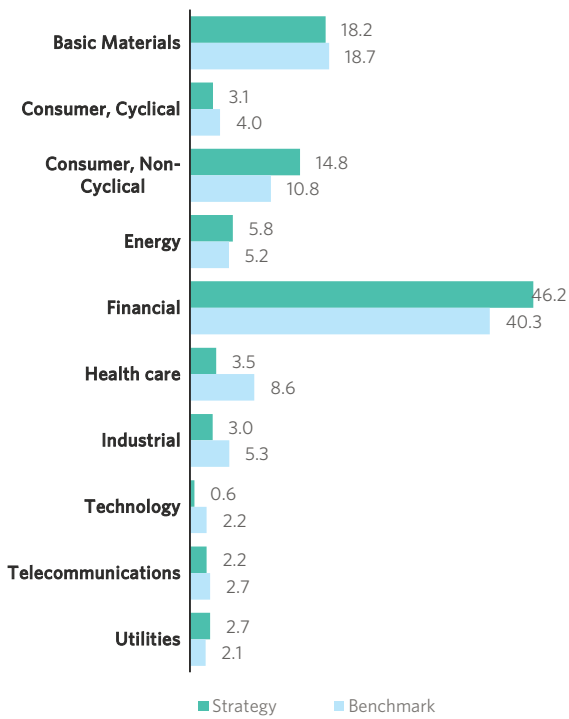
Top Active Holdings

Name	Weight
1 Westpac Banking Corporation	2.0
2 Wesfarmers Limited	1.9
3 Australia & NZ Banking Grp.	1.9
4 National Australia Bank Limited	1.8
5 BHP Billiton	1.8
1 CSL Limited	-3.9
2 Transurban Group Ltd.	-1.4
3 Sydney Airport	-0.8
4 Aristocrat Leisure Limited	-0.8
5 Macquarie Group Limited	-0.6

Security data derived from FactSet. Benchmark holdings are represented by the iShares Core S&P/ASX 200 ETF.

SECTOR BREAKDOWN

Sector Weights as of 12/31/2018



Q4 Sector Attribution

Sector	Portfolio Weight	Bench. Weight	Sector Excess Return	Allocation Effect	Selection + Interaction Effect	Total Effect
Basic Materials	18.27	19.47	4.24	-0.04	0.24	0.19
Consumer, Cyclical	3.03	3.98	-8.20	0.11	0.12	0.22
Consumer, Non-Cyclical	14.83	10.03	1.18	0.00	0.29	0.29
Energy	5.81	5.09	-11.17	-0.10	0.00	-0.10
Financial	46.07	40.74	0.79	0.06	-0.10	-0.05
Health care	3.48	8.79	0.08	-0.05	-0.08	-0.12
Industrial	3.00	4.94	5.39	-0.13	-0.16	-0.29
Technology	0.61	2.11	3.73	0.07	0.13	0.20
Telecommunications	2.33	2.70	-2.64	0.01	0.01	0.02
Utilities	2.58	2.14	-0.85	0.00	-0.06	-0.06
Excess Return						0.31

Portfolio characteristics and securities data derived from FactSet. The attribution has been normalized to match the return of the strategy, as presented in the performance table on the previous page. Benchmark holdings represented by the iShares Core S&P/ASX 200 ETF.

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