

How are Fundamental Index® strategies different from market-cap and active management strategies?

	Market Cap	Fundamental	Active
Portfolio Weighting	Cap Weighting	Economic Factors	Varies by manager
Portfolio Construction	Larger-cap bias	Value tilt	Varies by manager
Portfolio Turnover	Reconstitution	Reconstitution and rebalancing	Buy and sell discipline
Tax Efficiency	Typically	Typically	Not Typically
Cost Structure	Lowest Cost	Low Cost	Varies by manager and structure
Alpha/Beta	Beta	Potential Alpha	Varies by manager
Investment Process	Passive	Rules Based	Active

Disclosures:

The information here is for general informational purposes only and should not be considered an individualized recommendation or personalized investment or tax advice. The type of investment strategies mentioned may not be suitable for everyone. Each investor needs to review a security transaction for his or her own particular situation. All expressions of opinion are subject to change without notice in reaction to shifting market conditions. Data here is obtained from what are considered reliable sources; however, its accuracy, completeness or reliability cannot be guaranteed. Consult your tax advisor regarding tax issues.

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Definitions:

Beta. A statistical measure of a security's or portfolio's volatility (price fluctuations) relative to the market as a whole. (The beta of the overall market is defined as 1, and is represented by the S & P 500® Index over the last 36 months). A security with a beta of 1 indicates its price moves exactly with the overall market. A beta greater than 1 is more volatile than the overall market, while a beta less than 1 indicates that the security's price is more stable than the market (in general and over a long time period).