

Focused U.S. Dividend Index



November 2024 Update

Performance Recap

The Focused U.S. Dividend Index was down -2.5% in October, trailing the Large Cap Value Index by -1.4% and the Broad High Dividend Index by -2.2%. The dividend yield is currently 3.0% vs the Broad High Dividend Index's yield of 2.8% and the Large Cap Value Index's yield of 1.8%.

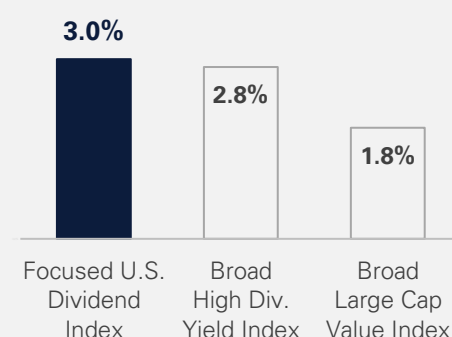
Monthly Commentary

- The Focused U.S. Dividend Index outperformed 13 out of 23 trading days in October.
- 27 of the 65 holdings outperformed the benchmark in October.
- Lamb Weston, Snap On, and Fastenal were the best performers during the month rising 20.0%, 14.0%, and 10.0%, respectively. Genuine Parts, Polaris, and Dentsply Sirona were the worst performers in October returning -17.9%, -16.0%, and -14.4%, respectively.
- Industrials was the best performing sector in October with 6 of the 7 holdings leading the sector. Stock selection in Consumer Discretionary weighed down this month's relative performance.
- The quantitative dividend model selected 13 new holdings at the start of November.

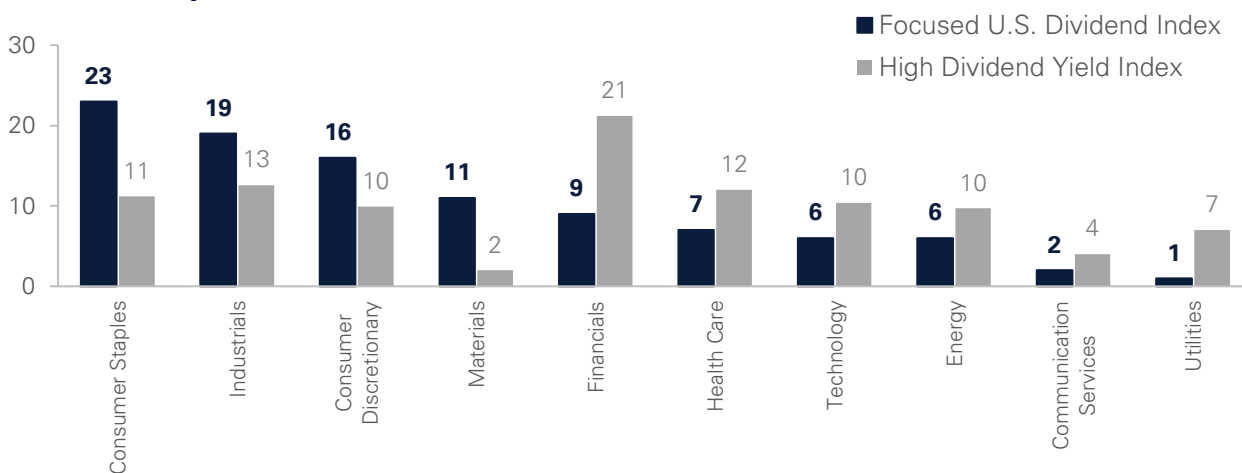
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Forward Dividend Yields



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.

Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight	Company & Ticker	Sector	Dividend Yield	Index Weight
American Financial (AFG)	Financials	2.5%	2.0%	LKQ Corp. (LKQ)	Cons Disc	3.3%	1.0%
Hershey Foods (HSY)	Cons Stpls	3.1%	2.0%	✚ Essent Group Ltd. (ESNT)	Financials	1.9%	1.0%
Target (TGT)	Cons Stpls	3.0%	2.0%	Warner Music Group (WMG)	Cons Disc	2.3%	1.0%
★✚ Toro (TTC)	Industrials	1.8%	2.0%	Fedex (FDX)	Industrials	2.0%	1.0%
Voya Financial (VOYA)	Financials	2.2%	2.0%	CF Industries (CF)	Materials	2.4%	1.0%
United Parcel Service (UPS)	Industrials	4.9%	2.0%	✚ Union Pacific (UNP)	Industrials	2.3%	1.0%
T Rowe Price (TROW)	Financials	4.5%	2.0%	✚ General Mills (GIS)	Cons Stpls	3.5%	1.0%
Merck & Co (MRK)	Health Care	3.0%	2.0%	Sealed Air (SEE)	Materials	2.2%	1.0%
Dollar General (DG)	Cons Stpls	2.9%	2.0%	Dentsply Sirona (XRAY)	Health Care	2.8%	1.0%
Genuine Parts (GPC)	Cons Disc	3.5%	2.0%	TEGNA (TGNA)	Cons Disc	3.0%	1.0%
Pepsico (PEP)	Cons Stpls	3.3%	2.0%	Paychex (PAYX)	Industrials	2.8%	1.0%
Ppg Industries (PPG)	Materials	2.2%	2.0%	Texas Instrument (TXN)	Tech	2.7%	1.0%
Interpublic Group (IPG)	Industrials	4.5%	2.0%	✚ Brunswick (BC)	Cons Disc	2.1%	1.0%
Archer Daniels Midland (ADM)	Cons Stpls	3.6%	2.0%	✚ Aes (AES)	Utilities	4.2%	1.0%
★✚ Nike (NKE)	Cons Disc	1.9%	2.0%	✚ JM Smucker (SJM)	Cons Stpls	3.8%	1.0%
Everest Re Group (EG)	Financials	2.2%	2.0%	✚ Norfolk Southern (NSC)	Industrials	2.2%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.1%	2.0%	Robert Half (RHI)	Industrials	3.1%	1.0%
Microchip Technology (MCHP)	Tech	2.5%	2.0%	Polaris (PII)	Cons Disc	3.8%	1.0%
Lyondellbasell Industries (LYB)	Materials	6.2%	2.0%	Illinois Tool (ITW)	Industrials	2.3%	1.0%
Skyworks Solutions (SWKS)	Tech	3.2%	2.0%	Automatic Data (ADP)	Industrials	1.9%	1.0%
Comcast (CMCSA)	Comm Svcs	2.8%	2.0%	Chevron (CVX)	Energy	4.4%	1.0%
Sysco (SYI)	Cons Disc	2.7%	2.0%	Brown-Forman (BF.B)	Cons Stpls	2.0%	1.0%
Lamb Weston (LW)	Cons Stpls	1.9%	2.0%	Rockwell Automation (ROK)	Industrials	1.9%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.6%	2.0%	✚ Procter & Gamble (PG)	Cons Stpls	2.4%	1.0%
Dicks Sporting (DKS)	Cons Disc	2.2%	2.0%	Qualcomm (QCOM)	Tech	2.1%	1.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.7%	2.0%	Home Depot (HD)	Cons Disc	2.3%	1.0%
★✚ A O Smith (AOS)	Industrials	1.8%	2.0%	Mosaic (MOS)	Materials	3.1%	1.0%
Sonoco Products (SON)	Materials	4.0%	2.0%				
Ashland Global (ASH)	Materials	1.9%	2.0%				
★✚ Best Buy (BBY)	Cons Disc	4.2%	2.0%				
Abbott Laboratories (ABT)	Health Care	1.9%	2.0%				
Honeywell (HON)	Industrials	2.2%	2.0%				
Hormel Foods (HRL)	Cons Stpls	3.7%	2.0%				
✚ Matador Resources (MTDR)	Energy	1.9%	1.0%				
Civitas Resources (CIVI)	Energy	4.1%	1.0%				
Korn Ferry (KFY)	Industrials	2.1%	1.0%				
Bunge Global (BG)	Cons Stpls	3.2%	1.0%				
Northern Oil and Gas (NOG)	Energy	4.6%	1.0%				
Chord Energy (CHRD)	Energy	4.0%	1.0%				
Ovintiv Inc (OVV)	Energy	3.1%	1.0%				

