

Focused U.S. Dividend Index



August 2024 Update

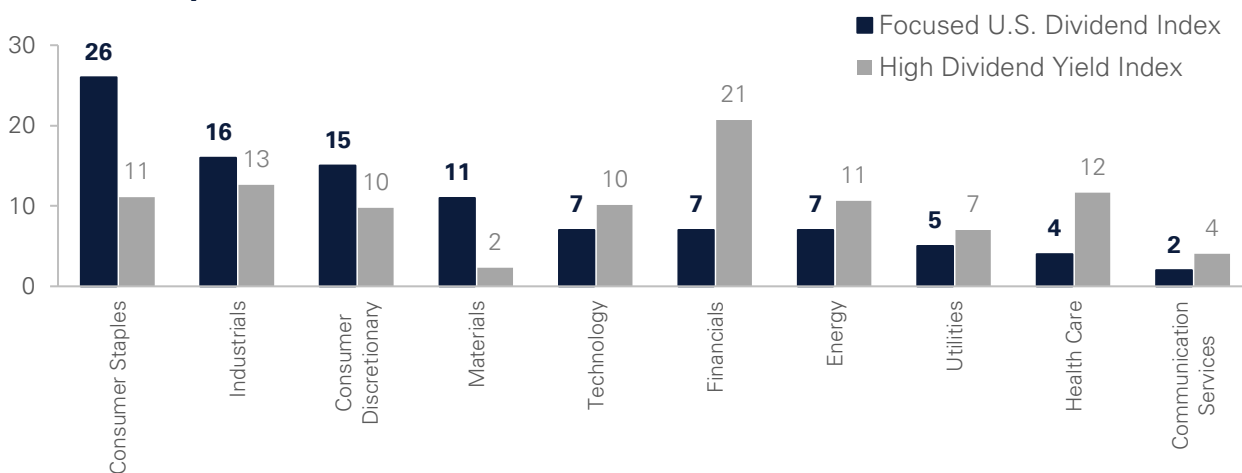
Performance Recap

The Focused U.S. Dividend Index was up +5.2% in July, leading the Large Cap Value Index by +9bps and the Broad High Dividend Index by +40bps. The forward dividend yield is currently 2.9% vs the Broad High Dividend Index's yield of 2.9% and the Large Cap Value Index's yield of 1.9%.

Monthly Commentary

- The Focused U.S. Dividend Index outperformed 12 out of 23 trading days in July.
- 29 of the 60 holdings outperformed the benchmark in July.
- Northern Oil and Gas, Lockheed Martin, and TEGNA were the best performers during the month rising 16.2%, 16.0%, and 14.3%, respectively. Dollar General, Chesapeake Energy, and United Parcel Service were the worst performers in July returning -8.5%, -7.1%, and -4.7%, respectively.
- Technology was the best performing sector in July with all 4 holdings leading the sector. Stock selection in Materials weighed down this month's relative performance.
- The quantitative dividend model selected 5 new holdings at the start of August.

Sector Composition vs Dividend Universe (%)

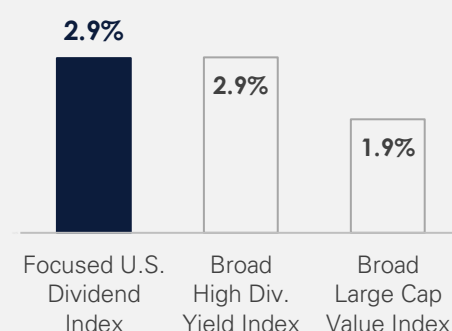


Important Disclosures: Forward Dividend Yields are based on indicated annual dividend which is the estimated amount of total dividends on a share of stock for the next 12-months. The stated yield assumes you hold the current portfolio for 12-months. Past performance does not guarantee future results. 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.

