

Focused U.S. Dividend Index



January 2025 Update

Performance Recap

The Focused U.S. Dividend Index was down -6.1% in December, leading the Large Cap Value Index by +0.7%. The dividend yield is currently 3.0% vs the High Dividend Index's yield of 2.7% and the Large Cap Value Index's yield of 1.9%.

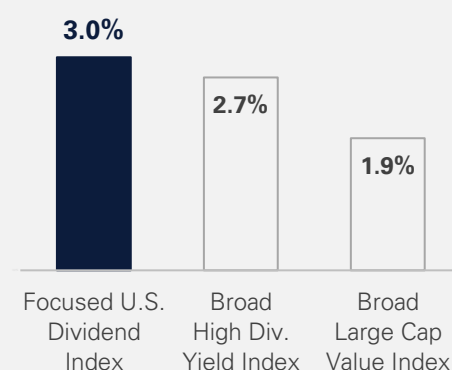
Monthly Commentary

- The Focused U.S. Dividend Index outperformed 12 out of 22 trading days in December.
- 39 of the 70 holdings outperformed the benchmark in December.
- Dicks Sporting, Becton Dickinson, and Target were the best performers during the month rising 11.0%, 2.7%, and 2.2%, respectively. Voya Financial, FMC, and Microchip Technology were the worst performers in December returning -17.1%, -16.8%, and -15.9%, respectively.
- Utilities was the best performing sector in December with 1 of the 1 holdings leading the sector. Stock selection in Communication Services weighed down this month's relative performance.
- The quantitative dividend model selected 16 new holdings at the start of January.

