

FTSE RAFI EUROPE INDEX

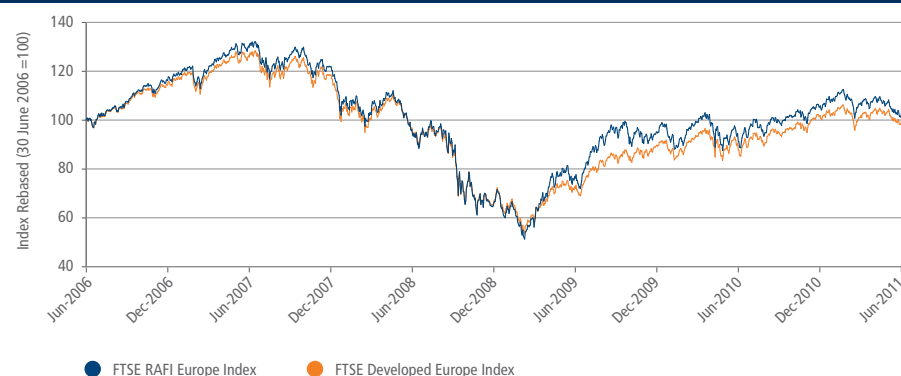
The FTSE RAFI® Europe Index is part of the FTSE RAFI Index Series, launched in association with Research Affiliates, LLC. As part of FTSE Group's range of non-market cap weighted indices, the FTSE RAFI Index Series weights index constituents using four fundamental factors, rather than market capitalization.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

The FTSE RAFI Europe Index comprises the European stocks represented amongst the constituents of the FTSE RAFI Global ex US 1000 Index, which in turn comprises the 1000 non US-listed companies with the largest fundamental value, selected from the constituents of the FTSE Developed ex US Index.

FEATURES

- The Index covers the following markets: Austria, Belgium/Luxembourg, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK
- FTSE RAFI Index-linked products offer the better beta, while maintaining the best features of passive index investment: broad market exposure, low turnover, and transparent rules-based selection, whilst retaining high investment capacity
- By using fundamental factors rather than prices to select and weight stocks, reviews of the FTSE RAFI Indices take advantage of price movements by reducing the index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind.
- Fundamentals Weighted® indices do not increase exposure to high P/E stocks during episodes of unsustainable P/E expansion. It therefore avoids overexposure to the more overvalued stocks
- The indices have been designed to support index-linked funds, ETFs and over-the-counter (OTC) products

FTSE RAFI EUROPE INDEX 5-YEAR PERFORMANCE (EUR TOTAL RETURN)



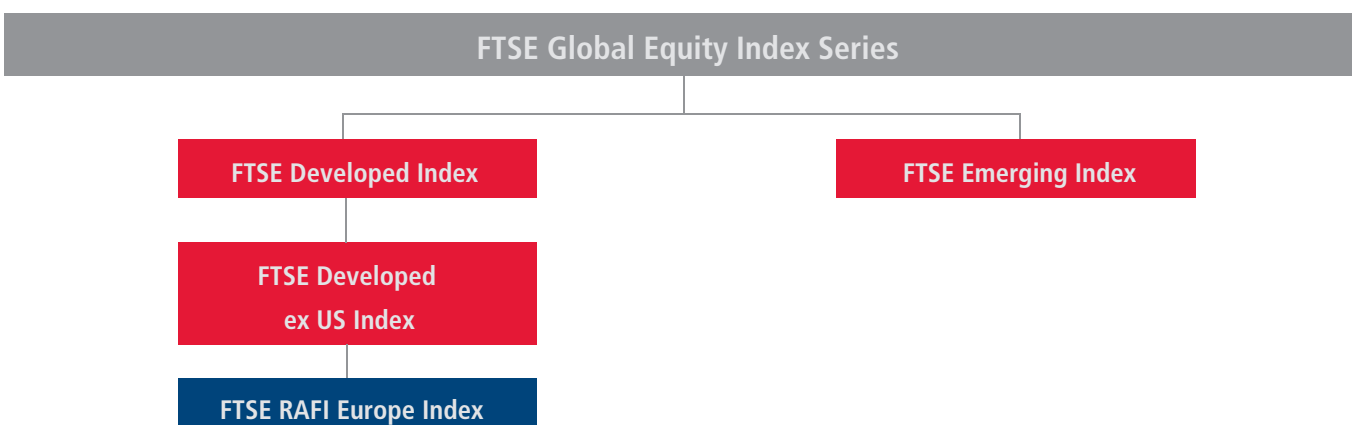
SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI EUROPE INDEX COUNTRY BREAKDOWN

