

Focused U.S. Dividend Index



December 2023 Update

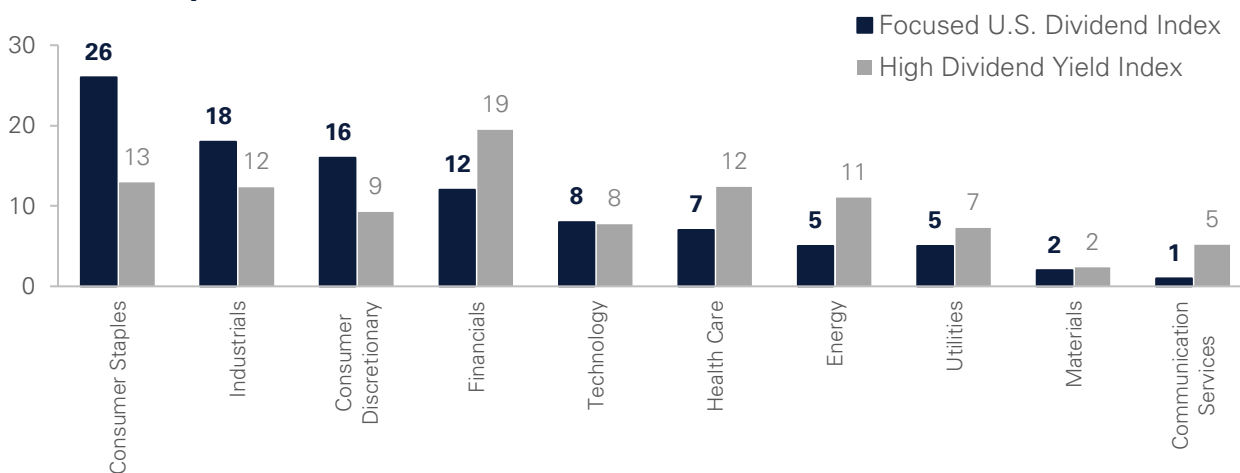
Performance Recap

The Focused U.S. Dividend Index was up +7.4% in November, trailing the Large Cap Value Index by -15bps. Year-to-date, it is leading the Large Cap Value Index by +2.6% and is leading the broad High Dividend Index by +7.2%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 10 out of 22 trading days in November.
- 27 of the 61 holdings outperformed the benchmark in November.
- Clorox, Target, and Dicks Sporting were the best performers during the month rising 21.8%, 21.8%, and 21.6%, respectively. Civitas Resources, Hormel Foods, and Bristol Myers Squibb were the worst performers in November returning -8.9%, -6.0%, and -4.2%, respectively.
- Consumer Staples was the best performing sector in November with 8 holdings leading the sector. Stock selection in Utilities weighed down this month's relative performance.
- The quantitative dividend model selected 10 new holdings at the start of December.
- The dividend yield is currently 3.3% vs the broad High Dividend Index's yield of 3.2% and the Large Cap Value Index's yield of 2.1%.

Sector Composition vs Dividend Universe (%)

