

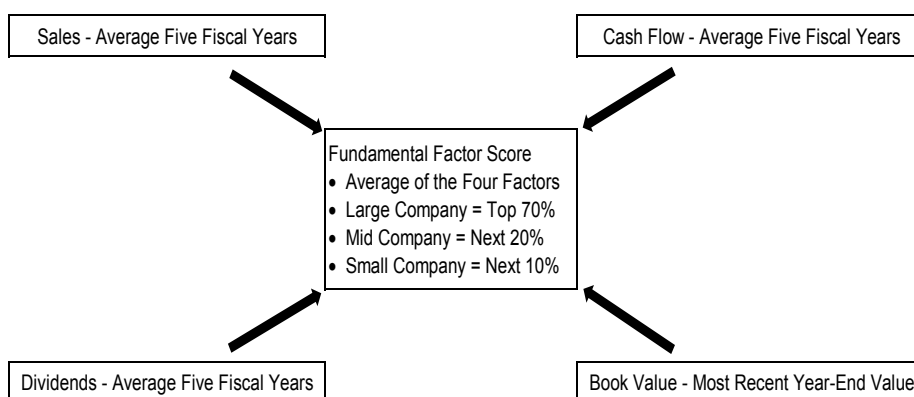
The Fundamental Index methodology is a patented, innovative indexing approach developed by Research Affiliates, LLC (RA). The methodology weights companies based on their economic footprint as measured by accounting variables rather than their market footprint as measured by market capitalization. This approach delinks a security's weight from its price while preserving the broad market representation, high capacity, and low turnover characteristics that investors expect from a passive investment strategy.

The Style indexes partition the largest 2,500 U.S. companies as measured by fundamental weight to one of three size tiers (large, mid, or small) and one of three styles (growth, core, or value). The RAFI Fundamental US Style Index Series use historical fundamental factors to determine size and style and are designed to be relatively static over time. By rebalancing to weights based on historical fundamentals, the RAFI Fundamental US Style Index Series contra-trades against the market's ever changing bets. The methodology is rules-based, objective, transparent, and replicable.

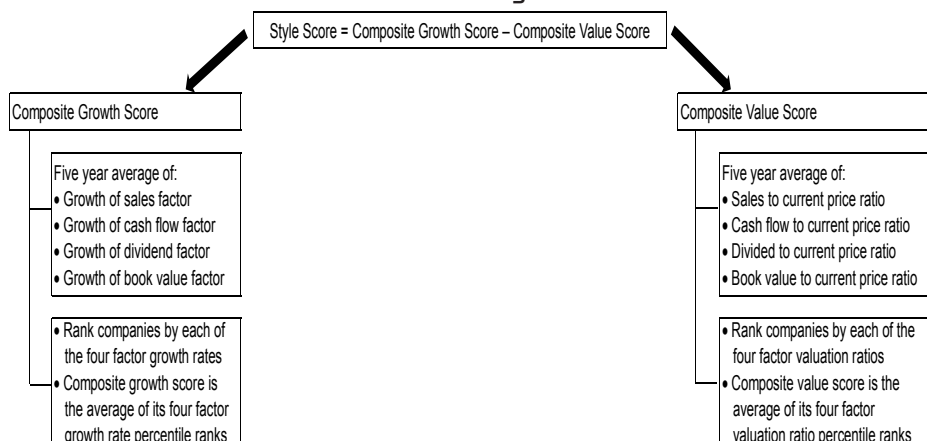
The RAFI Fundamental US Style Index Series are float adjusted and rebalanced annually.

