

Results of Saudi Arabia Market Consultation

In November, 2018, RAFI Indices conducted a market consultation regarding the promotion of Saudi Arabia to Emerging Markets. As a result of that consultation, we would like to make the following announcement. Should you have any questions regarding this announcement, please contact info@rafi.com.

Promotion of Saudi Arabia to Emerging Markets in 2020

RAFI Indices has made the decision to promote Saudi Arabia to Emerging Markets at the March, 2020 annual reconstitution. The decision to promote Saudi Arabia in 2020 will currently affect the following indices:

RAFI Fundamental Index Series

- RAFI Fundamental Global Index
- RAFI Fundamental Emerging Markets Index

RAFI Multi-Factor Index Series

- RAFI Dynamic Multi-Factor Global Index
- RAFI Dynamic Multi-Factor Emerging Markets Index
- RAFI Multi-Factor Global Index
- RAFI Multi-Factor Global AUD Hedged Index
- RAFI Multi-Factor Global ex-Switzerland Index
- RAFI Multi-Factor Emerging Markets Index
- RAFI Value Factor Global Index
- RAFI Value Factor Emerging Markets Index
- RAFI Low Volatility Factor Global Index
- RAFI Low Volatility Factor Emerging Markets Index
- RAFI Quality Factor Global Index
- RAFI Quality Factor Emerging Markets Index
- RA Momentum Factor Global Index
- RA Momentum Factor Emerging Markets Index

Implementation

Given that the RAFI Fundamental Index Series and RAFI Multi-Factor Index Series use a quarterly staggered rebalance approach where 25% of the portfolio is rebalanced each quarter, (with the exception of the RA Momentum Factor Global and RA Momentum Factor Emerging Markets Index), Saudi Arabia equities will be phased in during each quarterly rebalance. For example, 25% of the eligible weight will be introduced during the March rebalance. For the RA Momentum Factor Global Index and RA Momentum Factor Emerging Markets Index, 100% of the eligible weight will be introduced at the March 2020 rebalance.

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