

RAFI™ Fundamental Index Series

Attribution Summary: Q2 2022

Performance

Performance Analysis	QTD Return	QTD Excess Return	YTD Return	1-Year Return
RAFI Fundamental Global Index	-12.35%	3.09%	-12.71%	-9.10%
<i>Solactive GBS Global Markets Large & Mid Cap Index</i>	-15.45%	---	-19.91%	-15.43%
RAFI Fundamental US Index	-12.68%	4.12%	-12.42%	-5.20%
<i>Solactive GBS United States Large & Mid Cap Index</i>	-16.80%	---	-21.27%	-12.98%
RAFI Fundamental Developed Index	-12.37%	3.67%	-12.16%	-7.54%
<i>Solactive GBS Dev Markets Large & Mid Cap Index</i>	-16.04%	---	-20.35%	-14.16%
RAFI Fundamental Developed ex US Index	-11.83%	2.61%	-11.62%	-10.12%
<i>Solactive GBS Dev ex US Large & Mid Cap Index</i>	-14.43%	---	-18.40%	-16.45%
RAFI Fundamental Emerging Markets Index	-12.32%	-1.44%	-16.24%	-19.12%
<i>Solactive GBS EM Large & Mid Cap Index</i>	-10.89%	---	-16.58%	-24.02%

The RAFI Fundamental Global, US, Developed, and Developed ex US indices all outperformed their respective benchmark over the second quarter of 2022 (the MSCI AC World Value Index outpaced MSCI AC World Growth Index by 8.8%). The RAFI Fundamental Emerging Markets Index underperformed its respected benchmark by 1.4%. Looking at YTD and one-year performance, all indices have outperformed with the largest outperformance by the RAFI Fundamental US Index. The index outperformed by 8.9% YTD and 7.8% over the course of the last 12 months. The index that experienced the smallest degree of outperformance was the RAFI Fundamental Emerging Markets Index, which outperformed by 0.3% YTD and 4.9% over the last 12 months.

Global

The RAFI Fundamental Global Index outperformed its benchmark for the quarter by 3.1%. Value-oriented strategies generally outperformed over Q2, which drove the index's outperformance relative to its benchmark. The market as a whole contracted and struggled over Q2 as inflation, interest rates, and recession woes created fear in the markets. At the security level, the once high-flyers of 2021 came crashing down in Q2. Both NVIDIA and Tesla, which over the course of 2021 saw their stock prices soar approximately 125% and 50%, respectively, experienced huge price contractions in the Q2. The largest contributor to excess return at 33 bps was Amazon. Over Q2, Amazon's share price fell 34.8%. Weaker than expected Q1 earnings, a bleak outlook, and the overall market environment severely adversely impacted the company's stock price. Amazon had a 1.4% underweight in the index versus the benchmark. The three largest contributors (Amazon/Tesla/NVIDIA) added a combined 0.9% to excess return and had an underweight of 3.3% in the index versus the benchmark. The largest detractor of excess return at -7 bps was Eli Lilly and Company. The company's stock price rose 13.6% in Q2 and was underweight 0.3% in the index.

	Portfolio Weight	Active Weight	Q2 Return	Excess Return Contribution
Top Five Contributors to Return				
Amazon.com, Inc.	0.40%	-1.44%	-34.84%	0.33%
Tesla Inc	0.03%	-1.11%	-37.51%	0.30%
NVIDIA Corporation	0.08%	-0.76%	-44.43%	0.27%
Exxon Mobil Corporation	1.48%	0.84%	4.75%	0.16%
AT&T Inc.	0.71%	0.47%	17.06%	0.14%
Bottom Five Contributors to Return				
Eli Lilly and Company	0.17%	-0.26%	13.60%	-0.07%
Meituan Class B	0.02%	-0.13%	24.56%	-0.05%
Warner Bros. Discovery, Inc. Series A	0.15%	0.09%	-46.15%	-0.04%
Pinduoduo, Inc. Sponsored ADR Class A	0.00%	-0.05%	54.08%	-0.04%
Ford Motor Company	0.27%	0.18%	-33.75%	-0.04%

