



# DANA LARGE CAP GROWTH EQUITY STRATEGY

QUARTERLY  
REVIEW

As of September 30, 2022

Stock markets entered the third quarter on a hopeful note in July, yet this hope was dashed by mid-August. Jerome Powell used his August Jackson Hole presentation to deliver a succinct and direct message that the Fed would not change from its tightening policy until inflation was clearly abating. Many market participants were expecting a more accommodative policy, given the impact that the dramatic rise in rates has already had on economic growth. The Fed's firm stance surprised investors and the market resumed its decline. The S&P 500 Index delivered a -4.88% return for the quarter, down -16.71% from its August peak, which marked the benchmark's third consecutive quarterly decline. The Q2 earnings season was weaker than recent history, but many companies still managed to exceed cautious expectations. Investors' concerns once again turned towards stubborn worldwide inflation, higher interest rates, the effects of a strong dollar, the ongoing Ukraine conflict, rising concerns about global recession, and Q3 earnings expectations that depicted a deeper earnings decline compared to historical averages.

Characteristics <sup>a b</sup>	Dana Large Cap Growth	Ru1000G ETF
Market Cap (\$ billions)	447.1	707.9
Median Market Cap (\$ billions)	66.1	13.4
Dividend Yield (%)	0.5	1.0
3 Year Dividend Growth <sup>3</sup>	12.8	9.7
Return on Equity (ROE) (%) <sup>2</sup>	23.6	41.1
P/E NTM <sup>1</sup>	25.6	21.2
P/OCF <sup>1</sup>	20.6	18.4
Historical 3Yr Sales Growth (%)	25.4	16.9
PEG	1.2	1.3

Weighted Average unless noted:

<sup>1</sup> Weighted Harmonic Average; <sup>2</sup> Weighted Median; <sup>3</sup> Median

Statistics (net of fees) <sup>b</sup>	Dana Large Cap Growth	Russell 1000 Growth Index
Monthly Returns Since 2/28/2001		
Alpha	0.38	-
Beta	0.92	1.00
Sharpe Ratio	0.38	0.38
Batting Average	.444	-
Information Ratio	-0.03	-

## SECTOR CONTRIBUTORS

**Energy** – Liquefied natural gas exporter, Cheniere Energy, Inc. (LNG), meaningfully raised free cash flow guidance yet again and significantly contributed to the Strategy's return.

**Consumer Discretionary** – Crocs, Inc. (CROX) and Airbnb, Inc. (ABNB) both experienced strong rebounds in the third quarter as broader sentiment in the sector improved.

## SECTOR DETRACTORS:

**Health Care** – Horizon Therapeutics PLC (HZNP) disappointed expectations for a second consecutive quarter, while Catalent, Inc. (CTLT) was primarily affected by negative biopharma manufacturing sentiment.

**Information Technology** – The market continued to paint higher growth tech with the same (negative) broad brush as interest rates increased, notwithstanding solid free cash flow generation at companies like ServiceNow, Inc. (NOW) and Advanced Micro Devices, Inc. (AMD). Five9, Inc. (FIVN) delivered mixed comments at an investor conference.

The Dana Large Cap Growth Equity Strategy posted a decline of -3.23% compared to -3.60% for the Russell 1000 Growth Index in Q3, beating the benchmark for the quarter. Growth held up better than value in the quarter, benefiting from growth's strong relative performance during July's market bounce. Continued upward pressure in interest rates driven by inflation and Fed policy led to greater volatility and increased concerns about more economically sensitive securities. The Strategy implemented a number of trades through this volatility, removing stocks with elevated idiosyncratic or cyclical risk and adding stocks with greater visibility in outlook. We expect volatility to continue and remain opportunistic in our approach.

## SELECT ADDITIONS

**Workday, Inc. (WDAY)** – Workday is the leader in human capital management software for large organizations. Organizing, engaging, tracking, paying and recruiting employees has historically involved a number of disparate and manual systems. Demand for Workday's solution is driven by its comprehensiveness, ease-of-use and convenience. The company's relative valuation is at a substantial multi-year low notwithstanding steady +20% growth and significant free cash flow generation.

