

FTSE RAFI INDEX SERIES

FTSE Group have partnered with Research Affiliates to create the innovative FTSE RAFI Index Series. As part of FTSE Group's new range of non-market cap weighted indices, index constituents are weighted using four fundamental factors, rather than market capitalization. These factors include dividends, cash flow, sales and book value.

The index series comprises the FTSE RAFI 1000 Index, the FTSE RAFI Global ex US 1000 Index and 22 separate country indices.

FTSE RAFI INDEX SERIES

- **FTSE RAFI 1000 Index** – comprises the largest 1000 US-listed companies by fundamental value, selected from the constituents of the FTSE US All Cap Index, part of the FTSE Global Equity Index Series (GEIS).
- **FTSE RAFI Global ex US 1000 Index** – comprises the largest 1000 non US-listed companies by fundamental value, selected from the constituents of the FTSE Developed ex US Index.
- **FTSE RAFI Country Indices (22 indices)** – country indices are made up of the stocks from each country represented amongst the constituents of the FTSE RAFI Global ex US 1000 Index.

FTSE RAFI Australia Index

FTSE RAFI Greece Index

FTSE RAFI Portugal Index

FTSE RAFI Austria Index

FTSE RAFI Hong Kong SAR Index

FTSE RAFI Singapore Index

FTSE RAFI Belgium/Luxembourg Index

FTSE RAFI Ireland Index

FTSE RAFI Spain Index

FTSE RAFI Canada Index

FTSE RAFI Italy Index

FTSE RAFI Sweden Index

FTSE RAFI Denmark Index

FTSE RAFI Japan Index

FTSE RAFI Switzerland Index

FTSE RAFI Finland Index

FTSE RAFI Netherlands Index

FTSE RAFI UK Index

FTSE RAFI France Index

FTSE RAFI New Zealand Index

FTSE RAFI Germany Index

FTSE RAFI Norway Index

KEY 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, 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 1000 INDEX: SUPERSECTOR WEIGHTINGS

FTSE RAFI 1000 Index by Industry Classification Benchmark (ICB) Supersector

ICB Code	Supersector	FTSE RAFI 1000 Index Weightings	FTSE US All Cap Index Weightings	Difference
0500	Oil & Gas	7.29%	8.82%	-1.53%
1300	Chemicals	1.96%	1.65%	0.30%
1700	Basic Resources	1.28%	1.14%	0.14%
2300	Construction & Materials	0.68%	0.71%	-0.03%
2700	Industrial Goods & Services	11.29%	11.56%	-0.27%
3300	Automobiles & Parts	3.21%	0.64%	2.57%
3500	Food & Beverage	3.68%	3.13%	0.55%
3700	Personal & Household Goods	5.23%	5.21%	0.02%
4500	Health Care	8.29%	11.99%	-3.69%
5300	Retail	8.16%	7.05%	1.11%
5500	Media	3.48%	3.70%	-0.22%
5700	Travel & Leisure	1.77%	2.12%	-0.35%
6500	Telecommunications	5.07%	2.68%	2.39%
7500	Utilities	5.82%	3.42%	2.40%
8300	Banks	10.68%	9.42%	1.26%
8500	Insurance	6.37%	5.39%	0.98%
8700	Financial Services	7.21%	7.31%	-0.10%
9500	Technology	8.55%	14.07%	-5.52%
	Totals	100.00%	100.00%	

Source: FTSE Group, data as at 31 October 2005

FTSE RAFI GLOBAL EX US 1000 INDEX: SUPERSECTOR WEIGHTINGS

FTSE RAFI Global ex US 1000 Index by Industry Classification Benchmark (ICB) Supersector

