

Focused U.S. Dividend Index



July 2024 Update

Performance Recap

The Focused U.S. Dividend Index was down -1.4% in June, trailing the Large Cap Value Index by -24bps. The forward dividend yield is currently 3.0% vs the Broad High Dividend Index's yield of 3.0% and the Large Cap Value Index's yield of 2.0%.

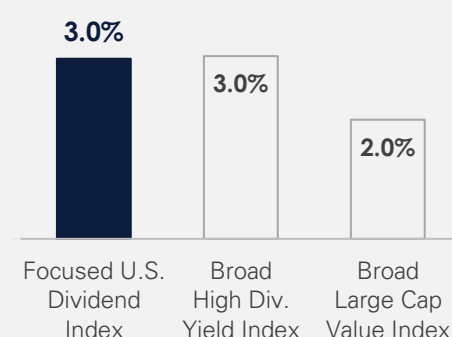
Monthly Commentary

- The Focused U.S. Dividend Index outperformed 9 out of 20 trading days in June.
- 24 of the 62 holdings outperformed the benchmark in June.
- Fedex, Toro, and Skyworks Solutions were the best performers during the month rising 18.6%, 17.1%, and 15.0%, respectively. Sonoco Products, Brunswick, and Chesapeake Energy were the worst performers in June returning -17.4%, -11.8%, and -9.6%, respectively.
- Industrials was the best performing sector in June with 5 of the 9 holdings leading the sector. Stock selection in Technology weighed down this month's relative performance.
- The quantitative dividend model selected 5 new holdings at the start of July.

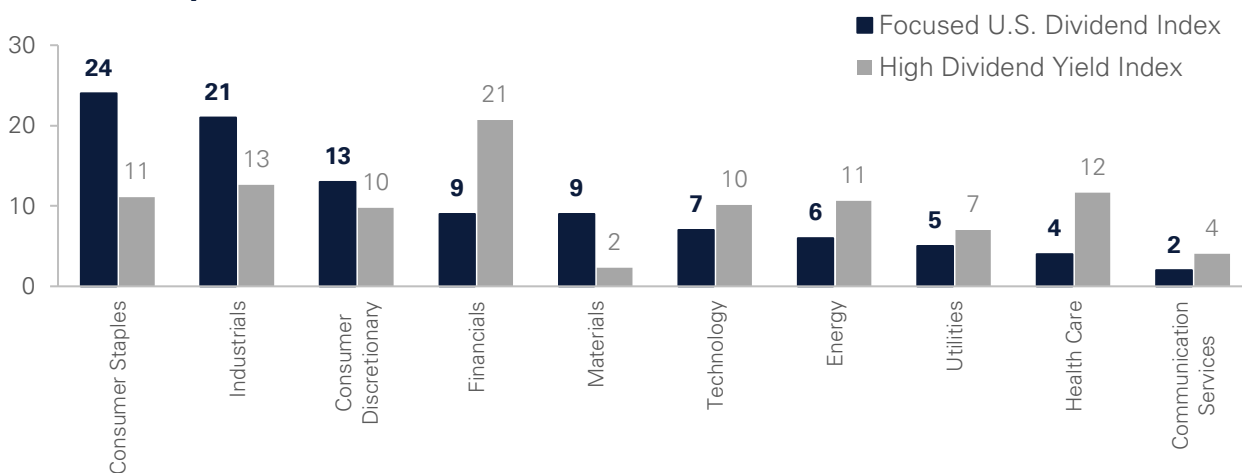
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Forward Dividend Yields



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.

Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight
Hershey Foods (HSY)	Cons Stpls	3.0%	2.0%
Robert Half (RHI)	Industrials	3.3%	2.0%
United Parcel Service (UPS)	Industrials	4.8%	2.0%
Genpact Limited (G)	Tech	1.9%	2.0%
Johnson & Johnson (JNJ)	Health Care	3.4%	2.0%
Inspirety (NSP)	Industrials	2.6%	2.0%
Voya Financial (VOYA)	Financials	2.2%	2.0%
Microchip Technology (MCHP)	Tech	2.0%	2.0%
Pepsico (PEP)	Cons Stpls	3.3%	2.0%
Home Depot (HD)	Cons Disc	2.6%	2.0%
Paychex (PAYX)	Industrials	3.3%	2.0%
Mosaic (MOS)	Materials	2.9%	2.0%
Automatic Data (ADP)	Industrials	2.3%	2.0%
Abbott Laboratories (ABT)	Health Care	2.1%	2.0%
Brown-Forman (BF.B)	Cons Stpls	2.0%	2.0%
Snap On (SNA)	Industrials	2.8%	2.0%
Target (TGT)	Cons Stpls	3.0%	2.0%
T Rowe Price (TROW)	Financials	4.3%	2.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.6%	2.0%
Best Buy (BBY)	Cons Disc	4.5%	2.0%
Brunswick (BC)	Cons Disc	2.3%	2.0%
Skyworks Solutions (SWKS)	Tech	2.6%	2.0%
American Financial (AFG)	Financials	2.3%	2.0%
McCormick & Co. (MKC)	Cons Stpls	2.4%	2.0%
Comcast (CMCSA)	Comm Svcs	3.2%	2.0%
Nexstar Media Group (NXST)	Cons Disc	4.1%	2.0%
Clorox (CLX)	Cons Stpls	3.5%	2.0%
Fastenal (FAST)	Industrials	2.5%	2.0%
Hormel Foods (HRL)	Cons Stpls	3.7%	2.0%
Archer Daniels Midland (ADM)	Cons Stpls	3.3%	2.0%
Cincinnati Financial (CINF)	Financials	2.7%	2.0%
Wec Energy Group (WEC)	Utilities	4.3%	2.0%
Air Products/Chemicals (APD)	Materials	2.7%	2.0%
Xcel Energy (XEL)	Utilities	4.1%	2.0%
Lockheed Martin (LMT)	Industrials	2.7%	2.0%
★🛡️ Dollar General (DG)	Cons Stpls	1.8%	2.0%
Sonoco Products (SON)	Materials	4.1%	2.0%
Ppg Industries (PPG)	Materials	2.1%	2.0%
★🛡️ Northrop Grumman (NOC)	Industrials	1.9%	2.0%
Polaris (PII)	Cons Disc	3.4%	2.0%

Company & Ticker	Sector	Dividend Yield	Index Weight
Northern Oil and Gas (NOG)	Energy	4.3%	1.0%
TEGNA (TGNA)	Cons Disc	3.6%	1.0%
Chord Energy (CHRD)	Energy	3.0%	1.0%
LKQ Corp. (LKQ)	Cons Disc	2.9%	1.0%
California Resources (CRC)	Energy	2.3%	1.0%
Civitas Resources (CIVI)	Energy	2.9%	1.0%
eBay (EBAY)	Cons Stpls	2.0%	1.0%
Chesapeake Energy (CHK)	Energy	2.8%	1.0%
Essent Group Ltd. (ESNT)	Financials	2.0%	1.0%
🛡️ Magnolia Oil & Gas (MGY)	Energy	1.9%	1.0%
Cisco Systems (CSCO)	Tech	3.4%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.5%	1.0%
Illinois Tool (ITW)	Industrials	2.4%	1.0%
Flowers Foods (FLO)	Cons Stpls	4.3%	1.0%
FMC (FMC)	Materials	4.0%	1.0%
Sysco (SYYY)	Cons Disc	2.9%	1.0%
★🛡️ Ameren (AEE)	Utilities	3.8%	1.0%
Procter & Gamble (PG)	Cons Stpls	2.4%	1.0%
★🛡️ Rockwell Automation (ROK)	Industrials	1.8%	1.0%
CH Robinson (CHRW)	Industrials	2.8%	1.0%

