

# RAFI Fundamental Australia Small Company 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:**  
RAFIAUST 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 Small Company Index	-8.9%	-1.3%	-1.3%	12.8%	5.1%	8.4%	16.5%	0.49	4.9%	0.30
S&P/ASX Small Ordinaries Index	-13.7%	-8.7%	-8.7%	7.5%	5.6%	6.9%	15.8%	0.42	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 Small Company Index	169	1.7	1.7	11.4	4.2%	2.1	-2.5%	-15.2%
S&P/ASX Small Ordinaries Index	193	1.7	1.3	11.5	3.3%	2.0	N/A	N/A

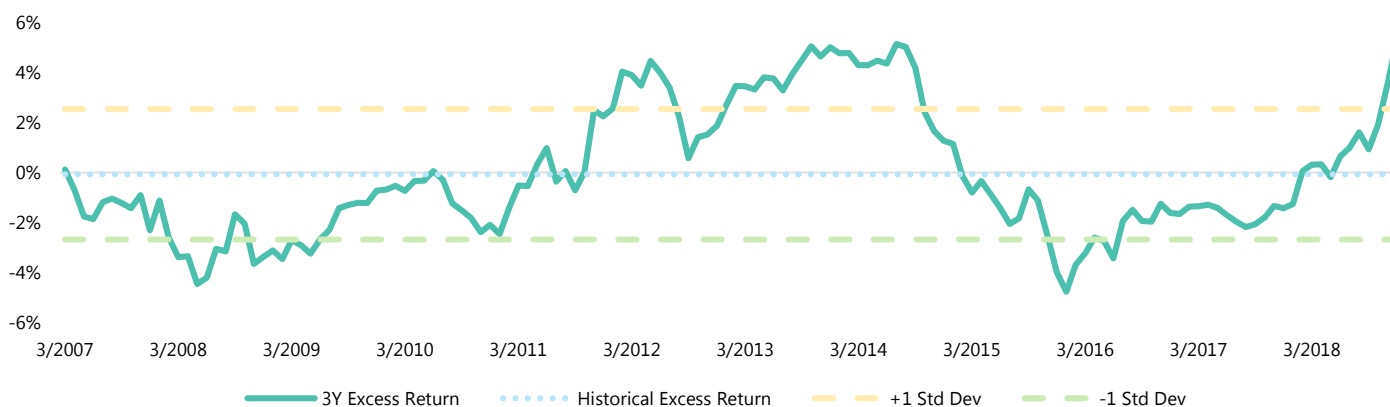
Portfolio characteristics are based on data from FactSet. MSCI All Country World Index data is represented by the iShares S&P/ASX Small Ordinaries ETF.

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 4/30/2004 in AUD.

## HOLDINGS

### Top Index Holdings

Name	Weight
1 Nine Entertainment	3.6
2 Evolution Mining Limited	2.7
3 Vocus Group Limited	2.5
4 NIB Holdings Ltd	2.4
5 Duluxgroup Limited	2.3
6 Northern Star Resources Ltd	2.0
7 Trade Me Group Limited	2.0
8 Charter Hall Retail REIT	2.0
9 Charter Hall Group	1.9
10 Shopping Centres Australasia	1.9

### Top Benchmark Holdings

Name	Weight
1 Reliance Worldwide Corp. Ltd.	2.0
2 Washington H. Soul Pattinson	1.9
3 Worleyparsons Limited	1.6
4 Altium	1.6
5 Mineral Resources Limited	1.6
6 St. Barbara Ltd.	1.5
7 Regis Resources Limited	1.5
8 Metcash Limited	1.5
9 Costa Group Holdings Ltd.	1.5
10 NIB Holdings Ltd	1.5

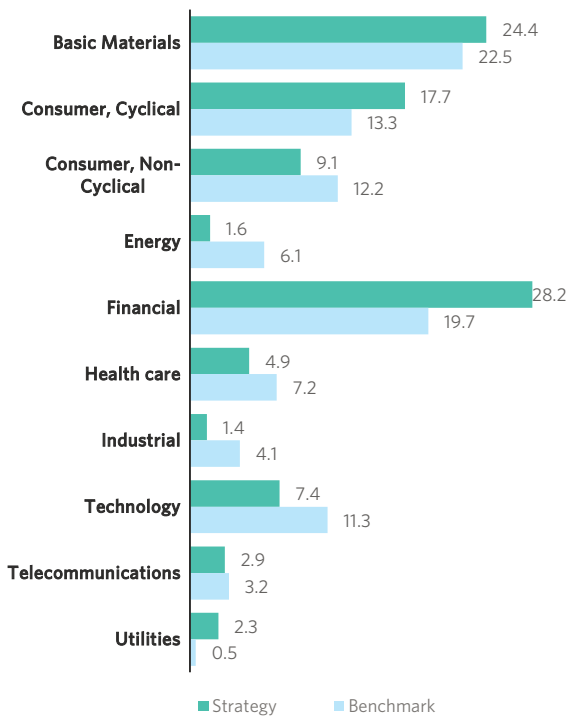
### Top Active Holdings

Name	Weight
1 Nine Entertainment	3.0
2 Evolution Mining Limited	2.7
3 Duluxgroup Limited	2.3
4 Northern Star Resources Ltd	2.0
5 Charter Hall Group	1.9
1 Washington H. Soul Pattinson	-1.9
2 Worleyparsons Limited	-1.6
3 Reliance Worldwide Corp. Ltd.	-1.6
4 Mineral Resources Limited	-1.6
5 Metcash Limited	-1.5

Security data derived from FactSet. Benchmark holdings are represented by the iShares S&P/ASX Small Ordinaries 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	24.10	22.47	15.14	0.05	1.84	1.88
Consumer, Cyclical	17.63	13.31	-5.16	-0.17	-0.34	-0.51
Consumer, Non-Cyclical	9.04	12.17	-3.21	0.01	-0.30	-0.28
Energy	1.71	6.10	-22.57	0.73	-0.03	0.70
Financial	28.31	19.65	8.46	0.83	-0.03	0.81
Health care	4.82	7.15	-1.02	0.12	0.26	0.38
Industrial	1.37	4.11	-6.99	0.35	0.17	0.52
Technology	7.65	11.34	14.22	-0.06	1.07	1.01
Telecommunications	3.02	3.20	8.40	0.00	0.03	0.03
Utilities	2.36	0.48	8.32	-0.05	0.30	0.25

**Excess Return 4.78**

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 S&P/ASX Small Ordinaries ETF.

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