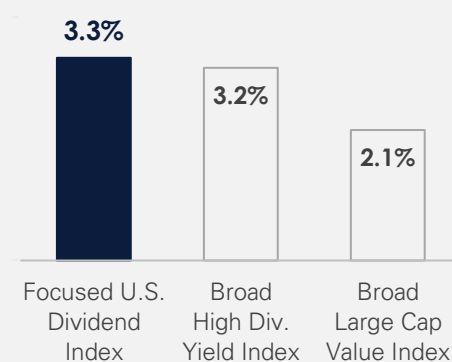


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Current Dividend Yields



Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight	Company & Ticker	Sector	Dividend Yield	Index Weight
Texas Instrument (TXN)	Tech	3.4%	2.0%	eBay (EBAY)	Cons Stpls	2.4%	1.0%
Tractor Supply (TSCO)	Cons Disc	2.0%	2.0%	LKQ Corp. (LKQ)	Cons Disc	2.7%	1.0%
Bristol Myers Squibb (BMY)	Health Care	4.6%	2.0%	Chord Energy (CHRD)	Energy	3.1%	1.0%
Microchip Technology (MCHP)	Tech	2.1%	2.0%	Chesapeake Energy (CHK)	Energy	2.8%	1.0%
Best Buy (BBY)	Cons Disc	5.2%	2.0%	NXP Semiconductors (NXPI)	Tech	2.0%	1.0%
T Rowe Price (TROW)	Financials	4.9%	2.0%	Western Union (WU)	Financials	8.1%	1.0%
Automatic Data (ADP)	Industrials	2.4%	2.0%	Mondelez Intl. (MDLZ)	Cons Stpls	2.4%	1.0%
Skyworks Solutions (SWKS)	Tech	2.8%	2.0%	Sealed Air (SEE)	Materials	2.4%	1.0%
United Parcel Service (UPS)	Industrials	4.3%	2.0%	MGIC (MTG)	Financials	2.6%	1.0%
Hershey Foods (HSY)	Cons Stpls	2.5%	2.0%	Conagra Brands (CAG)	Cons Stpls	4.9%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.1%	2.0%	Kellogg (K)	Cons Stpls	4.3%	1.0%
CH Robinson (CHRW)	Industrials	3.0%	2.0%	Polaris (PII)	Cons Disc	3.2%	1.0%
Dollar General (DG)	Cons Stpls	1.8%	2.0%	Pfizer (PFE)	Health Care	5.4%	1.0%
Hormel Foods (HRL)	Cons Stpls	3.7%	2.0%	Colgate-Palmolive (CL)	Cons Stpls	2.4%	1.0%
Dicks Sporting (DKS)	Cons Disc	3.1%	2.0%	Cincinnati Financial (CINF)	Financials	2.9%	1.0%
Home Depot (HD)	Cons Disc	2.7%	2.0%	Verizon (VZ)	Comm Svcs	6.9%	1.0%
Nexstar Media Group (NXST)	Cons Disc	3.8%	2.0%	FMC (FMC)	Materials	4.3%	1.0%
American Financial (AFG)	Financials	2.5%	2.0%	Honeywell (HON)	Industrials	2.2%	1.0%
McCormick & Co. (MKC)	Cons Stpls	2.6%	2.0%	Cisco Systems (CSCO)	Tech	3.2%	1.0%
Stifel Financial (SF)	Financials	2.4%	2.0%	Lockheed Martin (LMT)	Industrials	2.8%	1.0%
Abbott Laboratories (ABT)	Health Care	2.0%	2.0%	Pepsico (PEP)	Cons Stpls	3.0%	1.0%
Target (TGT)	Cons Stpls	3.3%	2.0%	Snap On (SNA)	Industrials	2.7%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.8%	2.0%	Ameren (AEE)	Utilities	3.2%	1.0%
Discover Financial (DFS)	Financials	3.0%	2.0%	Cummins (CMI)	Industrials	3.0%	1.0%
Nextera Energy (NEE)	Utilities	3.2%	2.0%				
Service Corp. (SCI)	Cons Stpls	1.9%	2.0%				
Brunswick (BC)	Cons Disc	2.0%	2.0%				
ONE Gas (OGS)	Utilities	4.5%	2.0%				
Clorox (CLX)	Cons Stpls	3.3%	2.0%				
Robert Half (RHI)	Industrials	2.3%	2.0%				
Paychex (PAYX)	Industrials	2.9%	2.0%				
Norfolk Southern (NSC)	Industrials	2.5%	2.0%				
Sysco (SYYY)	Cons Disc	2.8%	2.0%				
Union Pacific (UNP)	Industrials	2.3%	2.0%				
Leggett & Platt (LEG)	Cons Stpls	8.0%	2.0%				
Flowers Foods (FLO)	Cons Stpls	4.4%	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%				
California Resources (CRC)	Energy	2.4%	1.0%				

Removed Holdings

- NSP, ALLE, OC, PNC, CTSB, SON, ACN

Index Actions

- Added
- Removed
- Featured

Additional Notes

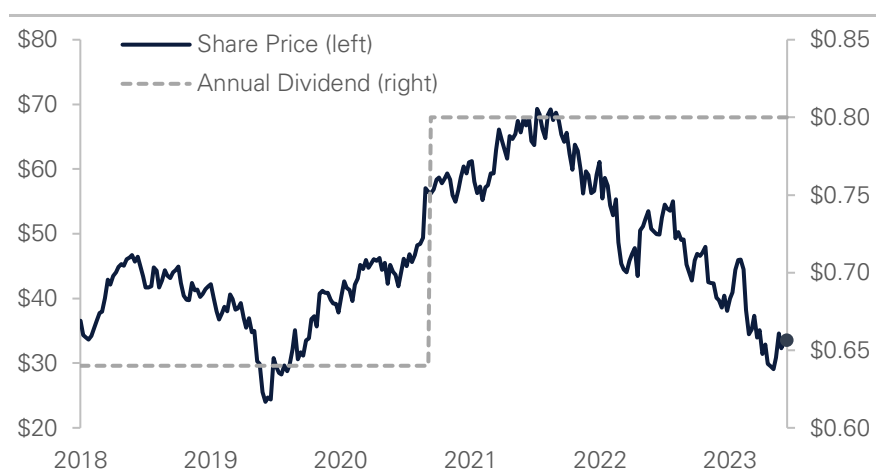
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



