



DANA LARGE CAP VALUE EQUITY STRATEGY

QUARTERLY
REVIEW

As of June 30, 2026

U.S. equities advanced through the second quarter as investors looked past uneven macro data, tariff uncertainty, and intermittent geopolitical stress, focusing instead on resilient corporate earnings, firming capital spending, and continued interest in AI-related infrastructure. Leadership remained concentrated in large-cap companies tied to technology, data centers, industrial automation, and financial services, while more defensive and commodity-sensitive areas were mixed. The Russell 1000 Value Index reflected these crosscurrents, seeing composition being further adjusted due to the June Russell reconstitution, which increased the benchmark's exposure to mega-cap technology and technology-adjacent companies, with corresponding weight reductions across several more traditional value sectors.

Against that backdrop, the Dana Large Cap Value Strategy stayed focused on disciplined portfolio construction, sector neutrality, and company-specific fundamentals. We used the quarter to add select businesses with durable growth drivers and attractive risk/reward profiles while trimming or exiting positions where the catalyst path had narrowed, benchmark weights shifted, or the forward return profile became less compelling.

STRATEGY PERFORMANCE

The top five contributors to performance were Cisco Systems Inc. (CSCO), Microchip Technology Inc. (MCHP), Vertiv Holdings Company (VRT), Caterpillar Inc. (CAT), and Morgan Stanley (MS).

The Strategy's leading contributors shared a common theme: the buildout of AI and data center infrastructure, which continued to pull capital toward the companies that supply the networking, computing, and power backbone of next-generation workloads. In technology and communications equipment, Cisco Systems benefited from that trend, topping earnings and revenue expectations and raising its fiscal 2026 outlook as hyperscaler capital spending lifted networking demand and its Splunk acquisition deepened an AI-driven security and automation offering. The semiconductor complex added to results through Microchip Technology, which beat expectations as revenue cleared the high end of guidance, inventories leaned out, and bookings reached their best level in nearly four years. With its recovery plan nearing completion and demand firming across aerospace and defense, data center, industrial, and automotive end markets, investors gained confidence in a fundamental turnaround. Vertiv Holdings also contributed, profiting from rising investment in the power, cooling, and connectivity systems that dense computing requires, and management's decision to raise its long-term growth outlook reinforced the case for a multi-year data center investment cycle.

Beyond the technology-adjacent holdings, strength came from areas geared to real-economy demand. In Industrials, Caterpillar delivered double-digit growth in sales and revenues with earnings rising even faster while an expanding backlog and a raised full-year outlook signaled durable end-market strength; the shares advanced as investors connected infrastructure spending, data center and power generation demand, and easing tariff concerns to a higher earnings path. Financials also contributed, led by Morgan Stanley, where momentum in Wealth Management, steady financing revenues, and a recovering capital markets backdrop supported a balanced, fee-oriented earnings mix that investors were willing to pay up for.

Together, these five holdings reflect the quarter's leadership: secular AI and infrastructure demand paired with high-quality franchises generating dependable, well-diversified earnings.

The top five detractors to performance were Boston Scientific Corporation (BSX), Regeneron Pharmaceuticals Inc. (REGN), Kroger Company (KR), Exxon Mobil Corporation (XOM), and T-Mobile US Inc. (TMUS).

The quarter's largest detractors were concentrated in Health Care and consumer-facing businesses, where softer guidance and company-specific setbacks outweighed the market's broader advance. In medical devices, Boston Scientific lost ground after management trimmed its full-year organic growth outlook, reflecting softer expectations across several higher-multiple franchises when competitor launches chipped away at shares, and gross margin also

Top 5 Performance Contributors ^a as of 06/30/2026 Quarter Return (%) (gross of fees)

Cisco Systems Inc (CSCO)	52.2
Caterpillar Inc (CAT)	50.6
Microchip Technology Inc (MCHP)	41.8
Vertiv Holdings Company (VRT)	33.6
Morgan Stanley (MS)	27.7

Bottom 5 Performance Detractors ^a as of 06/30/2026 Quarter Return (%) (gross of fees)

Boston Scientific Corporation (BSX)	-32.0
Kroger Company (KR) ‡	-22.3
Regeneron Pharmaceuticals Inc (REGN)	-19.2
Exxon Mobil Corporation (XOM)	-18.9
T-Mobile US Inc (TMUS) ‡	-16.7

‡ Return is from the beginning of the quarter through date stock was sold.

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.

compressed modestly on tariff-related costs and inventory charges. Regeneron proved a bigger drag within the sector, working through a failed Phase 3 trial, manufacturing disruptions, weaker EYLEA HD sales, and rising operating expenses — a combination that pressured both earnings and sentiment. In Consumer Staples, Kroger contended with external headwinds from fuel inflation and cautious consumer spending alongside deliberate internal investment in associates and store operations; those choices should support the franchise over time, but they weighed on near-term results.

