

# FTSE RAFI US 1000 & FTSE RAFI US 2000 INDICES

The FTSE RAFI US 1000 & FTSE RAFI US 2000 indices are 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 dividends, cash flow, sales and book value.

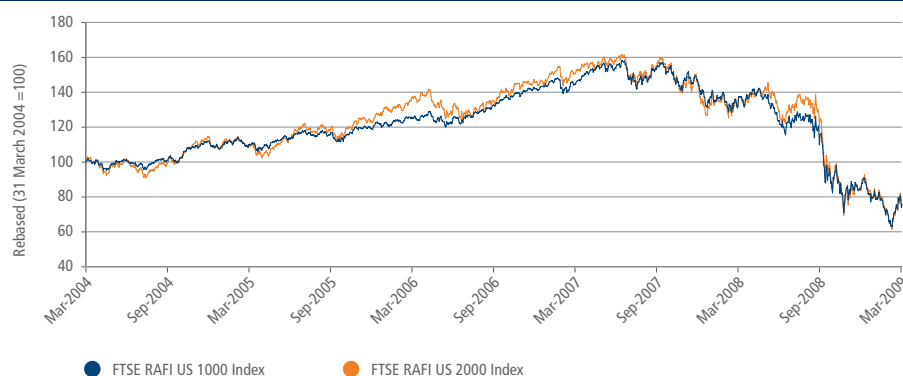
The FTSE RAFI US 1000 Index comprises the largest 1000 US-listed companies by fundamental value, selected from the constituents of the FTSE USA All Cap Index, part of the FTSE Global Equity Index Series (GEIS).

The FTSE RAFI US 2000 Index comprises the next 2000 companies after the FTSE RAFI US 1000 Index by fundamental value.

## FEATURES

- FTSE RAFI Index-linked products offer a 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 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 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
- The indices have been designed to support index-linked funds, ETFs and over-the-counter (OTC) products

## FTSE RAFI US 1000 & 2000 INDEX 5-YEAR PERFORMANCE (USD TOTAL RETURN)



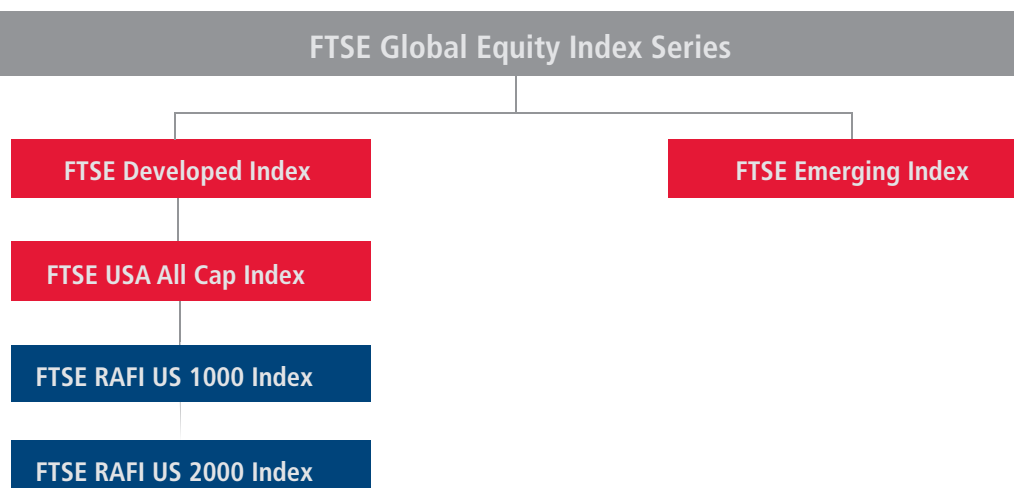
Source: FTSE Group, data as at 31 March, 2009

