

Focused U.S. Dividend Index



November 2023 Update

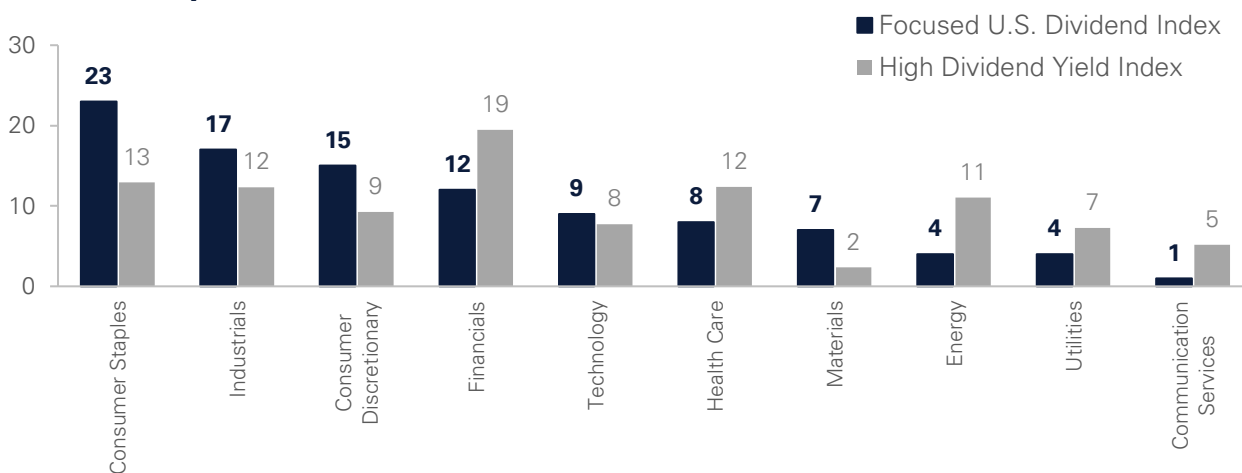
Performance Recap

The Focused U.S. Dividend Index was down -3.7% in October, trailing the Large Cap Value Index by -17bps. Year-to-date, it is leading the Large Cap Value Index by +2.5% and is leading the Broad High Dividend Index by +5.6%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 12 out of 22 trading days in October.
- 33 of the 70 holdings outperformed the benchmark in October.
- Allstate, Dollar General, and Verizon were the best performers during the month rising 15.0%, 13.1%, and 10.4%, respectively. FMC, Regions Financial, and Western Union were the worst performers in October returning -20.6%, -15.5%, and -14.3%, respectively.
- Communication Services was the best performing sector in October.
- Stock selection in Technology weighed down this month's relative performance.
- The quantitative dividend model selected 11 new holdings at the start of November.
- The dividend yield is currently 3.3% vs the High Dividend Index's yield of 3.4% and the Large Cap Value Index's yield of 2.3%.

Sector Composition vs Dividend Universe (%)

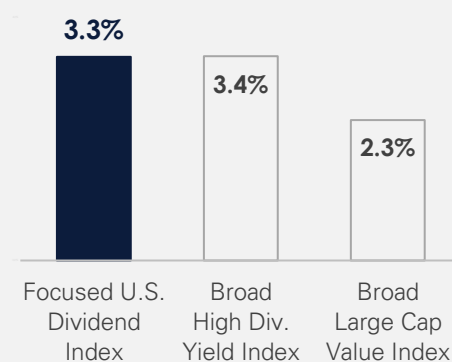


Important Disclosures: Past performance does not guarantee future results. You cannot invest directly in an index. The information herein was obtained from sources which we believe to be reliable, but we do not guarantee its accuracy. Neither the information, nor any opinions expressed, constitute a 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.

