

FTSE RAFI DEVELOPED MID SMALL INDEXES

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 are dividends, cash flow, sales and book value.

The following new indices are part of the FTSE RAFI Index Series, launched in association with Research Affiliates:

FTSE RAFI Developed 1000 Index

Comprises the 1000 companies with the largest RAFI fundamental values, selected from the constituents of the FTSE Developed All Cap Index

FTSE RAFI Developed Asia Pacific ex Japan Mid Small Index

Based on the FTSE RAFI Developed ex US Mid Small 1500 Index and selecting the companies from Australia, New Zealand, Hong Kong and Singapore

FTSE RAFI Developed Europe Mid Small Index

Based on the FTSE RAFI Developed ex US Mid Small 1500 Index and selecting the companies from Europe

FTSE RAFI Developed ex US Mid Small 1500 Index

Consists of the next 1500 companies with the largest RAFI fundamental values after the FTSE RAFI Developed ex US 1000 Index

FEATURES

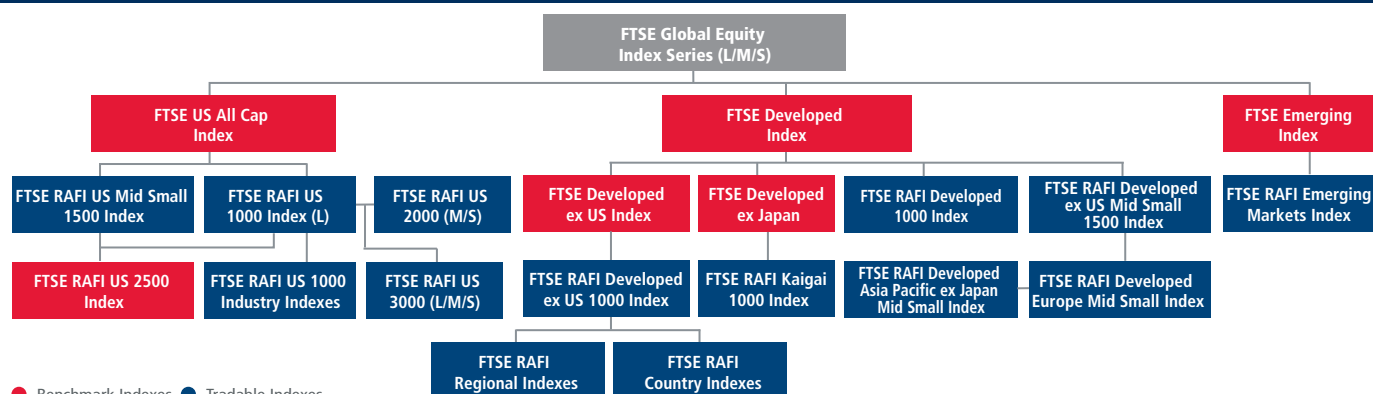
- FTSE RAFI Index-linked products can offer the advantages of a quantitative active management strategy with the highlights of passive investment: lower turnover costs and transparent rules-based selection, whilst retaining high investment capacity.
- By using fundamental factors rather than prices to 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. This is effectively a buy-low, sell-high strategy.
- 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 indexes are calculated in accordance with the Industry Classification Benchmark, the global standard for industry sector analysis
- The indexes have been designed for the creation of derivatives, index tracking funds and ETFs
- Capital and total return indexes are available

