

# RAFI Fundamental Developed Index, 12/31/2018

## INDEX INFORMATION

Launch:

1/31/2017

Bloomberg Ticker:

RAFIDEVT Index

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.

## 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 Developed Index	-13.1%	-10.6%	-10.6%	7.2%	4.5%	10.3%	15.3%	0.65	2.5%	0.01
Solactive GBS Developed Markets Large & Mid Cap Index	-13.2%	-8.2%	-8.2%	7.0%	5.2%	10.3%	14.3%	0.70	N/A	N/A

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

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	Portfolio Turnover**
RAFI Fundamental Developed Index	1595	1.4	0.9	7.0	3.4%	98.1	-27.5%	-21.8%	12.9%
Solactive GBS Developed Markets Large & Mid Cap Index	1622	2.1	1.5	9.6	2.7%	127.5	N/A	N/A	N/A

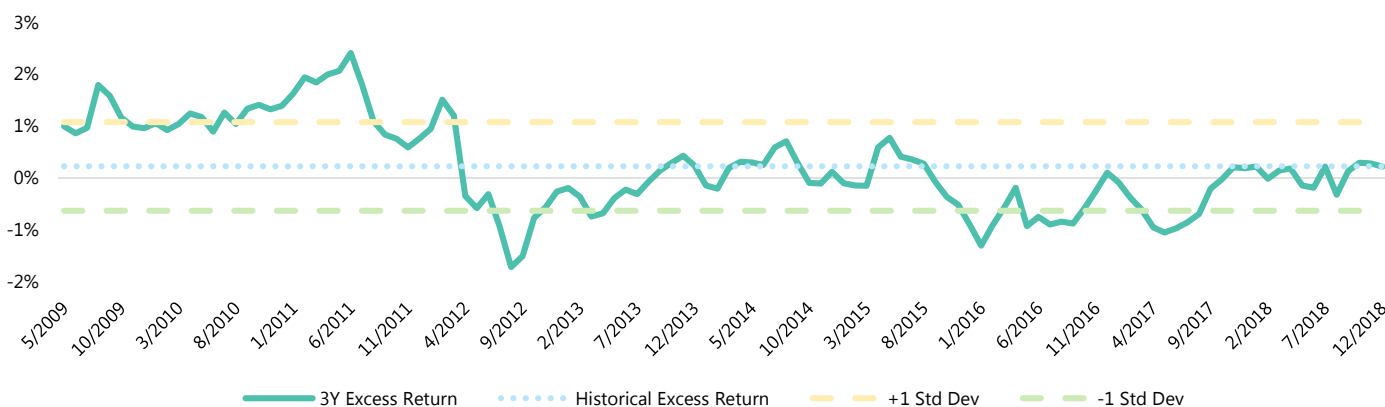
Portfolio characteristics are based on data from FactSet.

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 billions. \*\*Turnover represents average annual turnover from 1985 to 2018. Turnover data prior to inception is simulated.

†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 5/31/2006.

## 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 6/30/2006.

## HOLDINGS

### Top Index Holdings

Name	Weight
1 Exxon Mobil	1.7
2 Apple	1.5
3 Royal Dutch Shell	1.3
4 Chevron	1.1
5 Microsoft	1.0
6 AT&T	0.9
7 Berkshire Hathaway	0.9
8 BP	0.9
9 Pfizer	0.8
10 JPMorgan Chase	0.8

### Top Benchmark Holdings

Name	Weight
1 Microsoft	2.2
2 Apple	1.9
3 Alphabet	1.8
4 Amazon	1.7
5 Johnson & Johnson	1.0
6 JPMorgan Chase	0.9
7 Facebook, Inc. Class A	0.9
8 Exxon Mobil	0.8
9 Berkshire Hathaway	0.8
10 Pfizer	0.7

