

Focused U.S. Dividend Index



October 2023 Update

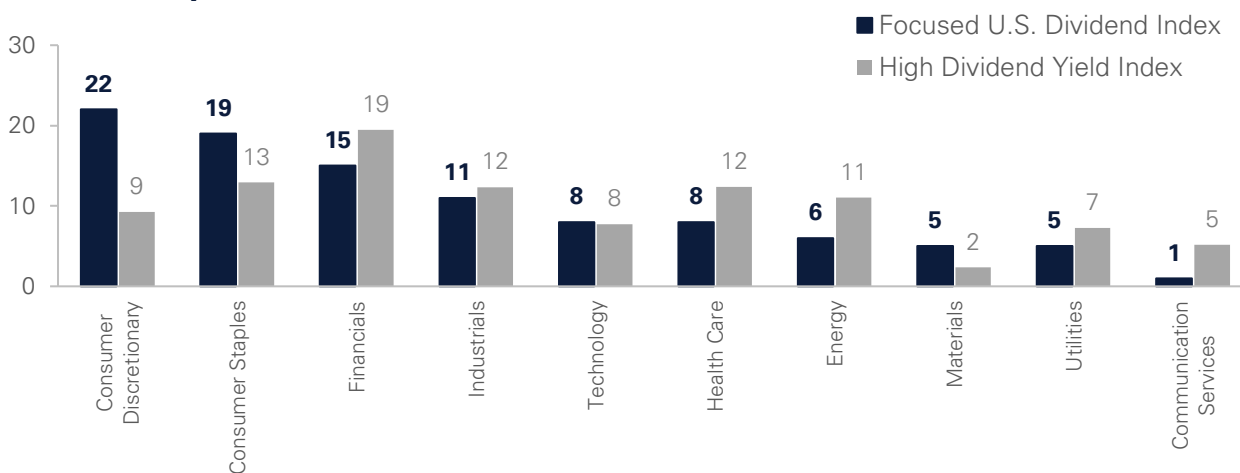
Performance Recap

The Focused U.S. Dividend Index was down -4.8% in September, trailing the Large Cap Value Index by -91bps. Year-to-date, it is leading the Large Cap Value Index by +2.8% and is leading the High Dividend Index by +6.8%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 8 out of 21 trading days in September.
- 29 of the 72 holdings outperformed the benchmark in September.
- Williams Sonoma, Western Union, and Amgen were the best performers during the month rising 10.1%, 8.6%, and 4.8%, respectively. FMC, Cracker Barrel, and Clorox were the worst performers in September returning -21.7%, -18.5%, and -16.2%, respectively.
- Technology was the best performing sector in September with 4 of the 6 holdings leading the sector. Stock selection in Materials weighed down this month's relative performance.
- The quantitative dividend model selected 7 new holdings at the start of October.
- The dividend yield is currently 3.3% vs the High Dividend Index's yield of 3.2% and the Large Cap Value Index's yield of 2.2%.

Sector Composition vs Dividend Universe (%)