3/31/2022 to 6/30/2022	RAFI Fundamental Global Index		Solactive GBS Global Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.32	100.00	-15.43	1.29	1.82	3.11
Basic Materials	7.19	-19.32	5.35	-19.47	-0.07	0.02	-0.06
Communications	6.79	-10.79	8.34	-17.33	0.03	0.44	0.48
Consumer Cyclical	8.27	-15.41	10.31	-20.80	0.13	0.45	0.58
<i>Amazon.com, Inc.</i>	<i>0.40</i>	<i>-34.84</i>	<i>1.84</i>	<i>-34.84</i>	<i>0.33</i>	<i>--</i>	<i>0.33</i>
<i>Tesla Inc</i>	<i>0.03</i>	<i>-37.51</i>	<i>1.14</i>	<i>-37.51</i>	<i>0.30</i>	<i>--</i>	<i>0.30</i>
Consumer Non-Cyclical	8.71	-8.42	7.92	-6.73	0.08	-0.14	-0.06
Energy	11.07	-4.08	5.10	-4.87	0.65	0.08	0.73
<i>Exxon Mobil Corporation</i>	<i>1.48</i>	<i>4.75</i>	<i>0.64</i>	<i>4.75</i>	<i>0.16</i>	<i>--</i>	<i>0.16</i>
<i>Shell PLC</i>	<i>1.50</i>	<i>-5.85</i>	<i>0.36</i>	<i>-5.85</i>	<i>0.11</i>	<i>--</i>	<i>0.11</i>
Financials	19.77	-14.70	14.68	-15.68	-0.02	0.20	0.18
Healthcare	10.21	-3.98	12.31	-6.69	-0.18	0.25	0.07
Industrial	9.29	-14.79	9.06	-15.72	-0.00	0.09	0.09
Real Estate	2.06	-13.17	2.60	-13.72	-0.01	0.01	0.00
Technology	12.52	-18.67	21.26	-21.74	0.59	0.41	1.00
<i>NVIDIA Corporation</i>	<i>0.08</i>	<i>-44.43</i>	<i>0.84</i>	<i>-44.43</i>	<i>0.27</i>	<i>--</i>	<i>0.27</i>
<i>Apple Inc.</i>	<i>2.14</i>	<i>-21.59</i>	<i>4.16</i>	<i>-21.59</i>	<i>0.13</i>	<i>--</i>	<i>0.13</i>
<i>Shopify, Inc. Class A</i>	<i>0.00</i>	<i>-53.94</i>	<i>0.08</i>	<i>-53.94</i>	<i>0.05</i>	<i>--</i>	<i>0.05</i>
Utilities	4.11	-6.42	3.07	-6.72	0.09	0.01	0.10

At the sector level, technology, energy, and consumer cyclical were the three main contributors to excess return. Technology, the top-contributing sector added 100 bps to excess return. The tech sector, as represented by the Nasdaq Composite, got whacked in Q2 (down 22%). Rising rates and revised company forecast estimates had a profound effect on the sector. The RAFI Fundamental Global Index benefited from both allocation and selection effects. The index had a tech underweight of 8.7% versus the benchmark. The second-largest contributor to excess return, at 73 bps, was the energy sector. The energy sector, which had a 6.0% overweight in the index, was one of the more resilient sectors over Q2. Allocation effect greatly outweighed selection effect. The third-largest contributor at 58 bps was consumer cyclical. The index largely benefited by being underweight names such as Amazon and Tesla. The two companies, which had a combined underweight of 2.6% versus the benchmark, saw their stock prices plunge over 30% in Q2.

3/31/2022 to 6/30/2022	RAFI Fundamental Global Index		Solactive GBS Global Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.32	100.00	-15.43	0.26	2.85	3.11
Developed Asia Pacific	13.43	-11.76	9.40	-14.35	0.05	0.35	0.40
<i>Sea Ltd. (Singapore) Sponsored ADR Class A</i>	--	--	0.05	-44.79	0.02	--	0.02
Developed Europe	22.09	-11.94	16.19	-14.47	0.06	0.55	0.61
<i>Shell PLC</i>	1.50	-5.85	0.36	-5.85	0.11	--	0.11
<i>TotalEnergies SE</i>	0.65	4.16	0.24	4.16	0.07	--	0.07
Emerging Americas	1.56	-18.62	1.03	-22.09	-0.03	0.06	0.02
Emerging Asia	9.58	-10.49	9.15	-8.97	0.03	-0.15	-0.12
<i>Alibaba Group Holding Ltd.</i>	0.14	4.49	0.31	4.49	-0.04	--	-0.04
Emerging EMEA	1.26	-16.67	1.66	-13.45	0.01	-0.04	-0.03
United States	48.15	-12.62	58.76	-16.70	0.13	1.97	2.10
<i>Amazon.com, Inc.</i>	0.40	-34.84	1.84	-34.84	0.33	--	0.33
<i>Tesla Inc</i>	0.03	-37.51	1.14	-37.51	0.30	--	0.30
<i>NVIDIA Corporation</i>	0.08	-44.43	0.84	-44.43	0.27	--	0.27
Other Developed	3.93	-12.96	3.68	-15.59	0.00	0.11	0.11
[Unassigned]	0.00	-19.17	0.14	-30.57	0.02	0.00	0.02