Table of Contents

- 1 Commentary
- 2 Holdings
- 3 Featured New Holdings
- 4 Strategy Overview

Forward Dividend Yields



Holdings

Company & Ticker	Sector	Dividend Yield	Index Weight
Robert Half (RHI)	Industrials	3.3%	2.0%
Hershey Foods (HSY)	Cons Stpls	2.8%	2.0%
Microchip Technology (MCHP)	Tech	2.0%	2.0%
United Parcel Service (UPS)	Industrials	5.0%	2.0%
Voya Financial (VOYA)	Financials	2.5%	2.0%
Genpact Limited (G)	Tech	1.8%	2.0%
Pepsico (PEP)	Cons Stpls	3.1%	2.0%
Abbott Laboratories (ABT)	Health Care	2.1%	2.0%
Paychex (PAYX)	Industrials	3.1%	2.0%
T Rowe Price (TROW)	Financials	4.3%	2.0%
Mosaic (MOS)	Materials	2.8%	2.0%
Dollar General (DG)	Cons Stpls	2.0%	2.0%
Target (TGT)	Cons Stpls	3.0%	2.0%
Mondelez Intl. (MDLZ)	Cons Stpls	2.8%	2.0%
Automatic Data (ADP)	Industrials	2.1%	2.0%
Best Buy (BBY)	Cons Disc	4.3%	2.0%
Johnson & Johnson (JNJ)	Health Care	3.1%	2.0%
Brown-Forman (BF.B)	Cons Stpls	1.9%	2.0%
Home Depot (HD)	Cons Disc	2.4%	2.0%
American Financial (AFG)	Financials	2.2%	2.0%
Skyworks Solutions (SWKS)	Tech	2.5%	2.0%
Sonoco Products (SON)	Materials	3.9%	2.0%
Clorox (CLX)	Cons Stpls	3.7%	2.0%
PPG Industries (PPG)	Materials	2.1%	2.0%
Comcast (CMCSA)	Comm Svcs	3.0%	2.0%
Snap On (SNA)	Industrials	2.6%	2.0%
Brunswick (BC)	Cons Disc	2.1%	2.0%
Nexstar Media Group (NXST)	Cons Disc	3.7%	2.0%
McCormick & Co. (MKC)	Cons Stpls	2.2%	2.0%
Air Products/Chemicals (APD)	Materials	2.7%	2.0%
Hormel Foods (HRL)	Cons Stpls	3.5%	2.0%
Archer Daniels Midland (ADM)	Cons Stpls	3.2%	2.0%
Wec Energy Group (WEC)	Utilities	3.9%	2.0%
Polaris (PII)	Cons Disc	3.2%	2.0%
Fastenal (FAST)	Industrials	2.2%	2.0%
Xcel Energy (XEL)	Utilities	3.8%	2.0%
★🏠 Nike (NKE)	Cons Disc	2.0%	2.0%
★🏠 Lamb Weston (LW)	Cons Stpls	2.4%	2.0%
FMC (FMC)	Materials	4.0%	2.0%
Northern Oil and Gas (NOG)	Energy	3.7%	1.0%

Company & Ticker	Sector	Dividend Yield	Index Weight
Magnolia Oil & Gas (MGY)	Energy	1.9%	1.0%
Chord Energy (CHRD)	Energy	2.9%	1.0%
California Resources (CRC)	Energy	2.4%	1.0%
Chesapeake Energy (CHK)	Energy	3.0%	1.0%
LKQ Corp. (LKQ)	Cons Disc	2.9%	1.0%
Civitas Resources (CIVI)	Energy	2.9%	1.0%
eBay (EBAY)	Cons Stpls	1.9%	1.0%
TEGNA (TGNA)	Cons Disc	3.1%	1.0%
🏠 Ovintiv Inc (OVV)	Energy	2.6%	1.0%
★🏠 CF Industries (CF)	Materials	2.6%	1.0%
Cisco Systems (CSCO)	Tech	3.3%	1.0%
Kimberly Clark (KMB)	Cons Stpls	3.6%	1.0%
Flowers Foods (FLO)	Cons Stpls	4.3%	1.0%
Sysco (SYY)	Cons Disc	2.7%	1.0%
Illinois Tool (ITW)	Industrials	2.3%	1.0%
Cincinnati Financial (CINF)	Financials	2.5%	1.0%
CH Robinson (CHRW)	Industrials	2.7%	1.0%
Rockwell Automation (ROK)	Industrials	1.8%	1.0%
Procter & Gamble (PG)	Cons Stpls	2.5%	1.0%
Ameren (AEE)	Utilities	3.4%	1.0%
★🏠 Honeywell (HON)	Industrials	2.1%	1.0%