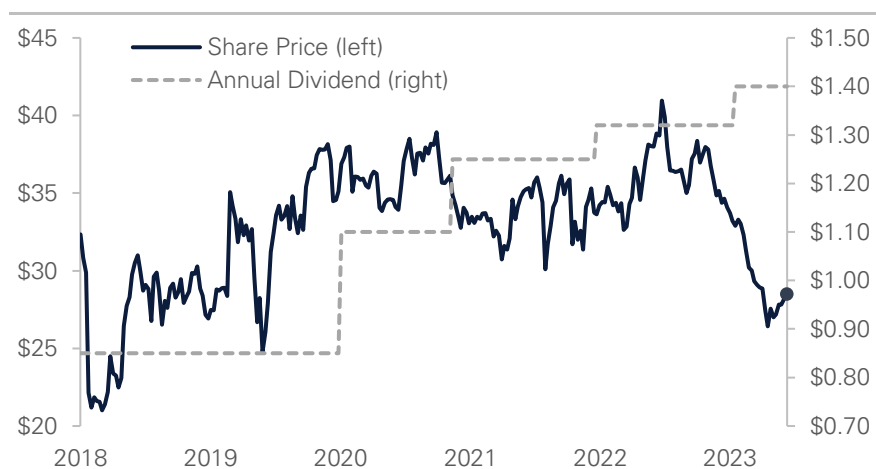
Western Union	Yield	Mkt Cap	NTM P/E
Ticker: WU	8.08%	\$4.2 B	6.9x

The Western Union is a holding company, which engages in the provision of money transfer and payment services. It operates through the following segments: Consumer-to-Consumer, Business Solutions, and Other. The Consumer-to-Consumer segment facilitates money transfers between two consumers. The Business Solutions segment offers payment and foreign exchange solutions, cross-border, and cross-currency transactions for small and medium size enterprises and other organizations and individuals. The Other segment consists of electronic-based and cash-based bill payment services.



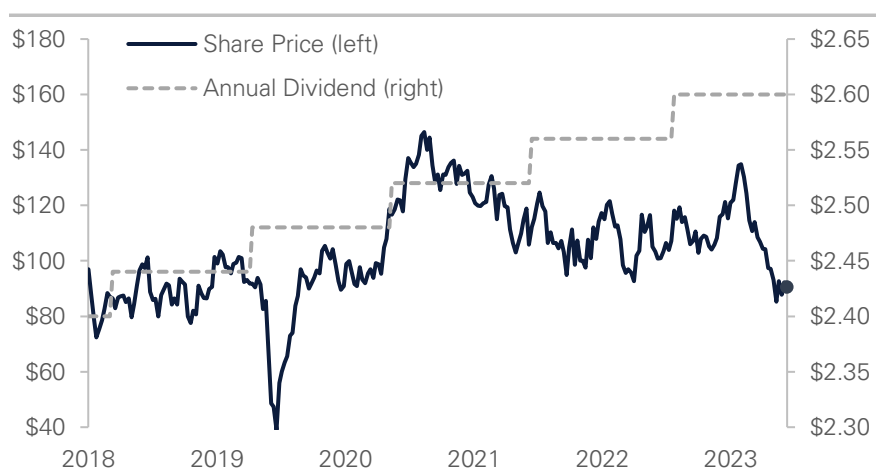
Sealed Air	Yield	Mkt Cap	NTM P/E
Ticker: SEE	2.40%	\$4.8 B	11.1x

Sealed Air Corp. provides food safety and security, facility hygiene, and product protection services. The Food segment services perishable food processors in fresh red meat, smoked and processed meat, poultry, seafood, plant-based, and dairy markets. The Protective segment offers packaging solutions that are utilized across global markets and are valuable to e-Commerce, consumer goods, pharmaceutical and medical devices, and industrial manufacturing.