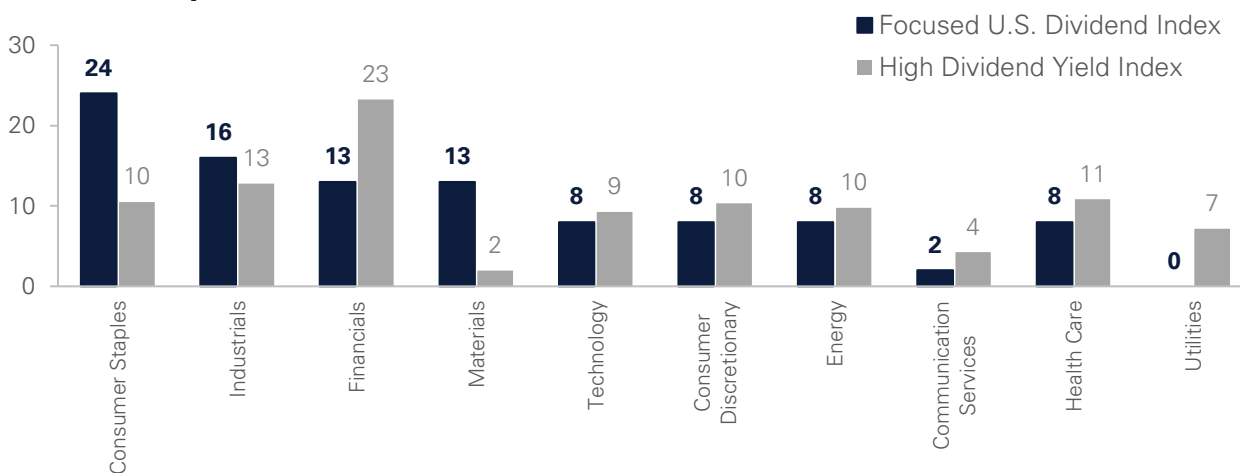
Table of Contents

- 1 Commentary
- 2 Holdings
- 3 Featured New Holdings
- 4 Strategy Overview

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
Voya Financial (VOYA)	Financials	2.6%	2.0%	MGIC (MTG)	Financials	2.2%	1.0%
United Parcel Service (UPS)	Industrials	5.2%	2.0%	✚ Sylvamo (SLVM)	Materials	2.3%	1.0%
Pepsico (PEP)	Cons Stpls	3.6%	2.0%	✚ Hartford Financial (HIG)	Financials	1.9%	1.0%
American Financial (AFG)	Financials	2.3%	2.0%	✚ Oshkosh (OSK)	Industrials	1.9%	1.0%
Essent Group Ltd. (ESNT)	Financials	2.1%	2.0%	Fidelity (FNF)	Financials	3.6%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.4%	2.0%	✚ California Resources (CRC)	Energy	3.0%	1.0%
A O Smith (AOS)	Industrials	2.0%	2.0%	Qualcomm (QCOM)	Tech	2.2%	1.0%
Merck & Co (MRK)	Health Care	3.3%	2.0%	Hanover Insurance (THG)	Financials	2.3%	1.0%
Dollar General (DG)	Cons Stpls	3.1%	2.0%	✚ Constellation Brands (STZ)	Cons Stpls	1.8%	1.0%
Mondelez Intl. (MDLZ)	Cons Stpls	3.1%	2.0%	✚ Elevance Health (ELV)	Health Care	1.8%	1.0%
✚✚ Toro (TTC)	Industrials	1.9%	2.0%	Abbott Laboratories (ABT)	Health Care	2.1%	1.0%
Target (TGT)	Cons Stpls	3.3%	2.0%	Sysco (SYY)	Cons Disc	2.7%	1.0%
✚✚ Avery Dennison (AVY)	Materials	1.9%	2.0%	Hormel Foods (HRL)	Cons Stpls	3.7%	1.0%
T Rowe Price (TROW)	Financials	4.4%	2.0%	Polaris (PII)	Cons Disc	4.6%	1.0%
Lyondellbasell Industries (LYB)	Materials	7.2%	2.0%	Robert Half (RHI)	Industrials	3.0%	1.0%
✚✚ TE Connectivity (TEL)	Tech	1.8%	2.0%	Microchip Technology (MCHP)	Tech	3.2%	1.0%
Hershey Foods (HSY)	Cons Stpls	3.2%	2.0%	Paychex (PAYX)	Industrials	2.8%	1.0%
Comcast (CMCSA)	Comm Svcs	3.3%	2.0%	Automatic Data (ADP)	Industrials	2.1%	1.0%
Ppg Industries (PPG)	Materials	2.3%	2.0%	Chevron (CVX)	Energy	4.5%	1.0%
Genuine Parts (GPC)	Cons Disc	3.4%	2.0%	Lamb Weston (LW)	Cons Stpls	2.2%	1.0%
Nike (NKE)	Cons Disc	2.1%	2.0%	Skyworks Solutions (SWKS)	Tech	3.2%	1.0%
✚✚ Amgen (AMGN)	Health Care	3.7%	2.0%	Huntington Ingalls (HII)	Industrials	2.9%	1.0%
Brown-Forman (BF.B)	Cons Stpls	2.4%	2.0%	Lockheed Martin (LMT)	Industrials	2.7%	1.0%
✚ Flowers Foods (FLO)	Cons Stpls	4.6%	2.0%	Illinois Tool (ITW)	Industrials	2.4%	1.0%
Ovintiv Inc (OVV)	Energy	3.0%	2.0%	Insperty (NSP)	Industrials	3.1%	1.0%
Ashland Global (ASH)	Materials	2.3%	2.0%	✚ Brunswick (BC)	Cons Disc	2.6%	1.0%
✚ Nucor (NUE)	Materials	1.9%	2.0%	Nexstar Media Group (NXST)	Cons Disc	4.3%	1.0%
Archer Daniels Midland (ADM)	Cons Stpls	4.0%	2.0%	Texas Instrument (TXN)	Tech	2.9%	1.0%
✚ NXP Semiconductors (NXPI)	Tech	2.0%	2.0%	Union Pacific (UNP)	Industrials	2.4%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.7%	2.0%				
General Mills (GIS)	Cons Stpls	3.8%	2.0%				
✚ Matador Resources (MTDR)	Energy	1.8%	1.0%				
Civitas Resources (CIVI)	Energy	4.4%	1.0%				
Korn Ferry (KFY)	Industrials	2.2%	1.0%				
Bunge Global (BG)	Cons Stpls	3.5%	1.0%				
Everest Re Group (EG)	Financials	2.2%	1.0%				
Chord Energy (CHRD)	Energy	4.3%	1.0%				
Northern Oil and Gas (NOG)	Energy	4.5%	1.0%				
✚ Cabot Corp (CBT)	Materials	1.9%	1.0%				
FMC (FMC)	Materials	4.8%	1.0%				

