

Focused U.S. Dividend Index



December 2024 Update

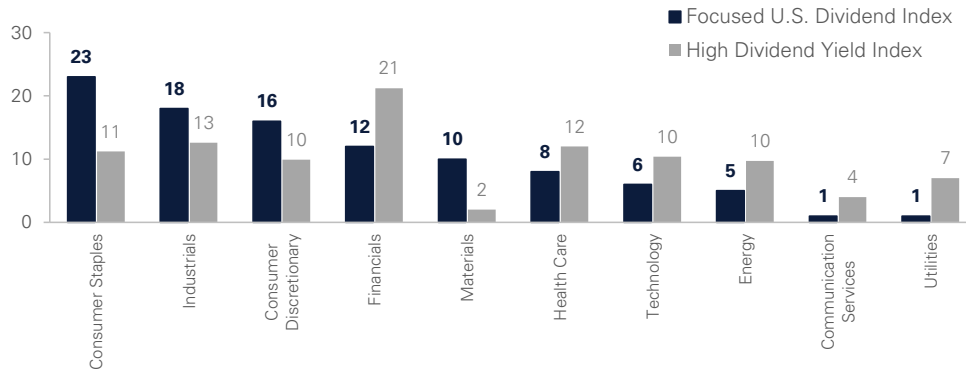
Performance Recap

The Focused U.S. Dividend Index was up +2.9% in November, trailing the Large Cap Value Index by -3.5%. The dividend yield is currently 3.0% vs the Broad High Dividend Index's yield of 2.7% and the Large Cap Value Index's yield of 1.7%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 8 out of 21 trading days in November.
- 21 of the 67 holdings outperformed the benchmark in November.
- Northern Oil and Gas, American Financial, and Ovintiv were the best performers during the month rising 20.0%, 17.0%, and 15.9%, respectively. AES Corp, Dentsply Sirona, and Target were the worst performers in November returning -19.9%, -15.2%, and -11.1%, respectively.
- Energy was the best performing sector in November. The portfolio's underweight exposure to Financials (deregulation narrative) and overweight exposure to Consumer Staples (tariff narrative) weighed down this month's relative performance following the U.S. Presidential election.
- The quantitative dividend model selected 13 new holdings at the start of December.

Sector Composition vs Dividend Universe (%)