## FTSE RAFI US 1000 INDEX TOP 10 CONSTITUENTS

Rank	Security	Supersector	Supersector Weight (%)	FTSE RAFI US 1000 Index Weight (%)
1	Bank of America	Banks	12.935	3.37
2	Citigroup	Banks	24.13	2.82
3	Exxon Mobil Corporation	Oil & Gas	28.01	2.66
4	General Electric	Industrial Goods & Services	21.11	2.52
5	JPMorgan Chase & Co	Banks	14.95	1.74
6	Chevron	Oil & Gas	16.95	1.61
7	AT&T	Telecommunications	40.97	1.60
8	Microsoft Corp	Technology	16.43	1.51
9	Wal-Mart Stores	Retail	16.03	1.29
10	Verizon Communications	Telecommunications	31.87	1.24
<b>Total</b>				<b>20.37</b>

Source: FTSE Group, data as at 31 March, 2009

## FAMILY TREE



## FTSE RAFI US 2000 INDEX TOP 10 CONSTITUENTS

Rank	Security	Supersector	Supersector Weight (%)	FTSE RAFI US 2000 Index Weight (%)
1	Hayes Lemmerz International	Automobiles & Parts	36.03	0.46
2	Air Transport Services Group	Industrial Goods & Services	1.82	0.34
3	Newcastle Invt Corp	Financial Services	2.74	0.30
4	Citizens Republic Bancorp	Banks	3.18	0.30
5	Ruby Tuesday	Travel & Leisure	5.41	0.26
6	Pier 1 Imports	Retail	3.22	0.25
7	Modine Manufacturing Co	Automobiles & Parts	19.25	0.24
8	FelCor Lodging	Financial Services	2.05	0.22
9	Caraustar Ind	Basic Resources	10.30	0.22
10	MCG Capital	Financial Services	1.95	0.21
	<b>Total</b>		<b>85.93</b>	<b>2.80</b>

Source: FTSE Group, data as at 31 March, 2009

## FTSE RAFI US 1000 & FTSE RAFI US 2000 INDEX ICB SUPERSECTOR BREAKDOWN

ICB Code	Supersector	FTSE RAFI US 1000 Index Weight (%)	FTSE RAFI US 2000 Index Weight (%)
0500	Oil & Gas	9.51	4.98
1300	Chemicals	1.89	2.17
1700	Basic Resources	1.57	2.11
2300	Construction & Materials	1.07	2.11
2700	Industrial Goods & Services	11.94	18.71
3300	Automobiles & Parts	2.22	1.27
3500	Food & Beverage	3.41	1.90
3700	Personal Goods & Household Goods	4.60	5.93
4500	Health Care	7.95	6.39
5300	Retail	8.03	7.72
5500	Media	3.34	2.84
5700	Travel & Leisure	2.00	4.84
6500	Telecommunications	3.90	1.01
7500	Utilities	4.59	1.96
8300	Banks	11.68	9.36
8500	Insurance	6.26	3.09
8700	Financial Services	6.84	10.89
9500	Technology	9.19	12.72
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: FTSE Group, data as at 31 March, 2009

## FTSE RAFI US 1000 & FTSE RAFI US 2000 INDEX PORTFOLIO CHARACTERISTICS

	FTSE RAFI US 1000 Index	FTSE RAFI US 2000 Index
Number of Constituents	1,002	1,993
Net Market Cap (USDbn)	7,881.5	9,756.5
<b>Constituents Wts: (%)</b>		
Average	0.10	0.05
Largest	3.37	0.46
Smallest	0.0033	0.0009
Median	0.0361	0.0354
<b>Top 10 Holdings (% Index Market Cap)</b>	<b>20.37</b>	<b>2.80</b>

Source: FTSE Group, data as at 31 March, 2009

## INFORMATION

### Index Universe

All common stocks from the American Stock Exchange (AMEX), NASDAQ National Market and New York Stock Exchange (NYSE)

### Index Launch

FTSE RAFI US 1000 Index: 28 November 2005  
FTSE RAFI US 2000 Index: 17 September 2007

### Base Date

FTSE RAFI US 1000 Index: 30 September 2005  
FTSE RAFI US 2000 Index: 1 August 2007

### 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

USD

### Review Dates

Annually in March

### Index Rules

Available at [www.ftse.com/rafi](http://www.ftse.com/rafi)

### Vendor Codes

Available at [www.ftse.com/Indices](http://www.ftse.com/Indices)

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