



*We are pleased with the strong equity market returns for the first quarter of 2024 that followed an already terrific Q4 2023 return. The market performed well despite a backup in interest rates and waning expectations for rate cuts. While the majority of the “Magnificent 7” stocks once again propelled the S&P 500 Index returns, not all of these companies were quite so magnificent this quarter. Growth stocks outshone value stocks, large-cap stocks outperformed small-cap stocks and earnings growth overall was solid.*

### STRATEGY PERFORMANCE

The top 5 performance contributors were Meta Platforms Inc. (META), Vertiv Holdings Company (VRT), Marathon Petroleum Corporation (MPC), Caterpillar Inc. (CAT), and Parker-Hannifin Corporation (PH).

AI themed stocks continued to show strength this quarter. Vertiv benefited from this AI basket trade. The company’s products build the backbone and critical structure of data centers. Backlogs and growth continue to surprise positively with guidance exceeding expectations. META had an exceptional quarter with strong revenue growth and announced plans to initiate a dividend. The company is also a leader in application of AI at scale for tangible business benefits.

Two Industrials holdings performed quite well. Caterpillar’s demand trends are proving stronger and more resilient than investors anticipated, leading to higher profitability. There is an AI side to CAT, too. Data center and cloud computing growth is driving demand for CAT’s large engines, and the company is investing in this area as part of its long-term strategy. Parker-Hannifin is also experiencing higher profitability. A PH acquisition continues to surprise to the upside with cost synergies ahead of schedule. Energy holding, Marathon Petroleum, reported earnings that were above expectations. Management has consistently used their strong cash flow and balance sheet to buyback a material amount of stock.

The largest 5 performance detractors were Intel Corporation (INTC), Apple Inc. (AAPL), American Tower Corporation (AMT), Extra Space Storage Inc. (EXR), and VICI Properties Inc. (VICI).

After an impressive 12 month performance, Intel gave some performance back in Q1. INTC is a company in transition. It is developing an internal foundry model and investors question CPU relevancy in a GPU world. A softer than expected guide gave investors an excuse to take some profits. Apple experienced a slowdown in sales in large part due to its exposure to China.

Real Estate was the only sector in the S&P 500 Index to produce a negative absolute return in the quarter and interest rates and rate expectations may continue to dictate demand for REIT shares. REIT holdings in the Strategy were not immune to the weakness. American Tower, Extra Space Storage, and VICI are sound businesses and are levered to strong secular growth trends.

#### Top 5 Performance Contributors <sup>a</sup> as of 03/31/2024 Quarter Return (%) (gross of fees)

Vertiv Holdings Company (VRT)	70.0
Meta Platforms Inc (META)	37.3
Marathon Petroleum Corporation (MPC)	36.5
Caterpillar Inc (CAT)	24.4
Parker-Hannifin Corporation (PH)	20.9

#### Bottom 5 Performance Detractors <sup>a</sup> as of 03/31/2024 Quarter Return (%) (gross of fees)

Intel Corporation (INTC)	-11.8
Apple Inc (AAPL)	-10.8
American Tower Corporation (AMT)	-8.4
Extra Space Storage Inc (EXR)	-7.2
VICI Properties Inc (VICI)	-5.2

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. Total return is truncated to one decimal.

## STRATEGY ACTIVITY

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

## OUTLOOK

Investors are responding to a steady earnings outlook over a stickier core inflation report. AI-themed stocks have moved considerably, yet the buildout continues at a fast pace. The anticipated Fed rate cuts are on pause for now and we expect a rate cut in late spring or summer. Market breadth retreated from levels seen in the prior quarter and we see opportunity for breadth to improve. This backdrop is supportive of our disciplined stock selection process.

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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.