Conagra Brands	Yield	Mkt Cap	NTM P/E
Ticker: CAG	4.95%	\$13.5 B	10.3x

Conagra Brands manufactures and sells processed and packaged foods. The Grocery and Snacks segment includes branded, shelf stable food products. The Refrigerated and Frozen segment is composed of branded, temperature-controlled food products. The Foodservice segment focuses on branded and customized food products, including meals, entrees, sauces, and a variety of custom-manufactured culinary products packaged for sale to restaurants and other foodservice establishments in the United States.



Polaris	Yield	Mkt Cap	NTM P/E
Ticker: PII	3.15%	\$4.7 B	9.3x

Polaris engages in designing, engineering, and manufacturing power sports vehicles. It operates through the following segments: Off-Road, On-Road, and Marine. The Off-Road segment includes off-road vehicles (ORV) and snowmobiles. The On Road segment is involved in the design and manufacture of motorcycles, moto-roadsters, light duty hauling, and passenger vehicles. The Marine segment focuses on the design and manufacture of boats.

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

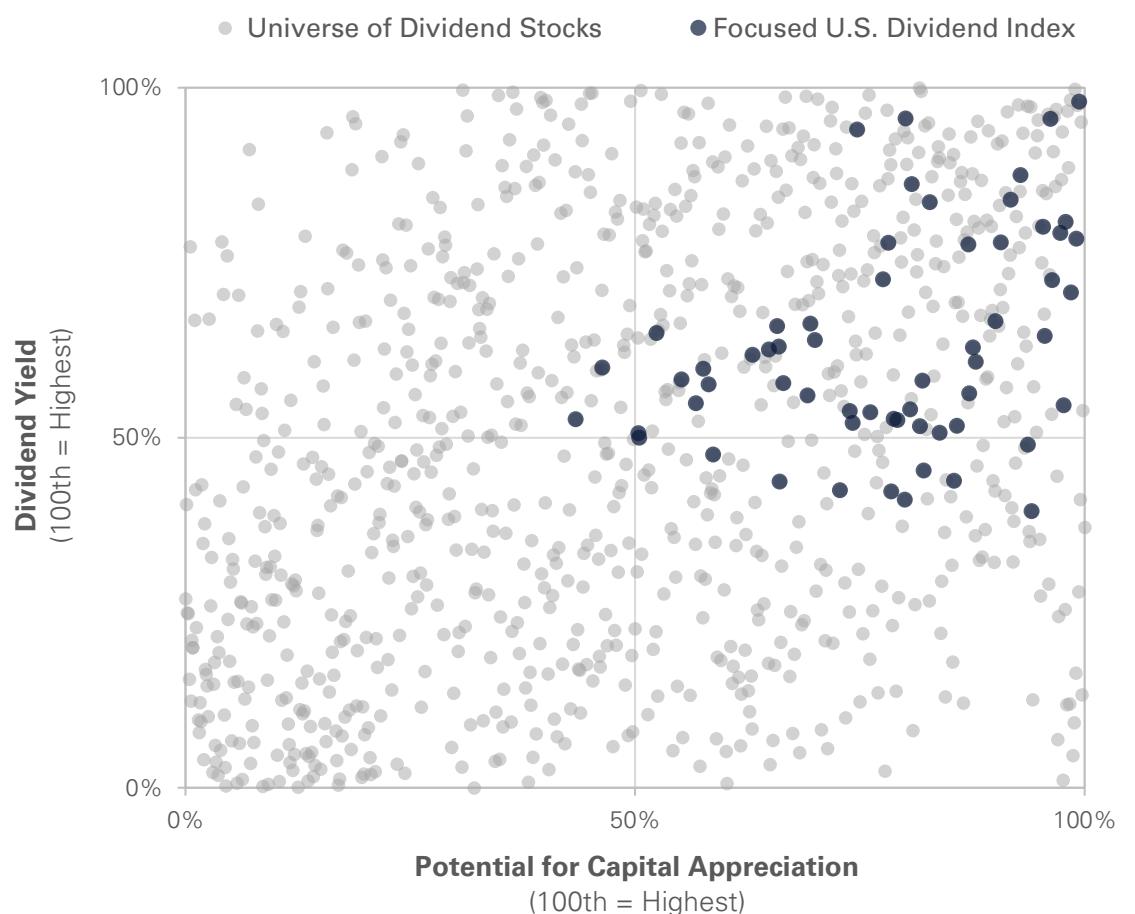
Calculating a Dividend Stock's Potential for Capital Appreciation

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.