ICB Code	Supersector	FTSE RAFI Global ex US 1000 Index Weightings	FTSE Developed ex US Index Weightings	Difference
0500	Oil & Gas	8.59%	9.53%	-0.93%
1300	Chemicals	2.89%	2.64%	0.26%
1700	Basic Resources	3.21%	3.99%	-0.79%
2300	Construction & Materials	2.46%	2.06%	0.40%
2700	Industrial Goods & Services	9.87%	8.41%	1.46%
3300	Automobiles & Parts	6.41%	3.77%	2.64%
3500	Food & Beverage	3.39%	4.04%	-0.65%
3700	Personal & Household Goods	4.59%	4.63%	-0.04%
4500	Health Care	3.69%	7.21%	-3.51%
5300	Retail	4.30%	3.46%	0.84%
5500	Media	2.47%	2.43%	0.05%
5700	Travel & Leisure	2.75%	1.96%	0.79%
6500	Telecommunications	9.18%	6.62%	2.56%
7500	Utilities	7.07%	5.12%	1.94%
8300	Banks	16.11%	19.94%	-3.83%
8500	Insurance	6.80%	5.73%	1.07%
8700	Financial Services	3.66%	4.69%	-1.03%
9500	Technology	2.55%	3.77%	-1.22%
	Totals	100.00%	100.00%	

Source: FTSE Group, data as at 31 October 2005

FTSE RAFI 1000 INDEX: TOP 10 CONSTITUENTS

Rank	Stock	Supersector	FTSE RAFI 1000 Index Weightings	FTSE US All Cap Index Weightings	Difference
1	General Electric	Industrial Goods & Services	2.74%	2.57%	0.17%
2	Exxon Mobil Corporation	Oil & Gas	2.41%	2.56%	-0.15%
3	Citigroup	Banks	2.02%	1.71%	0.31%
4	Microsoft Corp	Technology	1.73%	1.97%	-0.24%
5	Bank of America	Banks	1.65%	1.28%	0.37%
6	Wal-Mart Stores	Retail	1.61%	1.07%	0.54%
7	Verizon Communications	Telecommunications	1.51%	0.62%	0.89%
8	Altria Group	Personal & Household Goods	1.46%	1.11%	0.35%
9	JPMorgan Chase & Co	Banks	1.38%	0.92%	0.46%
10	General Motors Corp	Automobiles & Parts	1.28%	0.11%	1.17%

Source: FTSE Group, data as at 31 October 2005

FTSE RAFI GLOBAL EX US 1000 INDEX: TOP 10 CONSTITUENTS

Rank	Stock	Country	Supersector	FTSE RAFI Global ex US 1000 Index Weightings	FTSE Developed ex US Index Weightings	Difference
1	BP	UK	Oil & Gas	1.78%	2.10%	-0.32%
2	Vodafone Group	UK	Telecommunications	1.48%	1.49%	-0.01%
3	Royal Dutch Shell A	UK	Oil & Gas	1.21%	1.13%	0.09%
4	Toyota Motor	JA	Automobiles & Parts	1.20%	1.12%	0.08%
5	NTT	JA	Telecommunications	1.12%	0.22%	0.90%
6	HSBC Hldgs	UK	Banks	1.11%	1.60%	-0.49%
7	Total	FRA	Oil & Gas	1.06%	1.41%	-0.35%
8	DaimlerChrysler	GER	Automobiles & Parts	1.02%	0.45%	0.57%
9	Royal Dutch Shell B	UK	Oil & Gas	0.88%	0.82%	0.06%
10	ING Group CVA	NETH	Insurance	0.84%	0.57%	0.26%

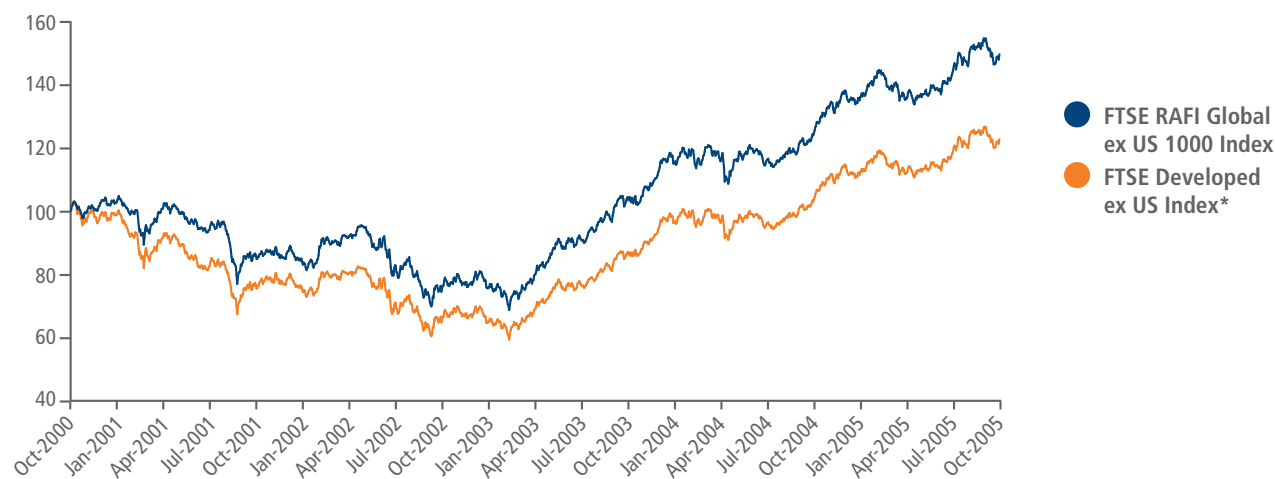
Source: FTSE Group, data as at 31 October 2005

