



# DANA LARGE CAP VALUE EQUITY STRATEGY

## QUARTERLY REVIEW

As of June 30, 2022

The U.S. stock markets were negative for the second consecutive quarter with the first back-to-back quarterly declines in the S&P 500 Index since 2008-09. The S&P 500 Index fell -16.10% in Q2 and is down -19.96% YTD, the weakest first half of the year since 1970. The S&P 500 Index entered bear market territory in June, down -20% from its 1/3/2022 high, touching a YTD low of -23.55% on 6/16/2022, before rallying in the second half of June. Interconnected concerns on both monetary policy and inflation dominated investor thinking. The Fed raised short-term interest rates, in increasing increments, twice during Q2. Later in the quarter the Fed also began the process of slowly reducing its balance sheet (i.e., quantitative tightening). Costs rose significantly for consumers and businesses while many businesses began passing costs on to customers through price increases. Margins also retreated from their 2021 peaks. Supply chain issues remained and may persist, based on China's Covid response, helping fuel inflation while also creating inventory management problems for companies. The Russia-Ukraine conflict continued to drive volatility and uncertainty in commodities.

The Dana Large Cap Value Equity Strategy returned -11.50% in the second quarter, outperforming the benchmark return of -12.21. Value continued to outperform Growth and our relative value process has benefited from the focus having returned to valuation. While we still see challenges to stocks in the near term, we continue to find companies with solid businesses at reasonable valuations that should hold up relatively well as the economy goes through a difficult transitional period.

### SECTOR CONTRIBUTORS

**Real Estate** – There were positive absolute and strong relative returns from the Strategy's specialty real estate holdings as investors favored REITs with stable and less economically sensitive earnings streams during the quarter.

**Energy** – There were positive contributions from the Strategy's integrated energy holding along with its pure play refiner. Downstream energy companies also enjoyed exceptional margins.

**Materials** – Avoidance of the metals & mining industry, that fell -32.6% during the second quarter, also contributed to the Strategy's outperformance in this sector.

Characteristics <sup>a b</sup>	Dana Large Cap Value	Ru1000V ETF
Market Cap (billions)	\$ 230.6	\$ 145.0
Median Market Cap (billions)	\$ 66.3	\$ 11.3
Dividend Yield	2.4%	2.2%
3 Year Dividend Growth	7.0%	7.3%
Return on Equity (ROE) <sup>2</sup>	26.0%	19.4%
P/E NTM <sup>1</sup>	12.6	13.1
P/E LTM <sup>1</sup>	14.2	14.1
Historical 3Yr Sales Growth	6.4%	7.6%
PEG	1.3	1.3

Weighted Average unless noted:

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

Statistics (gross of fees) <sup>b</sup>	Dana Large Cap Value	Russell 1000 Value Index
Monthly Returns Since 6/30/2001		
Alpha	0.82	-
Beta	0.94	1.00
Sharpe Ratio	0.42	0.37
Batting Average	.496	-
Information Ratio	0.17	-

### SECTOR DETRACTORS:

**Consumer Discretionary** – Weakness in this sector primarily centered on the Strategy's casino holding. Gaming companies experienced poor performance during the quarter on concerns over economic recession and its potential impact on travel and spending.

**Industrials** – A second consecutive quarter of poor performance from the Strategy's electrical equipment holding detracted from returns in this sector. Investors remain skeptical of the company's ability to pass on higher prices in order to offset cost inflation despite fine execution reported for the fiscal first quarter.

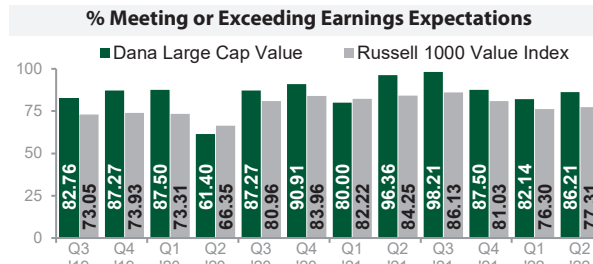
**Consumer Staples** – The Strategy's tobacco holding experienced weak results on regulatory concerns.