Removed Holdings

■ SNA, LANC, CINF, PFG, CSCO, FMC, NFG, DGX, FAST, FLO, NXST

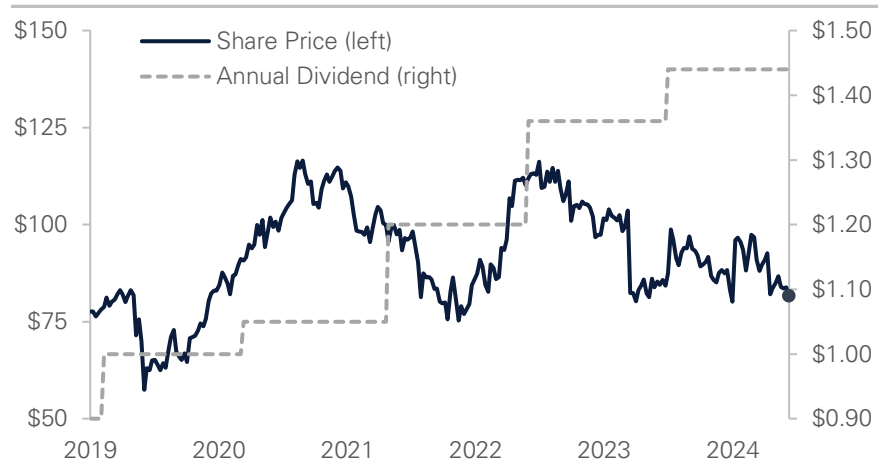
Index Actions

- ✚ Added
- Removed
- ★ Featured

Additional Notes

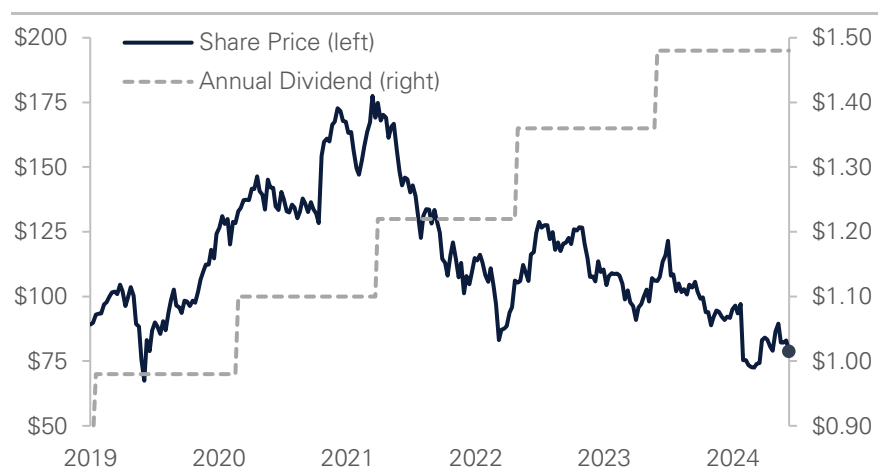
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for 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