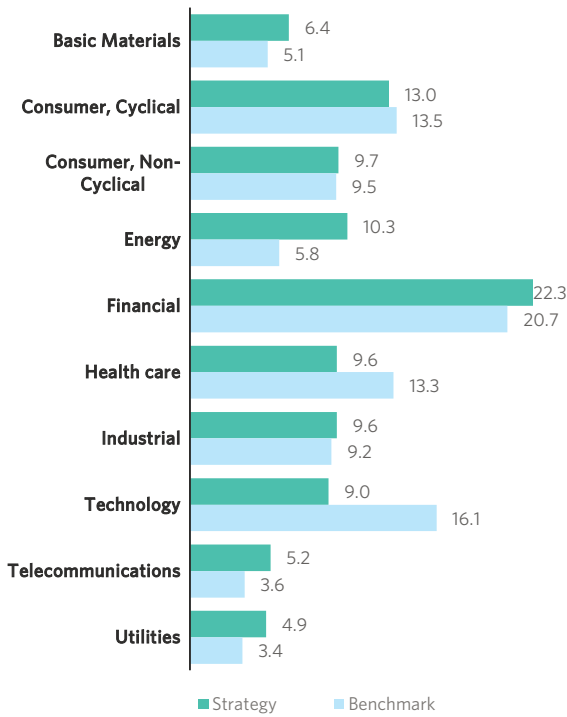
### Top Active Holdings

Name	Weight
1 Exxon Mobil	0.8
2 Royal Dutch Shell	0.8
3 Chevron	0.5
4 BP	0.5
5 Total	0.4
1 Amazon	-1.6
2 Alphabet	-1.3
3 Microsoft	-1.2
4 Facebook, Inc. Class A	-0.8
5 Visa	-0.5

Security data derived from FactSet.

## SECTOR BREAKDOWN

### Sector Weights as of 12/31/2018



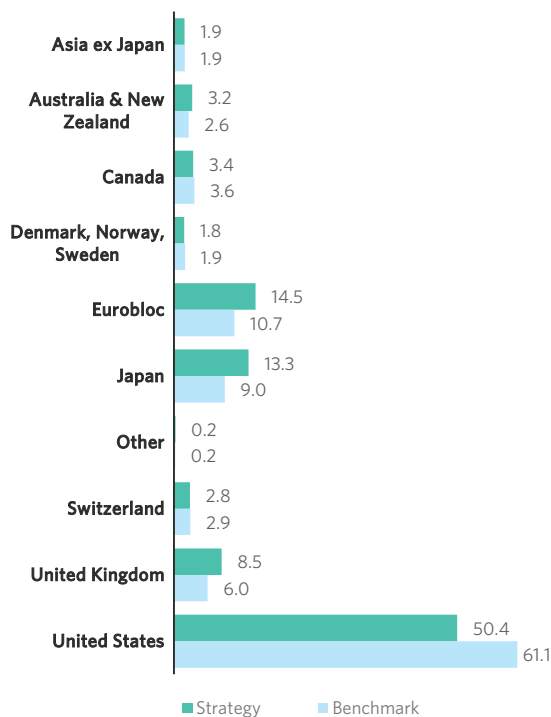
### Q4 Sector Attribution

Sector	Portfolio Weight	Bench. Weight	Sector Excess Return	Allocation Effect	Selection + Interaction Effect	Total Effect
Basic Materials	6.44	5.06	-2.68	-0.02	-0.09	-0.11
Consumer, Cyclical	12.97	13.49	0.22	0.01	0.23	0.24
Consumer, Non-Cyclical	9.65	9.48	5.14	0.01	-0.01	0.00
Energy	10.22	5.79	-7.89	-0.40	0.08	-0.32
Financial	22.33	20.67	-0.29	0.01	-0.19	-0.18
Health care	9.60	13.30	5.78	-0.14	0.14	-0.01
Industrial	9.58	9.22	-3.10	0.00	-0.05	-0.05
Technology	9.03	16.04	-4.22	0.27	-0.05	0.23
Telecommunications	5.23	3.56	6.19	0.08	0.04	0.12
Utilities	4.94	3.39	13.12	0.21	-0.05	0.16
<b>Excess Return</b>						<b>0.07</b>

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.

## REGION BREAKDOWN

### Region Weights as of 12/31/2018



### Q4 Region Attribution

Regions	Portfolio Weight	Bench. Weight	Sector Excess Return	Allocation Effect	Selection + Interaction Effect	Total Effect
Asia ex Japan	1.89	1.92	7.68	0.00	0.00	0.00
Australia & New Zealand	3.19	2.57	3.22	0.02	-0.01	0.01
Canada	3.39	3.62	-2.29	0.00	-0.04	-0.04
Denmark, Norway, Sweden	1.78	1.95	-0.52	0.00	0.00	0.00
Eurobloc	14.48	10.72	-0.12	-0.03	0.09	0.06
Japan	13.27	9.01	-0.71	-0.04	0.04	0.00
Other	0.24	0.18	-5.66	0.00	-0.01	-0.01
Switzerland	2.80	2.83	5.82	0.00	0.02	0.01
United Kingdom	8.42	5.96	1.22	0.03	-0.01	0.02
United States	50.53	61.23	-0.34	0.03	-0.02	0.01
<b>Excess Return</b>						<b>0.07</b>

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.

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