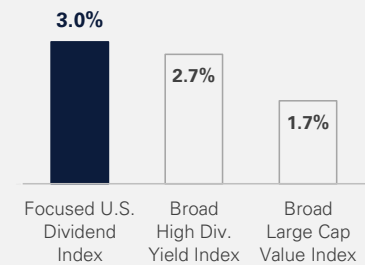


Important Disclosures: Forward Dividend Yields are based on indicated annual dividend which is the estimated amount of total dividends on a share of stock for the next 12-months. The stated yield assumes you hold the current portfolio for 12-months. Past performance does not guarantee future results. 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
Target (TGT)	Cons Stpls	3.4%	2.0%	Warner Music Group (WMG)	Cons Disc	2.2%	1.0%
United Parcel Service (UPS)	Industrials	4.8%	2.0%	CF Industries (CF)	Materials	2.2%	1.0%
Essent Group Ltd. (ESNT)	Financials	1.9%	2.0%	Abbvie (ABBV)	Health Care	3.6%	1.0%
Voya Financial (VOYA)	Financials	2.2%	2.0%	Fidelity (FNF)	Financials	3.2%	1.0%
Merck & Co (MRK)	Health Care	3.2%	2.0%	Hanover Insurance (THG)	Financials	2.1%	1.0%
Pepsico (PEP)	Cons Stpls	3.3%	2.0%	LKQ Corp. (LKQ)	Cons Disc	3.1%	1.0%
Dollar General (DG)	Cons Stpls	3.1%	2.0%	Dentsply Sirona (XRAY)	Health Care	3.3%	1.0%
Hershey Foods (HSY)	Cons Stpls	3.1%	2.0%	FMC (FMC)	Materials	3.9%	1.0%
American Financial (AFG)	Financials	2.2%	2.0%	Sealed Air (SEE)	Materials	2.2%	1.0%
Johnson & Johnson (JNJ)	Health Care	3.2%	2.0%	Fedex (FDX)	Industrials	1.8%	1.0%
Best Buy (BBY)	Cons Disc	4.2%	2.0%	Automatic Data (ADP)	Industrials	2.0%	1.0%
T Rowe Price (TROW)	Financials	4.0%	2.0%	Polaris (PLI)	Cons Disc	3.8%	1.0%
Interpublic Group (IPG)	Industrials	4.3%	2.0%	Ovintiv Inc (OVV)	Energy	2.6%	1.0%
A O Smith (AOS)	Industrials	1.8%	2.0%	Insperty (NSP)	Industrials	3.0%	1.0%
Ppg Industries (PPG)	Materials	2.2%	2.0%	Lockheed Martin (LMT)	Industrials	2.5%	1.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.9%	2.0%	Becton Dickinson (BDX)	Health Care	1.9%	1.0%
Qualcomm (QCOM)	Tech	2.1%	2.0%	Mosaic (MOS)	Materials	3.2%	1.0%
Lyondellbasell Industries (LYB)	Materials	6.4%	2.0%	Coca-Cola (KO)	Cons Stpls	3.0%	1.0%
Genuine Parts (GPC)	Cons Disc	3.2%	2.0%	Home Depot (HD)	Cons Disc	2.1%	1.0%
Archer Daniels Midland (ADM)	Cons Stpls	3.7%	2.0%	Paychex (PAYX)	Industrials	2.7%	1.0%
Skyworks Solutions (SWKS)	Tech	3.2%	2.0%	Robert Half (RHI)	Industrials	2.8%	1.0%
Lamb Weston (LW)	Cons Stpls	1.9%	2.0%	Microchip Technology (MCHP)	Tech	2.7%	1.0%
Sysco (SYY)	Cons Disc	2.6%	2.0%	Abbott Laboratories (ABT)	Health Care	1.9%	1.0%
Nike (NKE)	Cons Disc	2.0%	2.0%	McCormick & Co. (MKC)	Cons Stpls	2.3%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.5%	2.0%	Texas Instrument (TXN)	Tech	2.7%	1.0%
Dicks Sporting (DKS)	Cons Disc	2.1%	2.0%	Hormel Foods (HRL)	Cons Stpls	3.6%	1.0%
Ashland Global (ASH)	Materials	2.1%	2.0%	Chevron (CVX)	Energy	4.0%	1.0%
Huntington Ingalls (HII)	Industrials	2.7%	2.0%	Aes (AES)	Utilities	5.3%	1.0%
Brown-Forman (BF.B)	Cons Stpls	2.2%	2.0%	Illinois Tool (ITW)	Industrials	2.2%	1.0%
Nexstar Media Group (NXST)	Cons Disc	4.0%	2.0%	Union Pacific (UNP)	Industrials	2.2%	1.0%
Civitas Resources (CIVI)	Energy	3.9%	1.0%				
Bunge Global (BG)	Cons Stpls	3.0%	1.0%				
Korn Ferry (KFY)	Industrials	1.9%	1.0%				
Everest Re Group (EG)	Financials	2.1%	1.0%				
Chord Energy (CHRD)	Energy	3.9%	1.0%				
General Mills (GIS)	Cons Stpls	3.6%	1.0%				
MGIC (MTG)	Financials	2.0%	1.0%				
H&R Block (HRB)	Industrials	2.5%	1.0%				
Northern Oil and Gas (NOG)	Energy	3.9%	1.0%				
Comcast (CMCSA)	Comm Svcs	2.9%	1.0%				

Removed Holdings

TTC, SON, HON, MTDR, TGNA, BC, SJM, NSC, ROK, PG

Index Actions

- ➕ Added
- ➖ Removed
- ★ Featured

Additional Notes

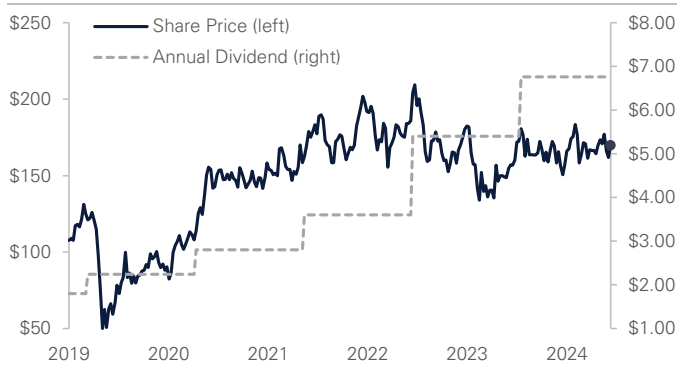
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



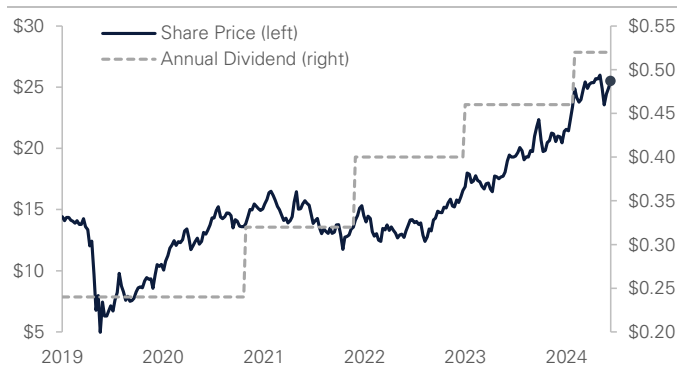
Huntington Ingalls	Yield	Mkt Cap	NTM P/E
Ticker: HII	2.73%	\$7.7 B	13.1x

Huntington Ingalls Industries engages in the shipbuilding business. The Ingalls segment designs and constructs non-nuclear ships, including amphibious assault ships, expeditionary warfare ships, surface combatants, and national security cutters. The Newport News segment designs and builds nuclear-powered aircraft carriers and submarines, and the refueling and overhaul and the inactivation of nuclear-powered aircraft carriers. The Mission Technologies segment includes business groups focused on high-end information technology (IT) and mission-based solutions for DoD, intelligence, and federal civilian customers.



