



The S&P 500 Index retrenched in the first quarter of 2026, reflecting a more cautious market tone amid rising uncertainty. Geopolitical risk escalated following U.S. and Israeli strikes on Iran and subsequent Iranian retaliation that included actions against several Gulf Cooperation Council (GCC) members. Iran's further disruptions to the shipping lanes off the Strait of Hormuz, along with the heightened risk of a much broader conflict across the region, placed significant upward pressure on oil prices that prompted the market to reassess both its inflation and global growth expectations. Against this backdrop, the Federal Reserve held the federal funds rate steady.

STRATEGY PERFORMANCE

The top five contributors to performance were SLB Limited (SLB), Diamondback Energy Inc. (FANG), Restaurant Brands International Inc. (QSR), NextEra Energy, Inc. (NEE), and Interactive Brokers Group Inc. (IBKR).

Performance during the quarter was driven largely by strength within the Energy sector as higher oil prices and shifting geopolitical dynamics improved sentiment and cash flow expectations. SLB benefited from a sharp reassessment of global supply assumptions following the Iran conflict, which highlighted renewed urgency around exploration and production investment. As one of the world's leading oilfield services companies, demand for its technology and expertise remains robust even if oil prices moderate, supporting a favorable multi year outlook. Like SLB, Diamondback Energy also contributed meaningfully, directly benefiting from rising crude prices. The company delivered solid fourth quarter and full year results, with production exceeding guidance and capital spending remaining disciplined. Expansion of its high quality inventory through deeper zone development further supports durability, while excess cash flow is expected to be returned to shareholders through dividends and share repurchases.

Outside of Energy, Restaurant Brands International contributed on the back of improving execution and steady global demand across its franchise portfolio, while NextEra Energy benefited from continued investor interest in renewable power and regulated utilities with visible long term growth profiles. Interactive Brokers also added to returns as strong market activity supported account growth, trading volumes, and operating leverage, reinforcing its differentiated position within global electronic brokerage.

The five largest detractors from performance were IQVIA Holdings Inc. (IQV), Wells Fargo & Company (WFC), Adobe Inc. (ADBE), PayPal Holdings Inc. (PYPL), and Capital One Financial Corporation (COF).

IQVIA detracted as investor concerns persisted around the long term implications of artificial intelligence adoption within clinical research. While sentiment was pressured, we view these fears as overdone given the company's unique ownership of large proprietary datasets, which position it to benefit from AI enabled efficiencies rather than be displaced. Adobe also weighed on results despite delivering solid first quarter operating performance. Shares declined following the announcement of the long time CEO's impending departure, alongside signs of slowing new subscription growth and continued AI driven disruption within the Stock business. Monetization delays associated with freemium product strategies further tempered near term expectations.

Financials sector holdings also faced headwinds during the quarter. PayPal detracted amid continued deceleration in branded checkout growth, execution challenges, and reduced forward guidance, while broader concerns around consumer spending and competition weighed on sentiment. Wells Fargo and Capital One underperformed as investors grew more cautious on large financial institutions in a volatile macro and regulatory backdrop.

Top 5 Performance Contributors ^a as of 03/31/2026 Quarter Return (%) (gross of fees)

SLB Limited (SLB)	34.7
Diamondback Energy Inc (FANG)	32.3
NextEra Energy Inc (NEE)	16.5
Restaurant Brands Int'l Inc (QSR)	9.3
Interactive Brokers Group Inc (IBKR)	4.4

Bottom 5 Performance Detractors ^a as of 03/31/2026 Quarter Return (%) (gross of fees)

Adobe Inc. (ADBE)	-30.5
PayPal Holdings Inc (PYPL) ‡	-28.6
Capital One Financial Corp (COF)	-24.4
IQVIA Holdings Inc (IQV)	-24.3
Wells Fargo & Company (WFC)	-14.2

‡ 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

During the quarter, the Strategy initiated positions in AbbVie Inc. (ABBV), PNC Financial Services Group, Inc. (PNC), and U.S. Bancorp (USB).

AbbVie was added to the portfolio to increase exposure to high quality pharmaceutical cash flows supported by a strong pipeline and durable earnings power. The investment reflects confidence in the company's ability to navigate upcoming patent expirations while continuing to deliver attractive shareholder returns through dividends and disciplined capital allocation.

PNC Financial Services Group was added following a strong earnings report that exceeded expectations across both revenue and profitability metrics. Results were supported by robust capital markets and advisory activity, driving record net interest and fee income, as well as meaningful operating leverage. While the shares trade at a modest premium to the broader banking group, valuation remains reasonable relative to higher growth peers, leaving room for further rerating should above trend profitability be sustained. U.S. Bancorp was also purchased after delivering earnings and revenue growth above expectations. Management is targeting mid single digit revenue growth in 2026 with meaningful positive operating leverage, supported by diversified fee income streams, strong profitability metrics, and a credible track record of expense control. The position provides exposure to a high quality banking franchise with improving fundamentals.

The Strategy exited positions in Kroger Company (KR), PayPal Holdings, Inc. (PYPL), and Fortune Brands Innovations, Inc. (FBIN).

Kroger was sold as competitive pressures continued to erode pricing power within the grocery sector. While demand has remained relatively stable, we see more attractive opportunities for capital allocation elsewhere given the persistent intensity of competition. PayPal was exited due to ongoing structural challenges, deteriorating execution, and reduced credibility around long term financial targets. Core growth has disappointed, leadership turnover has added uncertainty, and the company now represents a higher risk turnaround scenario. In contrast, we believe redeploying capital into businesses with clearer demand visibility and stronger competitive positioning offers a superior risk adjusted profile.

Fortune Brands Innovations was sold following recent results that reinforced concerns around underperformance within its Water segment relative to peers. The departure of its well regarded CEO further increased uncertainty around execution and the forward outlook, reducing confidence in the near term return profile.

OUTLOOK

Despite the significant supply shock that resulted from Iran closing the Strait of Hormuz, the market's reaction to the recent conflict in the Middle East has thus far been rather muted. If a negotiated settlement is reached, and the Strait is reopened in the very near future, the greatest negative economic impacts may yet be avoided. Until then, we remain focused on analyzing underlying stock fundamentals and adhering to our risk managed portfolio construction discipline.

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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.