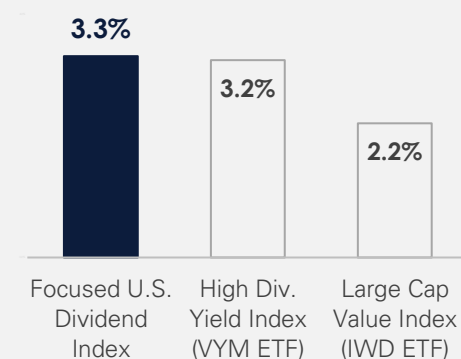


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Current Dividend Yields



Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight
Best Buy (BBY)	Cons Disc	5.3%	2.0%
Tractor Supply (TSCO)	Cons Disc	2.0%	2.0%
Microchip Technology (MCHP)	Tech	2.1%	2.0%
Nexstar Media Group (NXST)	Cons Disc	3.8%	2.0%
Skyworks Solutions (SWKS)	Tech	2.8%	2.0%
Bristol Myers Squibb (BMY)	Health Care	3.9%	2.0%
Dicks Sporting (DKS)	Cons Disc	3.7%	2.0%
Abbott Laboratories (ABT)	Health Care	2.1%	2.0%
Texas Instrument (TXN)	Tech	3.3%	2.0%
T Rowe Price (TROW)	Financials	4.7%	2.0%
Stifel Financial (SF)	Financials	2.3%	2.0%
Norfolk Southern (NSC)	Industrials	2.7%	2.0%
United Parcel Service (UPS)	Industrials	4.2%	2.0%
Target (TGT)	Cons Stpls	4.0%	2.0%
Kroger (KR)	Cons Stpls	2.6%	2.0%
Insperty (NSP)	Industrials	2.3%	2.0%
Hormel Foods (HRL)	Cons Stpls	2.9%	2.0%
★ Service Corp. (SCI)	Cons Stpls	2.0%	2.0%
Robert Half (RHI)	Industrials	2.6%	2.0%
Home Depot (HD)	Cons Disc	2.8%	2.0%
Brunswick (BC)	Cons Disc	2.0%	2.0%
Allstate (ALL)	Financials	3.2%	2.0%
CH Robinson (CHRW)	Industrials	2.8%	2.0%
Discover Financial (DFS)	Financials	3.2%	2.0%
Johnson & Johnson (JNJ)	Health Care	3.1%	2.0%
Pioneer (PXD)	Energy	7.2%	2.0%
Nextera Energy (NEE)	Utilities	3.3%	2.0%
Sysco (SYU)	Cons Disc	3.0%	2.0%
Kimberly Clark (KMB)	Cons Stpls	3.9%	2.0%
FMC (FMC)	Materials	3.5%	2.0%
Northern Oil and Gas (NOG)	Energy	3.8%	1.0%
Shutterstock (SSTK)	Tech	2.8%	1.0%
Mosaic (MOS)	Materials	2.2%	1.0%
Winnebago (WGO)	Cons Disc	2.1%	1.0%
Voya Financial (VOYA)	Financials	2.4%	1.0%
TEGNA (TGNA)	Cons Disc	3.1%	1.0%
Carters (CRI)	Cons Disc	4.3%	1.0%
Chord Energy (CHRD)	Energy	3.1%	1.0%
NXP Semiconductors (NXPI)	Tech	2.0%	1.0%
LKQ Corp. (LKQ)	Cons Disc	2.2%	1.0%

Company & Ticker	Sector	Dividend Yield	Index Weight
Steven Madden (SHOO)	Cons Disc	2.6%	1.0%
Wendys (WEN)	Cons Disc	4.9%	1.0%
California Resources (CRC)	Energy	2.0%	1.0%
eBay (EBAY)	Cons Stpls	2.3%	1.0%
Civitas Resources (CIVI)	Energy	2.5%	1.0%
Texas Roadhouse (TXRH)	Cons Disc	2.3%	1.0%
MGIC (MTG)	Financials	2.8%	1.0%
Western Union (WU)	Financials	7.1%	1.0%
★ Dollar General (DG)	Cons Stpls	2.2%	1.0%
★ Sealed Air (SEE)	Materials	2.4%	1.0%
Colgate-Palmolive (CL)	Cons Stpls	2.7%	1.0%
Pfizer (PFE)	Health Care	4.9%	1.0%
Verizon (VZ)	Comm Svcs	8.2%	1.0%
Clorox (CLX)	Cons Stpls	3.7%	1.0%
Leggett & Platt (LEG)	Cons Stpls	7.2%	1.0%
Flowers Foods (FLO)	Cons Stpls	4.1%	1.0%
Sonoco Products (SON)	Materials	3.8%	1.0%
Fastenal (FAST)	Industrials	2.6%	1.0%
★ Hershey Foods (HSY)	Cons Stpls	2.4%	1.0%
American Financial (AFG)	Financials	2.3%	1.0%
Xcel Energy (XEL)	Utilities	3.6%	1.0%
Regions Financial (RF)	Financials	5.6%	1.0%
Williams Sonoma (WSM)	Cons Disc	2.3%	1.0%
★ Ameren (AEE)	Utilities	3.4%	1.0%
Lancaster Colony (LANC)	Cons Stpls	2.1%	1.0%
★ ONE Gas (OGS)	Utilities	3.8%	1.0%
Amgen (AMGN)	Health Care	3.2%	1.0%
★ Mondelez Intl. (MDLZ)	Cons Stpls	2.4%	1.0%
PNC Financial Services (PNC)	Financials	5.1%	1.0%
State Street (STT)	Financials	4.1%	1.0%

