

FTSE RAFI EMERGING INDEX

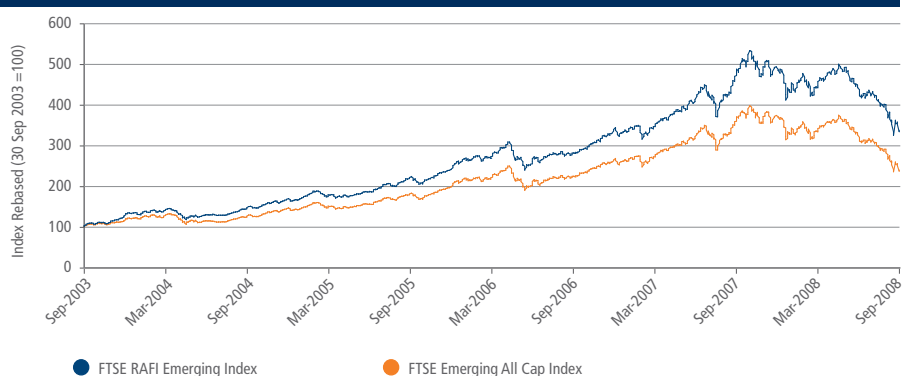
The FTSE RAFI Emerging Index is part of the FTSE RAFI Index Series, launched in association with Research Affiliates. As part of FTSE Group's range of non market-cap weighted indexes, the FTSE RAFI Index Series weights index constituents using four fundamental factors, rather than market capitalisation. These factors include dividends, cash flow, sales and book value.

The FTSE RAFI Emerging Index is designed to provide investors with a tool to enable investment in emerging markets whilst using fundamental weightings methodology. The FTSE RAFI Emerging Index consists of the 350 companies with the largest RAFI fundamental values, selected from the constituents of the FTSE Emerging Index.

FEATURES

- Comprises the top 350 companies with the largest RAFI Fundamental values of the large, mid and small company stocks from the FTSE Emerging index
- FTSE RAFI Index-linked products offer the advantages of an active management strategy with the highlights of passive investment: lower turnover costs and transparent rules-based selection, whilst retaining high investment capacity
- Fundamentals weighting does not increase exposure to high P/E stocks during episodes of unsustainable P/E expansion. It therefore avoids over-exposure to the more overvalued stocks
- FTSE calculates its indices in accordance with the Industry Classification Benchmark (ICB), a global standard developed in partnership between FTSE Group and Dow Jones Indexes
- The index is designed for the creation of derivatives, index tracking funds and ETFs
- Stocks are free-float weighted to ensure that only the investable opportunity set is included within the index
- Stocks are liquidity screened to ensure that the index is tradable
- A capital and total return index is available
- Transparent, independently governed and freely available index rules, overseen by an independent committee of leading market professionals

FTSE RAFI EMERGING INDEX 5 YEAR PERFORMANCE (USD TOTAL RETURN)



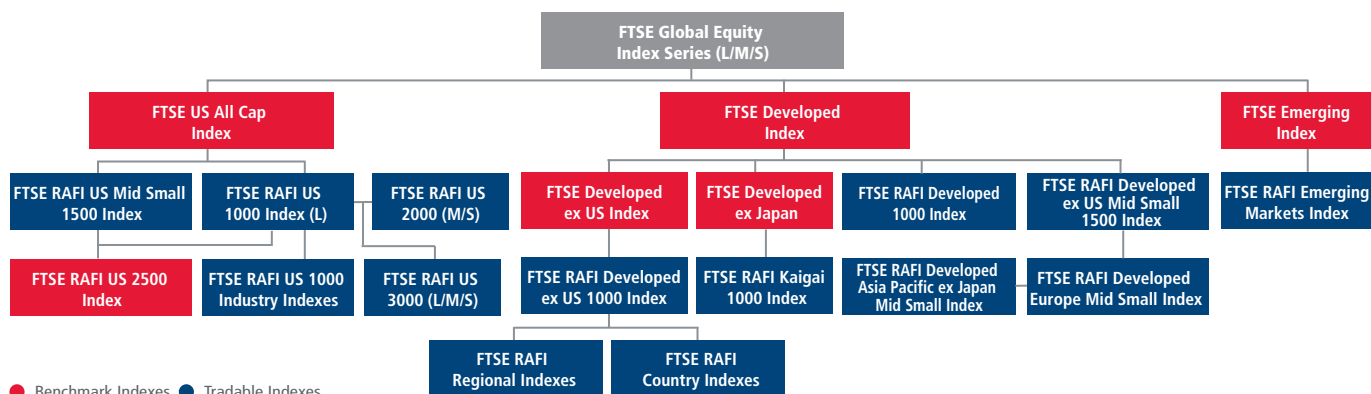
Source: FTSE Group, data as at 30 Sep, 2008