Construction Process

I. Determine Fundamental Factor Style



2. Determine Style Score



3. Partition into Size and Value

		Style Score (Growth Score - Value Score)		
		Top 20%	Next 30%	Final 50%
Size	Top 70%	Large Growth	Large Core	Large Value
	Next 20%	Mid Growth	Mid Core	Mid Value
	Final 10%	Small Growth	Small Core	Small Value

Standardized Performance

	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr	20-Yr Std. Dev.
RAFI Fundamental Large Growth Index	14.33%	26.52%	10.17%	19.41%	2.04%	2.71%	9.37%	16.59%
Russell Top 200 Growth Index	14.76%	26.63%	14.02%	23.97%	5.49%	3.57%	7.41%	16.86%
Russell 1000 Growth Index	14.69%	26.85%	11.02%	25.28%	5.10%	4.28%	7.62%	17.37%
RAFI Fundamental Large Core Index	9.64%	21.96%	9.93%	20.98%	0.57%	3.48%	9.08%	14.12%
Russell Top 200 Index	12.88%	26.03%	9.88%	22.13%	1.89%	3.34%	8.12%	15.12%
Russell 1000 Index	12.90%	26.27%	7.86%	24.03%	2.19%	4.53%	8.77%	15.24%
RAFI Fundamental Large Value Index	11.47%	25.88%	2.24%	27.87%	-0.55%	4.40%	10.52%	16.46%
Russell Top 200 Value Index	11.00%	25.42%	5.88%	20.31%	-1.63%	3.12%	8.66%	14.98%
Russell 1000 Value Index	11.12%	25.68%	4.79%	22.82%	-0.81%	4.58%	9.41%	14.94%

Portfolio Characteristics

	P/S	P/B	P/C	Dividend Yield	Weighted Average Market Cap	Number of Stocks
RAFI Fundamental Large Growth Index	1.68	2.63	10.60	1.91%	\$118.50B	48
Russell Top 200 Growth Index	1.80	4.28	11.75	1.60%	\$164.20B	122
RAFI Fundamental Large Core Index	1.05	2.27	8.05	2.50%	\$98.78B	66
Russell Top 200 Index Total Return	1.45	2.31	7.71	2.03%	\$136.69B	198
RAFI Fundamental Large Value Index	0.78	1.24	3.98	2.39%	\$110.32B	89
Russell Top 200 Value Index	1.20	1.57	5.75	2.47%	\$108.08B	129

Top 10 Holdings Comparison

Growth			Core		Value	
Company	Weight		Company	Weight	Company	Weight
1 Procter & Gamble	6.42%		AT&T	7.71%	Exxon Mobil	8.49%
2 Merck & Co	5.81%		Wells Fargo	6.57%	Bank of America	7.57%
3 Coca-Cola	5.16%		Johnson & Johnson	5.54%	General Electric	6.22%
4 Berkshire Hathaway	4.91%		Wal-Mart	4.88%	JPMorgan Chase	5.47%
5 Apple	4.50%		Microsoft	4.57%	Citigroup	4.96%
6 PepsiCo	4.32%		IBM	4.31%	Chevron	4.95%
7 Cisco Systems	4.28%		Intel Corp.	3.76%	Pfizer	4.22%
8 Abbott Laboratories	3.79%		Kraft Foods Inc.	2.39%	Verizon	3.65%
9 Philip Morris	3.65%		Comcast Corp.	2.31%	ConocoPhillips	3.38%
10 CVS Caremark Corp.	3.40%		United Technologies	2.16%	Altria Group	1.82%

Sector Weights

Sectors	Growth	Core	Value
Basic Materials	4.69%	4.36%	2.46%
Consumer, Cyclical	9.70%	14.21%	7.23%
Consumer, Non-Cyclical	24.30%	5.67%	5.24%
Energy	10.85%	3.50%	19.91%
Financial	8.69%	14.84%	32.22%
Healthcare	19.81%	14.31%	7.65%
Industrial	2.54%	14.67%	10.45%
Technology	16.58%	16.90%	1.78%
Telecommunications	2.84%	7.71%	4.84%
Utilities	0.00%	3.84%	8.22%

Ticker

Name	Price	Total
RAFI Fundamental Large Growth Index	RAFILG	RAFILGTR
RAFI Fundamental Large Core Index	RAFILC	RAFILCTR
RAFI Fundamental Large Value Index	RAFILV	RAFILVTR