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Current Dividend Yields



Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight
Texas Instrument (TXN)	Tech	3.7%	2.0%
Bristol Myers Squibb (BMY)	Health Care	4.4%	2.0%
Tractor Supply (TSCO)	Cons Disc	2.1%	2.0%
T Rowe Price (TROW)	Financials	5.4%	2.0%
Nexstar Media Group (NXST)	Cons Disc	3.9%	2.0%
Best Buy (BBY)	Cons Disc	5.5%	2.0%
Home Depot (HD)	Cons Disc	2.9%	2.0%
United Parcel Service (UPS)	Industrials	4.6%	2.0%
Microchip Technology (MCHP)	Tech	2.3%	2.0%
Skyworks Solutions (SWKS)	Tech	3.1%	2.0%
Dicks Sporting (DKS)	Cons Disc	3.7%	2.0%
Johnson & Johnson (JNJ)	Health Care	3.2%	2.0%
Stifel Financial (SF)	Financials	2.5%	2.0%
Dollar General (DG)	Cons Stpls	2.0%	2.0%
Abbott Laboratories (ABT)	Health Care	2.2%	2.0%
Target (TGT)	Cons Stpls	4.0%	2.0%
Service Corp. (SCI)	Cons Stpls	2.1%	2.0%
CH Robinson (CHRW)	Industrials	3.0%	2.0%
Brunswick (BC)	Cons Disc	2.3%	2.0%
Hormel Foods (HRL)	Cons Stpls	3.4%	2.0%
Insperty (NSP)	Industrials	2.2%	2.0%
Kimberly Clark (KMB)	Cons Stpls	3.9%	2.0%
Discover Financial (DFS)	Financials	3.4%	2.0%
Robert Half (RHI)	Industrials	2.6%	2.0%
Norfolk Southern (NSC)	Industrials	2.8%	2.0%
★🛡️ Union Pacific (UNP)	Industrials	2.5%	2.0%
Pfizer (PFE)	Health Care	5.4%	2.0%
FMC (FMC)	Materials	4.4%	2.0%
Flowers Foods (FLO)	Cons Stpls	4.2%	2.0%
★🛡️ Allegion (ALLE)	Materials	1.8%	2.0%
Clorox (CLX)	Cons Stpls	4.1%	2.0%
Hershey Foods (HSY)	Cons Stpls	2.5%	2.0%
American Financial (AFG)	Financials	2.6%	2.0%
★🛡️ Automatic Data (ADP)	Industrials	2.3%	2.0%
★🛡️ McCormick & Co. (MKC)	Cons Stpls	2.4%	2.0%
🛡️ Owens Corning (OC)	Materials	1.8%	2.0%
Nextera Energy (NEE)	Utilities	3.2%	2.0%
PNC Financial Services (PNC)	Financials	5.4%	2.0%
Sysco (SYY)	Cons Disc	3.0%	2.0%
Civitas Resources (CIVI)	Energy	10.6%	1.0%

Company & Ticker	Sector	Dividend Yield	Index Weight
Northern Oil and Gas (NOG)	Energy	4.2%	1.0%
Voya Financial (VOYA)	Financials	2.4%	1.0%
NXP Semiconductors (NXPI)	Tech	2.4%	1.0%
eBay (EBAY)	Cons Stpls	2.5%	1.0%
LKQ Corp. (LKQ)	Cons Disc	2.7%	1.0%
California Resources (CRC)	Energy	2.1%	1.0%
Chord Energy (CHRD)	Energy	3.0%	1.0%
MGIC (MTG)	Financials	2.7%	1.0%
🛡️ Cognizant Technology (CTSH)	Tech	1.8%	1.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.6%	1.0%
Colgate-Palmolive (CL)	Cons Stpls	2.6%	1.0%
🛡️ Kellogg (K)	Cons Stpls	4.4%	1.0%
Leggett & Platt (LEG)	Cons Stpls	7.9%	1.0%
Sonoco Products (SON)	Materials	3.9%	1.0%
Verizon (VZ)	Comm Svcs	7.6%	1.0%
🛡️ Lockheed Martin (LMT)	Industrials	2.8%	1.0%
Ameren (AEE)	Utilities	3.3%	1.0%
🛡️ Paychex (PAYX)	Industrials	3.2%	1.0%
ONE Gas (OGS)	Utilities	4.3%	1.0%
🛡️ Accenture (ACN)	Tech	1.7%	1.0%
🛡️ Honeywell (HON)	Industrials	2.4%	1.0%