FTSE RAFI EMERGING INDEX TOP 10 CONSTITUENTS

Rank	Security	Country	Sector	FTSE RAFI Emerging Index Weight (%)	FTSE Emerging All Cap Index Weight (%)	Difference (%)
1	Petrochina (H)	China	Oil & Gas Producers	8.46	0.78	7.68
2	Samsung Electronics	Korea	Technology Hardware & Equipment	3.06	2.34	0.72
3	Petrobras PN	Brazil	Oil & Gas Producers	2.44	2.40	0.04
4	Taiwan Semiconductor Manufacturing	Taiwan	Technology Hardware & Equipment	2.05	1.53	0.52
5	China Petroleum & Chemical (H)	China	Oil & Gas Producers	2.02	0.47	1.56
6	GAO Gazprom	Russia	Oil & Gas Producers	1.96	2.72	-0.76
7	Lukoil-Holding	Russia	Oil & Gas Producers	1.74	1.36	0.38
8	Banco Bradesco PN	Brazil	Banks	1.38	0.88	0.49
9	Banco Itau Hldg Finan	Brazil	Banks	1.26	0.87	0.39
10	Telefonos de Mexico L	Mexico	Fixed Line Telecommunications	1.24	0.47	0.78
Total				25.62	13.82	

Source: FTSE Group, data as at 30 Sep 2008

FAMILY TREE



FTSE RAFI EMERGING INDEX INDUSTRY CLASSIFICATION BENCHMARK (ICB) SECTOR BREAKDOWN

ICB Code	Sector	FTSE RAFI Emerging Index Weight (%)	FTSE Emerging All Cap Index Weight (%)	Difference (%)
0530	Oil & Gas Producers	23.76	15.68	8.08
0570	Oil Equipment, Services & Distribution	0.47	0.18	0.29
1350	Chemicals	2.29	2.28	0.00
1730	Forestry & Paper	0.77	0.39	0.38
1750	Industrial Metals	6.35	8.35	-2.00
1770	Mining	1.69	3.03	-1.34
2350	Construction & Materials	2.27	4.27	-1.99
2710	Aerospace & Defense	0.23	0.20	0.03
2720	General Industrials	2.51	1.63	0.88
2730	Electronic & Electrical Equipment	0.61	1.50	-0.89
2750	Industrial Engineering	0.35	2.04	-1.69
2770	Industrial Transportation	1.24	1.64	-0.41
2790	Support Services	0.63	0.41	0.22
3350	Automobiles & Parts	2.30	1.50	0.81
3530	Beverages	1.87	1.25	0.62
3570	Food Producers	0.57	1.66	-1.09
3720	Household Goods	0.03	0.63	-0.60
3740	Leisure Goods	0.87	0.50	0.37
3760	Personal Goods	0.64	1.24	-0.61
3780	Tobacco	0.60	0.75	-0.15
4530	Health Care Equipment & Services	0.00	0.16	-0.16
4570	Pharmaceuticals & Biotechnology	0.71	1.02	-0.31
5330	Food & Drug Retailers	0.40	0.52	-0.12
5370	General Retailers	0.59	1.85	-1.25
5550	Media	0.32	1.08	-0.76
5750	Travel & Leisure	0.38	1.12	-0.74
6530	Fixed Line Telecommunications	7.50	3.56	3.94
6570	Mobile Telecommunications	3.94	5.74	-1.80
7530	Electricity	3.80	2.87	0.93
7570	Gas, Water & Multiutilities	0.39	0.60	-0.21
8350	Banks	15.59	14.07	1.52
8530	Nonlife Insurance	0.23	0.70	-0.47
8570	Life Insurance	2.21	1.67	0.54
8730	Real Estate	0.00	1.20	-1.20
8770	General Financial	3.73	4.40	-0.66
8980	Equity Investment Instruments	0.00	0.00	0.00
9530	Software & Computer Services	0.34	1.43	-1.09
9570	Technology Hardware & Equipment	9.83	8.88	0.94
Total		100.00	100.00	