THERE WERE NO ADDITIONS OR DELETIONS IN Q2.

Average Annual Total Return (gross of fees) as of 6/30/2022	Unannualized							Since Inception
	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	
<b>Dana Large Cap Value Equity Strategy</b>	<b>-11.50%</b>	<b>-13.36%</b>	<b>-5.01%</b>	<b>8.30%</b>	<b>7.98%</b>	<b>10.37%</b>	<b>8.39%</b>	<b>7.53%</b>
Russell 1000 Value Index	-12.21%	-12.86%	-6.82%	6.87%	7.17%	10.50%	7.86%	6.99%

Sector Allocation (%) as of 06/30/2022	Dana Large Cap Value	Ru1000V ETF
Communication Services	7.38	8.76
Consumer Discretionary	3.78	5.75
Consumer Staples	7.83	7.29
Energy	7.60	7.24
Financials	19.74	19.52
Health Care	19.48	17.23
Industrials	10.29	9.90
Information Technology	9.10	9.03
Materials	3.59	4.23
Real Estate	5.29	5.09
Utilities	5.93	5.96

Dana Large Cap Value Top 10 Holdings (%) as of 6/30/2022	
Exxon Mobil Corp	2.72
UnitedHealth Group Inc	2.68
Merck & Co Inc	2.68
EOG Resources Inc	2.67
Marathon Petroleum Corp	2.55
Johnson & Johnson	2.54
Pfizer Inc	2.52
AbbVie Inc	2.51
Coca-Cola Co	2.22
Allstate Corp	2.14



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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022
Total Return Gross of Fees	16.70%	31.80%	13.27%	-0.44%	10.22%	15.12%	-11.34%	29.34%	3.46%	29.55%	-13.36%
Total Return Net of Fees	16.03%	31.16%	12.78%	-0.94%	9.68%	14.65%	-11.70%	28.71%	2.96%	28.92%	-13.59%
Benchmark Return	17.51%	32.53%	13.45%	-3.83%	17.34%	13.66%	-8.27%	26.54%	2.80%	25.16%	-12.86%
Composite 36 Month Standard Deviation	15.44%	13.16%	9.32%	10.60%	10.91%	10.01%	11.13%	11.88%	19.10%	18.62%	18.72%
Benchmark 36 Month Standard Deviation	15.51%	12.70%	9.20%	10.68%	10.77%	10.20%	10.82%	11.85%	19.62%	19.06%	19.18%
Number of Portfolios	62	81	97	116	103	94	50	39	37	43	47
Internal Dispersion	0.43%	0.49%	0.46%	0.38%	0.51%	0.31%	0.38%	0.55%	0.84%	0.42%	N/A
Composite Assets (US\$ millions)	70.4	128.0	152.2	161.3	155.0	144.7	84.8	80.7	86.7	103.3	92.4
% of Bundled Fee Assets	54.2%	59.4%	61.1%	64.0%	64.9%	74.5%	76.5%	82.7%	74.7%	0.6%	0.5%
Strategy Assets (US\$ millions)	71.6	132.4	159.1	169.9	165.8	155.8	109.6	106.4	107.4	129.6	122.5
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	4,517.9
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	6,979.6

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.

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- 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:** June 30, 2001.
- Composite Definition:** The Dana Large Cap Value 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 value 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 current benchmark for the Dana Large Cap Value composite is the Russell 1000 Value Index. From inception through 2004, the benchmark for the Dana Large Cap Value composite was the S&P/BARRA Value Index. During 2005 the S&P/BARRA Value Index was discontinued. Dana then chose the Russell 1000 Value Index as a replacement. All reported benchmark information is for the Russell 1000 Value Index.
- Composite Construction:** Prior to March 1, 2007, the composite included the Large Cap Value segment of balanced accounts. Cash was allocated to these segments based on the average cash position of the Large Cap Value "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 Value 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 gross-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 Value ETF ("Ru1000V ETF") are presented for informational purposes only and are merely intended to serve as an approximation of similar characteristics for the underlying index. Dana is neither affiliated with iSHARES®, nor its distributor, BlackRock Investments, LLC ("BLACKROCK®").

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