**Eli Lilly and Company (LLY)** – Eli Lilly has exciting opportunities across diabetes, obesity and Alzheimer's indications. The company's new diabetes medication, Mounjaro, is exceeding high launch expectations and may add several points of revenue growth in 2023. Mounjaro has shown impressive weight loss characteristics and may be approved for a broad obesity indication in 2023. Recent trial success of a competitor's Alzheimer's drug raises the probability of success for Lilly's similarly formulated Alzheimer's therapy.

## SELECT DELETIONS

**Perficient, Inc. (PRFT)** – Perficient's second quarter results were below expectations with a few clients canceling or delaying technology projects. We continue to like the industry's numerous growth drivers (developer/worker shortages, digital acceleration initiatives, remote work accessibility) but prefer technology services companies with cleaner execution profiles.

**Pfizer, Inc. (PFE)** – We are increasingly concerned about uptake of Covid-related boosters and therapeutics as purchasing delays and funding disputes proliferate. Pfizer's relative performance was reasonably strong through a tough market environment but we see better opportunities in the biopharmaceutical space.

# DANA LARGE CAP GROWTH EQUITY STRATEGY

As of September 30, 2022

Average Annual Total Return (%)  
as of 09/30/2022

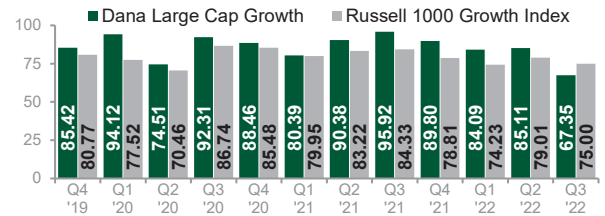
	Unannualized						Since	
	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	Inception
<b>Dana Large Cap Growth Equity Strategy (gross of fees)</b>	<b>-3.10</b>	<b>-33.27</b>	<b>-29.30</b>	<b>5.00</b>	<b>6.60</b>	<b>10.63</b>	<b>10.30</b>	<b>7.96</b>
<b>Dana Large Cap Growth Equity Strategy (net of fees)</b>	<b>-3.23</b>	<b>-33.55</b>	<b>-29.69</b>	<b>4.47</b>	<b>6.09</b>	<b>10.11</b>	<b>9.80</b>	<b>7.48</b>
Russell 1000 Growth Index	-3.60	-30.66	-22.59	10.67	12.17	13.70	11.02	7.63

Sector Allocation (%) as of 09/30/2022	Dana Large Cap Growth	Ru1000G ETF
Communication Services	7.73	7.57
Consumer Discretionary	17.75	17.04
Consumer Staples	5.31	5.66
Energy	3.32	1.56
Financials	1.85	3.04
Health Care	11.90	12.02
Industrials	6.63	7.33
Information Technology	42.96	42.75
Materials	0.61	1.36
Real Estate	1.17	1.61
Utilities	0.79	0.05

Due to rounding, totals may not equal 100%

Dana Large Cap Growth Top 10 Holdings (%) as of 09/30/2022	
Microsoft Corp	9.62
Alphabet Inc	6.15
Amazon.com Inc	6.05
Tesla Inc	4.30
Cheniere Energy Inc	3.31
Workday Inc	3.14
CrowdStrike Holdings Inc	3.12
Globant SA	3.05
Uber Technologies Inc	3.04
Accenture PLC	2.96

