

Focused U.S. Dividend Index



October 2024 Update

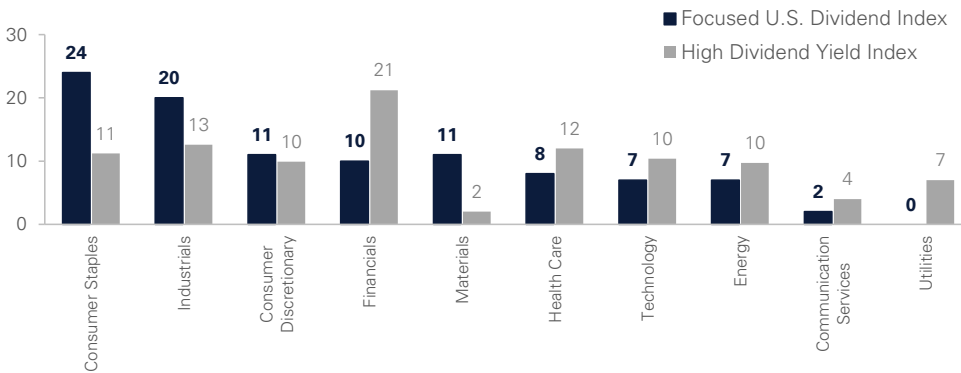
Performance Recap

The Focused U.S. Dividend Index was up +1.4% in September, leading the Large Cap Value Index by +0.1% and the Broad High Dividend Index by +0.1%. The 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 10 out of 21 trading days in September.
- 32 of the 61 holdings outperformed the benchmark in September.
- TEGNA, Voya Financial, and Chesapeake Energy were the best performers during the month rising 14.6%, 11.8%, and 10.4%, respectively. Civitas Resources, Chord Energy, and Northern Oil and Gas were the worst performers in September returning -14.9%, -12.3%, and -9.9%, respectively.
- The best performing sector in September was Financials with all 4 holdings leading the sector. Stock selection in Technology weighed down this month's relative performance.
- The quantitative dividend model selected 20 new holdings at the start of October.

Sector Composition vs Dividend Universe (%)