Standardized Performance

	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr	20-Yr Std. Dev.
RAFI Fundamental Mid Growth Index	13.20%	25.89%	-0.04%	26.73%	5.85%	7.29%	11.72%	18.51%
Russell MidCap Growth Index	14.52%	27.39%	4.43%	29.16%	4.44%	6.92%	9.06%	21.33%
RAFI Fundamental Mid Core Index	11.72%	24.89%	4.01%	31.73%	4.49%	8.46%	11.41%	16.59%
Russell MidCap Index	12.94%	26.84%	3.31%	29.13%	3.03%	7.85%	10.83%	16.81%
RAFI Fundamental Mid Value Index	11.93%	29.24%	1.85%	35.54%	3.08%	8.79%	12.64%	18.18%
Russell MidCap Value Index	11.41%	26.30%	2.28%	29.18%	1.26%	8.02%	11.33%	16.00%

Portfolio Characteristics

	P/S	P/B	P/C	Dividend Yield	Weighted Average Market Cap	Number of Stocks
RAFI Fundamental Mid Growth Index	1.46	2.43	11.36	1.03%	\$12.59B	109
Russell MidCap Growth Index	1.65	3.71	12.41	1.02%	\$8.85B	463
RAFI Fundamental Mid Core Index	1.08	2.09	9.14	1.66%	\$9.16B	145
Russell MidCap Index	1.16	2.13	9.52	1.61%	\$8.65B	779
RAFI Fundamental Mid Value Index	0.61	1.52	6.17	2.26%	\$5.45B	227
Russell MidCap Value Index	0.89	1.49	7.70	2.20%	\$8.45B	525

Top 10 Holdings Comparison

Growth			Core		Value	
Company	Weight		Company	Weight	Company	Weight
1 BlackRock Inc.	2.28%		Discover Financial	1.65%	Whirlpool Corp.	1.04%
2 Cummins Inc.	1.94%		Ameriprise Financial	1.62%	Micron Technology Inc.	0.97%
3 Mosaic Co.	1.92%		Becton Dickinson & Co.	1.59%	United States Steel Corp.	0.97%
4 Western Digital Corp.	1.82%		Vornado Realty Trust	1.51%	Unum Group	0.97%
5 HCP Inc.	1.77%		Kohl's Corp.	1.47%	Omnicom Group Inc.	0.96%
6 Noble Energy Inc.	1.70%		Equity Residential	1.46%	M&T Bank Corp.	0.95%
7 Stryker Corp.	1.69%		AON	1.44%	Avon Products Inc.	0.93%
8 Precision Castparts Corp.	1.68%		Symantec Corp.	1.33%	CenterPoint Energy Inc.	0.93%
9 Bed Bath & Beyond Inc.	1.67%		Boston Properties Inc.	1.29%	Northern Trust Corp.	0.93%
10 Public Storage	1.65%		Host Hotels & Resorts	1.29%	Sara Lee Corp.	0.90%

Sector Weights

Sectors	Growth	Core	Value
Basic Materials	6.53%	6.95%	10.10%
Consumer, Cyclical	16.48%	15.48%	21.11%
Consumer, Non-Cyclical	5.02%	8.62%	7.70%
Energy	11.85%	8.35%	2.81%
Financial	15.38%	25.79%	25.15%
Healthcare	12.96%	6.65%	5.03%
Industrial	13.54%	11.55%	6.59%
Technology	16.45%	12.49%	6.08%
Telecommunications	1.79%	3.04%	1.91%
Utilities	0.00%	1.08%	13.52%

Ticker

Name	Price	Total
RAFI Fundamental Mid Growth Index	RAFIMG	RAFIMGTR
RAFI Fundamental Mid Core Index	RAFIMC	RAFIMCTR
RAFI Fundamental Mid Value Index	RAFIMV	RAFIMVTR