Removed Holdings

■ BBY, IPG, DKS, HRB, WMG, CF, ABBV, LKQ, XRAY, SEE, FDX, BDX, MOS, KO, HD, MKC, AES

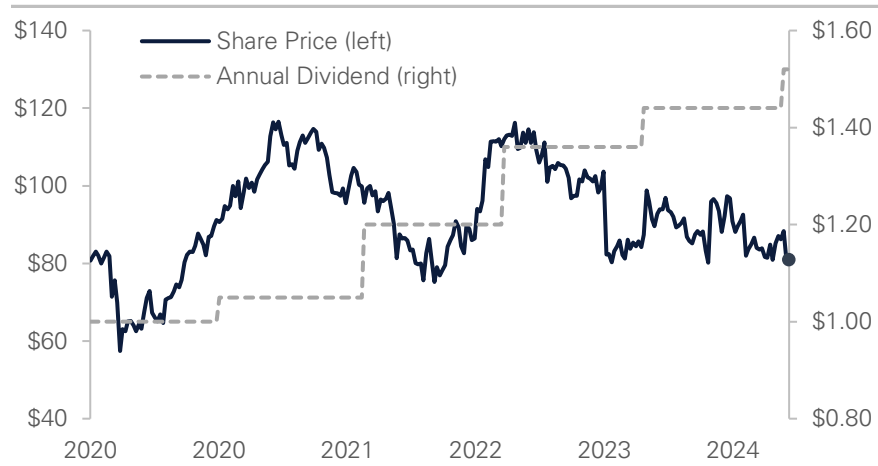
Index Actions

- ✚ Added
- Removed
- ★ Featured

Additional Notes

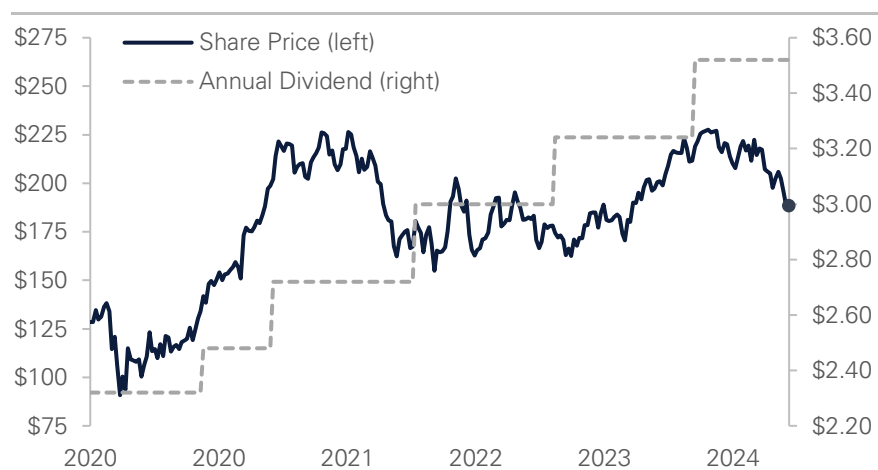
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



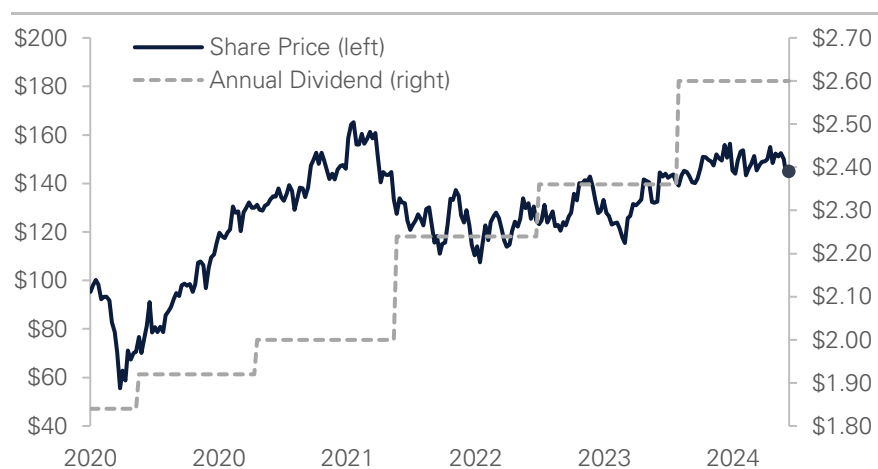
Toro	Yield	Mkt Cap	NTM P/E
Ticker: TTC	1.90%	\$8.1 B	18.3x

The Toro Co. 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 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, mass retailers, hardware retailers, home centers, and online and direct to end-users.



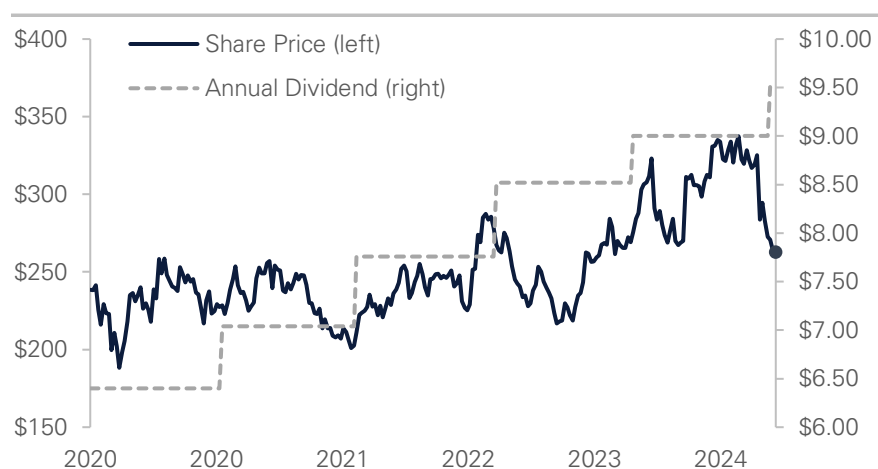
Avery Dennison	Yield	Mkt Cap	NTM P/E
Ticker: AVY	1.88%	\$15.0 B	17.8x

Avery Dennison Corp. provides labeling and packaging materials and solutions. The Materials Group segment manufactures and sells pressure-sensitive label materials, films for graphic and reflective products, performance tapes and other adhesive products for industrial, medical and other applications, as well as fastener solutions. The Solutions Group segment designs, manufactures and sells a wide variety of branding and information solutions, including brand and price tickets, tags and labels, and related services, supplies and equipment.