FTSE RAFI 1000 INDEX: FIVE YEAR TOTAL RETURN PERFORMANCE TO 31 OCTOBER 2005 (USD)



Source: FTSE Group

FTSE RAFI GLOBAL EX US 1000 INDEX: FIVE YEAR TOTAL RETURN PERFORMANCE TO 31 OCTOBER 2005 (USD)



*Based on FTSE's Global Equity Index Series methodology (Large/Mid Cap stocks)

Source: FTSE Group

FTSE RAFI GLOBAL EX US 1000 INDEX COUNTRY WEIGHTS VS FTSE DEVELOPED EX US INDEX

Country	FTSE RAFI Global Ex US 1000 Index Weightings	FTSE Developed ex US Index Weightings	Difference
Australia	3.45%	5.04%	-1.59%
Austria	0.35%	0.37%	-0.03%
Belgium/Luxembourg	1.56%	1.07%	0.49%
Canada	4.41%	6.42%	-2.01%
Denmark	0.66%	0.74%	-0.08%
Finland	1.11%	1.09%	0.02%
France	10.32%	9.40%	0.93%
Germany	8.90%	6.60%	2.31%
Greece	0.44%	0.52%	-0.08%
Hong Kong SAR	3.08%	2.57%	0.51%
Ireland	0.42%	0.63%	-0.21%
Italy	4.67%	3.86%	0.81%
Japan	25.96%	21.53%	4.43%
Netherlands	3.43%	3.15%	0.28%
New Zealand	0.13%	0.20%	-0.07%
Norway	0.89%	0.63%	0.26%
Portugal	0.40%	0.30%	0.10%
Singapore	0.77%	0.79%	-0.02%
Spain	3.19%	3.97%	-0.78%
Sweden	1.97%	2.23%	-0.26%
Switzerland	4.14%	6.40%	-2.26%
United Kingdom	19.76%	22.50%	-2.75%
Totals	100.00%	100.00%	

Source: FTSE Group, data as at 31 October 2005

INFORMATION

Index Universe:	FTSE US All Cap Index, FTSE Developed ex US Index
Index Launch:	28 November 2005
Investability Screen:	Free float adjusted and liquidity screened
Index Calculation:	23:30 GMT
Review Dates:	Annually in March
Currency:	USD
Distribution:	Real-time and end of day (via FTP; email)
Base Value/Base Date:	5000 / 30 September 2005
Historical Data:	From December 1999
Bloomberg Codes:	FTSE RAFI 1000 Index – FR10 / FTSE RAFI Global ex US 1000 Index – FRX1 / FTSE RAFI Canada Index – FRCAN
Reuters Codes:	FTSE RAFI 1000 Index – .FTFR10 / FTSE RAFI Global ex US 1000 Index – .FTFRX1 / FTSE RAFI Canada Index – .FTFRCAN
Index Rules:	Available at www.ftse.com/rafi

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FOR FURTHER INFORMATION VISIT WWW.FTSE.COM/RAFI, E-MAIL INFO@FTSE.COM OR CALL YOUR LOCAL FTSE OFFICE:
BOSTON +1 888 747 FTSE (3873) • **FRANKFURT** +49 (0) 69 156 85 144 • **HONG KONG** +852 2230 5803
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