Macro and competitive dynamics drove the remaining detractors. In Energy, Exxon Mobil retreated as the earlier-year rally in crude reversed sharply; a de-escalation between the U.S. and Iran, together with workarounds around the Strait of Hormuz, unwound the geopolitical risk premium that had lifted the group, pulling oil prices meaningfully lower into quarter-end and dragging on the broader energy complex. In communications, T-Mobile lagged despite continued benefits from 5G leadership, fixed wireless gains, and merger-related efficiencies, as investors focused on the risk that SpaceX could enter wireless, unsettling a stable three-player market and pressuring pricing.

Across these holdings, the common theme was resets in near-term expectations versus a deterioration in franchise quality, whether from guidance cuts, pipeline and execution stumbles, a fading commodity premium, or emerging competitive threats.

STRATEGY ACTIVITY

The Strategy purchased Amphenol Corporation (APH), Salesforce Inc. (CRM), Dollar General Corporation (DG) and J.M. Smucker Company (SJM).

Trading activity during the quarter reflected a mix of fundamental convictions and disciplined portfolio construction. On the buy side, we leaned into secular growth themes and durable franchises trading at reasonable valuations. On the sell side, several exits stemmed less from deteriorating theses than from corporate actions and the annual Russell reconstitution, which reshaped sector weights across the benchmark. Because the Strategy is managed to sector neutrality, the June rebalance prompted a consolidation of a handful of sectors into fewer, higher-conviction positions and to fund additions elsewhere without altering the portfolio's overall risk posture.

Strategy additions fell into two camps. The first extended the portfolio's exposure to AI-driven growth. Amphenol, where high-speed and power interconnect solutions are winning shares as datacom demand accelerates, backed by record orders, a widening addressable market, and steady bolt-on acquisitions, and Salesforce, which pairs a sticky core franchise in sales, service, and collaboration software with fast-scaling AI assistants and unified-data offerings, all at a valuation that has become more reasonable as margins widen and capital returns step up. The second camp targeted resilient consumer value. Dollar General followed a solid quarter with raised guidance, margin progress, and a favorable shift toward higher-margin non-consumables while its price positioning continued to attract both budget-minded and trade-down shoppers. J.M. Smucker rounded out the additions, combining cash-generative coffee and pet food brands, sustained volume growth in Uncrustables, and self-help potential from Hostess, with Elliott Management's recent board additions offering a credible catalyst for sharper capital allocation—all at a discount to the Consumer Staples peer group.

The Strategy sold Caesars Entertainment Inc. (CZR), DuPont de Nemours Inc. (DD), Alphabet Inc. (GOOGL), Fortune Brands Innovations Inc. (FBIN), Kroger Company (KR), Mondelez International Inc. (MDLZ), and T-Mobile US Inc. (TMUS).

The decision to exit the above holdings primarily reflected two sets of considerations: the first being structural and the second based on fundamentals. Several holdings were sold as a matter of portfolio construction rather than conviction. Caesars Entertainment was sold after Fertitta Entertainment agreed to acquire the company in an all-cash deal that leaves limited remaining upside. Three Materials holdings were trimmed to two by exiting DuPont, a high-quality business whose recent spin-off had largely played out as a catalyst, and we used the Russell reconstitution to consolidate Communication Services from four holdings to two, making Alphabet a source of funds despite an unchanged view on the company.

The remaining sales reflected weakening fundamentals. Fortune Brands Innovations faced compressing margins, tariff pressure, and repeated guidance cuts against a soft single-family construction backdrop, Kroger grappled with slowing sales, margin compression, an earnings miss, and pharmacy struggles alongside a reduced cash flow outlook, and Mondelez contended with sharply slower North American growth, elevated cocoa costs weighing on margins, and softening demand across developed and emerging markets. The Strategy also exited T-Mobile, where muted growth expectations, broadband churn risk, integration overhang, and mounting competition from SpaceX's Starlink clouded the path forward.

OUTLOOK

While individual quarters will bring their share of surprises, Dana's approach does not change with the headlines. Rather, the Strategy adheres to a disciplined, repeatable process built on fundamental research, buying high-quality businesses with durable competitive advantages, healthy balance sheets, and the cash generation to compound value over time. Sector neutrality also helps to more closely tie investment returns to security selection rather than uncompensated macro bets, and our long-term perspective allows us to look through near-term volatility and shifting sentiment to focus on what ultimately drives value: the quality of the underlying franchises and the price paid for them. We remain confident that this consistent discipline positions the Strategy to serve our clients well across a full market cycle.

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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.