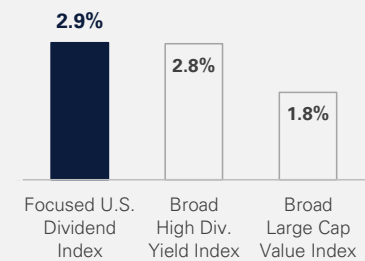


Important Disclosures: Forward Dividend Yields are based on indicated annual dividend which is the estimated amount of total dividends on a share of stock for the next 12-months. The stated yield assumes you hold the current portfolio for 12-months. Past performance does not guarantee future results. 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	2.9%	2.0%	Ovintiv Inc (OVV)	Energy	3.1%	1.0%
United Parcel Service (UPS)	Industrials	4.8%	2.0%	Northern Oil and Gas (NOG)	Energy	4.7%	1.0%
Paychex (PAYX)	Industrials	2.9%	2.0%	🇺🇸 Bunge Global (BG)	Cons Stpls	2.8%	1.0%
Voya Financial (VOYA)	Financials	2.3%	2.0%	🇺🇸 Merck & Co (MRK)	Health Care	2.7%	1.0%
T Rowe Price (TROW)	Financials	4.6%	2.0%	TEGNA (TGNA)	Cons Disc	3.2%	1.0%
Lamb Weston (LW)	Cons Stpls	2.2%	2.0%	🇺🇸 Sealed Air (SEE)	Materials	2.2%	1.0%
Pepsico (PEP)	Cons Stpls	3.2%	2.0%	🇺🇸 Fedex (FDX)	Industrials	2.0%	1.0%
Dollar General (DG)	Cons Stpls	2.8%	2.0%	CF Industries (CF)	Materials	2.3%	1.0%
Target (TGT)	Cons Stpls	2.9%	2.0%	Cincinnati Financial (CINF)	Financials	2.4%	1.0%
American Financial (AFG)	Financials	2.1%	2.0%	🇺🇸 Principal Financial (PFG)	Financials	3.4%	1.0%
Snap On (SNA)	Industrials	2.6%	2.0%	Cisco Systems (CSCO)	Tech	3.0%	1.0%
Microchip Technology (MCHP)	Tech	2.3%	2.0%	FMC (FMC)	Materials	3.5%	1.0%
Ppg Industries (PPG)	Materials	2.1%	2.0%	🇺🇸 National Fuel Gas (NFG)	Energy	3.4%	1.0%
★🇺🇸 Genuine Parts (GPC)	Cons Disc	2.9%	2.0%	🇺🇸 Quest Diagnostics (DGX)	Health Care	1.9%	1.0%
Abbott Laboratories (ABT)	Health Care	1.9%	2.0%	Polaris (PII)	Cons Disc	3.2%	1.0%
★🇺🇸 Interpublic Group (IPG)	Industrials	4.2%	2.0%	Rockwell Automation (ROK)	Industrials	1.9%	1.0%
Robert Half (RHI)	Industrials	3.1%	2.0%	🇺🇸 Lyondellbasell Industries (LYB)	Materials	5.6%	1.0%
Automatic Data (ADP)	Industrials	2.0%	2.0%	🇺🇸 Dicks Sporting (DKS)	Cons Disc	2.1%	1.0%
Archer Daniels Midland (ADM)	Cons Stpls	3.3%	2.0%	Fastenal (FAST)	Industrials	2.2%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.1%	2.0%	🇺🇸 Qualcomm (QCOM)	Tech	2.0%	1.0%
Brown-Forman (BF.B)	Cons Stpls	1.8%	2.0%	🇺🇸 Texas Instrument (TXN)	Tech	2.6%	1.0%
🇺🇸 Everest Re Group (EG)	Financials	2.0%	2.0%	Mosaic (MOS)	Materials	3.1%	1.0%
Comcast (CMCSA)	Comm Svcs	3.0%	2.0%	Flowers Foods (FLO)	Cons Stpls	4.2%	1.0%
Skyworks Solutions (SWKS)	Tech	2.8%	2.0%	Nexstar Media Group (NXST)	Cons Disc	4.1%	1.0%
★🇺🇸 Ashland Global (ASH)	Materials	1.9%	2.0%	Home Depot (HD)	Cons Disc	2.2%	1.0%
Sysco (SYY)	Cons Disc	2.6%	2.0%				
Honeywell (HON)	Industrials	2.1%	2.0%				
Hormel Foods (HRL)	Cons Stpls	3.6%	2.0%				
Sonoco Products (SON)	Materials	3.8%	2.0%				
Mondelez Intl. (MDLZ)	Cons Stpls	2.6%	2.0%				
Illinois Tool (ITW)	Industrials	2.3%	2.0%				
★🇺🇸 Lancaster Colony (LANC)	Cons Stpls	2.0%	2.0%				
Kimberly Clark (KMB)	Cons Stpls	3.4%	2.0%				
🇺🇸 Dentsply Sirona (XRAY)	Health Care	2.4%	2.0%				
🇺🇸 Chevron (CVX)	Energy	4.4%	2.0%				
Civitas Resources (CIVI)	Energy	3.9%	1.0%				
🇺🇸 Korn Ferry (KFY)	Industrials	2.0%	1.0%				
🇺🇸 Warner Music Group (WMG)	Cons Disc	2.3%	1.0%				
Chord Energy (CHRD)	Energy	3.8%	1.0%				
LKQ Corp. (LKQ)	Cons Disc	3.0%	1.0%				

Removed Holdings

🇺🇸 G, BBY, CLX, BC, MKC, APD, WEC, XEL, NKE, MGY, CRC, CHK, EBAY, CHRW, PG, AEE

Index Actions

- 🇺🇸 Added
- 🇺🇸 Removed
- ★ Featured

Additional Notes

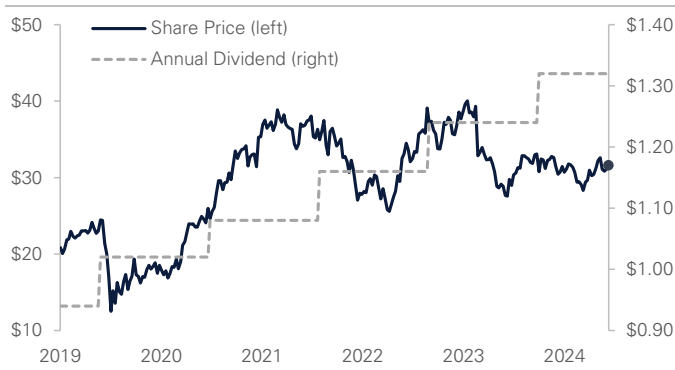
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



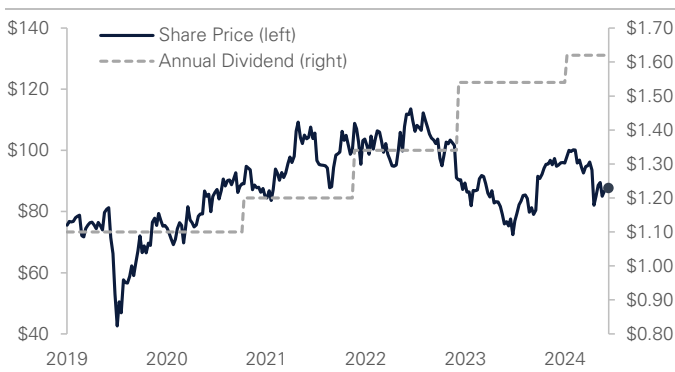
Genuine Parts	Yield	Mkt Cap	NTM P/E
Ticker: GPC	2.86%	\$19.5 B	14.1x

Genuine Parts engages in the distribution of automotive and industrial replacement parts. The Automotive Parts Group segment distributes replacement parts, other than body parts for substantially all makes and models of automobiles, trucks, and other vehicles. The Industrial Parts Group segment offers a range of industrial bearings, mechanical and fluid power transmission equipment, including hydraulic and pneumatic products, material handling components, and related parts and supplies.



