

Focused U.S. Dividend Index



September 2024 Update

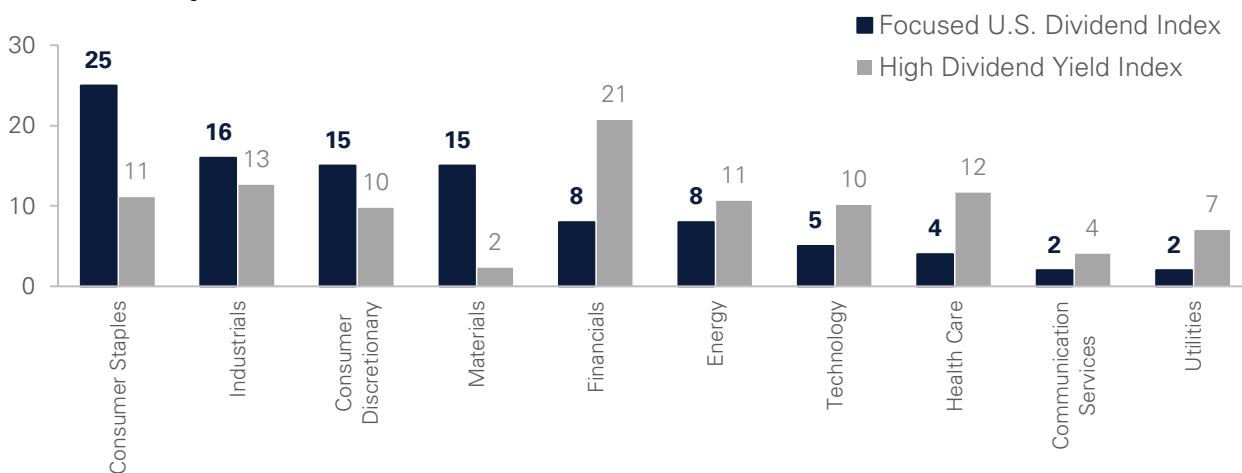
Performance Recap

The Focused U.S. Dividend Index was up +1.5% in August, trailing the Large Cap Value Index by -119bps. The forward dividend yield is currently 2.9% vs the broad High Dividend Index's yield of 2.8% and the Large Cap Value Index's yield of 1.8%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 9 out of 22 trading days in August.
- 28 of the 61 holdings outperformed the benchmark in August.
- Clorox, CH Robinson, and Best Buy were the best performers during the month rising 20.9%, 16.2%, and 16.0%, respectively.
- Dollar General, TEGNA, and Civitas Resources were the worst performers in August returning -31.1%, -12.9%, and -12.1%, respectively.
- Consumer Discretionary was the best performing sector in August with 5 of the 6 holdings leading the sector. Stock selection in Communication Services weighed down this month's relative performance.
- The quantitative dividend model selected 7 new holdings at the start of September.

Sector Composition vs Dividend Universe (%)

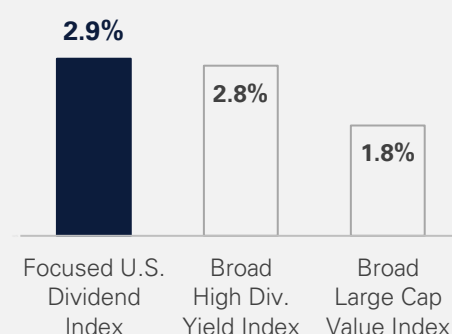


Important Disclosures: Forward Dividend Yields are based on indicated annual dividend which is the estimated amount of total dividends on a share of stock for the next 12-months. The stated yield assumes you hold the current portfolio for 12-months. Past performance does not guarantee future results. You cannot invest directly in an index. The information herein was obtained from sources which we believe to be reliable, but we do not guarantee its accuracy. Neither the information, nor any opinions expressed, constitute a solicitation of the purchase or sale of any securities or related instruments, nor does it constitute a recommendation to buy, sell, or hold that or any other security, nor does it constitute an opinion on the suitability of any security or index. The comments may not be relied upon as recommendations, investment advice or an indication of trading intent. We are not responsible for any losses incurred from any use of this information.