Country Code	Country	FTSE RAFI Europe		FTSE Developed Europe		Difference (%)
		Index Weight (%)	No. of Companies	Index Weight (%)	No. of Companies	
UK	UK	28.81	138	30.98	115	-2.16
FRA	France	17.86	74	16.69	78	1.17
GER	Germany	13.88	48	13.30	49	0.58
ITA	Italy	7.36	41	4.68	39	2.68
SWIT	Switzerland	7.27	36	12.04	38	-4.77
SP	Spain	6.71	25	5.75	30	0.95
NETH	Netherlands	6.27	29	4.14	23	2.14
SWED	Sweden	4.39	43	4.72	36	-0.33
FIN	Finland	1.67	18	1.41	14	0.26
BELG	Belgium	1.39	14	1.34	13	0.05
NOR	Norway	1.37	12	1.41	10	-0.05
DEN	Denmark	0.87	9	1.74	13	-0.87
OEST	Austria	0.71	8	0.60	9	0.11
GRC	Greece	0.56	8	0.31	8	0.25
PTL	Portugal	0.48	6	0.49	10	-0.01
IRE	Ireland	0.40	6	0.40	5	0.01
	Total	100.00	515	100.00	490	

SOURCE: FTSE Group, data as at 30 June 2011

FAMILY TREE



FTSE RAFI EUROPE INDEX TOP 10 CONSTITUENTS

Rank	Constituent name	Country	ICB Supersector	FTSE RAFI Europe Index Weight (%)	FTSE Developed Europe Index Weight (%)	Difference (%)
1	BP	UK	Oil & Gas	2.78	1.72	1.06
2	ING Group CVA	Netherlands	Insurance	2.70	0.59	2.11
3	Total	France	Oil & Gas	2.15	1.60	0.55
4	HSBC Hldgs	UK	Banks	2.14	2.19	-0.05
5	Royal Dutch Shell A	UK	Oil & Gas	2.03	1.59	0.44
6	Vodafone Group	UK	Telecommunications	2.01	1.69	0.33
7	Banco Santander	Spain	Banks	1.67	1.21	0.47
8	Royal Dutch Shell B	UK	Oil & Gas	1.56	1.20	0.36
9	Telefonica	Spain	Telecommunications	1.41	1.39	0.02
10	Sanofi	France	Health Care	1.34	1.30	0.05
Total				19.81	14.48	

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI EUROPE INDEX ICB SUPERSECTOR BREAKDOWN

ICB Code	ICB Supersector	FTSE RAFI Europe		FTSE Developed Europe		Difference (%)
		Index Weight (%)	No. of Companies	Index Weight (%)	No. of Companies	
0500	Oil & Gas	12.49	28	10.58	29	1.90
1300	Chemicals	3.18	18	4.28	15	-1.09
1700	Basic Resources	3.77	30	5.83	30	-2.07
2300	Construction & Materials	3.24	30	2.69	26	0.55
2700	Industrial Goods & Services	7.36	82	9.19	64	-1.83
3300	Automobiles & Parts	3.84	15	2.78	12	1.07
3500	Food & Beverage	4.36	24	7.52	20	-3.16
3700	Personal & Household Goods	3.16	25	5.71	24	-2.54
4500	Health Care	5.93	16	9.56	29	-3.63
5300	Retail	3.84	28	2.97	20	0.87
5500	Media	1.64	16	2.08	23	-0.43
5700	Travel & Leisure	1.59	25	1.10	18	0.49
6500	Telecommunications	8.61	21	6.14	21	2.47
7500	Utilities	6.66	25	5.33	30	1.34
8300	Banks	15.76	48	13.56	47	2.20
8500	Insurance	10.73	34	5.68	32	5.05
8600	Real Estate	0.75	11	0.95	12	-0.20
8700	Financial Services	1.19	24	1.21	21	-0.02
9500	Technology	1.89	15	2.84	17	-0.95
Total		100.00	515	100.00	490	

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI EUROPE INDEX: PORTFOLIO CHARACTERISTICS

	FTSE RAFI Europe Index	FTSE Developed Europe Index
Number of Constituents	515	490
Index Market Cap (EURbn)	161.1	5,563.9
Constituent Wts (%)		
Average	0.19	0.20
Largest	2.78	2.67
Smallest	0.01	0.01
Median	0.07	0.09
Top 10 Holdings (% Index Market Cap)	19.81	17.74

SOURCE: FTSE Group, data as at 30 June 2011

INFORMATION

Index Universe
FTSE Developed ex US Index

Index Launch
4 May 2006

Base Date
30 December 2005

Base Value
5000

Investability Screen
Free float adjusted and liquidity screened

Index Calculation
End-of-day

End-of-Day Distribution
Index available from 23:30 GMT via FTP and email

Currency
Euro

Review Dates
Annually in March

Index Rules
Available at www.ftse.com/rafi

Vendor Codes
Available at www.ftse.com/Indices

Factsheet Data
Source: FTSE Group & Research Affiliates, data as at 30 June 2011

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