



DANA LARGE CAP VALUE EQUITY STRATEGY

QUARTERLY
REVIEW

As of June 30, 2025

The S&P 500 Index reached another all-time high this quarter. As new policy directives from the White House continued to unfold, investors managed the news flow with a more “wait and see” attitude as opposed to fear. Quarterly earnings reports surprised to the upside, although signs of economic softening remained. The bond market took note of wavering employment and weaker home sales and rates eased accordingly, which provided further breathing room for stock valuations.

STRATEGY PERFORMANCE

The top 5 performance contributors were Vertiv Holdings Company (VRT), Microchip Technology Incorporated (MCHP), Microsoft Corporation (MSFT), JPMorgan Chase & Company (JPM), and Parker-Hannifin Corporation (PH).

Vertiv is a leading data center infrastructure provider. In Q1 2025, flat orders and cautious guidance sparked investor concerns, pressuring shares amid data center capacity cut fears. A Q2 rebound, driven by organic revenue growth and backlog rising 10%, restored confidence. Management highlighted accelerated AI deployment scaling, easing capacity concerns. VRT’s critical role in data center expansion gives us confidence in sustained growth. Microchip is known for its microcontrollers and analog semiconductors serving industries such as automotive, consumer electronics, and aerospace. A laggard in Q1 2025, we cited a revenue slump on an industrial slowdown and customer inventory cuts as the causes. The company acted, closing its Arizona plant, trimming inventory, reorganizing units, and prioritizing top clients. CEO Steve Sanghi stepped back into the role he held from 1991 to 2021, where he turned around a struggling MCHP. Patience paid off and signs of a turnaround emerged during Q2. Improved bookings and backlog signal a revenue bottom, and management expects revenue growth, margin expansion, and better inventory levels ahead.

AI related companies continued to report stellar growth and Microsoft benefited from AI and cloud momentum. Its leadership position via Azure and OpenAI partnerships continued to wow investors. JPMorgan Chase reported strong quarterly results, propelled by revenue growth in its markets segment and improved wealth management margins alongside significant inflows. The company continued to return substantial capital to shareholders through share buybacks and dividends. JPM’s position as the largest U.S. bank, underpinned by diverse revenue streams and a fortress balance sheet, ensures resilience across economic cycles. A potentially favorable regulatory environment could further enhance profitability by allowing JPM to deploy capital into high-growth opportunities, reinforcing our bullish long-term outlook. Parker-Hannifin is a global leader in motion and control technologies. PH reported impressive quarterly results, driven by record margins and significant cash flow growth. The Aerospace Systems segment delivered strong organic sales growth and improved margins, prompting management to raise its organic growth guidance for the segment. Management also highlighted positive industrial growth expectations and effective tariff mitigation strategies. PH’s proven ‘Win Strategy,’ emphasizing operational excellence and cost control, continued to drive consistent margin expansion and shareholder value through dividend increases and share buybacks.

The 5 largest performance detractors were UnitedHealth Group Incorporated (UNH), Fiserv Inc. (FI), Bristol-Myers Squibb Company (BMY), Baker Hughes Company (BKR), and Thermo Fisher Scientific Inc. (TMO).

UnitedHealthcare missed its earnings expectations and then lowered its full-year guidance. Higher medical costs and increased demand for outpatient care and physician services, particularly within Medicare Advantage plans, drove these results. Compounding the disappointment, CEO Andrew Witty abruptly resigned, and UNH withdrew its 2025 outlook entirely, attributing the move to unexpectedly high medical costs. A media report of a Department of Justice investigation into potential Medicare fraud further eroded confidence, driving shares lower. Fiserv is a global leader in financial technology and payments, providing merchant acquiring, payment processing, and banking solutions to businesses, banks, and credit unions. The primary source of weakness during the quarter was a slowdown in the Clover point-of-sale platform, with volume growth decelerating year-over-year. FI’s Merchant Solutions segment

experienced reduced consumer discretionary spending in categories like travel and restaurants; however, management reaffirmed its 2025 revenue and earnings guidance. Bristol-Myers' share weakness was driven by investor concerns over disappointing trial results and uncertainty surrounding potential U.S. tariffs on pharmaceuticals, which could increase costs. We are assessing BMY against alternatives as the company pursues cost reductions and advances its pipeline.

Baker Hughes' shares were pressured by a cautious global economic outlook driven by geopolitical tensions, trade policy uncertainty, and China's slower growth. Projected declines in upstream spending for 2025, alongside tariff-related cost inflation, further weighed on the Oilfield Services & Equipment segment. We remain bullish on BKR's long-term prospects, fueled by its leadership in energy technology and rising demand for Industrial & Energy Technology (IET) solutions aligned with decarbonization trends. Strategic cost management and a diversified portfolio position BKR to overcome cyclical challenges and thrive in emerging energy markets. Lastly, Thermo Fisher provides analytical instruments, equipment, reagents, and services to advance research, diagnostics, and biopharmaceutical production. TMO shares faced pressure following a cautious quarterly conference call. We remain optimistic about TMO's long-term outlook. Its leadership in high-growth sectors like biopharmaceuticals and diagnostics, fueled by rising global demand for precision medicine, positions TMO for consistent revenue growth.

Top 5 Performance Contributors ^a as of 06/30/2025 Quarter Return (%) (gross of fees)

Vertiv Holdings Company (VRT)	77.9
Microchip Technology Inc (MCHP)	46.5
Microsoft Corporation (MSFT)	32.7
JPMorgan Chase & Company (JPM)	19.0
Parker-Hannifin Corporation (PH)	15.2

Bottom 5 Performance Detractors ^a as of 06/30/2025 Quarter Return (%) (gross of fees)

UnitedHealth Group Inc (UNH)	-40.0
Bristol-Myers Squibb Company (BMY)	-23.3
Fiserv Inc (FI)	-21.9
Thermo Fisher Scientific Inc (TMO)	-18.4
Baker Hughes Company (BKR)	-12.2

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.

STRATEGY ACTIVITY

The Strategy added Dover Corporation (DOV) in Q2.

Dover is a diversified industrial manufacturer delivering niche components, equipment, and services across five operating segments. With a market capitalization of just over ~\$20B. DOV focuses on high-margin, secular growth markets like clean energy, biopharma, and data centers, alongside stable industrial end-markets. Ongoing efforts have reshaped DOV's business portfolio through strategic acquisitions and divestitures with an emphasis on improving its growth profile, enhancing profitability, reducing cyclicity, and optimizing capital allocation. Capital deployment includes ongoing share repurchases as well. Shares are trading at attractive valuation levels versus the broad market and the Industrials sector specifically.

The Strategy sold Honeywell International Inc. (HON) during the quarter.

Honeywell is a multinational conglomerate specializing in aerospace, building technologies, performance materials, and safety solutions. We appreciate the high-quality nature of the business model, consistent execution, and low volatility inherent in the shares. HON is in the process of a major restructuring that effectively involves breaking up the company by spinning off or separating several of its key businesses into independent entities. Shareholder value unlocked by the restructuring appears to be reflected in the company's valuation. Also, there are risks involved in the breakup stemming from the complexity of separating a large conglomerate into multiple independent entities while maintaining operations and pursuing other strategic actions such as acquisitions. We viewed DOV as an attractive swap candidate.

OUTLOOK

We continue to see reasonable economic growth, yet are mindful of a softening economic outlook, the impact of Congress passing the Big Beautiful Bill, and rising equity valuations. Therefore, we remain focused on diversification and valuation, as always.

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Source: Dana Investment Advisors; (a) FactSet Research Systems; (b) Morningstar Direct.