

RAFI Fundamental Developed ex US Index, 12/31/2018

INDEX INFORMATION

Launch:

1/31/2017

Bloomberg Ticker:

RAFIDXUT 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 ex US Index	-12.6%	-13.9%	-13.9%	5.8%	2.1%	7.5%	16.9%	0.42	2.4%	0.28
MSCI EAFE	-12.5%	-13.4%	-13.4%	3.4%	1.0%	6.8%	16.3%	0.40	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 ex US Index	1119	1.1	0.7	5.6	4.0%	49.5	-19.5%	-16.0%	13.5%
MSCI EAFE	926	1.4	1.0	7.3	3.6%	52.5	N/A	N/A	N/A

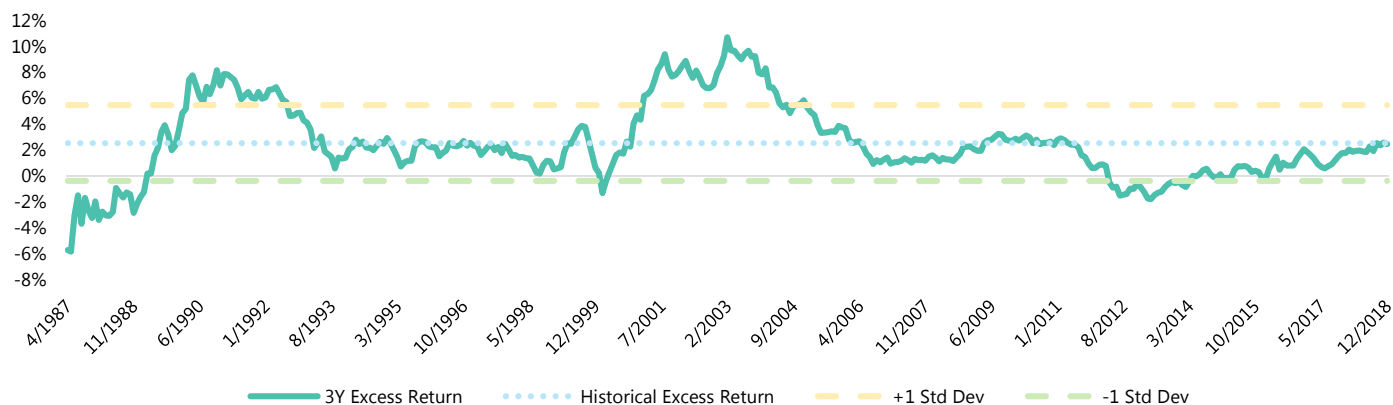
Portfolio characteristics are based on data from FactSet. MSCI EAFE data is represented by the iShares MSCI EAFE ETF.

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 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 quarterly discounts of price to equity, price to book, price to sales, price to cash flow, and dividend yield. Historical median calculation starts on 1/31/2002.

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 5/31/1984.

HOLDINGS

Top Index Holdings

Name	Weight
1 Royal Dutch Shell	2.6
2 BP	1.7
3 Total	1.5
4 HSBC	1.4
5 Toyota	1.4
6 Nestle	1.2
7 Novartis	1.1
8 Banco Santander	1.0
9 BHP Billiton	1.0
10 Roche Holding	0.8

Top Benchmark Holdings

Name	Weight
1 Nestle	2.0
2 Royal Dutch Shell	2.0
3 Novartis	1.5
4 Roche Holding	1.4
5 HSBC	1.3
6 Unilever	1.1
7 Toyota	1.1
8 Total	1.0
9 BP	1.0
10 BHP Billiton	0.9