Removed Holdings

■ TTC, WHR, KFY, FDX, HON, TXN, DGX

Index Actions

- 🛡️ Added
- Removed
- ★ Featured

Additional Notes

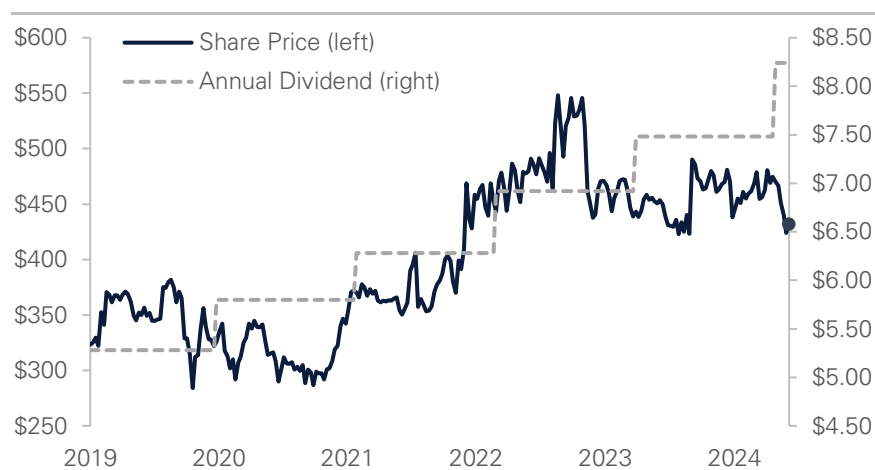
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



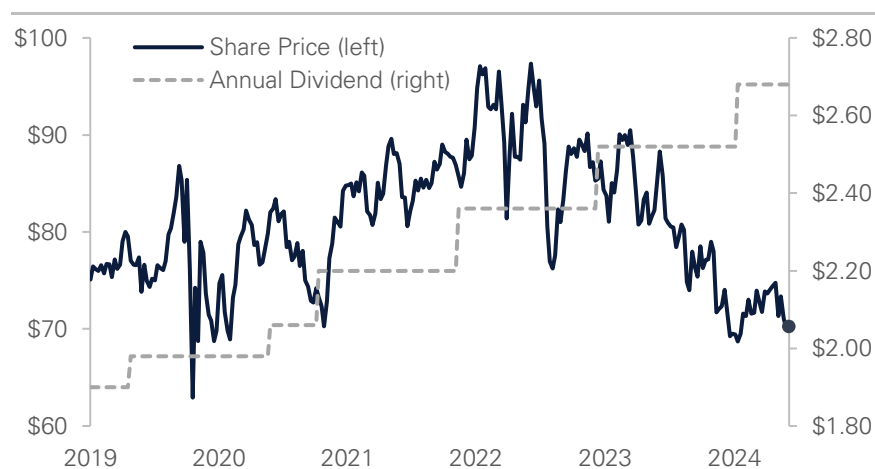
Dollar General	Yield	Mkt Cap	NTM P/E
Ticker: DG	1.78%	\$29.1 B	17.4x

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.



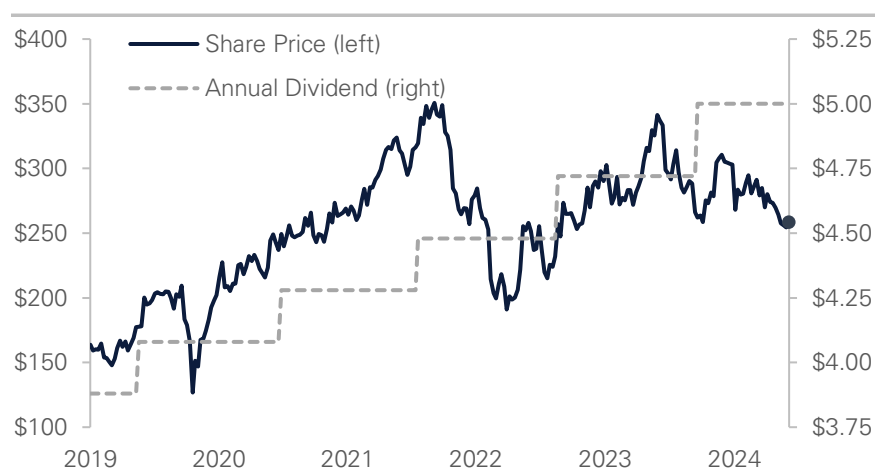
Northrop Grumman	Yield	Mkt Cap	NTM P/E
Ticker: NOC	1.89%	\$64.5 B	16.7x

Northrop Grumman provides advanced aircraft systems. It operates through the following segments: Aeronautics Systems, Defense Systems, Mission Systems, and Space Systems. The Aeronautics Systems segment is involved in the design, development, production, integration, sustainment, and modernization of advanced aircraft systems for the U.S. Air Force, the U.S. Navy, other U.S. government agencies, and international customers. The Defense Systems segment includes integrated battle management systems, weapons systems and aircraft, and mission systems sustainment and modernization.