TE Connectivity	Yield	Mkt Cap	NTM P/E
Ticker: TEL	1.82%	\$42.8 B	17.2x

TE Connectivity is a company that engages in the provision of connectivity and sensor solutions for the purpose of distribution of power, signal, and data. It operates under the following segments: Transportation solutions, Industrial solutions, and Communications solutions.



Amgen	Yield	Mkt Cap	NTM P/E
Ticker: AMGN	3.65%	\$140.1 B	12.5x

Amgen is a biotechnology company, which engages in the discovery, development, manufacture, and marketing of human therapeutics. It operates through Human Therapeutics segment.

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

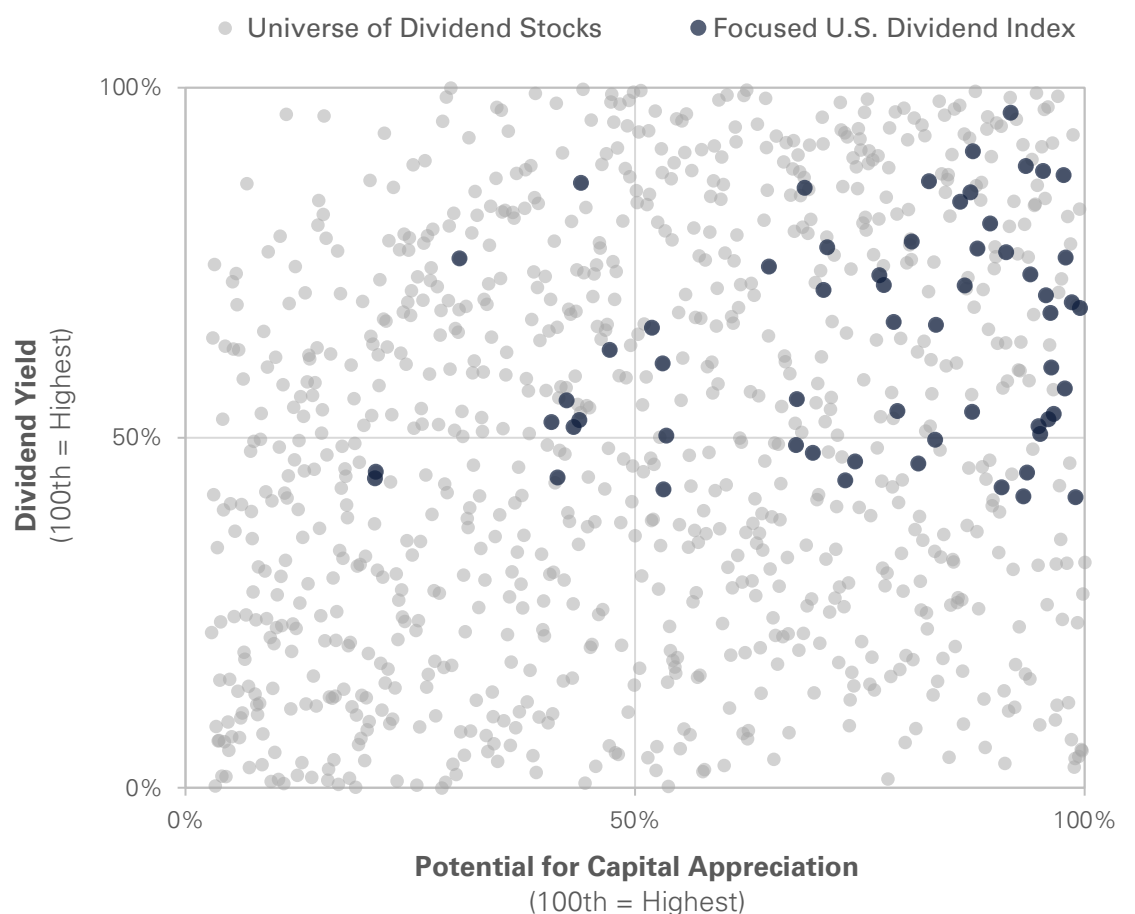
Calculating a Dividend Stock's Potential for Capital Appreciation

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.