

Index Description

The RAFI[®] US Investment Grade Bond Index is an investment grade corporate bond index comprised of non-zero fixed coupon debt with maturities ranging from 1 to 10 years issued by publicly traded companies. The issuers held in the index are weighted by a combination of four measures of their fundamental size—sales, cash flow, dividends and book value of assets.

Annualized Performance

	1-Yr	3-Yr	5-Yr	10-Yr
Returns	8.7%	11.6%	7.7%	6.8%
ML US IG 1-10	7.1%	12.0%	6.3%	6.1%
Std Deviation	3.4%	3.9%	5.6%	4.9%
ML US IG 1-10	4.1%	4.4%	6.2%	5.2%
Sharpe Ratio	2.5	2.9	1.2	1.0
ML US IG 1-10	1.7	2.7	0.9	0.9

Sector Breakdown

Manufacturing	34.8%	Media/Communications	3.9%
Retail	9.5%	Transportation	1.6%
Insurance	9.1%	Real Estate	1.5%
Service/Leisure	7.7%	Gas	1.5%
Banking	7.7%	Credit/Financing	1.3%
Financial Services	7.0%	Telephone	1.1%
Oil And Gas	6.4%	Railroad	0.3%
Electric	6.4%	Water	0.2%

Summary Statistics

Constituents	449
Wavg Coupon	5.2
Wavg Maturity	5.4
Yield to Worst	2.5
Mod Duration	4.6
Wavg Credit	A3/A

Top 10 Holdings

Company	# Issues	Weight	Averages				
			Maturity	Yield to Worst	Modified Duration	Moody	S&P
JP Morgan Chase	2	1.4%	4/14/2017	2.7	4.4	Aa3	A
Bank of America	2	1.4%	5/18/2016	3.9	3.4	Baa1	A-
General Electric	2	1.2%	11/1/2015	1.7	3.1	Aa2	AA+
CitiGroup	2	1.2%	8/24/2015	2.8	2.9	A3	A-
Wal-Mart	2	1.2%	5/2/2017	1.6	4.4	Aa2	AA
AT&T	2	1.1%	9/12/2015	1.4	3.0	A2	A-
Chevron	2	1.1%	10/4/2016	1.3	4.0	Aa1	AA
Wells Fargo	2	1.1%	9/26/2015	1.7	3.0	A2	A+
Berkshire Hathaway	2	1.0%	10/3/2016	1.5	4.0	Aa2	AA+
Verizon	2	1.0%	7/29/2016	1.7	3.6	A2	A-
Total		11.7%					

Maturity Breakdown

0 - 3 years	4.8%
3 - 5 years	19.1%
5 - 7 years	19.7%
7 - 10 years	23.7%

Credit Rating Breakdown

	Moody		S&P
Aaa	1.7%	AAA	1.7%
Aa	12.4%	AA	9.7%
A	39.5%	A	47.6%
Baa	46.4%	BBB	41.0%

Disclosures

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