

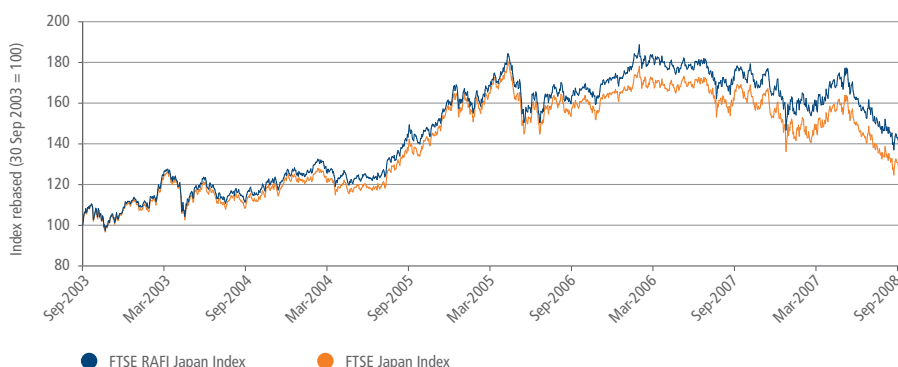
FTSE RAFI JAPAN INDEX

The FTSE RAFI Japan 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 capitalization. These factors include total cash dividends, free cash flow, total sales and book equity value.

FEATURES

- Part of the FTSE RAFI Country Index Series, the index comprises each Japanese stock in the FTSE RAFI Developed ex US 1000 Index.
- Offers 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.
- By using fundamental factors rather than prices to weight stocks, reviews of the FTSE RAFI Indexes 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 weighting does not increase exposure to high P/E stocks during episodes of unsustainable P/E expansion. It therefore avoids overexposure to the more overvalued stocks.
- 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.
- The index is calculated 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 trading of derivatives, index-tracking funds, exchange traded funds and performance benchmarks.

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



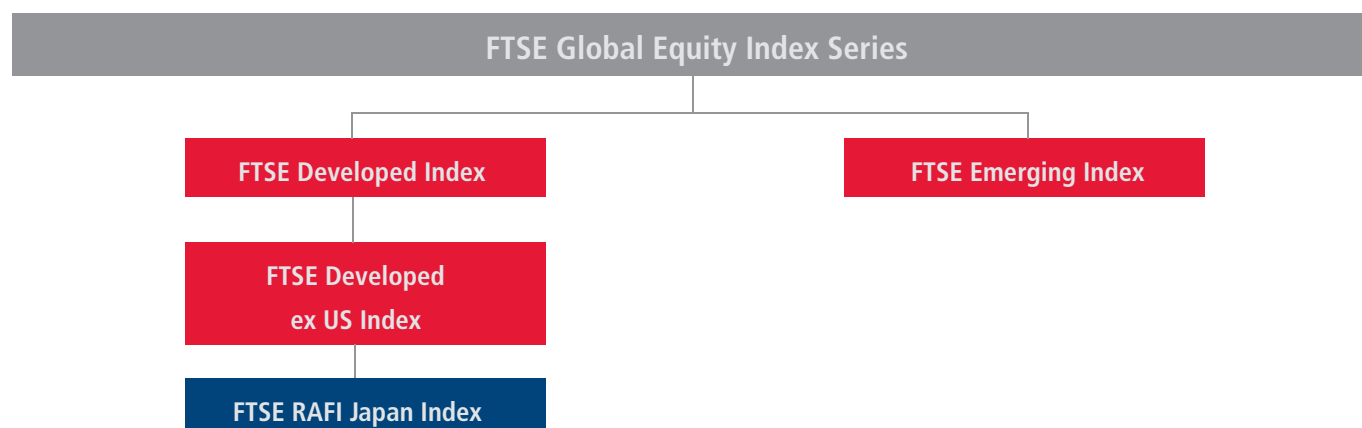
Source: FTSE Group, data as at 30 Sep, 2008