Removed Holdings

■ CBRL, DVN, LHX, CI, UNP, GRMN, MAN, ADP, LMT

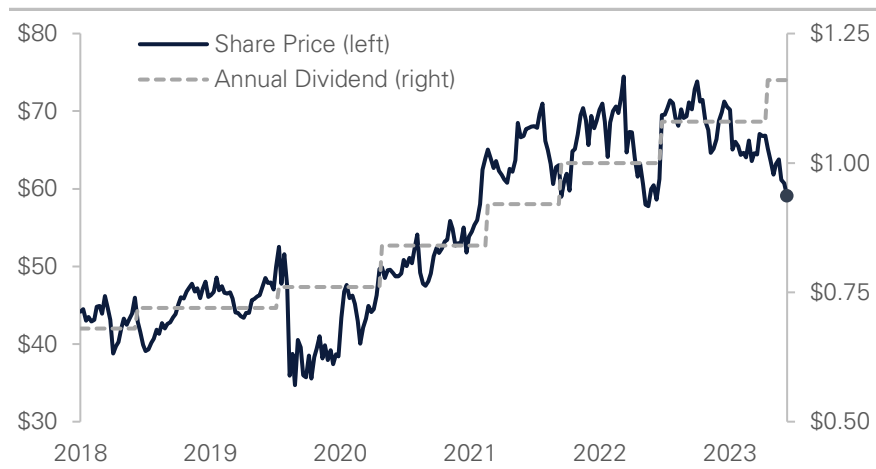
Index Actions

- ➕ Added
- Removed
- ★ Featured

Additional Notes

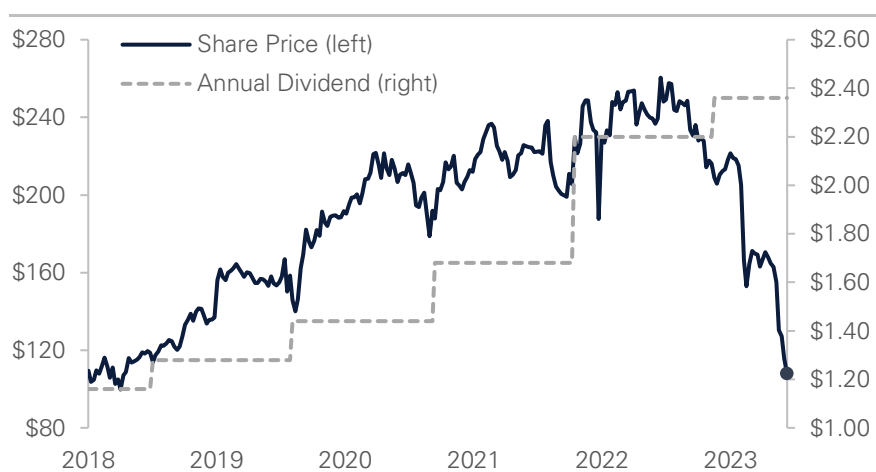
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