Source: FTSE Group, data as at 30 Sep 2008

FTSE RAFI EMERGING INDEX COUNTRY WEIGHTINGS

ISO Code	Country	FTSE RAFI Emerging Index Weight (%)	FTSE Emerging All Cap Index Weight (%)	Difference (%)
ARG	Argentina	0.39	0.53	-0.14
BRAZ	Brazil	13.26	15.69	-2.44
CHL	Chile	1.02	1.49	-0.47
CHN	China	18.76	7.96	10.80
COL	Colombia	0.06	0.56	-0.50
CZE	Czech Republik	0.71	0.83	-0.12
EGY	Egypt	0.13	0.84	-0.71
HUN	Hungary	0.87	0.80	0.07
IDA	India	3.01	10.16	-7.15
INDO	Indonesia	0.91	1.94	-1.03
ISR	Israel	1.71	0.00	1.71
KOR	Korea	17.35	15.24	2.11
MAL	Malaysia	2.45	3.55	-1.10
MAR	Morocco	0.09	0.46	-0.37
MEX	Mexico	7.28	6.18	1.09
PAK	Pakistan	0.11	0.26	-0.15
PER	Peru	0.00	0.30	-0.30
PHIL	Philippines	0.13	0.45	-0.32
POL	Poland	1.77	1.75	0.02
RUS	Russia	6.49	7.37	-0.88
SAF	South Africa	7.44	8.49	-1.05
THAI	Thailand	1.27	1.32	-0.05
TUR	Turkey	1.40	1.64	-0.25
TWN	Taiwan	13.41	12.19	1.22
Total		100.00	100.00	

Source: FTSE Group, data as at 30 Sep 2008

FTSE RAFI EMERGING INDEX PORTFOLIO CHARACTERISTICS

	FTSE RAFI Emerging Index	FTSE Emerging All Cap Index
Number of Constituents	360	1,768
Index Market Cap (USDm)	2,016	2,788
Constituents Size: (Adjusted USDmn)		
Average	0.28	0.06
Largest	8.46	2.72
Smallest	0.0096	0.0002
Median	0.13	0.01
Top 10 Holdings (% Index Market Cap)	25.62	17.68

Source: FTSE Group, data as at 30 Sep, 2008

FTSE RAFI EMERGING INDEX PERFORMANCE (TOTAL RETURN)

Return (%)	FTSE RAFI Emerging Index	FTSE Emerging All Cap Index
3M	-23.8	-26.4
6M	-23.6	-28.0
YTD	-31.5	-35.7
12M	28.5	-33.3
3YR	51.3	31.4
5YR	238.2	140.7
3YR pa	14.8	9.5
5YR pa	27.6	19.2
Risk (%)		
3YR Volatility pa*	24.9	24.6
5YR Volatility pa*	22.3	21.6

* Based on monthly total returns

Source: FTSE Group, data as at 30 Sep, 2008

INFORMATION

Index Universe

FTSE Emerging All Cap Index

Index Launch

9 July 2007

Base Date

19 March 2007

Base Value

5000

Investability Screen

Free float adjusted and liquidity screened

Index Calculation

Real-time and End-of-Day indexes available.
Real-time indices calculated every 15 seconds

End-of-Day Distribution

Indexes available at 23.30 GMT via FTP and email

Currency

Euro, Sterling, USD, Yen, AUD and local currency

Review Dates

Annually in March

Index Rules

Available at www.ftse.com/rafi

Vendor Codes

Available at www.ftse.com/rafi

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