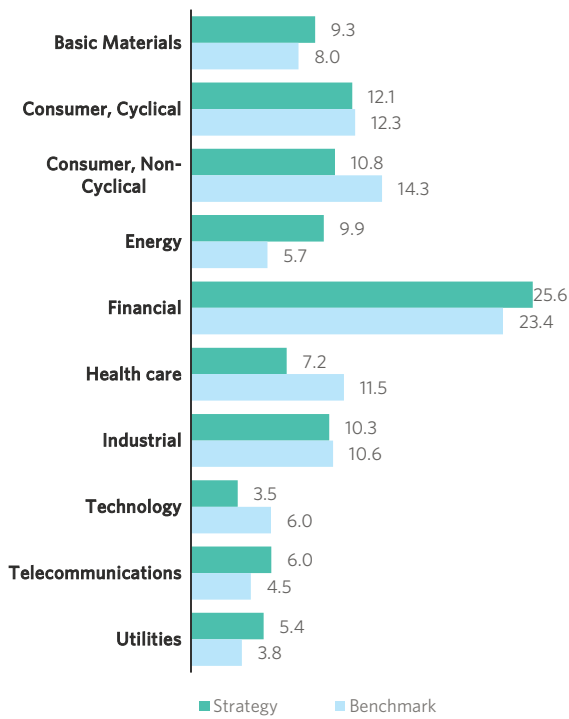
Top Active Holdings

Name	Weight
1 BP	0.7
2 Royal Dutch Shell	0.6
3 Medtronic plc	0.6
4 Royal Bank of Canada	0.5
5 Total	0.5
1 Nestle	-0.7
2 Unilever	-0.6
3 Roche Holding	-0.6
4 AIA Group Limited	-0.5
5 SAP	-0.5

Security data derived from FactSet. Benchmark holdings are represented by the iShares MSCI EAFE ETF.

SECTOR BREAKDOWN

Sector Weights as of 12/31/2018



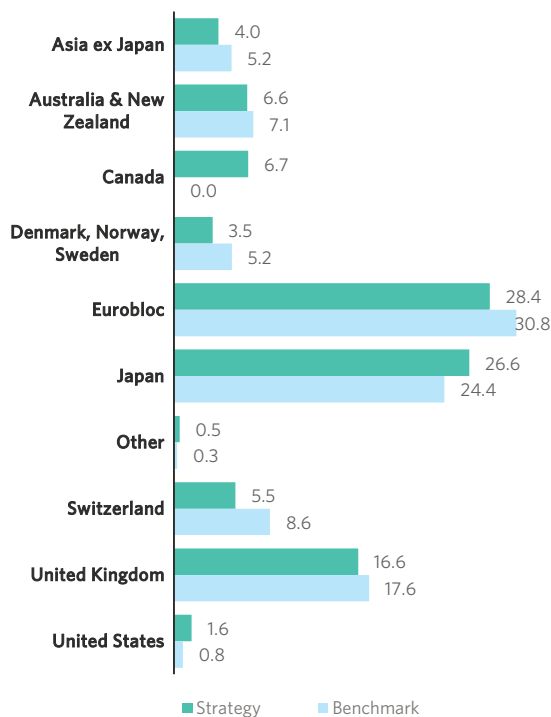
Q4 Sector Attribution

Sector	Portfolio Weight	Bench. Weight	Sector Excess Return	Allocation Effect	Selection + Interaction Effect	Total Effect
Basic Materials	9.28	8.17	-3.23	-0.03	0.00	-0.03
Consumer, Cyclical	11.86	12.26	-1.60	0.01	0.08	0.09
Consumer, Non-Cyclical	10.80	14.32	3.67	-0.13	0.00	-0.13
Energy	10.30	5.68	-6.65	-0.26	-0.16	-0.42
Financial	25.08	23.36	-0.60	0.00	-0.15	-0.15
Health care	7.46	11.38	3.80	-0.11	0.07	-0.05
Industrial	10.25	10.69	-1.90	0.01	0.02	0.03
Technology	3.39	5.94	-4.52	0.16	0.03	0.19
Telecommunications	6.02	4.46	7.86	0.08	0.10	0.18
Utilities	5.56	3.76	11.61	0.21	-0.05	0.16
Excess Return						-0.13

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 MSCI EAFE ETF.

REGION BREAKDOWN

Region Weights as of 12/31/2018



Q4 Region Attribution

Sector	Portfolio Weight	Bench. Weight	Sector Excess Return	Allocation Effect	Selection + Interaction Effect	Total Effect
Asia ex Japan	3.97	5.19	7.04	-0.09	0.00	-0.09
Australia & New Zealand	6.54	7.17	2.56	-0.02	-0.01	-0.02
Canada	6.59	0.00	-3.10	0.85	-1.03	-0.18
Denmark, Norway, Sweden	3.57	5.19	0.17	0.00	0.00	0.00
Eurobloc	28.13	30.72	-0.84	0.05	0.17	0.22
Japan	26.39	24.28	-1.34	-0.03	0.09	0.06
Other	0.55	0.28	-6.16	0.02	-0.06	-0.04
Switzerland	5.58	8.69	5.05	-0.11	0.09	-0.03
United Kingdom	16.96	17.75	0.51	0.00	-0.03	-0.03
United States	1.71	0.73	-3.21	-0.05	0.03	-0.02
Excess Return						-0.13

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 MSCI EAFE ETF.

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