

FTSE RAFI US 1000 INDEX

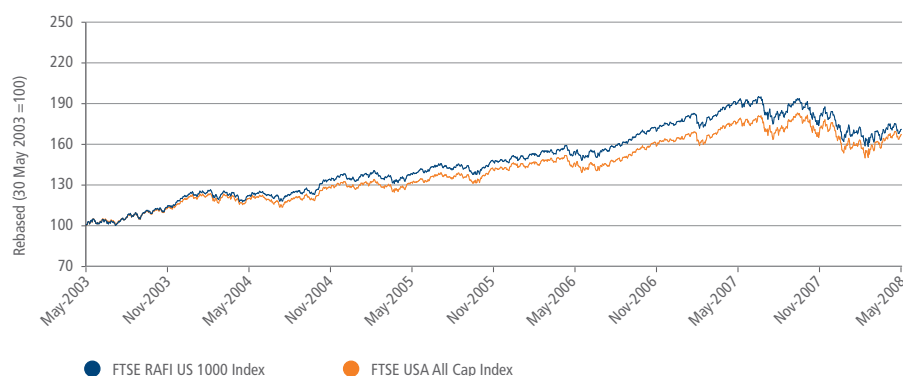
The FTSE RAFI US 1000 Index is part of the FTSE RAFI Index Series, launched in association with Research Affiliates. As part of FTSE Group's range of nonmarket cap weighted indices, the FTSE RAFI Index Series weights index constituents using four fundamental factors, rather than market capitalization. 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).

FEATURES

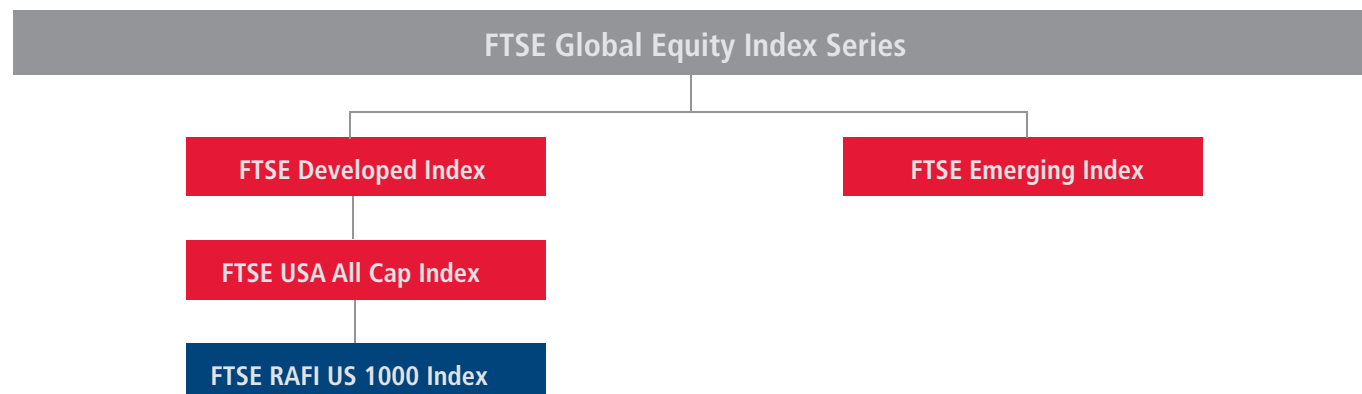
- FTSE RAFI Index-linked products can offer the advantages of an active management strategy with the highlights of passive investment: lower turnover costs and transparent rules-based selection, while retaining high investment capacity
- By using fundamental factors rather than prices to weight stocks, 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 INDEX 5 YEAR PERFORMANCE (USD TOTAL RETURN)



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

FAMILY TREE



FTSE RAFI US 1000 INDEX TOP 10 CONSTITUENTS

Rank	Security	ICB Supersector	FTSE RAFI US 1000 Index Weight (%)	FTSE USA All Cap Index Weight (%)	Difference (%)
1	Exxon Mobil Corporation	Oil & Gas	2.76	3.02	-0.26
2	Citigroup	Banks	2.23	0.76	1.47
3	General Electric	Industrial Goods & Services	2.20	1.98	0.22
4	Bank of America	Banks	1.69	0.98	0.71
5	Microsoft Corp	Technology	1.66	1.71	-0.05
6	Chevron	Oil & Gas	1.65	1.32	0.33
7	AT&T	Telecommunications	1.60	1.53	0.07
8	JPMorgan Chase & Co	Banks	1.53	0.93	0.60
9	Verizon Communications	Telecommunications	1.41	0.71	0.70
10	Wal-Mart Stores	Retail	1.40	1.10	0.30
	Total		18.11	14.04	4.08

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

FTSE RAFI US 1000 INDEX ICB SUPERSECTOR BREAKDOWN

ICB Code	ICB Supersector	FTSE RAFI US 1000 Index Weight (%)	FTSE USA All Cap Index Weight (%)	Weight (%)
0500	Oil & Gas	9.54	12.40	-2.86
1300	Chemicals	1.93	2.29	-0.36
1700	Basic Resources	1.50	2.01	-0.51
2300	Construction & Materials	0.90	0.99	-0.10
2700	Industrial Goods & Services	11.64	13.11	-1.47
3300	Automobiles & Parts	2.14	0.62	1.53
3500	Food & Beverage	3.67	3.70	-0.03
3700	Personal Goods & Household Goods	4.97	4.56	0.41
4500	Health Care	7.88	10.59	-2.71
5300	Retail	7.78	5.86	1.92
5500	Media	3.51	3.14	0.36
5700	Travel & Leisure	1.58	1.81	-0.23
6500	Telecommunications	4.22	3.03	1.19
7500	Utilities	5.94	4.07	1.87
8300	Banks	10.18	5.86	4.31
8500	Insurance	6.40	4.89	1.51
8700	Financial Services	7.11	6.47	0.64
9500	Technology	9.12	14.60	-5.47
	Totals	100.00	100.00	

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

INFORMATION

Index Universe

FTSE US All Cap 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

USD

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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