

Focused U.S. Dividend Index



January 2024 Update

Performance Recap

The Focused U.S. Dividend Index was up +6.7% in December, leading the Large Cap Value Index by +111bps. Over the last 12 months, it led the Large Cap Value Index by +3.9% and led the High Dividend Index by +8.7%.

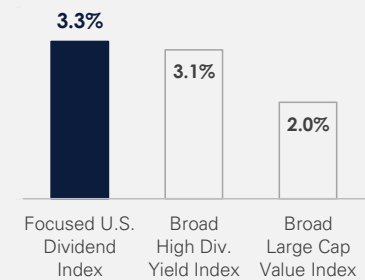
Monthly Commentary

- 32 of the 64 holdings outperformed the benchmark in December.
- Brunswick, Discover Financial, and FMC were the best performers during the month rising 22.7%, 20.9%, and 18.6%, respectively. Ameren, Pfizer, and Chesapeake Energy were the worst performers in December returning -6.0%, -5.5%, and -4.2%, respectively.
- Materials was the best performing sector in December. Stock selection in Communication Services weighed down this month's relative performance.
- The quantitative dividend model selected 6 new holdings at the start of January.
- The dividend yield is currently 3.3% vs the High Dividend Index's yield of 3.1% and the Large Cap Value Index's yield of 2.0%.

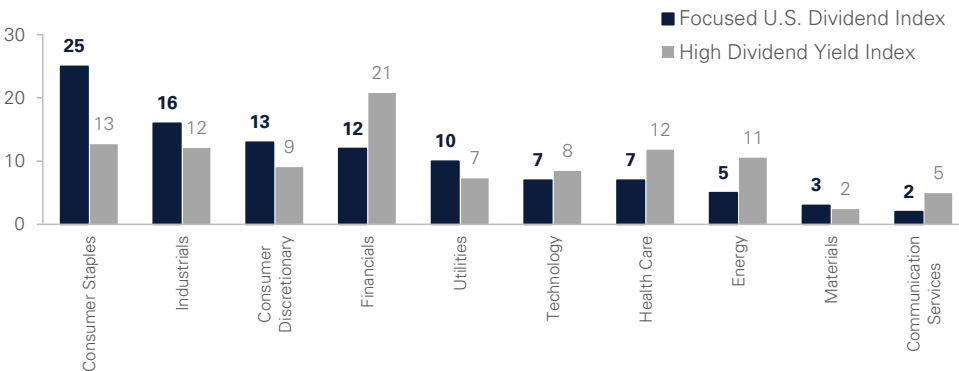
Table of Contents

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

Indicated Annual Dividend Yields



Sector Composition vs Dividend Universe (%)



Important Disclosures: 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
Automatic Data (ADP)	Industrials	2.4%	2.0%
Hershey Foods (HSY)	Cons Stpls	2.6%	2.0%
Bristol Myers Squibb (BMY)	Health Care	4.7%	2.0%
Tractor Supply (TSCO)	Cons Disc	1.9%	2.0%
Microchip Technology (MCHP)	Tech	1.9%	2.0%
Best Buy (BBY)	Cons Disc	4.7%	2.0%
T Rowe Price (TROW)	Financials	4.5%	2.0%
United Parcel Service (UPS)	Industrials	4.1%	2.0%
Texas Instrument (TXN)	Tech	3.1%	2.0%
Kimberly Clark (KMB)	Cons Stpls	3.9%	2.0%
Abbott Laboratories (ABT)	Health Care	2.0%	2.0%
Johnson & Johnson (JNJ)	Health Care	3.0%	2.0%
Dollar General (DG)	Cons Stpls	1.7%	2.0%
American Financial (AFG)	Financials	2.4%	2.0%
McCormick & Co. (MKC)	Cons Stpls	2.5%	2.0%
Target (TGT)	Cons Stpls	3.1%	2.0%
Skyworks Solutions (SWKS)	Tech	2.4%	2.0%
Hormel Foods (HRL)	Cons Stpls	3.5%	2.0%
Nexstar Media Group (NXST)	Cons Disc	3.4%	2.0%
CH Robinson (CHRW)	Industrials	2.8%	2.0%
Clorox (CLX)	Cons Stpls	3.4%	2.0%
Stifel Financial (SF)	Financials	2.1%	2.0%
Nextera Energy (NEE)	Utilities	3.1%	2.0%
Paychex (PAYX)	Industrials	3.0%	2.0%
Dicks Sporting (DKS)	Cons Disc	2.7%	2.0%
Lockheed Martin (LMT)	Industrials	2.8%	2.0%
ONE Gas (OGS)	Utilities	4.1%	2.0%
★🏠 Atmos Energy (ATO)	Utilities	2.8%	2.0%
Home Depot (HD)	Cons Disc	2.4%	2.0%
Robert Half (RHI)	Industrials	2.2%	2.0%
Leggett & Platt (LEG)	Cons Stpls	7.0%	2.0%
Flowers Foods (FLO)	Cons Stpls	4.1%	2.0%
FMC (FMC)	Materials	3.7%	2.0%
Snap On (SNA)	Industrials	2.6%	2.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.3%	2.0%
Cincinnati Financial (CINF)	Financials	2.9%	2.0%
Pepsico (PEP)	Cons Stpls	3.0%	2.0%
Northern Oil and Gas (NOG)	Energy	4.3%	1.0%
Civitas Resources (CIVI)	Energy	11.1%	1.0%
Voya Financial (VOYA)	Financials	2.2%	1.0%