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Forward Dividend Yields



Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight	Company & Ticker	Sector	Dividend Yield	Index Weight
Hershey Foods (HSY)	Cons Stpls	2.8%	2.0%	California Resources (CRC)	Energy	3.0%	1.0%
Robert Half (RHI)	Industrials	3.4%	2.0%	Chesapeake Energy (CHK)	Energy	3.1%	1.0%
United Parcel Service (UPS)	Industrials	5.1%	2.0%	LKQ Corp. (LKQ)	Cons Disc	2.9%	1.0%
Voya Financial (VOYA)	Financials	2.5%	2.0%	TEGNA (TGNA)	Cons Disc	3.6%	1.0%
Microchip Technology (MCHP)	Tech	2.2%	2.0%	eBay (EBAY)	Cons Stpls	1.8%	1.0%
Lamb Weston (LW)	Cons Stpls	2.3%	2.0%	Ovintiv Inc (OVV)	Energy	2.8%	1.0%
T Rowe Price (TROW)	Financials	4.7%	2.0%	CF Industries (CF)	Materials	2.4%	1.0%
Pepsico (PEP)	Cons Stpls	3.1%	2.0%	★🛡️ Sealed Air (SEE)	Materials	2.3%	1.0%
Target (TGT)	Cons Stpls	2.9%	2.0%	🛡️ Essent Group Ltd. (ESNT)	Financials	1.7%	1.0%
Paychex (PAYX)	Industrials	3.0%	2.0%	★🛡️ LCI Industries (LCII)	Cons Disc	3.6%	1.0%
Dollar General (DG)	Cons Stpls	2.8%	2.0%	Kimberly Clark (KMB)	Cons Stpls	3.4%	1.0%
Skyworks Solutions (SWKS)	Tech	2.6%	2.0%	Rockwell Automation (ROK)	Industrials	1.8%	1.0%
Best Buy (BBY)	Cons Disc	3.7%	2.0%	Sysco (SYY)	Cons Disc	2.6%	1.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.6%	2.0%	Flowers Foods (FLO)	Cons Stpls	4.1%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.0%	2.0%	Clorox (CLX)	Cons Stpls	3.1%	1.0%
Abbott Laboratories (ABT)	Health Care	1.9%	2.0%	Cisco Systems (CSCO)	Tech	3.2%	1.0%
Brown-Forman (BF.B)	Cons Stpls	1.9%	2.0%	Honeywell (HON)	Industrials	2.1%	1.0%
Mosaic (MOS)	Materials	2.9%	2.0%	Procter & Gamble (PG)	Cons Stpls	2.3%	1.0%
American Financial (AFG)	Financials	2.1%	2.0%	Xcel Energy (XEL)	Utilities	3.6%	1.0%
PPG Industries (PPG)	Materials	2.1%	2.0%	Cincinnati Financial (CINF)	Financials	2.4%	1.0%
Comcast (CMCSA)	Comm Svcs	3.1%	2.0%	Wec Energy Group (WEC)	Utilities	3.6%	1.0%
Snap On (SNA)	Industrials	2.6%	2.0%	★🛡️ UGI Corp. (UGI)	Energy	6.0%	1.0%
Nexstar Media Group (NXST)	Cons Disc	4.0%	2.0%	🛡️ Genuine Parts (GPC)	Cons Disc	2.8%	1.0%
Home Depot (HD)	Cons Disc	2.4%	2.0%	🛡️ Lyondellbasell Industries (LYB)	Materials	5.4%	1.0%
Fastenal (FAST)	Industrials	2.3%	2.0%				
Brunswick (BC)	Cons Disc	2.1%	2.0%				
Air Products/Chemicals (APD)	Materials	2.5%	2.0%				
Sonoco Products (SON)	Materials	3.7%	2.0%				
Automatic Data (ADP)	Industrials	2.0%	2.0%				
McCormick & Co. (MKC)	Cons Stpls	2.1%	2.0%				
Archer Daniels Midland (ADM)	Cons Stpls	3.3%	2.0%				
Hormel Foods (HRL)	Cons Stpls	3.5%	2.0%				
FMC (FMC)	Materials	3.6%	2.0%				
Polaris (PII)	Cons Disc	3.1%	2.0%				
Illinois Tool (ITW)	Industrials	2.4%	2.0%				
★🛡️ Ashland Global (ASH)	Materials	1.8%	2.0%				
Northern Oil and Gas (NOG)	Energy	4.2%	1.0%				
Magnolia Oil & Gas (MGY)	Energy	2.0%	1.0%				
Chord Energy (CHRD)	Energy	3.4%	1.0%				
Civitas Resources (CIVI)	Energy	3.3%	1.0%				