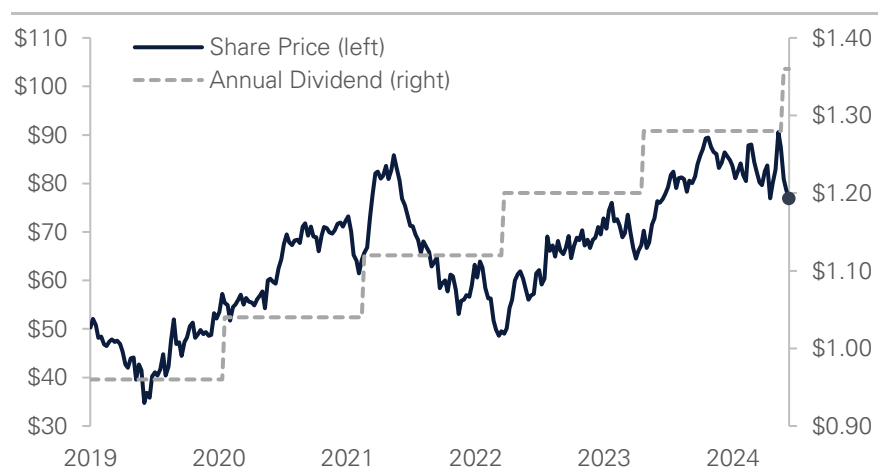
Toro	Yield	Mkt Cap	NTM P/E
Ticker: TTC	1.79%	\$8.3 B	17.6x

Toro provides innovative solutions for the outdoor environment including turf and landscape maintenance, snow and ice management, underground utility construction, rental and specialty construction, and irrigation and outdoor lighting solutions. The Professional segment includes designing professional turf maintenance, landscape and lighting, rental, specialty, and underground construction, snow and ice management, and agricultural products. The Residential segment is involved in marketing and selling products to homeowners through a variety of distribution channels including outdoor power equipment distributors and dealers.



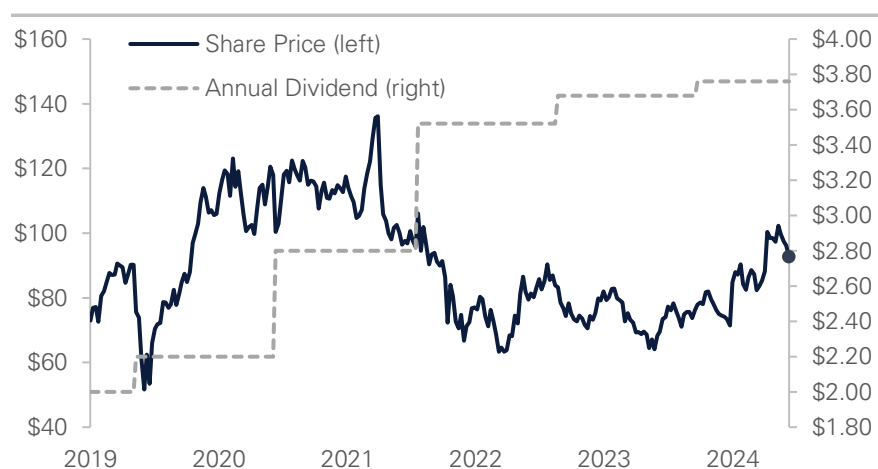
Nike	Yield	Mkt Cap	NTM P/E
Ticker: NKE	1.92%	\$91.8 B	26.0x

NIKE designs and markets athletic footwear, apparel, accessories, equipment, and services. It operates through the following segments: North America, Europe, Middle East, and Africa, Greater China, Asia Pacific and Latin America, Global Brand Divisions, Converse, and Corporate. The Global Brand Divisions represent its NIKE Brand licensing businesses. The Converse segment designs, markets, licenses, and sells casual sneakers, apparel, and accessories.



A O Smith	Yield	Mkt Cap	NTM P/E
Ticker: AOS	1.81%	\$9.0 B	18.9x

A. O. Smith manufactures residential and commercial gas and electric water heaters, boilers, tanks, and water treatment products. It operates through the North America and Rest of World segments. The North America segment manufactures and markets comprehensive lines of residential and commercial gas and electric water heaters, boilers, and tanks.