FTSE RAFI DEVELOPED MID SMALL INDEX COUNTRY BREAKDOWN

Code	Country	FTSE RAFI Developed 1000 Index Weight (%)	FTSE RAFI Developed Mid Small ex US 1500 Index Weight (%)	FTSE RAFI Developed Asia Pacific Mid Small ex Japan Index Weight (%)	FTSE RAFI Developed Europe Mid Small Index Weight (%)
AU	Australia	2.76	5.36	24.48	-
OEST	Austria	0.26	1.05	-	2.70
BELG	Belgium	0.54	1.37	-	3.53
CAN	Canada	3.14	7.70	-	-
CHN	China	-	0.09	-	-
DEN	Denmark	0.32	1.22	-	3.15
FIN	Finland	0.55	1.55	-	4.00
FRA	France	7.13	4.22	-	10.87
GER	Germany	5.60	4.38	-	11.29
GRC	Greece	0.20	0.65	-	1.67
HK	Hong Kong	0.79	5.96	27.23	-
IRE	Ireland	0.11	0.62	-	1.59
ISR	Israel	0.16	1.19	-	-
ITA	Italy	2.92	3.06	-	7.88
JA	Japan	8.32	30.34	-	-
KOR	Korea	2.28	7.94	36.26	-
NETH	Netherlands	2.48	1.42	-	3.65
NZ	New Zealand	0.05	0.55	2.51	-
NOR	Norway	0.51	1.28	-	3.31
PTL	Portugal	0.16	0.90	-	2.32
SI	Singapore	0.46	2.08	9.52	-
SP	Spain	2.65	1.94	-	5.00
SWED	Sweden	1.61	2.40	-	6.18
SWIT	Switzerland	2.83	3.19	-	8.22
UK	UK	11.19	9.56	-	24.65
USA	US	42.98	-	-	-
Total		100.00	100.00	100.00	100.00

Source: FTSE Group, data as at 30 June 2011

FAMILY TREE



FTSE RAFI DEVELOPED EX US MID SMALL 1500 INDEX: TOP 10 CONSTITUENTS

Rank	Security	Country	Supersector	Supersector Weight (%)	FTSE RAFI Developed ex US Mid Small 1500 Index Weight (%)
1	SJM Holdings	Hong Kong	Travel & Leisure	5.21	0.21
2	SGL Carbon	Germany	Industrial Goods & Services	1.10	0.20
3	Hanwha Chemical	Korea	Chemicals	4.40	0.18
4	Sk Chemicals	Korea	Chemicals	4.28	0.18
5	Korea Zinc	Korea	Basic Resources	2.75	0.18
6	Daewoo Shipbuilding & Marine EngineerinG	Korea	Industrial Goods & Services	0.95	0.18
7	Topdanmark As Regd.	Denmark	Insurance	9.42	0.18
8	Weir Group	UK	Industrial Goods & Services	0.94	0.18
9	Hyundai Marine & Fire Insurance	Korea	Insurance	9.25	0.17
10	Aggreko	UK	Industrial Goods & Services	0.92	0.17
Total					1.83

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED ASIA PACIFIC EX JAPAN MID SMALL INDEX: TOP 10 CONSTITUENTS

Rank	Security	Country	Supersector	Supersector Weight (%)	FTSE RAFI Developed Asia Pacific ex Japan Mid Small Index Weight (%)
1	SJM Holdings	Hong Kong	Travel & Leisure	0.15	0.98
2	Hanwha Chemical	Korea	Chemicals	0.19	0.84
3	Sk Chemicals	Korea	Chemicals	0.18	0.82
4	Korea Zinc	Korea	Basic Resources	0.09	0.82
5	Daewoo Shipbuilding & Marine EngineerinG	Korea	Industrial Goods & Services	0.06	0.81
6	Hyundai Marine & Fire Insurance	Korea	Insurance	0.37	0.79
7	OCI	Korea	Chemicals	0.17	0.77
8	TaeKwang Industrial	Korea	Chemicals	0.17	0.76
9	GOME Electrical Appliances Holdings	Hong Kong	Retail	0.18	0.75
10	Wheelock	Hong Kong	Real Estate	0.05	0.75
Total					8.07

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED EUROPE MID SMALL INDEX: TOP 10 CONSTITUENTS

Rank	Security	Country	Sector	Sector Weight (%)	FTSE RAFI Developed Europe Mid Small Index Weight (%)
1	SGL Carbon	Germany	Industrial Goods & Services	2.23	0.53
2	Topdanmark As Regd.	Denmark	Insurance	14.23	0.45
3	Weir Group	UK	Industrial Goods & Services	1.91	0.45
4	Aggreko	UK	Industrial Goods & Services	1.85	0.44
5	Northumbrian Water Group	UK	Utilities	13.06	0.44
6	MTU AERO ENGINES HOLDING	Germany	Industrial Goods & Services	1.83	0.43
7	BIC	France	Personal & Household Goods	8.54	0.43
8	Iberdrola Renovables	Spain	Utilities	12.57	0.42
9	Meda A	Sweden	Health Care	7.05	0.42
10	Suedzucker	Germany	Food & Beverage	9.18	0.41
Total					4.42