Removed Holdings

■ KR, ALL, PXD, SSTK, MOS, WGO, TGNA, CRI, SHOO, WEN, TXRH, WU, SEE, FAST, XEL, RF, WSM, LANC, AMGN, STT

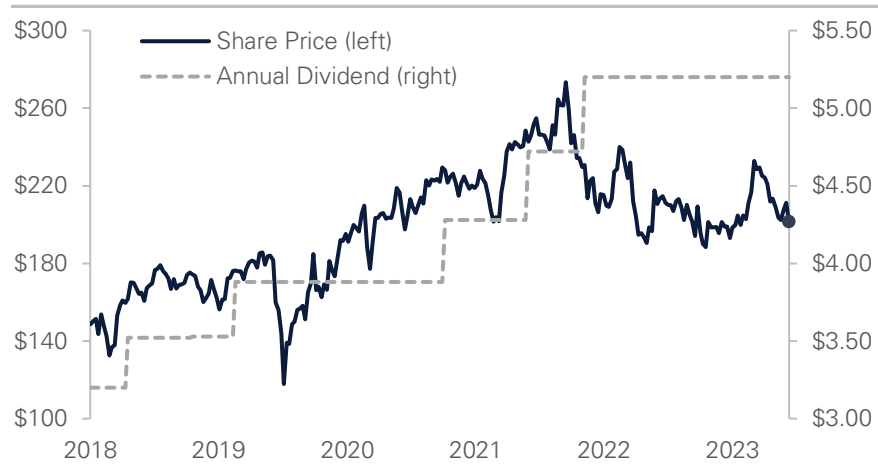
Index Actions

- 🛡️ Added
- Removed
- ★ Featured

Additional Notes

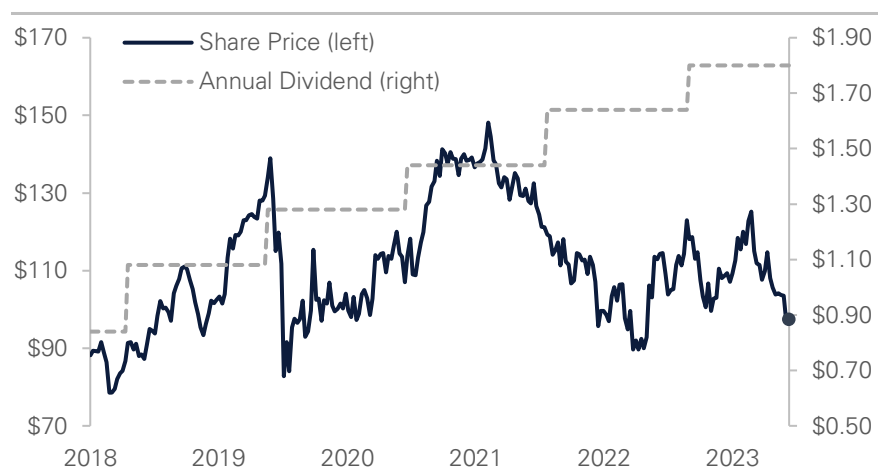
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