Breaking down the performance of the RAFI Fundamental Global Index by region shines a clear light on the main regional out- and underperformers. The United States and Developed Europe were the top-two contributing regions to excess return, with the majority stemming from the United States. The United States provided 210 bps to excess return and had an underweight in the index of 10.6% versus the benchmark. Selection effect vastly outweighed allocation effect and was the primary driver of the outperformance. As mentioned previously, being underweight in large US names (Amazon/Tesla/NVIDIA) greatly favored the index's performance over Q2. The second top contributor to excess return at 61 bps was Developed Europe. The Developed Europe region was 5.9% overweight in the index versus the benchmark. As with the United States, selection effect was the primary driver of performance. The RAFI Fundamental Global Index did experience a slight performance drag from the Emerging Asia region. Familiar names from this region, such as Tencent and Alibaba, impaired index performance.

United States

Sector Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental US Index		Morningstar US Large-Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.62	100.00	-16.76	2.08	2.06	4.14
Basic Materials	3.17	-17.39	2.53	-15.97	0.02	-0.05	-0.03
Communications	7.73	-13.54	9.30	-22.01	0.09	0.68	0.78
<i>AT&T Inc.</i>	1.46	17.06	0.41	17.06	0.32	--	0.32
Consumer Cyclical	7.24	-22.43	10.89	-27.08	0.42	0.39	0.80
<i>Amazon.com, Inc.</i>	0.84	-34.84	3.10	-34.84	0.48	--	0.48
Consumer Non-Cyclical	8.98	-7.73	7.07	-5.44	0.23	-0.19	0.04
Energy	10.59	-3.91	4.34	-4.85	0.76	0.10	0.86
<i>Exxon Mobil Corporation</i>	3.05	4.75	1.08	4.75	0.40	--	0.40
<i>Valero Energy Corporation</i>	0.73	5.52	0.14	5.52	0.12	--	0.12
Financials	16.72	-16.93	10.81	-17.77	-0.06	0.15	0.08
Healthcare	13.83	-1.17	14.23	-5.75	-0.04	0.56	0.52
Industrial	8.54	-15.89	7.45	-14.93	0.02	-0.09	-0.06
Real Estate	1.83	-17.10	2.73	-14.05	-0.02	-0.06	-0.07
Technology	17.20	-18.43	27.79	-21.44	0.51	0.55	1.06
<i>NVIDIA Corporation</i>	0.17	-44.43	1.41	-44.43	0.42	--	0.42
<i>Apple Inc.</i>	4.46	-21.59	7.01	-21.59	0.13	--	0.13
<i>International Business Machines Corporation</i>	0.81	9.92	0.34	9.92	0.11	--	0.11
Utilities	4.16	-4.54	2.87	-5.20	0.15	0.02	0.17

Developed

Sector Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Developed Index		Solactive GBS Developed Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.32	100.00	-15.99	1.52	2.15	3.67
Basic Materials	6.47	-19.56	4.78	-19.69	-0.06	0.01	-0.05
Communications	6.80	-10.85	7.92	-19.26	0.04	0.57	0.62
<i>AT&T Inc.</i>	0.81	17.06	0.28	17.06	0.16	--	0.16
Consumer Cyclical	8.32	-17.43	10.26	-24.05	0.18	0.58	0.76
<i>Amazon.com, Inc.</i>	0.46	-34.84	2.09	-34.84	0.36	--	0.36
Consumer Non-Cyclical	9.19	-8.28	8.17	-6.89	0.11	-0.12	-0.01
Energy	11.41	-3.63	4.98	-4.55	0.75	0.10	0.84
<i>Exxon Mobil Corporation</i>	1.69	4.75	0.72	4.75	0.19	--	0.19
<i>Shell PLC</i>	1.71	-5.85	0.41	-5.85	0.13	--	0.13
Financials	18.75	-15.21	13.65	-16.14	-0.01	0.18	0.16
Healthcare	11.49	-3.86	13.42	-6.74	-0.18	0.30	0.13
Industrial	9.87	-15.47	9.57	-16.28	-0.00	0.08	0.08
Real Estate	1.94	-15.00	2.67	-14.84	-0.01	-0.00	-0.01
Technology	11.59	-18.22	21.49	-21.76	0.60	0.43	1.03
<i>NVIDIA Corporation</i>	0.09	-44.43	0.95	-44.43	0.30	--	0.30
<i>Apple Inc.</i>	2.44	-21.59	4.71	-21.59	0.13	--	0.13
Utilities	4.16	-6.61	3.09	-7.03	0.10	0.02	0.11