Removed Holdings

■ G, NKE, CHRW, AEE

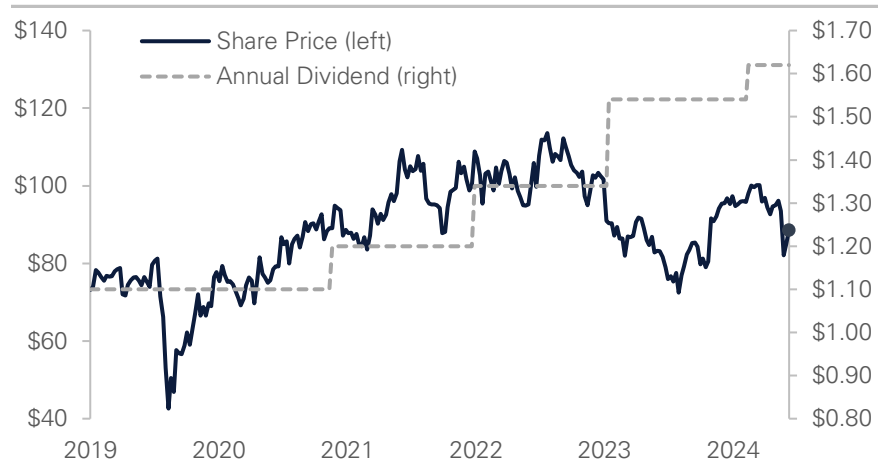
Index Actions

- 🛡️ Added
- Removed
- ★ Featured

Additional Notes

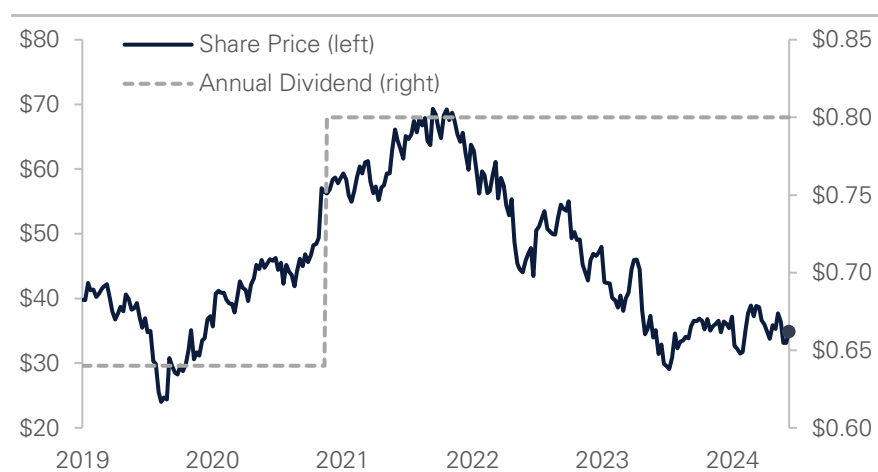
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for both High Yield Dividend Growth and High Yield Dividend Stability receive a position weight of 2.0%. **Removed Holdings:** Companies removed this month from the portfolio. **Rebalanced:** Holdings are reconstituted and rebalanced the first business day of every month.

Featured New Holdings



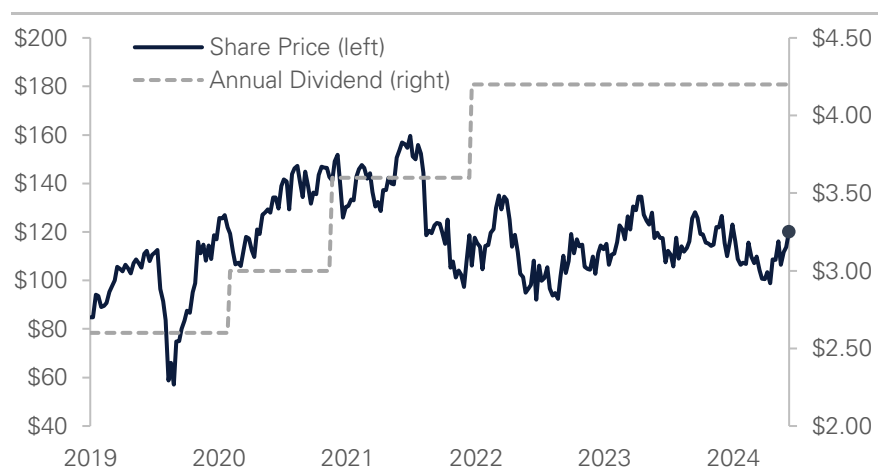
Ashland Global	Yield	Mkt Cap	NTM P/E
Ticker: ASH	1.81%	\$4.4 B	16.7x

Ashland provides architectural coatings, construction, energy, food and beverage, nutraceuticals, personal care, and pharmaceutical products. The Life Sciences segment is involved in pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, diagnostic films, and fine chemicals. The Personal Care segment consists of biofunctionals, microbial protectants, skin care, sun care, oral care, hair care, and household solutions. The Specialty Additives segment focuses on rheology and performance-enhancing additives serving the architectural coatings, construction, energy, automotive, and various industrial markets. The Intermediates segment refers to production of 1,4 butanediol and related derivatives, including n-methylpyrrolidone.