FTSE RAFI JAPAN INDEX TOP 10 CONSTITUENTS

Rank	Security	ICB Supersector	FTSE RAFI Japan Index Weight (%)	FTSE Japan Index Weight (%)	Difference (%)
1	Toyota Motor	Automobiles & Parts	4.98	5.05	-0.06
2	Mitsubishi UFJ Financial	Banks	3.20	4.28	-1.08
3	Honda Motor Co	Automobiles & Parts	2.51	1.89	0.62
4	NTT	Telecommunications	2.29	1.10	1.19
5	Tokyo Elec Power	Utilities	2.24	1.17	1.07
6	Matsushita Electric Ind	Personal Goods & Household Goods	2.24	1.96	0.29
7	Sumitomo Mitsui Financial Group	Banks	2.05	2.22	-0.16
8	Hitachi	Industrial Goods & Services	1.87	0.80	1.07
9	Canon	Technology	1.72	2.27	-0.55
10	Mizuho Financial Group	Banks	1.66	1.68	-0.02
	Total		24.78	22.41	

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

FAMILY TREE



FTSE RAFI JAPAN INDEX ICB SECTOR BREAKDOWN

ICB Code	ICB Sector	FTSE RAFI Japan Index Weight (%)	FTSE Japan Index Weight (%)	Difference (%)
0530	Oil & Gas Producers	2.32	1.04	1.27
0570	Oil Equipment, Services & Distribution	0.00	0.00	0.00
1350	Chemicals	3.40	3.63	-0.24
1730	Forestry & Paper	0.84	0.30	0.53
1750	Industrial Metals	3.15	3.24	-0.09
1770	Mining	0.00	0.05	-0.05
2350	Construction & Materials	2.68	1.75	0.93
2710	Aerospace & Defense	0.00	0.00	0.00
2720	General Industrials	1.83	1.01	0.82
2730	Electronic & Electrical Equipment	4.45	4.54	-0.09
2750	Industrial Engineering	3.60	5.15	-1.55
2770	Industrial Transportation	1.36	1.31	0.04
2790	Support Services	3.21	3.65	-0.44
3350	Automobiles & Parts	13.33	11.14	2.19
3530	Beverages	0.73	1.01	-0.28
3570	Food Producers	1.08	1.46	-0.39
3720	Household Goods	1.05	0.84	0.22
3740	Leisure Goods	6.64	7.62	-0.98
3760	Personal Goods	0.81	1.69	-0.88
3780	Tobacco	0.59	0.88	-0.29
4530	Health Care Equipment & Services	0.34	0.72	-0.38
4570	Pharmaceuticals & Biotechnology	3.25	4.91	-1.66
5330	Food & Drug Retailers	0.15	0.38	-0.23
5370	General Retailers	3.35	3.12	0.23
5550	Media	0.90	0.82	0.08
5750	Travel & Leisure	4.22	4.20	0.02
6530	Fixed Line Telecommunications	2.29	1.10	1.19
6570	Mobile Telecommunications	2.67	2.57	0.10
7530	Electricity	7.58	4.39	3.19
7570	Gas, Water & Multiutilities	0.96	0.77	0.19
8350	Banks	9.57	12.26	-2.69
8530	Nonlife Insurance	2.73	2.29	0.44
8570	Life Insurance	0.54	0.61	-0.07
8730	Real Estate	1.29	2.56	-1.27
8770	General Financial	3.43	3.02	0.41
8980	Equity Investment Instruments	0.00	0.00	0.00
9530	Software & Computer Services	0.27	1.26	-0.99
9570	Technology Hardware & Equipment	5.41	4.72	0.69
Total		100.00	100.00	

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

INDEX RULES AND COMMITTEE

As with all FTSE calculated indexes, the FTSE RAFI Japan Index Series is governed by a strict set of transparent and publicly available index rules, governed and maintained by an independent committee of leading market professionals. A copy of the rules is available at www.ftse.com/rafi

INFORMATION

Index Universe
FTSE Developed Index

Index Launch
28 November 2005

Base Date
30 September 2005

Base Value
5000

Investability Screen
Free float adjusted and liquidity screened

Index Calculation
Real-time (every 15 seconds) and end-of-day

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

Currency
Yen

Review Dates
Annually in March

Index Rules
Available at www.ftse.com/rafi

Vendor Codes
Available at www.ftse.com/Indices

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