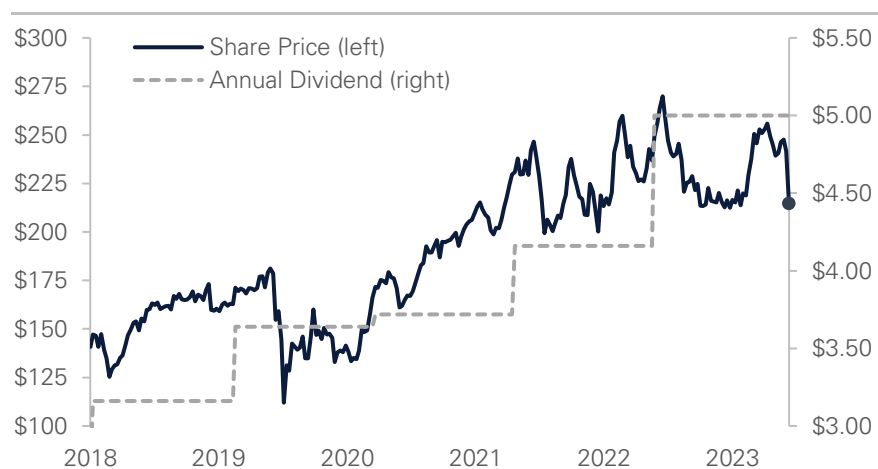
Union Pacific	Yield	Mkt Cap	NTM P/E
Ticker: UNP	2.50%	\$126.6 B	18.4x

Union Pacific provides railroad and freight transportation services. The company offers transportation services for grain and grain products, fertilizers, food and refrigerated products, and coal and renewables to grain processors, animal feeders, ethanol producers, and other agricultural users; petroleum, and liquid petroleum gases; and construction products, industrial chemicals, plastics, forest products, specialized products, metals and ores, soda ash, and sand, as well as finished automobiles, automotive parts, and merchandise in intermodal containers



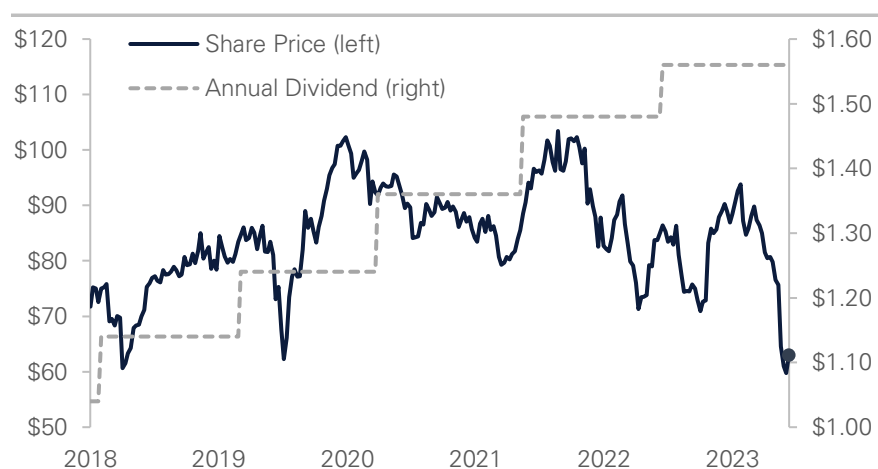
Allegion	Yield	Mkt Cap	NTM P/E
Ticker: ALLE	1.83%	\$8.6 B	13.8x

Allegion provides security products and solutions that keep people safe, secure, and productive. It operates through the Allegion Americas and Allegion International segments. Its brands include CISA, Interflex, LCN, Schlage, SimonsVoss, and Von Duprin.



Automatic Data	Yield	Mkt Cap	NTM P/E
Ticker: ADP	2.29%	\$89.9 B	22.9x

Automatic Data Processing provides business outsourcing solutions in cloud-based human capital management. The Employer Services segment provides clients from single-employee small businesses to large enterprises offering human resources outsourcing and technology-based human capital management solutions and cloud-based platforms. The Professional Employer Organization Services segment offers small and mid-sized businesses a human resource outsourcing solution through a co-employment mode. The Other segment includes the certain corporate overhead charges and expenses that have not been allocated to the reportable segments.