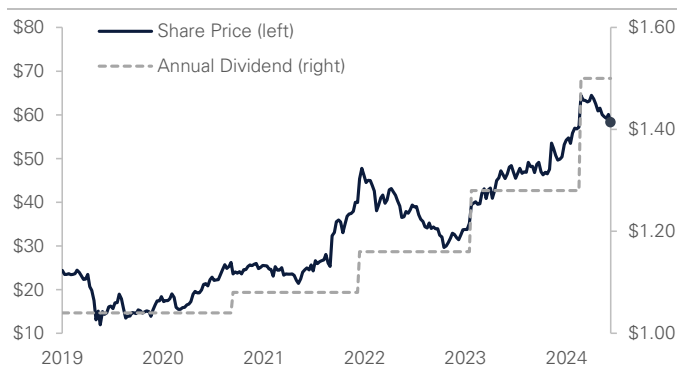
Nexstar Media Group	Yield	Mkt Cap	NTM P/E
Ticker: NXST	3.96%	\$5.3 B	11.7x

Nexstar Media is a television broadcasting and digital media company, which engages in the acquisition, development, and operation of television stations and interactive community websites and digital media services. The firm offers services free over-the-air programming which includes programs produced by networks with which the stations are affiliated, programs that the stations produce, and first-run and rerun syndicated programs that the stations acquire. It also provides digital publishing and content management platforms to media publishers and advertisers.



MGIC	Yield	Mkt Cap	NTM P/E
Ticker: MTG	1.98%	\$6.7 B	9.4x

MGIC Investment Corporation, through its subsidiaries, provides private mortgage insurance, other mortgage credit risk management solutions, and ancillary services to lenders and government sponsored entities in the United States, the District of Columbia, Puerto Rico, and Guam.



H&R Block	Yield	Mkt Cap	NTM P/E
Ticker: HRB	2.53%	\$8.1 B	11.3x

H&R Block is an American tax preparation company operating in Canada, the United States, and Australia. The company provides tax return preparation solutions, financial products and small business solutions.

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

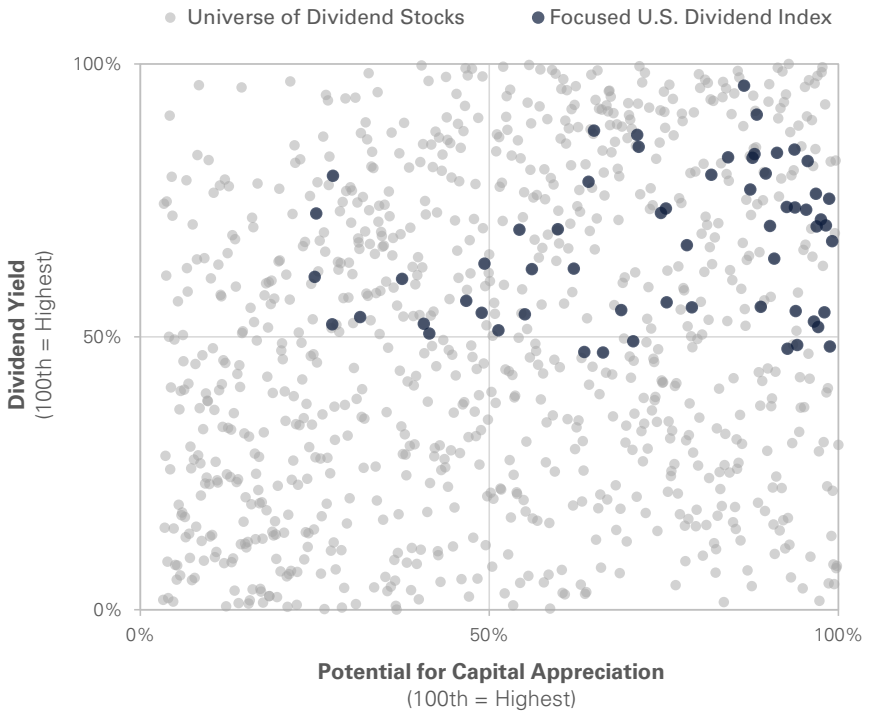
Calculating a Dividend Stock's Potential for Capital Appreciation

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.