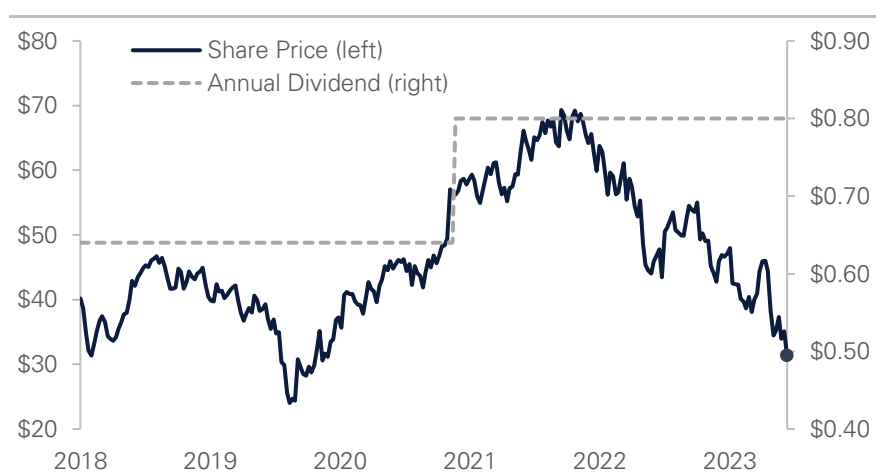
Service Corp.	Yield	Mkt Cap	NTM P/E
Ticker: SCI	2.03%	\$8.6 B	15.4x

Service Corp. International provides funeral goods and services. It operates through the Funeral and Cemetery segments. The Funeral segment offers services related to cremations, including the use of home facilities and motor vehicles, arranging and directing services, removal, preparation, embalming, memorialization, and catering. The Cemetery segment provides property interment rights, including lawn crypts, mausoleum spaces, niches, and interment options.



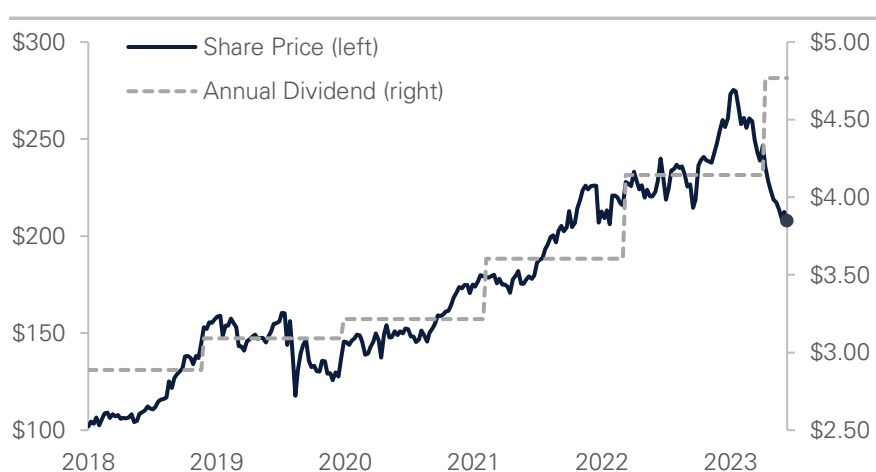
Dollar General	Yield	Mkt Cap	NTM P/E
Ticker: DG	2.23%	\$23.2 B	12.7x

Dollar General operates merchandise stores. Its offerings include food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares, and seasonal items. It sells brands including Clorox, Energizer, Procter & Gamble, Hanes, Coca-Cola, Mars, Unilever, Nestle, Kimberly-Clark, Kellogg's, General Mills, and PepsiCo.



Sealed Air	Yield	Mkt Cap	NTM P/E
Ticker: SEE	2.43%	\$4.7 B	10.6x

Sealed Air provides food safety and security, facility hygiene, and product protection services. It operates through the Food and Protective segments. 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.