Country Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Developed Index		Solactive GBS Developed Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.32	100.00	-15.99	0.37	3.30	3.67
Developed Asia Pacific x JP	4.12	-13.29	3.89	-14.50	0.01	0.05	0.06
Europe - Non-EU	4.40	-14.23	4.71	-15.67	0.00	0.06	0.07
European Union	12.99	-13.14	9.12	-15.67	0.00	0.32	0.32
Japan	11.24	-11.21	6.73	-14.25	0.09	0.34	0.43
<i>Tokyo Electric Power Company Holdings, Incorporated</i>	0.08	25.70	0.01	25.70	0.02	--	0.02
United Kingdom	7.82	-8.47	4.48	-10.64	0.18	0.16	0.35
<i>Shell PLC</i>	1.71	-5.85	0.41	-5.85	0.13	--	0.13
United States	54.94	-12.62	66.54	-16.69	0.07	2.24	2.31
<i>Amazon.com, Inc.</i>	0.46	-34.84	2.09	-34.84	0.36	--	0.36
<i>Exxon Mobil Corporation</i>	1.69	4.75	0.72	4.75	0.19	--	0.19
<i>Meta Platforms Inc. Class A</i>	0.37	-27.48	0.85	-27.48	0.06	--	0.06
Other Developed	4.49	-12.96	4.16	-15.58	0.01	0.12	0.12
Other	--	--	0.21	-12.39	-0.01	--	-0.01
[Unassigned]	0.00	--	0.14	-31.20	0.02	0.00	0.03

Developed ex US

Sector Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Developed ex US Index		Solactive GBS Dev Markets ex US Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-11.82	100.00	-14.42	0.79	1.81	2.60
Basic Materials	10.39	-20.03	9.39	-21.66	-0.08	0.19	0.11
Communications	5.61	-6.39	5.10	-7.98	0.03	0.08	0.11
Consumer Cyclical	10.43	-12.35	8.99	-16.08	-0.02	0.38	0.36
Consumer Non-Cyclical	9.50	-9.00	10.42	-8.84	-0.05	-0.02	-0.07
Energy	11.87	-3.49	6.28	-4.21	0.57	0.08	0.65
<i>Shell PLC</i>	3.59	-5.85	1.24	-5.85	0.20	--	0.20
<i>TotalEnergies SE</i>	1.55	4.16	0.81	4.16	0.13	--	0.13
Financials	20.77	-13.55	19.49	-14.28	-0.01	0.15	0.15
Healthcare	8.36	-8.75	11.78	-9.16	-0.18	0.03	-0.15
<i>AstraZeneca PLC</i>	0.54	-1.68	1.13	-1.68	-0.07	--	-0.07
Industrial	11.57	-14.81	13.91	-17.74	0.08	0.35	0.43
<i>Keyence Corporation</i>	0.07	-27.62	0.44	-27.62	0.06	--	0.06
Real Estate	2.27	-11.19	2.55	-16.51	0.01	0.12	0.13
Technology	4.77	-17.19	8.56	-23.86	0.39	0.34	0.74
<i>ASML Holding NV</i>	0.17	-29.30	1.30	-29.30	0.19	--	0.19
<i>Shopify, Inc. Class A</i>	0.00	-53.94	0.28	-53.94	0.16	--	0.16
Utilities	4.45	-7.83	3.54	-10.07	0.04	0.10	0.14

Country Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Developed ex US Index		Solactive GBS Dev Markets ex US Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-11.82	100.00	-14.42	0.21	2.39	2.60
Developed Asia Pacific x JP	9.81	-12.81	11.69	-14.10	-0.00	0.13	0.13
Europe - Non-EU	9.26	-14.26	14.22	-15.52	0.06	0.12	0.18
European Union	27.39	-13.14	26.65	-15.56	-0.01	0.65	0.63
<i>ASML Holding NV</i>	0.17	-29.30	1.30	-29.30	0.19	--	0.19
Japan	27.07	-10.91	20.53	-14.25	0.02	0.90	0.92
<i>Tokyo Electric Power Company Holdings, Incorporated</i>	0.23	25.70	0.03	25.70	0.07	--	0.07
<i>Keyence Corporation</i>	0.07	-27.62	0.44	-27.62	0.06	--	0.06
<i>Recruit Holdings Co., Ltd.</i>	0.09	-34.07	0.29	-34.07	0.05	--	0.05
United Kingdom	16.91	-8.52	13.66	-10.64	0.12	0.35	0.47
Other Developed	9.46	-12.97	12.49	-15.40	0.04	0.24	0.27
Other	0.10	-14.34	0.74	-14.52	-0.01	0.00	-0.00