Standardized Performance

	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr	20-Yr Std. Dev.
RAFI Fundamental Small Growth Index	13.01%	25.71%	0.09%	30.32%	4.76%	7.33%	10.55%	20.50%
Russell 2000 Growth Index	13.28%	30.26%	0.68%	28.36%	4.15%	6.00%	6.34%	23.33%
RAFI Fundamental Small Core Index	12.09%	28.58%	3.87%	35.91%	7.37%	10.41%	13.25%	18.36%
Russell 2000 Index	12.44%	29.83%	-0.18%	26.90%	2.13%	6.45%	8.77%	19.62%
RAFI Fundamental Small Value Index	13.53%	33.52%	-1.26%	40.40%	5.51%	11.91%	15.21%	20.49%
Russell 2000 Value Index	11.59%	29.41%	-1.07%	25.36%	0.01%	6.59%	10.64%	17.36%

Portfolio Characteristics

	P/S	P/B	P/C	Dividend Yield	Weighted Average Market Cap	Number of Stocks
RAFI Fundamental Small Growth Index	2.01	2.45	12.71	0.76%	\$2.43B	518
Russell 2000 Growth Index	1.35	3.17	12.17	0.72%	\$1.53B	1,145
RAFI Fundamental Small Core Index	1.05	1.86	9.32	1.49%	\$1.91B	485
Russell 2000 Index	1.00	1.85	9.06	1.46%	\$1.35B	1,941
RAFI Fundamental Small Value Index	0.54	1.28	6.68	1.99%	\$1.11B	731
Russell 2000 Value Index	0.79	1.31	7.21	2.21%	\$1.16B	1,339

Top 10 Holdings Comparison

Growth			Core		Value	
Company	Weight		Company	Weight	Company	Weight
1 Level 3 Communications	0.99%		Corrections Corp of America	0.70%	USG Corp.	0.49%
2 BioMed Realty Trust	0.97%		LSI Corp.	0.66%	Overseas Shipholding	0.47%
3 Senior Housing Properties	0.96%		Alere Inc.	0.66%	Collective Brands Inc.	0.43%
4 Centene Corp.	0.88%		Jones Lang LaSalle Inc.	0.64%	Chemtura Corp.	0.42%
5 SandRidge Energy	0.84%		Casey's General Stores Inc.	0.64%	Lender Processing Svcs	0.41%
6 Cree Inc.	0.83%		J.B. Hunt Transport Services	0.63%	FirstMerit Corp.	0.41%
7 Mednax Inc.	0.82%		Cinemark Holdings	0.62%	Meritor Inc.	0.40%
8 FLIR Systems	0.82%		Fortune Brands Home & Sec.	0.62%	New York Times Co.	0.40%
9 LKQ Corp.	0.82%		Babcock & Wilcox Co.	0.62%	Bank of Hawaii Corp.	0.40%
10 Rock-Tenn Co.	0.81%		AptarGroup	0.61%	Carlisle Cos.	0.39%

Sector Weights

Sectors	Growth	Core	Value
Basic Materials	6.47%	7.87%	10.05%
Consumer, Cyclical	15.38%	13.98%	21.09%
Consumer, Non-Cyclical	5.93%	8.57%	8.94%
Energy	8.01%	6.00%	3.77%
Financial	14.74%	24.65%	26.73%
Healthcare	15.75%	7.65%	4.32%
Industrial	8.98%	13.74%	11.17%
Technology	18.95%	12.76%	7.39%
Telecommunications	4.87%	2.92%	1.49%
Utilities	0.92%	1.85%	5.05%

Ticker

Name	Price	Total
RAFI Fundamental Small Growth Index	RAFISG	RAFISGTR
RAFI Fundamental Small Core Index	RAFISC	RAFISCTR
RAFI Fundamental Small Value Index	RAFISV	RAFISVTR

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Performance information based on Bloomberg pricing data. Portfolio characteristics, index sector weights and top 10 holdings data derived from FactSet.

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research affiliates, llc • 620 newport center drive • suite 900 • newport beach, ca 92660 usa
contact: info@rallc.com • +1 949.325.8700 • www.rallc.com

