



*The S&P 500 Index continued to climb in the final quarter of 2025, making this the third consecutive year of double-digit growth. Mixed economic data began to trickle out following the government shutdown in October. While GDP growth surprised on the upside, the job market weakened. The bond market took note of wavering employment and weaker home sales, which also supported the Fed cutting interest rates by 0.25% in December. The AI theme remained strong, yet investors became more selective this quarter as they reflected upon expanding valuations and the durability of lofty AI infrastructure spending.*

### STRATEGY PERFORMANCE

The top 5 performance contributors were Lumentum Holdings Inc. (LITE), Axsome Therapeutics Inc. (AXSM), Insmmed Incorporated (INSM), JFrog Limited (FROG), and Madrigal Pharmaceuticals Inc. (MDGL).

Lumentum continued to beat expectations and raise guidance. The company’s optical products are experiencing surging demand as server bandwidth expands in data center and AI related applications. Axsome continued to execute on its commercial depression drug Auvelity and is making strides on extending its pipeline. Insmmed impressed with a patient script count that came in way ahead of expectations for its first commercial drug, ARIKAYCE. The stock has been a big winner all year. JFrog reported its biggest cloud segment growth of the year, with accelerating usage trends. Madrigal’s REZDIFFRA got extended IP protection and launch growth is on target for an impressive 2026.

The largest 5 performance detractors were e.l.f. Beauty Inc. (ELF), Adtalem Global Education Inc. (ATGE), Magnite Inc. (MGNI), i3 Verticals Inc. (IIIV), and SM Energy Company (SM).

While cosmetic company, e.l.f. Beauty, continues to grow ahead of its category, growth expectations have moderated. Additional uncertainty surrounding tariffs was also an issue. Adtalem reported temporary issues with enrollment at their Chamberlain division that spooked investors. Magnite gave conservative guidance due to headwinds in the Connected TV space. We remain optimistic yet acknowledge a bumpier ride. i3 Verticals lowered fiscal year guidance, not a first miss for this company. SM was hurt by declining crude prices as oil breached \$55 a barrel in Q4.

#### Top 5 Performance Contributors <sup>a</sup> as of 12/31/2025 Quarter Return (%) (gross of fees)

Lumentum Holdings Inc (LITE) †	130.7
Axsome Therapeutics Inc (AXSM)	50.4
Insmmed Inc (INSM) ‡	31.8
JFrog Ltd (FROG) †	30.5
Madrigal Pharmaceuticals Inc (MDGL)	27.0

† Return is for purchase date through quarter end;

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

#### Bottom 5 Performance Detractors <sup>a</sup> as of 12/31/2025 Quarter Return (%) (gross of fees)

e.l.f. Beauty Inc (ELF)	-42.6
Adtalem Global Education Inc (ATGE) †	-27.9
Magnite Inc (MGNI)	-25.5
i3 Verticals Inc (IIIV) ‡	-24.4
SM Energy Company (SM)	-23.6

† 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

Q4 was particularly active as we took the opportunity to add many new holdings at attractive relative valuations. The Strategy added Adtalem Global Education Inc. (ATGE), FB Financial Corporation (FBK), JFrog Limited (FROG), LivaNova plc (LIVN), Lumentum Holdings Inc. (LITE), Enpro Inc. (NPO), SkyWest Inc. (SKYW), Braze Inc. (BRZE), DigitalOcean Holdings Inc. (DOCN), Advanced Energy Industries Inc. (AEIS), AAR Corporation (AIR), DoubleVerify Holdings Inc. (DV), and Zymeworks Inc. (ZYME).

Adtalem is a for-profit education provider in niche spaces like veterinary science. They are leveraging operating improvements and steadily improving margins. The company has minimal near-term regulatory risks allowing it to focus on profitable growth in professional education. FB Financial is a bank holding company poised to gain scale and efficiency. We anticipate tangible book value growth and long-term benefits including margin improvement and geographic diversification from the merger with Southern States Bancshares. JFrog offers a cloud platform for software and security developers that enables continuous updating. JFrog is employing AI in its stack flow with success and management is executing ahead of street estimates. LivaNova is managing costs well and maintaining leadership in cardiopulmonary products, while rolling out neuromodulation therapies. Lumentum is a leader in optical and photonic technologies that are crucial for cloud and AI infrastructure. We see robust growth prospects ahead amid escalating demand for high-speed data communications. Enpro is an industrial technology company with exposure to growth in sectors like semiconductor manufacturing, life sciences, and clean energy. Diversified industrial/tech growth, portfolio optimization, potential M&A, or strategic moves with a focus on high margin businesses are likely and would enhance the company's valuation. SkyWest is the leading regional carrier that operates contracted and pro-rated flights for majors as well as its own service. Management is buying back shares and paying down debt. Braze offers a cloud customer engagement platform for customer-centric industries, leveraging AI for efficiency. DigitalOcean is a cloud infrastructure provider that targets small and mid-sized businesses, their platform simplifies deploying, scaling, and scaling applications with Droplets and managed databases.

