

Results of China A-Shares, Argentina and Kuwait Market Consultation

In June, 2020, RAFI Indices conducted a market consultation regarding the following changes to the Research Affiliates Global Equity Universe (GEU), the starting universe for all RAFI Indices index strategies:

- Inclusion of China A-shares as an eligible share class for Chinese equities
- The promotion of Argentina to Emerging Markets
- The promotion of Kuwait to Emerging Markets

As a result of that consultation, we would like to make the following announcements. Should you have any questions regarding this announcement, please contact indexsupport@rafi.com.

Inclusion of China A-shares

RAFI Indices has made the decision to include China A-shares as an eligible share class for Chinese equities. China A-shares will be added at the annual reconstitution for RAFI Indices strategies in March 2021. Given that RAFI Indices index strategies use a quarterly staggered rebalance approach, China A-shares will be phased in over four quarters. In addition, China A-shares will be limited to an inclusion factor of 0.2, (meaning only 20% of the fundamental weight of China A-shares will be included in the index).

The inclusion of China A-shares will affect the following indices:

Index	Total Return Ticker	Price Return Ticker	Net Return Ticker
RAFI Fundamental Global Index	RAFIGLBT	RAFIGLBP	RAFIGLBN
RAFI Fundamental Emerging Markets Index	RAFIEMT	RAFIEMP	RAFIEMN
RAFI Dynamic Multi-Factor Global Index	RADMFGLT	RADMFGLP	RADMFGLN
RAFI Multi-Factor Global Index	RAQMFGLT	RAQMFGLP	RAQMFGLN
RAFI Multi-Factor Global ex Switzerland Index	RAMFGXST	RAMFGXSP	RAMFGXSN
RAFI Value Factor Global Index	RADMFGVT	RADMFGV	RADMFGVN
RAFI Dynamic Multi-Factor Emerging Markets Index	RADMFEMT	RADMFEMP	RADMFENT
RAFI Multi-Factor Emerging Markets Index	RAQMFEMT	RAQMFEMP	RAQMFENT
RAFI Multi-Factor ex Momentum Emerging Markets Index	RAMFEXMT	RAMFEXMP	RAMFEXMN

Argentina

RAFI Indices has made the decision not to promote Argentina to Emerging Markets at the March 2021 reconstitution.

Kuwait

RAFI Indices has made the decision to promote Kuwait to Emerging Markets at the March 2021 reconstitution. It's important to note however, that any eligible country requires a minimum 50 bps weight in the GEU Emerging Markets universe to qualify for any RAFI indices index strategy for that year. Country inclusion is determined in June of each year and as of June, 2020, Kuwait had a weight of 46 bps in the GEU Emerging Markets universe. As a result, while Kuwait will be classified as Emerging Markets in March 2021, it will not immediately qualify for any index strategies due to its low representation within the GEU Emerging Markets universe. If Kuwait qualifies at a future date, RAFI Indices will provide additional notification at that time.

Important Information

By accepting this document you agree to keep its contents confidential. You also agree not to disclose the contents of this document to third parties (including potential co-investors) without the prior written permission of RAFI Indices, LLC (including its related entities).

The material contained in this document is for information purposes only. This material is not intended as an offer or solicitation for the purchase or sale of any security or financial instrument, nor is it advice or a recommendation to enter into any transaction. Any offer to sell or a solicitation of an offer to buy or sell shall be made solely by the legally permitted entity registered or licensed with the applicable regulator(s) and only to qualified investors through a regulatory registration statement or subject to an applicable exemption and disclosure document such as a private placement memorandum for pooled investment vehicles, or investment management agreement for separately managed accounts. The information contained herein may be opinions, which are subject to change, at any time, and should not be construed as financial or investment advice on any subject matter. RAFI Indices, LLC and its related entities do not warrant the accuracy of the information provided herein, either expressed or implied, for any particular purpose.

Certain performance information presented represents simulated performance. Hypothetical investor accounts depicted are not representative of actual client accounts. Certain performance information presented represents performance based on combined simulated index data (pre-index launch) and live index data (post-index launch). Indexes are unmanaged and cannot be invested in directly. Past simulated performance is no guarantee of future performance and does not represent actual performance of an investment product based on the index. No allowance has been made for trading costs, management fees, or other costs associated with asset management, as the information provided relates only to the index itself. Actual investment results may differ. As such, the simulated data may have under- or over-compensated for the impact, if any, of certain market factors. Simulated returns may not reflect the impact that material economic and market factors might have had on the advisor's decision making if the advisor were actually managing clients' money. Simulated data is subject to the fact that it is designed with the benefit of hindsight. Simulated returns carry the risk that the performance depicted is not due to successful predictive modeling. Simulated returns cannot predict how an investment strategy will perform in the future. Simulated returns should not be considered indicative of the skill of the advisor. Investors may experience loss. Any information and data pertaining to an index contained in this document relate only to the index itself and not to any asset management product based on the index.