Best Buy	Yield	Mkt Cap	NTM P/E
Ticker: BBY	4.16%	\$19.4 B	13.5x

Best Buy provides consumer technology products and services. It operates through two business segments: Domestic and International. The Domestic segment includes operations in all states, districts, and territories of the U.S., operating under various brand names, including Best Buy, Best Buy Mobile, Geek Squad, Magnolia Audio Video, Napster, and Pacific Sales. The International segment is made up of all operations outside the U.S. and its territories, including Canada, Europe, China, Mexico, and Turkey. It also markets its products under the brand names: Best Buy, bestbuy.com, Best Buy Direct, Best Buy Express, Best Buy Mobile, Geek Squad, GreatCall, Magnolia and Pacific Kitchen and Home.

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

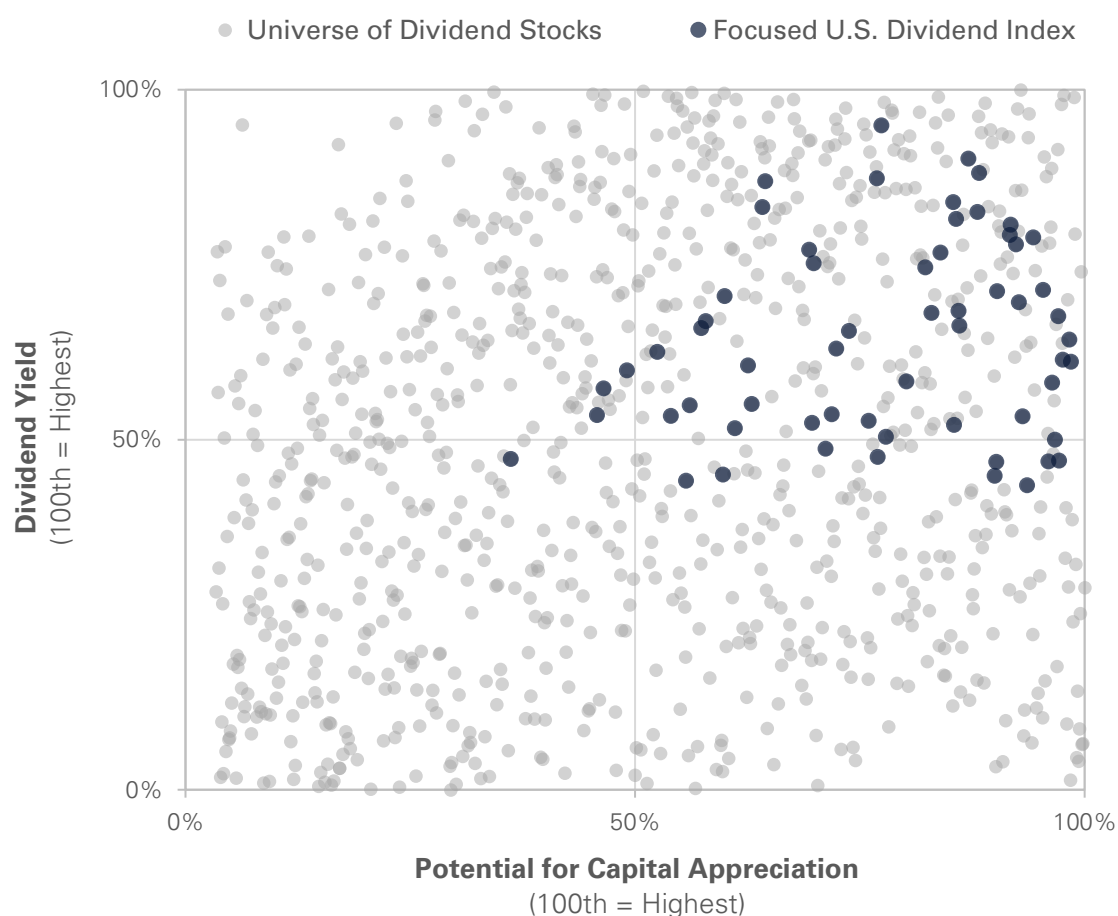
Calculating a Dividend Stock's Potential for Capital Appreciation

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.