## % Meeting or Exceeding Earnings Expectations



Dana's Large Cap Growth Equity Strategy holdings continue to execute well, experiencing more positive earnings surprises than the Russell 1000 Growth Index.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022
Total Return Gross of Fees	14.85%	35.05%	15.77%	3.16%	1.64%	33.62%	-10.18%	32.27%	32.04%	22.18%	-33.27%
Total Return Net of Fees	14.22%	34.41%	15.27%	2.67%	1.17%	33.08%	-10.57%	31.60%	31.43%	21.58%	-33.55%
Benchmark Return	15.26%	33.48%	13.05%	5.67%	7.08%	30.21%	-1.51%	36.39%	38.49%	27.60%	-30.66%
Composite 36 Month Standard Deviation	16.37%	13.57%	10.40%	11.12%	11.35%	10.51%	12.49%	13.37%	18.96%	16.21%	21.81%
Benchmark 36 Month Standard Deviation	15.66%	12.18%	9.59%	10.70%	11.15%	10.54%	12.13%	13.07%	19.64%	18.17%	22.81%
Number of Portfolios	98	97	101	97	103	84	70	56	40	32	19
Internal Dispersion	0.76%	0.52%	0.48%	0.44%	0.30%	0.52%	0.68%	0.77%	1.12%	0.65%	N/A
Composite Assets (US\$ millions)	244.3	327.6	331.5	295.5	270.5	265.0	206.0	145.7	113.9	69.4	18.4
% of Bundled Fee Assets	34.7%	13.3%	14.8%	18.5%	36.0%	43.3%	47.8%	72.1%	83.3%	11.1%	27.0%
Strategy Assets (US\$ millions)	256.5	351.0	366.4	393.7	351.7	363.9	264.2	204.8	176.4	136.2	60.9
Total Firm Assets (US\$ millions)	3,264.2	3,664.9	4,091.7	4,490.7	4,769.4	4,865.7	5,183.2	4,548.9	4,782.0	4,647.0	4,246.8
Total Entity Assets (US\$ millions)	3,622.2	4,486.3	5,383.3	6,634.5	7,172.0	7,538.4	7,454.1	7,142.0	7,185.0	7,662.0	6,500.2

Strategy Assets and Total Entity Assets include applicable composite assets, wrap program assets, and model portfolio assets and are presented as supplemental information. Dana does not have final trading authority on model portfolio assets, which are excluded from both Composite Assets and Total Firm Assets.

Dana Investment Advisors, Inc. ("Dana") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. GIPS is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Dana has been independently verified for the periods January 1, 1992 through December 31, 2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Dana Large Cap Growth composite has had a performance examination for the periods February 23, 2001 through December 31, 2021. The verification and performance examination reports are available upon request.

- Definition of Firm:** Dana Investment Advisors, Inc. is an SEC-registered independent investment management firm established in 1980 and is not affiliated with any parent organization. Dana manages a variety of equity, fixed income, and balanced portfolios for primarily U.S. institutional, individual, and mutual fund clients.
- Composite Creation Date:** February 23, 2001.
- Composite Definition:** The Dana Large Cap Growth composite includes all fee-paying, discretionary equity portfolios that invest in U.S. equities with the goal of providing long-term capital appreciation within a well-diversified large cap growth oriented strategy. The composite does not have a minimum size criterion for membership. A complete list of composite descriptions is available upon request.
- Benchmark Description:** The benchmark for the Dana Large Cap Growth composite is the Russell 1000 Growth Index.
- Composite Construction:** Prior to April 1, 2008, the composite included the Large Cap Growth segment of balanced accounts. Cash was allocated to these segments based on the average cash position of the Large Cap Growth "only" portfolios in the composite.
- Performance and Fees:** Valuations are computed and performance is reported in U.S. dollars. Gross-of-fees returns are presented before investment management and custodial fees but after all trading expenses. The composite contains both traditional commission paying and bundled-fee (i.e., asset-based pricing) portfolios. Trading costs are allocated to bundled-fee portfolios at actual asset-based rates. If actual asset-based trading costs cannot be readily identified, the entire bundled fee (which may include costs for administration, investment management, custody, asset allocation, etc.), net of Dana's investment management fees, is deducted from the gross return. Prior to April 1, 2008, transaction costs were allocated to bundled fee trades at a per share commission rate equal to Dana's preferred list of non-directed institutional brokers. Net-of-fees returns are calculated by deducting Dana's actual investment management fees from the monthly gross-of-fees returns. Dana's current standard annual Large Cap Growth fee schedule is 0.75% on the first \$10MM, 0.65% on the next \$15MM, and 0.50% thereafter; however, Dana's investment management fees may vary based upon the differences in size, composition, and servicing needs of client accounts. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Standard Deviation:** The 36-month annualized standard deviation measures the variability of the monthly net-of-fees composite and the benchmark monthly returns for the period.
- Internal Dispersion:** Dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year.

### Past performance is not indicative of future results.

Characteristics for the iSHARES® Russell 1000 Growth ETF ("Ru1000G ETF") are presented for informational purposes only and are merely intended to serve as an approximation of similar characteristics for the underlying index.

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Data and Chart Sources: Dana Investment Advisors; (a) FactSet Research Systems; (b) Morningstar Direct.

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