

Index Description

The RAFI[®] US High Yield Bond Index is a high yield corporate bond index comprised of non-zero fixed coupon debt with maturities ranging from 1 to 10 years issued by publicly traded companies. The issuers held in the index are weighted by a combination of four measures of their fundamental size—sales, cash flow, dividends and book value of assets.

Annualized Performance

	1-Yr	3-Yr	5-Yr	10-Yr
Returns	8.5%	19.5%	8.8%	8.9%
ML US HY 1-10	6.0%	19.0%	6.7%	7.6%
Std Deviation	7.4%	7.6%	11.1%	9.3%
ML US HY 1-10	8.7%	8.3%	12.2%	9.6%
Sharpe Ratio	1.1	2.5	0.7	0.8
ML US HY 1-10	0.7	2.3	0.5	0.6

Sector Breakdown

Manufacturing	30.9%	Telephone	2.3%
Service/Leisure	15.0%	Transportation	1.9%
Oil And Gas	11.6%	Banking	1.6%
Financial Services	9.3%	Gas	1.2%
Retail	9.0%	Real Estate	1.2%
Media/Communications	7.7%	Insurance	0.8%
Electric	4.0%	Leasing	0.6%
Credit/Financing	3.0%		

Summary Statistics

Constituents	204
Wavg Coupon	7.5
Wavg Maturity	4.9
Yield to Worst	5.5
Mod Duration	3.9
Wavg Credit	Ba3/BB-

Top 10 Holdings

Company	# Issues	Weight	Averages				
			Maturity	Yield to Worst	Modified Duration	Moody	S&P
AIG	2	2.8%	1/29/2019	6.4	5.1	B1	BBB-
Ford Motor	2	2.4%	3/31/2019	4.5	5.5	Ba1	BB+
General Motors	1	2.1%	6/1/2018	5.4	4.9	Ba3	BB-
Weyerhaeuser	1	1.5%	10/1/2019	5.0	5.7	Ba1	BBB-
Sears	1	1.4%	10/15/2018	8.9	4.9	B2	B
Regions Financial	2	1.4%	8/28/2016	4.4	3.6	Ba3	BBB-
Sprint Nextel	2	1.3%	2/8/2018	9.2	4.5	B3	B+
SLM	2	1.2%	2/21/2018	5.9	4.6	Ba1	BBB-
AES	2	1.2%	10/17/2016	4.8	3.7	Ba3	BB-
SuperValu	1	1.2%	5/1/2016	6.6	3.4	B2	B
Total		16.6%					

Maturity Breakdown

0 - 3 years	24.5%
3 - 5 years	31.3%
5 - 7 years	22.0%
7 - 10 years	22.2%

Credit Rating Breakdown

Moody		S&P	
Baa	5.4%	BBB	12.3%
Ba	53.6%	BB	59.1%
B	40.9%	B	28.6%

Disclosures

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