Hershey Foods	Yield	Mkt Cap	NTM P/E
Ticker: HSY	2.38%	\$30.0 B	19.8x

Hershey manufactures and markets of chocolate, sweets, mints and confectionery products. The firm operates through the following geographical segments: North America and International and Other. The North America is responsible for the traditional chocolate and non-chocolate confectionery market position of the company, as well as its grocery and snacks market positions, in the United States and Canada. The International and Other segment includes the combination of all other operating segments, including those geographic regions where the company operates outside of North America. Its brands include Hershey's, Reese's, and Kisses.

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

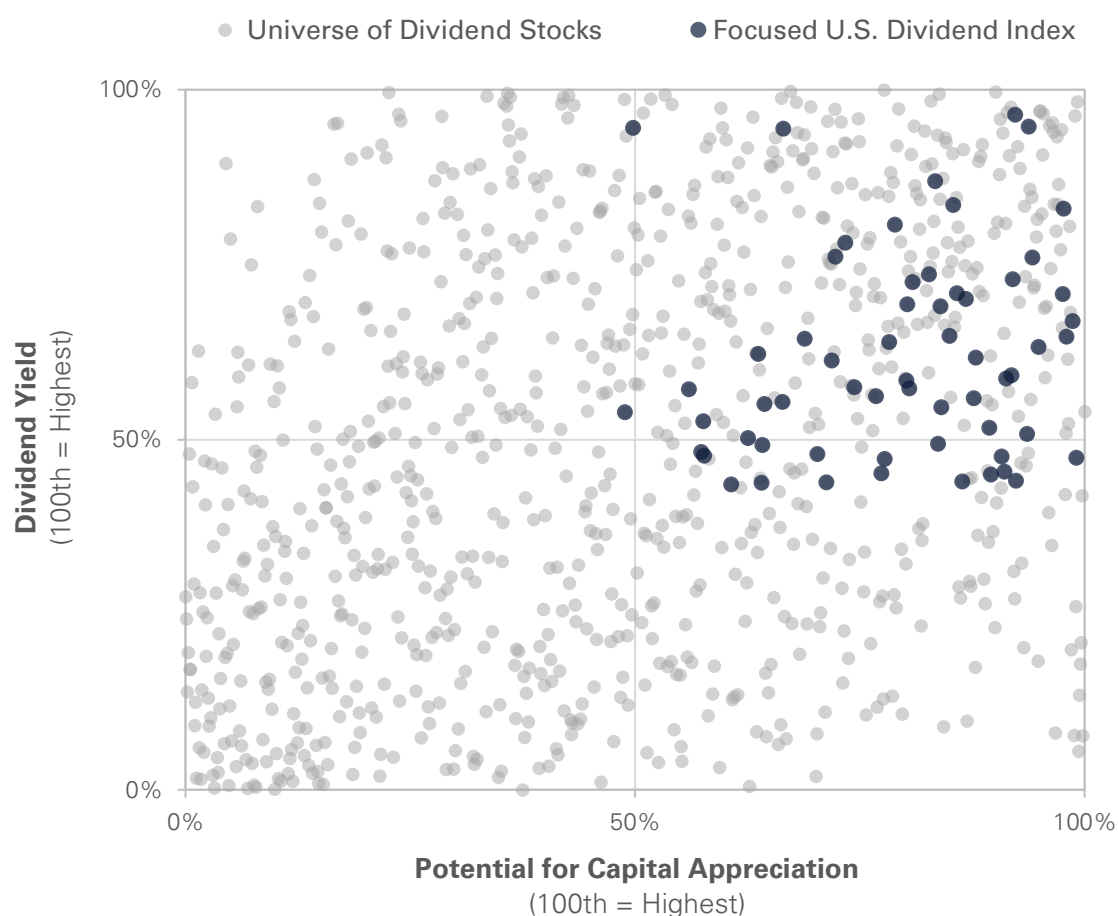
Calculating a Dividend Stock's Potential for Capital Appreciation

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.