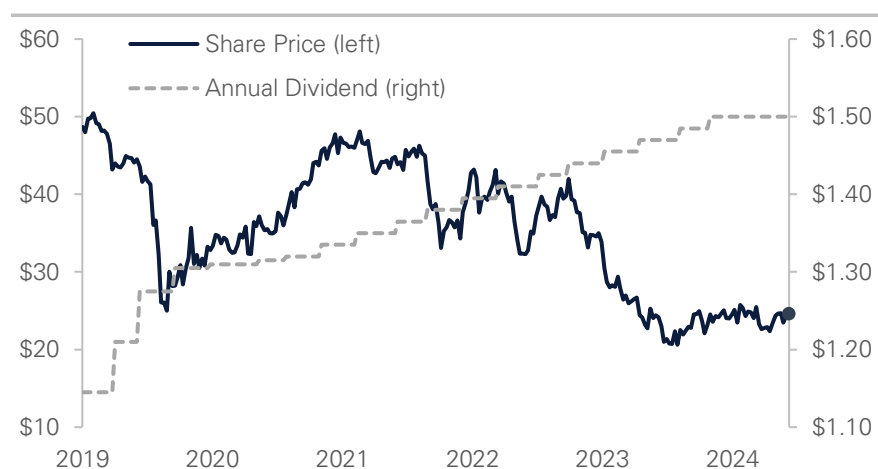
Sealed Air	Yield	Mkt Cap	NTM P/E
Ticker: SEE	2.29%	\$5.1 B	11.2x

Sealed Air provides food safety and security, facility hygiene, and product protection services. It operates through the Food and Protective segments. The Food segment services perishable food processors in fresh red meat, smoked and processed meat, poultry, seafood, plant-based, and dairy markets. The Protective segment offers packaging solutions that are utilized across global markets and are valuable to e-Commerce, consumer goods, pharmaceutical and medical devices, and industrial manufacturing.



LCI Industries	Yield	Mkt Cap	NTM P/E
Ticker: LCII	3.56%	\$3.0 B	17.5x

LCI Industries engages in the manufacture, supply, and distribution of components for the original equipment manufacturers (OEM) of recreational vehicles and manufactured homes. It operates through the OEM and Aftermarket segments. The OEM segment offers components for buses, trailers used to haul boats, livestock, equipment and other cargo, trucks, pontoon boats, trains, manufactured homes, and modular housing. The Aftermarket segment includes training, product delivery, marketing, and technical support to customers, and the sale of replacement glass and awnings to fulfill insurance claims.



UGI Corp.	Yield	Mkt Cap	NTM P/E
Ticker: UGI	6.02%	\$5.3 B	8.3x

UGI Corp. engages in the distribution, transportation, storing, and marketing of energy products and services. The AmeriGas Propane segment consists of the propane distribution business of AmeriGas Partners. The UGI International segment focuses on LPG distribution businesses conducted by its subsidiaries and affiliates. The Midstream and Marketing segment is involved in the energy-related businesses through its wholly owned subsidiary, Energy Services. The Utilities segment includes the natural gas and electricity distribution businesses directly and through its wholly owned subsidiaries.

Methodology – The selection of featured new holdings on this page is based on the four highest new weights on the prior page. If chart data is unavailable for a holding, the next new holding will be used.

Quantitative Methodology

- (1) Starting Universe: U.S. Companies greater than \$1 billion in market cap
- (2) Companies with the characteristics listed below are removed from the universe:
 - a. REITs Structured as a Real Estate Investment Trust
 - b. Yield Indicated Annual Dividend Yield Less Than 1.75%
 - c. Liquidity Average Daily Traded Volume Less Than \$25 Million
 - d. Free Float Less Than 40% of Market Capitalization
- (3) Remaining universe is grouped into the two categories listed below:
 - a. High Yield Dividend Growth (Top 50)
 - b. High Yield Dividend Stability (Top 50)
- (4) The methodology selects the top 50 companies for each category and equal weights each at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for both High Yield Dividend Growth and High Yield Dividend Stability receive a position weight of 2.0%. Note: The number of holdings historically ranges between 60 and 80.
- (5) Holdings are reconstituted and rebalanced the first business day of every month