In December we added a few more stocks to the Strategy. AAR Corporation manages maintenance, repair and overhaul (MRO), parts supply, and other logistics and support primarily for commercial airlines, defense, and government customers. We see structural tailwinds from recovering global air traffic and aging fleets needing more maintenance combined with steady defense and government services demand that provide counter cyclical stability. Advanced Energy Industries provides advanced power-conversion and control systems used in semiconductor manufacturing, industrial production, and data-center infrastructure. The company has direct leverage to semiconductor capital expenditure cycles and AI driven data center buildouts. DoubleVerify is a software and analytics provider for digital advertising verification and benefits from a long term growth tailwind as ad spend keeps shifting to digital and CTV, where verification is critical. Lastly, Zymeworks is a biopharmaceutical company with exposure to innovative oncology assets and platform technologies that can be partnered widely.

During the quarter the Strategy sold Installed Building Products Inc. (IBP), FTI Consulting Inc. (FCN), Fabrinet (FN), Hub Group Inc. (HUBG) Lantheus Holdings (LNTH), Synovus Financial Corporation (SNV), Verint Systems Inc. (VRNT), Simply Good Foods Company (SMPL), Veeco Instruments Inc. (VECO), Cactus Inc. (WHD), CSG Systems International Inc. (CSGS), Integral Ad Science Holding Corporation (IAS), i3 Verticals Inc. Class A (IIIV), and Insmid Incorporated (INSM).

Installed Building Products had rallied since mid-summer, blowing through the high end of their historic multiples and we sold into this strength. Residential construction is waning and likely to impact pricing power and organic volume growth going forward. FTI Consulting's downtrend in topline growth does concern us longer term and we chose to move on. Fabrinet guided a sequential dip in datacom revenues as the transition to new products is bound by supply constraints. Expectations have been high, and the shares are priced that way. Hub Group is a good company in a rough spot, exposed to weaker segments in the economy in transportation and logistics, and has been revising down sales and EPS expectations for several quarters. Lantheus is feeling the pinch from competition and greater CMS reimbursement uncertainty. The company missed its earnings target and lowered guidance. Synovus is merging with portfolio holding Pinnacle Financial (PNFP) and we do not need double exposure, especially given investors are skeptical of execution risk with the merger. Verint was bought by private equity firm Thoma Bravo. The

stock jumped on the announcement in the third quarter and the deal closed in November. Simply Good Foods is experiencing margin pressure despite its sales growth, and management did note softening growth in key brands, meanwhile Consumer Staples is a shrinking sector now weighted less than 2% of the Russell 2000 Index. Veeco delivered strong Q3 results driven by substantial orders for wet processing systems from AI and high-performance computing customers, resulting in record semiconductor segment revenue and expanded margins. The valuation reflects this good news, and margin risk lies ahead as they plan to merge with Axcelis (ACLS). Cactus is a top well-head services provider domestically, rig counts continue to fall, and the Energy sector weight has dropped dramatically, causing us to drop the holding.

i3 Verticals, a provider of integrated payment and software solutions focusing on specific verticals such as public sector, education, healthcare, and business to business end markets, was sold later in the quarter. The company has missed more than once on its earnings guidance and we chose to exit. CSG Systems is a provider of cloud based customer experience, billing, and payments software and services. The company was bought out by Japanese tech firm, NEC, and the stock jumped on the offer. Integral Ad Science, a digital advertising verification company, agreed to an all-cash buyout by a private equity firm at a 20%+ premium over its prior close. Lastly, Insmid is a biopharmaceutical company focused on therapies for serious and rare pulmonary and inflammatory diseases, such as refractory nontuberculous mycobacterial (NTM) lung disease and other respiratory conditions. The stock now trades at a less compelling valuation and was sold into this price strength.

## OUTLOOK

A more accommodative Fed, continuing AI growth, and a broadening of the market later in the quarter are supportive of equity and bond market performances. We continue to seek strong relative valuations across sectors with a focus on productivity driven earnings growth. Tariffs and geopolitical concerns add the potential for market volatility in 2026.

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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.