Ameren	Yield	Mkt Cap	NTM P/E
Ticker: AEE	3.77%	\$19.0 B	15.0x

Ameren provides electric utility and natural gas services. It operates through the following segments: Ameren Missouri, Ameren Illinois Electric Distribution, Ameren Illinois Natural Gas, Ameren Transmission, and Other. The Ameren Transmission segment consists of the aggregated electric transmission businesses of Ameren Illinois and Ameren Transmission Company of Illinois (ATXI).



Rockwell Automation	Yield	Mkt Cap	NTM P/E
Ticker: ROK	1.82%	\$31.4 B	24.0x

Rockwell Automation provides industrial automation and information services. It operates through the following segments: Intelligent Devices, Software and Control, and Lifecycle Services. The Intelligent Devices segment combines a portfolio of smart products that create the foundation of an agile, resilient, and sustainable production system. The Software and Control segment contains a portfolio of production automation and production operations platforms, including hardware and software. The Lifecycle Services segment offers a portfolio of professionally delivered services and value-added 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

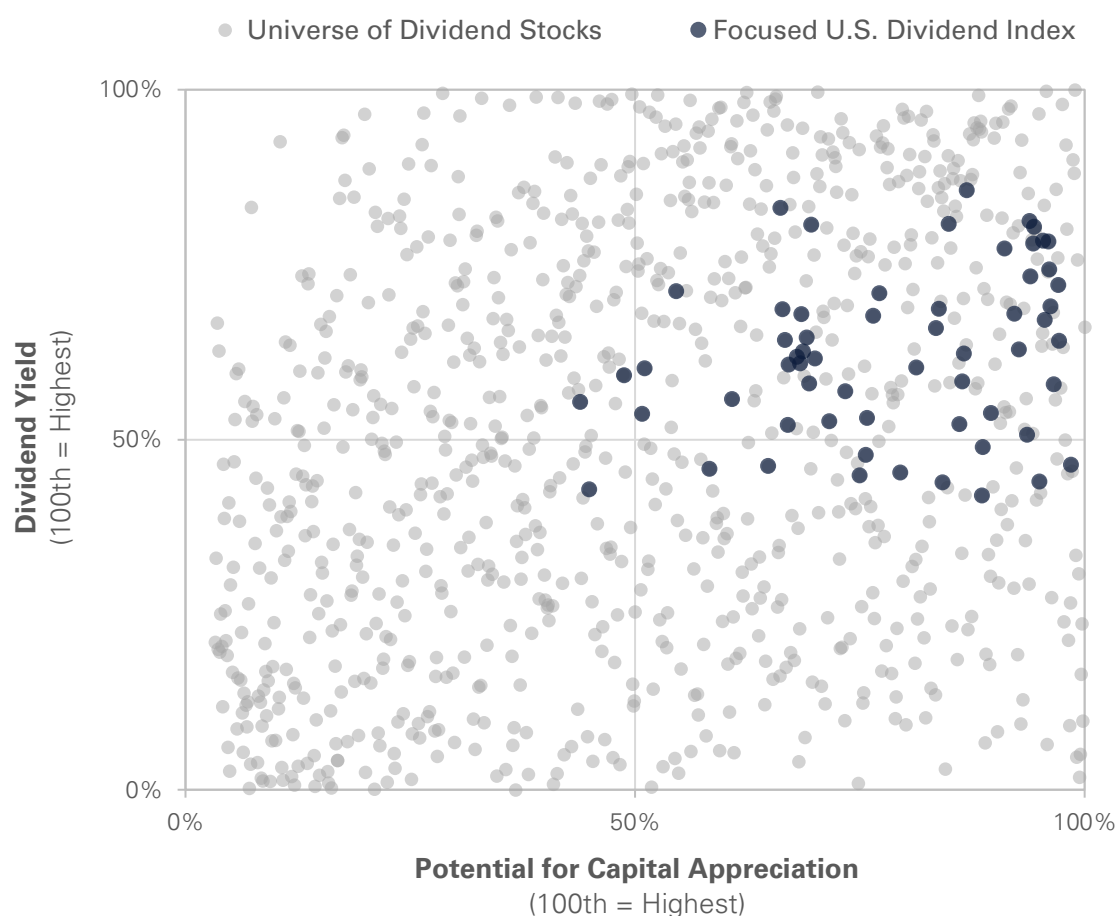
Calculating a Dividend Stock's Potential for Capital Appreciation

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.