Company & Ticker	Sector	Dividend Yield	Index Weight
Chesapeake Energy (CHK)	Energy	2.9%	1.0%
California Resources (CRC)	Energy	2.3%	1.0%
eBay (EBAY)	Cons Stpls	2.3%	1.0%
LKQ Corp. (LKQ)	Cons Disc	2.5%	1.0%
Chord Energy (CHRD)	Energy	3.0%	1.0%
Western Union (WU)	Financials	7.9%	1.0%
Conagra Brands (CAG)	Cons Stpls	4.9%	1.0%
MGIC (MTG)	Financials	2.4%	1.0%
Sealed Air (SEE)	Materials	2.2%	1.0%
★🏠 Fedex (FDX)	Industrials	2.0%	1.0%
Verizon (VZ)	Comm Svcs	7.1%	1.0%
Pfizer (PFE)	Health Care	5.8%	1.0%
Ameren (AEE)	Utilities	3.5%	1.0%
Cisco Systems (CSCO)	Tech	3.1%	1.0%
Kellanova (K)	Cons Stpls	4.0%	1.0%
Sysco (SYX)	Cons Disc	2.7%	1.0%
★🏠 Wec Energy Group (WEC)	Utilities	4.0%	1.0%
Polaris (PLI)	Cons Disc	2.7%	1.0%
Cummins (CMI)	Industrials	2.8%	1.0%
Discover Financial (DFS)	Financials	2.5%	1.0%
★🏠 Public Service Enterprise (PEG)	Utilities	3.7%	1.0%
🏠 Comcast (CMCSA)	Comm Svcs	2.6%	1.0%
🏠 Entergy (ETR)	Utilities	4.5%	1.0%

Removed Holdings

🏠 SCI, BC, NSC, UNP, NXPI, CL, HON

Index Actions

- 🏠 Added
- 🏠 Removed
- ★ Featured

Additional Notes

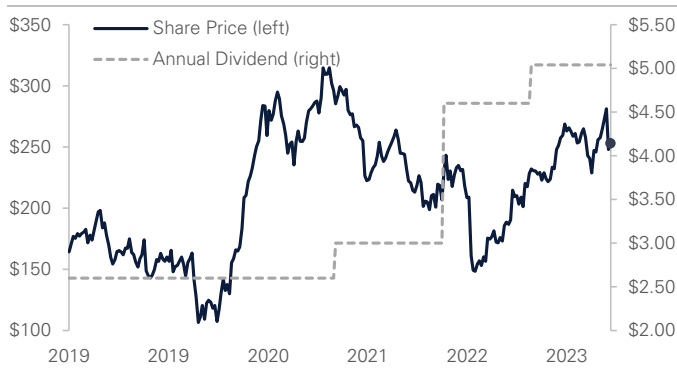
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



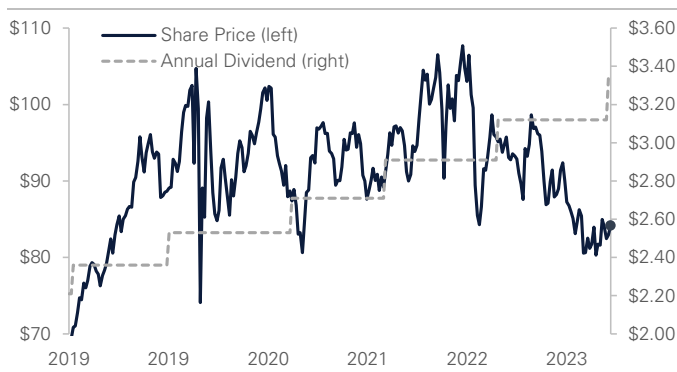
Atmos Energy	Yield	Mkt Cap	NTM P/E
Ticker: ATO	2.78%	\$17.2 B	17.5x

Atmos Energy Corp. engages in the provision of natural gas services. It operates through the Distribution, and Pipeline and Storage segments. The Distribution segment is involved in regulated natural gas distribution and related sales operations. The Pipeline and Storage segment includes pipeline and storage operations of the Atmos Pipeline-Texas division and natural gas transmission operations.