Removed Holdings

■ NSP, LMT, NOC, ESNT

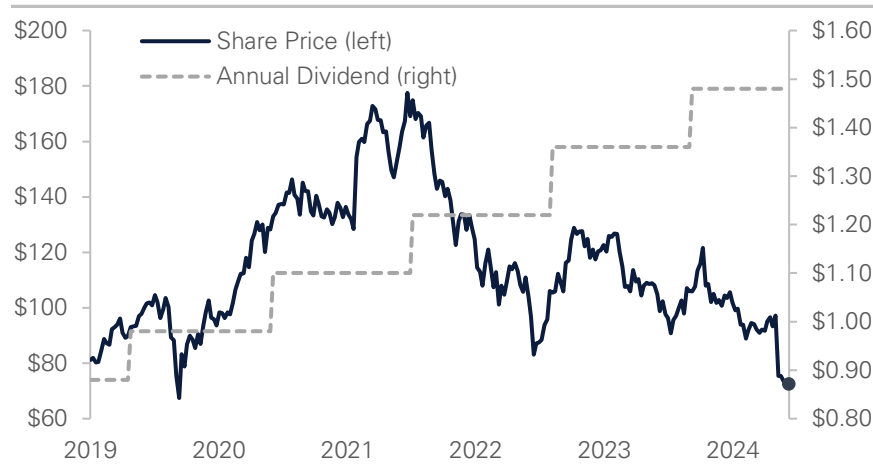
Index Actions

- 🏠 Added
- Removed
- ★ Featured

Additional Notes

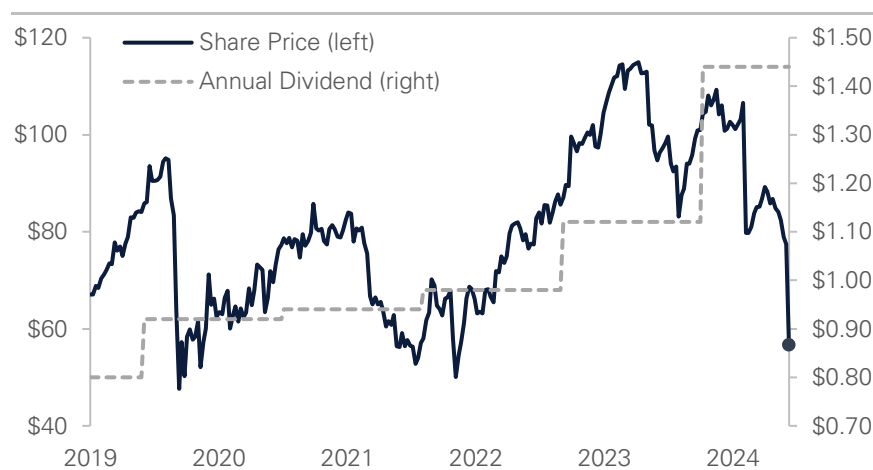
Data as of the most recent month end. **Dividend Yield:** Latest available indicated annual dividend rate. **Position Weights:** The methodology selects the top 50 companies for each category and equal weights the stocks at 1.0%, with a maximum 35% sector exposure. Companies ranked in the top 50 for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



Nike	Yield	Mkt Cap	NTM P/E
Ticker: NKE	1.98%	\$89.9 B	23.1x

NIKE designs and sells athletic footwear, apparel, accessories, equipment, and services. It operates through the following segments: North America, Europe, Middle East & Africa, Greater China, Asia Pacific & Latin America, Global Brand Divisions, Converse, and Corporate. The Global Brand Divisions represent its NIKE Brand licensing businesses. The Converse segment designs, markets, licenses, and sells casual sneakers, apparel, and accessories.



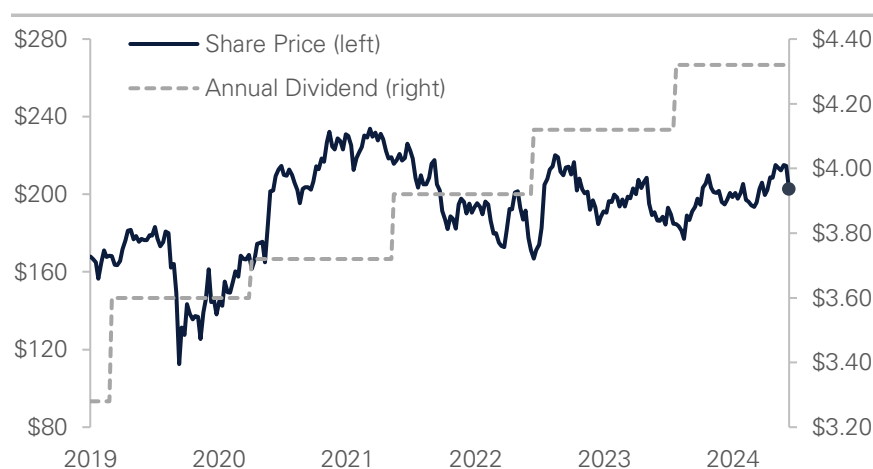
Lamb Weston	Yield	Mkt Cap	NTM P/E
Ticker: LW	2.40%	\$8.6 B	13.0x

Lamb Weston engages in the production, distribution, and marketing of value-added frozen potato products. It operates through the following business segments: Global, Foodservice, Retail, and Other. The Global segment includes branded and private label frozen potato products sold in North America and international markets. The Foodservice segment consists of branded and private label frozen potato products sold throughout the United States and Canada. The Retail segment consists of consumer facing retail branded and private label frozen potato products sold primarily to grocery, mass merchants, club, and specialty retailers. The Other segment includes the vegetable and dairy businesses.