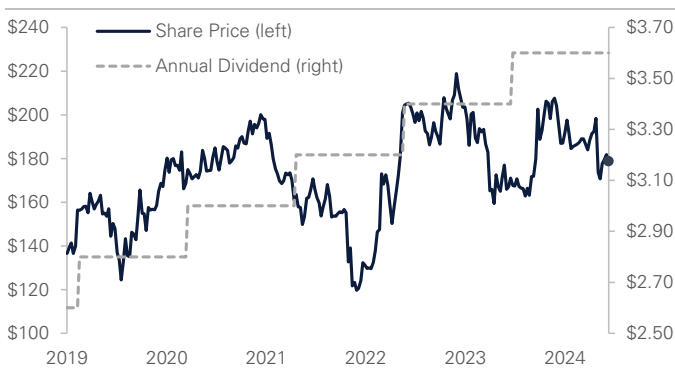
Interpublic Group	Yield	Mkt Cap	NTM P/E
Ticker: IPG	4.17%	\$11.8 B	11.0x

Interpublic Group provides marketing, communications, and business transformation services. The Media, Data, and Engagement Solutions segment provides global media and communications services, advertising and marketing technology, e-commerce services, data management and analytics. The Integrated Advertising and Creativity Led Solutions segment offers advertising, corporate and brand identity services, and strategic consulting. The Specialized Communications and Experiential Solutions segment includes global public relations and other specialized communications services, events, sports and entertainment marketing, and strategic consulting.



Ashland Global	Yield	Mkt Cap	NTM P/E
Ticker: ASH	1.86%	\$4.2 B	16.5x

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.



Lancaster Colony	Yield	Mkt Cap	NTM P/E
Ticker: LANC	2.04%	\$4.9 B	26.2x

Lancaster Colony manufactures and sells specialty food products. It operates through the following segments: Retail and Foodservice. The Retail and Foodservice segments both focus on the manufacture and sale of frozen breads, refrigerated dressings, dips and shelf-stable dressings, and croutons under the brand names New York BRAND Bakery, Sister Schubert's, Marzetti Frozen Pasta, and Flatout.

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

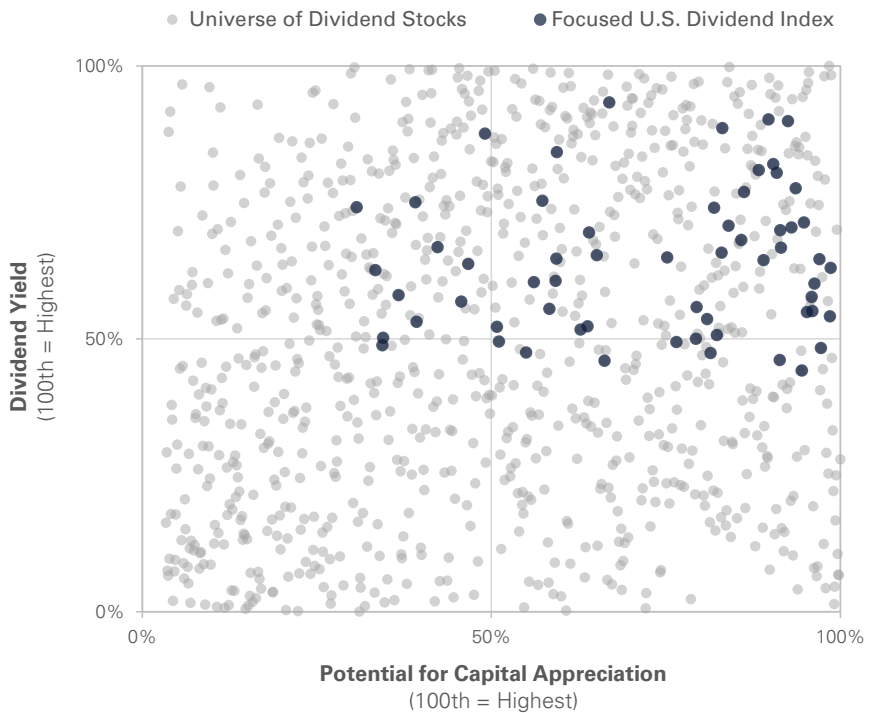
Calculating a Dividend Stock's Potential for Capital Appreciation

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.