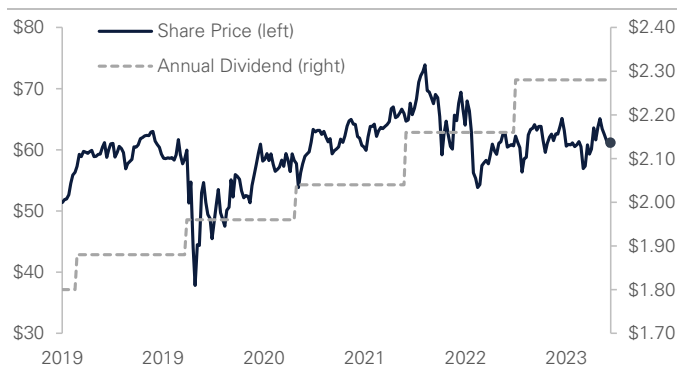
Fedex	Yield	Mkt Cap	NTM P/E
Ticker: FDX	1.99%	\$63.2 B	12.7x

FedEx provides transportation, e-commerce, business services, and business solutions. It operates through the following segments: FedEx Express, FedEx Ground, FedEx Freight, FedEx Services, and Corporate, Other and Eliminations.



Wec Energy Group	Yield	Mkt Cap	NTM P/E
Ticker: WEC	3.97%	\$26.6 B	17.1x

WEC Energy Group engages in the generation and distribution of electricity and natural gas. It operates through the following segments: Wisconsin, Illinois, Other States, Electric Transmission, Non-Utility Energy Infrastructure and Corporate & Other. The Wisconsin segment refers to the electric and gas utility operations. The Illinois segment deals with natural gas utility and non-utility activities. The Other States segment pertains to natural gas operations of the firm's subsidiaries. The Electric Transmission segment holds interests in state regulatory commissions. The Non-Utility Energy Infrastructure segment includes Wisconsin Electric Power, which owns and leases generating facilities.



Public Service Enterprise	Yield	Mkt Cap	NTM P/E
Ticker: PEG	3.73%	\$30.5 B	16.5x

Public Service Enterprise Group is an energy company, which engages in the business of regulated electric and gas utility, and nuclear generation. Its products and services include energy, capacity, ancillary services, and emissions allowances and congestion credits. The firm operates through the Public Service Electric and Gas Company (PSE&G) and PSEG Power segments. The PSE&G segment focuses on the transmission of electricity and distribution of electricity and natural gas. The PSEG Power segment wholesales energy, fuel supply, and energy transacting functions.

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

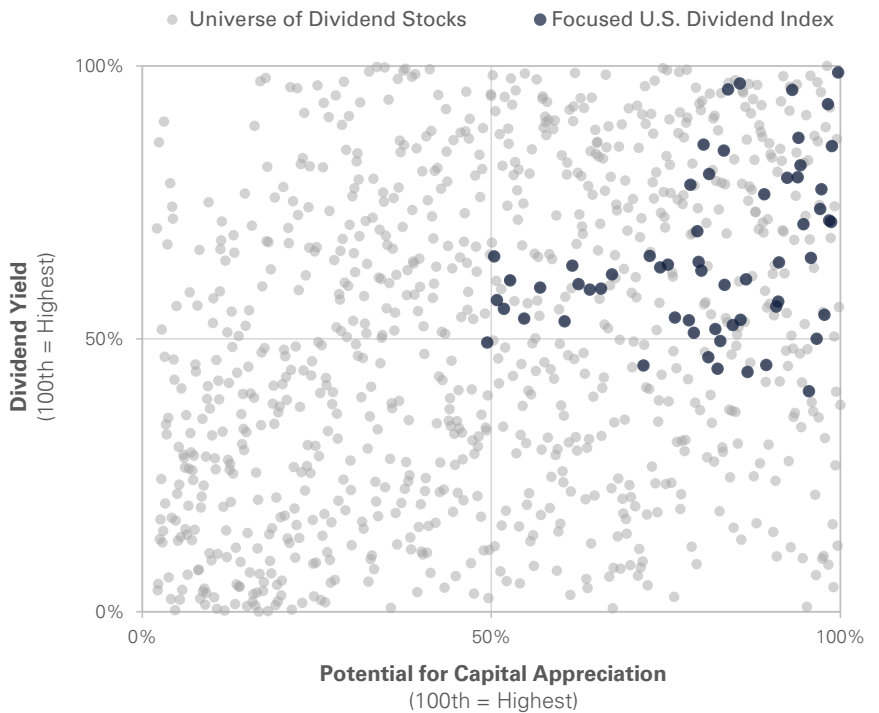
Calculating a Dividend Stock's Potential for Capital Appreciation

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.