CF Industries	Yield	Mkt Cap	NTM P/E
Ticker: CF	2.62%	\$14.0 B	14.4x

CF Industries manufactures nitrogen fertilizer. The firm owns and operates nitrogen plants and serves agricultural and industrial customers through its distribution system. It operates through following segments: Ammonia, Granular Urea, UAN, AN, and Other. The Ammonia segment produces anhydrous ammonia. The Granular Urea segment offers granular urea. The UAN segment creates urea ammonium nitrate solution. The AN segment makes ammonium nitrate.



Honeywell	Yield	Mkt Cap	NTM P/E
Ticker: HON	2.11%	\$133.0 B	18.8x

Honeywell International, Inc. is a software industrial company, which offers industry specific solutions to aerospace and automotive products and services. It operates through the following segments: Aerospace, Honeywell Building Technologies, Performance Materials and Technologies, Safety and Productivity Solutions, and Corporate and All Other.

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

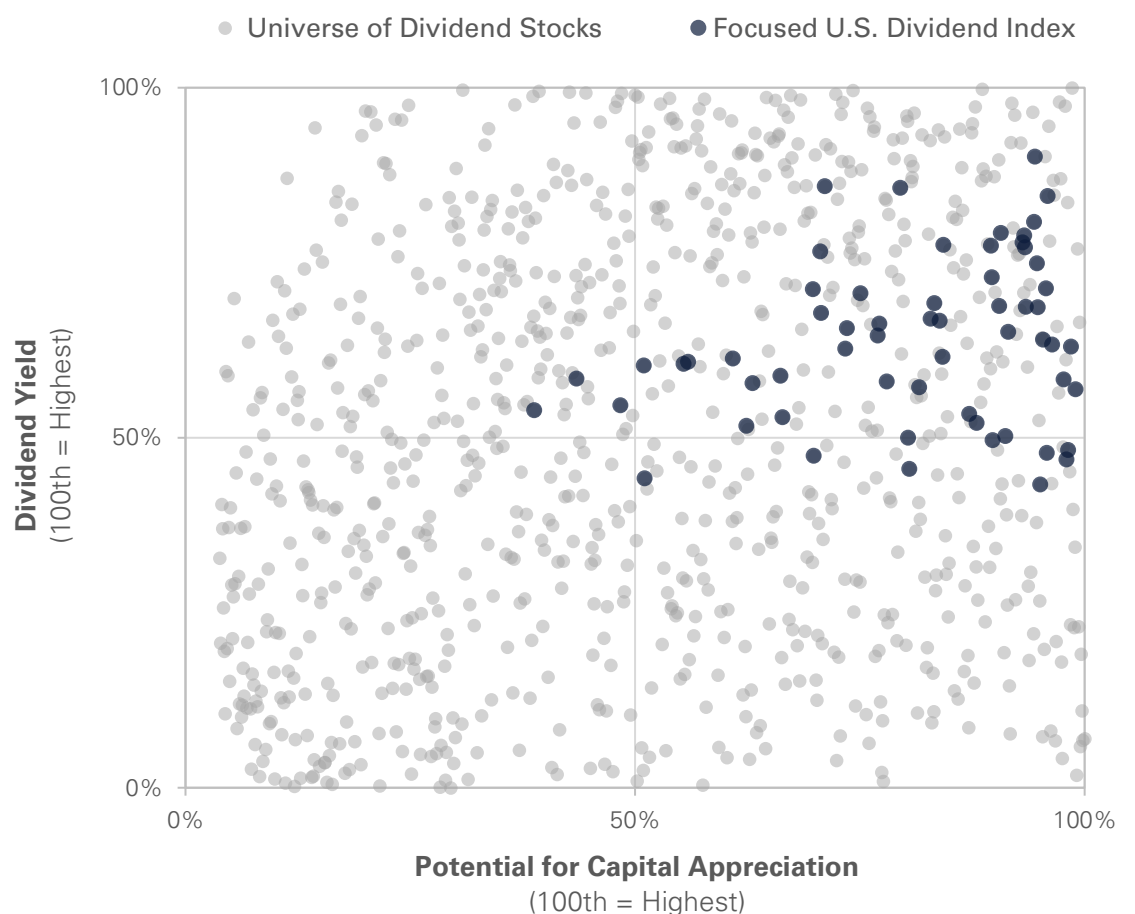
Calculating a Dividend Stock's Potential for Capital Appreciation

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.