Emerging Markets

Sector Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Emerging Markets Index		Solactive GBS Emerging Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.24	100.00	-10.89	-0.83	-0.53	-1.35
Basic Materials	12.32	-18.61	9.70	-18.70	-0.21	0.03	-0.19
Communications	6.70	-10.04	11.48	-6.35	-0.21	-0.26	-0.46
Meituan Class B	0.13	24.56	1.28	24.56	-0.35	--	-0.35
Tencent Holdings Ltd.	1.03	-5.05	4.00	-5.05	-0.19	--	-0.19
Consumer Cyclical	8.03	0.52	10.62	5.66	-0.40	-0.44	-0.84
Pinduoduo, Inc. Sponsored ADR Class A	0.03	54.08	0.48	54.08	-0.31	--	-0.31
Alibaba Group Holding Ltd.	1.13	4.49	2.64	4.49	-0.22	--	-0.22
BYD Company Limited Class H	0.13	39.71	0.48	39.40	-0.14	0.00	-0.14
Consumer Non-Cyclical	5.26	-10.06	6.07	-5.16	-0.04	-0.25	-0.29
Kweichow Moutai Co., Ltd. Class A	0.05	13.92	0.30	13.92	-0.05	--	-0.05
Energy	8.61	-8.00	6.00	-6.82	0.16	-0.09	0.07
Financials	26.75	-12.14	22.47	-13.38	-0.10	0.34	0.24
China Construction Bank Corporation Class H	1.73	-3.42	0.97	-3.46	0.06	0.00	0.06
Healthcare	1.19	-11.76	3.87	-5.21	-0.15	-0.08	-0.23
Industrial	5.18	-4.85	5.25	-7.45	-0.00	0.13	0.12
Real Estate	2.84	-4.15	2.01	-1.92	0.06	-0.05	0.01
Technology	19.36	-20.61	19.59	-21.40	0.02	0.18	0.20
Taiwan Semiconductor Manufacturing Co., Ltd.	2.44	-22.75	6.36	-22.75	0.49	--	0.49
Utilities	3.75	-5.04	2.94	-4.27	0.04	-0.02	0.01

Country Attribution

3/31/2022 to 6/30/2022	RAFI Fundamental Emerging Markets Index		Solactive GBS Emerging Markets Large & Mid Cap Index		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	-12.24	100.00	-10.89	-1.81	0.46	-1.35
Brazil	9.35	-19.68	5.65	-24.99	-0.53	0.57	0.03
China	24.78	0.73	29.62	4.57	-0.70	-0.89	-1.59
Meituan Class B	0.13	24.56	1.28	24.56	-0.35	--	-0.35
Pinduoduo, Inc. Sponsored ADR Class A	0.03	54.08	0.48	54.08	-0.31	--	-0.31
Alibaba Group Holding Ltd.	1.13	4.49	2.64	4.49	-0.22	--	-0.22
Emerging Europe	3.02	-11.69	1.27	-10.68	0.02	-0.04	-0.02
India	10.73	-12.76	14.35	-13.31	0.10	0.05	0.15
Latin America x Brazil	3.29	-15.84	3.10	-16.39	-0.01	0.01	0.01
Middle East and Africa	7.03	-18.66	12.34	-12.95	0.21	-0.42	-0.21
South Korea	20.23	-19.64	11.90	-21.06	-0.90	0.32	-0.58
Samsung Electronics Co., Ltd.	6.92	-23.07	4.09	-22.99	-0.36	-0.01	-0.37
POSCO Holdings Inc.	0.88	-25.31	0.21	-25.31	-0.10	--	-0.10
Southeast Asia	21.56	-13.66	21.55	-17.38	-0.01	0.84	0.84
Taiwan Semiconductor Manufacturing Co., Ltd.	2.44	-22.75	6.36	-22.75	0.49	--	0.49
Jasmine Technology Solution Public Company Limited	--	--	0.02	-73.84	0.03	--	0.03
Other	0.01	-14.33	0.14	-14.18	0.01	0.00	0.01
[Unassigned]	0.00	-20.84	0.08	-23.38	0.01	0.00	0.01

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