# Dana Concentrated Dividend Equity Strategy

## Quarterly Review

As of September 30, 2026

***The Russell 1000 Value Index was up for the quarter, while intra-quarter performance was more variable and nicely highlights the themes driving the entire market. Through the first two months of the third quarter, the benchmark was up versus Growth stocks being down. This performance divergence was driven by the broadening of market participation beyond just AI infrastructure levered stocks, positive mean reversion in beaten down software and other "AI disrupted" stocks, as well as hope of improvement in the Iran conflict, which could alleviate energy price pressures. However, most of that performance was given up in the last month of the quarter as the AI infrastructure trade roared back, driving up Growth stocks while energy prices and interest rates spiked on renewed hostilities in Iran, and the market became exceedingly bearish on the environment for the "real economy" stocks that make up most of the Russell 1000 Value Index. While sentiment seemed to swing more widely than usual, we remained focused on company-specific fundamentals, prices paid to own businesses, and pretty attractive aggregate statistics. For example, corporate earnings growth remained strong, and estimates for future earnings growth actually increased during the quarter. The Strategy is estimated to have double-digit earnings growth this year and next year, and it is trading at a ~15% discount to the Russell 1000 Value Index benchmark and an almost 30% discount to the S&P 500 Index. The Strategy also offers a 2.5% dividend yield which is almost 50% higher than the Value benchmark and over twice that of the S&P 500 Index.***

## Strategy Performance

The top five contributors to performance were IQVIA Holdings Inc. (IQV), Salesforce Inc. (CRM), Meta Platforms Inc. (META), Accenture plc (ACN), and Philip Morris International Inc. (PM).

IQVIA Holdings reported a healthy book-to-bill ratio and a record number of new bookings, which helped alleviate a key investor concern that the business could face disintermediate from broad adoption of AI tools by its key pharma customers. The stock also enjoyed a tailwind from Health Care sector outperformance in the quarter. Salesforce and Accenture benefited from a broad rally in SaaS and Services stocks after almost two years of declines. Investor panic subsided when it became clearer that many of these businesses have durable competitive moats. Furthermore, Salesforce announced a key partnership with Anthropic to launch Claudeforce. The market views this as a major strategic shift for Salesforce that could accelerate revenue growth as customers adopt agentic tools from Salesforce. Accenture continued to invest organically to retrain its consultants for the AI era and increased its activity to acquire (and then scale) companies across AI and cybersecurity. Despite the run-up in the stock price during the quarter, shares still trade at a ~30% discount to the market's forward multiple versus historically trading at a significant premium. Meta performed strongly after the company launched its personal AI agent, Muse, to positive reviews and high App Store downloads. The company also showcased a tangible product, Meta Superintelligent Labs, which has received significant internal investment. Philip Morris hit an all-time high in the quarter after it reported another strong quarter of growth for IQOS (its market-leading heat-not-burn product) and raised the dividend.

Top five detractors from performance were Douglas Emmett Inc. (DEI), Gaming and Leisure Properties Inc. (GLPI), NextEra Energy Inc. (NEE), Keurig Dr. Pepper Inc. (KDP), and PPG Industries Inc. (PPG).

The top three detractors came from either the Real Estate or Utilities sectors, which followed their historical pattern of being inversely correlated to interest rates and were the two worst performing sectors in the third quarter. Douglas Emmett, a Los Angeles-focused office and multi-family REIT, underperformed with other REITs despite reporting generally positive leasing data in what remains a tepid-demand market. The company's acquisition of five medical office buildings in Beverly Hills in April is just another example of the company's financial flexibility and aligns with its long-term strategy of owning assets in the wealthiest submarkets in Los Angeles. The company offers an almost 8% dividend yield and one of the widest discounts to broad market multiples in history. Gaming and Leisure Properties, a triple net lease REIT focused on regional casino gaming, underperformed with other REITs and negative sentiment around the gaming industry due to rising energy prices and poor consumer sentiment. NextEra Energy

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underperformed in line with other Utilities despite reiterating that it expects to hit the high end of its annual earnings per share (EPS) guidance in September. The company is exceedingly well positioned across various industry trends, such as demand growth from data centers and renewables, return of nuclear energy, as well as owning the largest regulated utility in Florida, which is experiencing net population growth. Keurig Dr. Pepper traded down when the company announced that the named CEO of its impending coffee business spin-off will depart to take the CEO role at Heineken; the company announced his replacement in October. We still like the stock based on continued strong performance in the soft drink business and a significant multiple discount to the largest public competitor. PPG underperformance was highly correlated with rising oil prices throughout the quarter as oil derivatives are key inputs for coatings.

| Top 5 Performance Contributors [a] as of 09/30/2026 | Quarter Return (%) (gross of fees) |
|---|---|
| Accenture Plc (ACN) | 49.1 |
| Salesforce Inc (CRM) | 46.8 |
| IQVIA Holdings Inc (IQV) | 39.1 |
| Meta Platforms Inc (META) | 28.8 |
| Philip Morris International Inc (PM) | 5.5 |

| Bottom 5 Performance Detractors [a] as of 09/30/2026 | Quarter Return (%) (gross of fees) |
|---|---|
| Douglas Emmett Inc (DEI) | -17.2 |
| PPG Industries Inc (PPG) | -13.4 |
| NextEra Energy Inc (NEE) | -13.0 |
| Gaming and Leisure Properties Inc (GLPI) | -13.0 |
| Keurig Dr Pepper Inc (KDP) | -6.6 |

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

There were no additions or deletions to the Strategy for the quarter.

## Outlook

Equity markets remained resilient in the face of rising interest rates due largely to strong earnings growth that is supported by a broadly healthy U.S. economy. Underpinning this growth is the AI investment cycle, potentially the largest capital investment cycle in U.S. history — larger than railroads, electrification, and highways combined, as a percentage of GDP. Much of the current payoff from AI has been from the infrastructure investment itself. The productivity payoff, needed to justify the investment, is just beginning to take shape in the form of cost reductions, efficiency gains, higher returns for advertisers, and new use cases. Over the medium-term, this productivity trajectory will be a determining factor in equity market performance.

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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.

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