RAFI Indices, LLC, its affiliates, agents, and each of their respective officers, directors, employees, agents, representatives and licensors (collectively "RI") does not make any warranties, express or implied, to anyone regarding the information provided herein, including, without limitation, any warranties with respect to the timeliness, sequence, accuracy, completeness, currentness, merchantability, quality or fitness for a particular purpose or any warranties as to the results to be obtained by any third-party in connection with the use of the information. Nothing contained in this material is intended to constitute legal, tax, securities or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The general information contained in this material should not be acted upon without obtaining specific legal, tax and investment advice from a licensed professional. Investors should be aware of the risks associated with data sources and quantitative processes used to create the content contained herein or the investment management process. Errors may exist in data acquired from third party vendors, the construction or coding of indices or model portfolios, and the construction of the spreadsheets, results or information provided. RI takes reasonable steps to eliminate or mitigate errors, and to identify data and process errors so as to minimize the potential impact of such errors, however RI cannot guarantee that such errors will not occur. Use of this material is conditioned



upon, and evidence of, the user's full release of RI from any liability or responsibility for any loss or damage, direct, indirect or consequential, arising from or related to (i) any inaccuracy or incompleteness in, errors or omissions in the information or (ii) any decision made or action taken by any third party in reliance upon the information. RI shall not be liable to anyone for loss of business revenues, lost profits or any indirect, consequential, special or similar damages whatsoever, whether in contract, tort or otherwise, even if advised of the possibility of such damages.

Any applicable financial instruments are not sponsored, promoted, sold or supported in any other manner by RAFI Indices, LLC or Solactive AG nor does RAFI Indices, LLC or Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by RAFI Indices, LLC and Solactive AG. RAFI Indices, LLC and Solactive AG use their best efforts to ensure that the Index is calculated correctly. Irrespective of their obligations towards Licensee, neither RAFI Indices, LLC nor Solactive AG has any obligation to point out errors in the Index to third parties including but not limited to Licensee, investors and/or financial intermediaries of the financial instrument. Neither publication of the Index nor the licensing of the Index or Index trade mark for the purpose of use in connection with the financial instrument constitutes a recommendation by RAFI Indices, LLC or Solactive AG to invest capital in said financial instrument nor does it in any way represent an assurance or opinion of RAFI Indices, LLC or Solactive AG with regard to any investment in the financial instrument.

The trademarks Fundamental Index™, RAFI™, Research Affiliates Equity™, RAE™, and the Research Affiliates™ trademark and corporate name and all related logos are the exclusive intellectual property of Research Affiliates, LLC and in some cases are registered trademarks in the U.S. and other countries. The RAFI trademark is used under license by RAFI Indices, LLC. The RAFI Indices, LLC corporate name and all related logos are the exclusive intellectual property of RAFI Indices, LLC.

Various features of the Fundamental Index™ methodology, including an accounting data-based non-capitalization data processing system and method for creating and weighting an index of securities, are protected by various patents, and patent-pending intellectual property of Research Affiliates, LLC. (See all applicable US Patents, Patent Publications, Patent Pending intellectual property and protected trademarks located at https://www.researchaffiliates.com/en_us/about-us/legal.html, which are fully incorporated herein.) Any use of these trademarks, logos, patented or patent pending methodologies without the prior written permission of Research Affiliates, LLC, is expressly prohibited. Research Affiliates, LLC, reserves the right to take any and all necessary action to preserve all of its rights, title, and interest in and to these marks, patents or pending patents.

RAFI Indices, LLC is a wholly owned subsidiary of Research Affiliates Global Holdings, LLC and does not offer or provide investment advice or offer or sell any securities, commodities or derivative instruments or products. Any such business may only be conducted through registered or licensed entities and individuals permitted to do so within the respective jurisdiction and only in conjunction with the legally required disclosure documents and subject to the all legally required regulatory filings.

RAFI Indices, LLC may engage in sales and marketing activities with your firm. This includes making available information, education, and guidance materials, herein and otherwise, regarding certain investment advisory services and/or indices that are constructed, published, and licenses.

It is not our intent to provide investment advice and accordingly, we will not receive any fees or other compensation directly from you for the provision of investment advice (as opposed to other services) in connection with any Transaction, unless contracted for or permissioned to do so. Without an express written objection from you, we will deem that these acknowledgments and representations apply.

© 2020 RAFI Indices, LLC. All rights reserved. Duplication or dissemination prohibited without prior written permission.