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED INDICES SUPERSECTOR BREAKDOWN

ICB Code	Supersector	FTSE RAFI Developed 1000 Index Weight (%)	FTSE RAFI Developed Mid Small ex US 1500 Index Weight (%)	FTSE RAFI Developed Asia Pacific Mid Small ex Japan Index Weight (%)	FTSE RAFI Developed Europe Mid Small Index Weight (%)
0500	Oil & Gas	11.16	4.23	2.30	4.58
1300	Chemicals	2.28	4.19	4.46	2.61
1700	Basic Resources	3.07	6.50	8.60	3.07
2300	Construction & Materials	1.64	5.85	7.39	5.86
2700	Industrial Goods & Services	9.68	18.57	12.85	23.65
3300	Automobiles & Parts	3.88	3.16	1.34	1.03
3500	Food & Beverage	3.66	6.22	8.88	4.51
3700	Personal & Household Goods	3.88	6.07	6.88	5.03
4500	Health Care	7.33	4.15	2.30	5.93
5300	Retail	5.80	5.56	4.15	4.19
5500	Media	2.14	3.62	2.27	6.13
5700	Travel & Leisure	1.60	4.12	6.68	3.62
6500	Telecommunications	6.87	0.90	1.74	0.64
7500	Utilities	5.96	2.08	2.52	3.34
8300	Banks	14.02	4.33	0.87	2.83
8500	Insurance	7.51	1.87	2.10	3.18
8600	Real Estate	1.37	8.19	14.34	9.15
8700	Financial Services	2.53	5.24	6.36	5.61
9500	Technology	5.64	5.16	3.96	5.04
Total		100.00	100.00	100.00	100.00

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED EX US MID SMALL 1500 INDEX PORTFOLIO CHARACTERISTICS

Attribute	Value
Number of Constituents	1,489
Index Market Cap (USDm)	39,389
Constituent Wts (%)	
Average	0.07
Largest	0.21
Smallest	0.003
Median	0.06
Top 10 Holdings (% Index Market Cap Share)	1.83

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED ASIA PACIFIC EX JAPAN MID SMALL INDEX PORTFOLIO CHARACTERISTICS

Attribute	Value
Number of Constituents	312
Index Market Cap (USDm)	8,624
Constituent Wts (%)	
Average	0.32
Largest	0.98
Smallest	0.03
Median	0.27
Top 10 Holdings (% Index Market Cap Share)	8.07

SOURCE: FTSE Group, data as at 30 June 2011

FTSE RAFI DEVELOPED EUROPE MID SMALL INDEX PORTFOLIO CHARACTERISTICS

Attribute	Value
Number of Constituents	544
Index Market Cap (USDm)	15,279
Constituent Wts (%)	
Average	0.18
Largest	0.53
Smallest	0.01
Median	0.16
Top 10 Holdings (% Index Market Cap Share)	4.42

SOURCE: FTSE Group, data as at 30 June 2011

INFORMATION

Index Universe

FTSE Global Equity Index Series

Index Launch

6 August 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 indices available.

Real-time index calculated every 15 seconds

End-of-Day Distribution

FTSE RAFI Developed 1000 Index - available at 21:10 hours GMT or 20:10 hours BST via FTP and email

FTSE RAFI Developed ex US Mid Small 1500 Index – available at 21:10 hours GMT or 20:10 hours BST via FTP and email

FTSE RAFI Developed Asia Pacific ex Japan Mid Small Index – available at 21:10 hours GMT or 20:10 hours BST via FTP and email

FTSE RAFI Developed Europe Mid Small Index – available at 21:10 hours GMT or 20:10 hours BST via FTP and email

Currency

Euro, Sterling, US Dollars, Yen, AUS Dollars

Review Dates

Reviewed annually in March

Index Rules

www.ftse.com/rafi

Vendor Codes

www.ftse.com/rafi

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