



Equity markets extended their advance through the second quarter as investors weighed a still-resilient economy against slowly moderating inflation and a gradual cooling in the labor market. Corporate earnings were strong overall, and the period's defining feature remained the extraordinary wave of capital spending directed at artificial intelligence infrastructure. As a result, the Information Technology sector set the pace, while more defensive corners of the market lagged. Hyperscaler commitments to data centers, accelerated computing, and networking underpinned demand across the entire technology supply chain, with leadership again being concentrated in semiconductors, hardware, and the platform companies best positioned to monetize AI. Against this backdrop, the S&P 500 Index finished the quarter higher with gains once more led by a relatively narrow set of large-capitalization companies tied to the AI theme.

We approach this environment the way we have approached every market: through disciplined portfolio construction, a commitment to sector neutrality, and a focus on company-specific fundamentals rather than top-down bets. We used the quarter to add to businesses where the fundamental case strengthened, and to exit positions where the thesis had either played out or deteriorated.

STRATEGY PERFORMANCE

The top 5 contributors to performance were NVIDIA Corporation (NVDA), Lam Research Corporation (LRCX), Element Solutions Inc. (ESI), Cisco Systems Inc. (CSCO), and Alphabet Inc. (GOOGL).

Semiconductors and the physical build-out of AI infrastructure were the quarter's most productive ground. NVIDIA again led the way, with results that reflected sustained demand for its accelerated-computing platforms and guidance pointing to a continued increase in data center investment; its place at the center of AI infrastructure remains difficult to match. Further up the supply chain, Lam Research benefited from strength in NAND and DRAM technologies tied to AI workloads, posting results ahead of expectations and raising its outlook for wafer fabrication equipment. Element Solutions rounded out the theme from the Materials sector, where demand across data center, high-performance computing, and advanced packaging applications lifted its electronics segment and supported an improved full-year outlook.

A second group of contributors sat one layer up, where we see AI beginning to emerge in networking and platform economics. Cisco Systems benefited from communications-equipment demand tied to hyperscaler spending, delivering results ahead of expectations, raising its fiscal outlook, and drawing on its Splunk acquisition to broaden its security and automation offerings. Alphabet contributed as growth in Google Services and Cloud, healthy interest in its AI tools, and rising paid subscriptions across YouTube, Google One, and its Gemini enterprise products supported operating income and margins.

Taken together, these five holdings express a single conviction at different points in the value chain: the companies supplying, connecting, and monetizing AI infrastructure.

The top 5 detractors to performance were Accenture plc (ACN), Adobe Inc. (ADBE), Oracle Corporation (ORCL), Regeneron Pharmaceuticals Inc. (REGN), and Kroger Company (KR).

The quarter's detractors gathered, fittingly, among technology and services businesses where the same AI wave that lifted others raised questions about business models or margins. Accenture faced delayed deals and shifting client priorities as budgets tilted toward AI, pressuring near-term revenue and bookings even as its longer-term transformation pipeline stayed intact. Adobe contended with a chief financial officer departure amid a broader leadership transition, questions about organic growth, and debate over its freemium strategy, which together overshadowed otherwise fine results. Oracle saw margins compress and capital spending climb as it invested to meet cloud and AI demand; concerns about the financing behind that build-out weighed on sentiment despite healthy underlying growth.

Two further detractors came from outside technology, each for company-specific reasons. Regeneron worked through a difficult stretch that included a failed Phase 3 trial, manufacturing disruptions, and softer EYLEA HD sales, which together pressured results and perception. Kroger absorbed fuel inflation and softer consumer spending alongside deliberate investment in its associates and operations — choices that carry a near-term cost but are meant to strengthen the franchise over time.

Top 5 Performance Contributors ^a as of 06/30/2026 Quarter Return (%) (gross of fees)

Lam Research Corporation (LRCX)	103.0
Cisco Systems Inc (CSCO)	52.2
Element Solutions Inc (ESI)	40.1
Alphabet Inc (GOOGL)	24.4
NVIDIA Corporation (NVDA)	14.9

Bottom 5 Performance Detractors ^a as of 06/30/2026 Quarter Return (%) (gross of fees)

Accenture Plc (ACN) ‡	-35.4
Kroger Company (KR) ‡	-20.7
Regeneron Pharmaceuticals Inc (REGN)	-19.2
Adobe Inc (ADBE) ‡	-18.8
Oracle Corporation (ORCL) †	-11.3

† Return is for purchase date through quarter end;

‡ Return is from the beginning of the quarter through date stock was sold.

As measured by contribution to return, the top contributors and bottom detractors represent the best and worst performing securities held by the Strategy based on the position weight and total return of each Strategy holding. Securities are ranked by each position's Individual Performance impact on the Strategy's return for the analysis period. The contributors and detractors are listed in the order of their non-weighted total return.

STRATEGY ACTIVITY

Strategy activity during the quarter reflected fundamental conviction as trades expressed a strengthening or weakening view on individual businesses.

The Strategy purchased Amphenol Corporation (APH), Micron Technology Inc. (MU), Oracle Corporation (ORCL), and Dollar General Corporation (DG).

On the addition side, new positions fell into two camps. The first extended exposure to AI infrastructure and connectivity. Amphenol was added for its leading high-speed and power interconnect franchise and its exposure to IT datacom demand, Micron Technology for a memory cycle in which tight supply and long-term customer agreements should support pricing and margins, and Oracle, where committed customer demand behind its capital spending and a growing cloud backlog underpin the long-term case. The second camp leaned toward durable consumer value. The Strategy added Dollar General, whose progress on gross margin, a favorable sales mix, and appeal to value-conscious shoppers position it to serve budget-minded and trade-down customers alike.

The Strategy sold Caesars Entertainment Inc. (CZR), Accenture plc (ACN), Adobe Inc. (ADBE), Kroger Company (KR), and T-Mobile US Inc. (TMUS).

The exits also divided along two lines. A structural decision drove the sale of Caesars Entertainment, where an agreed all-cash acquisition by Fertitta Entertainment left little further upside as the catalyst played out. The remaining exits were fundamentally driven. The Strategy sold Accenture as slower revenue growth, weaker bookings, and margin pressure met rising AI-related budget risk, Adobe as decelerating organic growth, freemium-related risks, and an unsettled leadership picture clouded execution, Kroger as slowing sales, price and cost pressure on margins, and continued pharmacy struggles weighed on the outlook, and T-Mobile as broadband churn and intensifying competition, including from satellite entrants, tempered its growth trajectory.

OUTLOOK

Confidence in the Strategy rests less on any single forecast than on the disciplined, repeatable process that keeps it anchored when leadership narrows and sentiment swings. We continue to focus on company fundamentals in order to help ensure the Strategy owns quality businesses for what they earn rather than for the theme of the moment. This bias towards owning quality also works to steer the Strategy toward owning franchises with long-term durable competitive positions and sound balance sheets, allowing the Strategy to look past quarterly noise helping to highlight the value of compounding returns over time. We believe that combination positions the Strategy well for a range of outcomes.

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Strategy characteristics, allocation, contributors, detractors, top 10 holdings, style, and activity are derived from the Dana Strategy model holdings as of each period end and therefore may differ from the same criteria for the actual composite. Strategy performance data such as returns and risk are based on actual composite holdings.

Source: Dana Investment Advisors; (a) FactSet Research Systems; (b) Morningstar Direct.