McCormick & Co.	Yield	Mkt Cap	NTM P/E
Ticker: MKC	2.44%	\$16.1 B	22.3x

McCormick & Co. engages in the manufacturing, marketing, and distribution of spices, seasoning mixes, condiments, and other flavorful products to retail outlets, food manufacturers, and foodservice businesses. It operates through the Consumer and Flavor Solutions segments. The Consumer segment sells spices, seasonings, condiments, and sauces. The Flavor Solutions segment includes seasoning blends, spices and herbs, condiments, coating systems, and compound flavors.

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

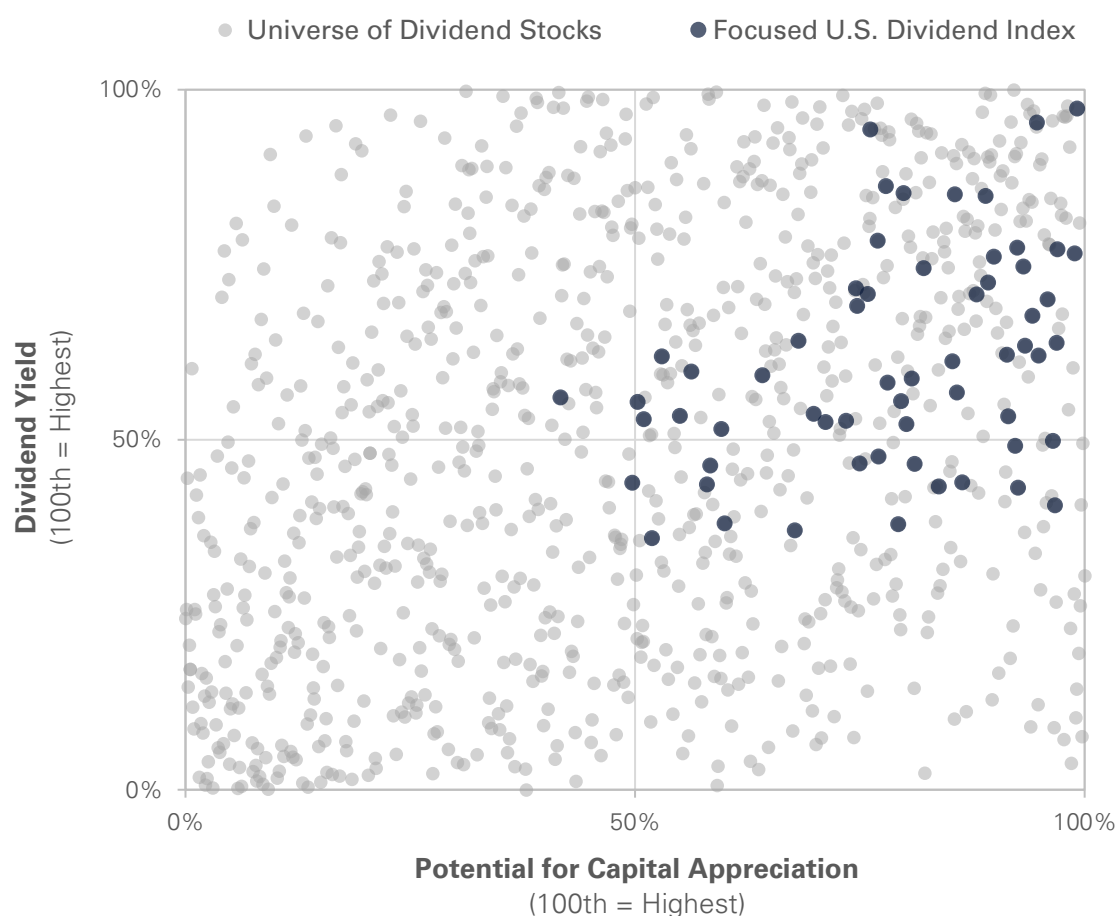
Calculating a Dividend Stock's Potential for Capital Appreciation

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.