Strategy Overview

A quantitative dividend strategy focused on systematically generating above average income without sacrificing the potential for upside capital appreciation. The index is rooted in statistics and uses fundamental data and consensus estimates to maximize

Investment Approach

- Owning Quality U.S. Businesses with High Dividend Yields
- Rebalanced Monthly to Harvest

Index Characteristics

- Average # of Holdings: 60 to 80
- Passive, Quantitative Strategy
- Monthly Index Reconstitution
- 35% Maximum Sector Exposure
- Excludes REITs

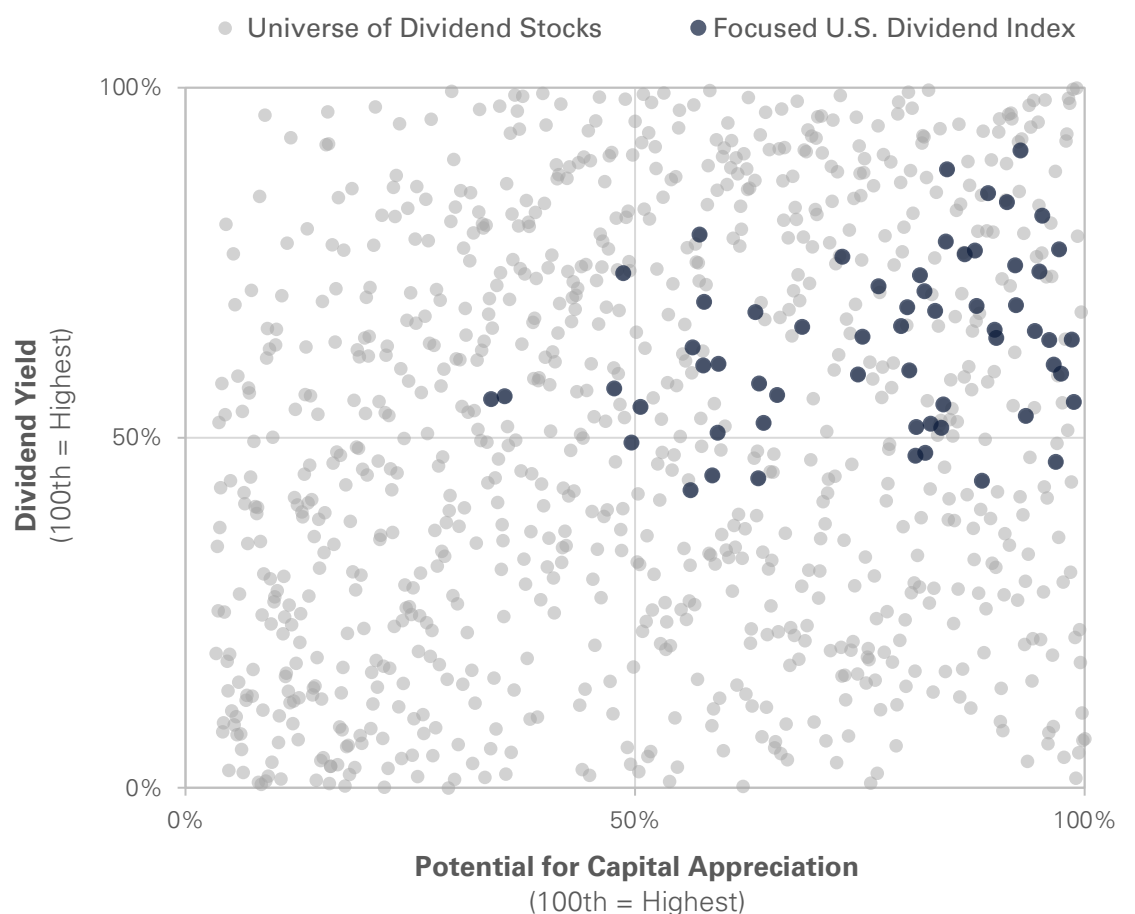
Calculating a Dividend Stock's Potential for Capital Appreciation

How do you quantify the potential for capital appreciation of a stock?

The strategy uses a bottom-up approach in security selection. Initial screens filter companies based on the following criteria: dividend yield, payout ratio, dividend growth, earnings growth, capital structure, and return on equity. The algorithm intakes a tremendous amount of data to project what the dividend yield should be for each stock given the current environment. The universe is then ranked by the confidence level and margin of safety between the current and projected yield.

Where does this strategy fit in a client's portfolio?

We believe index works best as a core portfolio building block. The strategy's combined focus on high income and above-average capital appreciation positions it well across different market environments in our opinion.



For illustrative purposes only.