



DANA SMALL CAP EQUITY STRATEGY

QUARTERLY REVIEW

As of September 30, 2025

The S&P 500 Index extended its rally in the third quarter of 2025, buoyed by robust corporate earnings and the Federal Reserve's long-awaited September rate cut. Market leadership once again tilted toward mega-cap stocks, though small caps, represented by the Russell 2000 Index, also participated in the rally. Despite this broad strength, lingering uncertainties—ranging from unresolved tariff disputes and their inflationary risk to the prospect of a government shutdown—still kept many investors cautious. For now, sentiment remains steady as markets adopt a “wait-and-see” approach.

STRATEGY PERFORMANCE

The top 5 performance contributors were Installed Building Products Inc. (IBP), Veeco Instruments Inc. (VECO), Powell Industries Inc. (POWL), Modine Manufacturing Company (MOD) and Insmmed Inc. (INSM).

Installed Building Products posted robust Q3 performance as revenue grew over 3% year-over-year and EPS significantly beat expectations, supported by solid demand in residential construction and favorable pricing. Veeco Instruments likewise delivered strong Q3 results driven by substantial orders for wet processing systems from AI and high-performance computing customers, resulting in record semiconductor segment revenue and expanded margins. Powell Industries excelled on strong execution, achieving significant gross margin improvement and a record \$1.4 billion backlog. The company continued its strategic expansion by acquiring U.K. company, Remsdaq. This acquisition enhances its automation solutions and predictive analytics capabilities for the electrical industry. Modine Manufacturing's strong Q3 was powered by double-digit sales and gross profit growth from exceptional demand for data center cooling and HVAC products, aided by the successful Scott Springfield acquisition. Biopharmaceutical company, Insmmed, continued consistent double-digit revenue growth for ARIKAYCE, as well as significant advancement of its late-stage pipeline and the anticipated brensocatib launch to treat non-cystic fibrosis bronchiectasis, a serious lung disease. Insmmed fortified its financial position after a successful secondary offering.

The largest 5 performance detractors were Lantheus Holdings Inc. (LNTH), SPS Commerce Inc. (SPSC), Simply Good Foods Company (SMPL), TransMedics Group Inc. (TMDX), and Pinnacle Financial Partners Inc. (PNFP).

Lantheus Holdings dropped after missing Q2 EPS and revenue expectations and guiding FY EPS down significantly, citing intensified pricing pressures from competitors and anticipated contract-driven price compression into Q4. Additionally, uncertainty around the Centers for Medicare and Medicaid Services' (CMS) proposed CY26 reimbursement updates raised visibility concerns. TransMedics Group detracted from returns despite beating on Q2 revenue expectations. TransMedics' organ transplant trends are likely to require additional aircraft, potentially increasing capital expenditures and operational costs. Rising R&D also pressured margins in the near term. SPS Commerce reported slower organic growth and some headwinds related to a slower macro environment. Simply Good Foods experienced margin pressure despite its sales growth, and management did note softening growth in key brands. Pinnacle Financial reported slowing loan growth. Also, investors are skeptical of its merger with Synovus.

Top 5 Performance Contributors ^a as of 09/30/2025 Quarter Return (%) (gross of fees)

Installed Building Products Inc (IBP) ‡	51.4
Veeco Instruments Inc (VECO)	49.8
Powell Industries Inc (POWL)	45.0
Modine Manufacturing Company (MOD)	44.3
Insmmed Inc (INSM)	43.1

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

Bottom 5 Performance Detractors ^a as of 09/30/2025 Quarter Return (%) (gross of fees)

Lantheus Holdings Inc (LNTH) ‡	-28.9
SPS Commerce Inc (SPSC)	-23.5
Simply Good Foods Company (SMPL)	-21.4
TransMedics Group Inc (TMDX)	-16.3
Pinnacle Financial Partners Inc (PNFP)	-14.8

‡ 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.

STRATEGY ACTIVITY

The Strategy added Ionis Pharmaceuticals Inc. (IONS), Adtalem Global Education Inc. (ATGE), FB Financial Corporation (FBK), LivaNova plc (LIVN), and Lumentum Holdings Inc. (LITE).

Ionis Pharmaceuticals has three commercial drugs and ten more late-stage RNA-targeted therapy candidates in the pipeline, positioning the company for pioneering new treatments for rare and common diseases with significant commercial potential. Adtalem is a for-profit education provider in niche spaces like veterinary science. They are leveraging operating improvements and steadily improving margins. The company has minimal near-term regulatory risks and a focus on profitable growth in professional education. FB Financial is a bank holding company poised to gain scale and efficiency. We anticipate tangible book value growth and long-term benefits including margin improvement and geographic diversification from the merger with Southern States Bancshares. LivaNova is managing costs well and maintaining leadership in cardiopulmonary products, while rolling out neuromodulation therapies. Lumentum is a leader in optical and photonic technologies that are crucial for cloud and AI infrastructure. We see robust growth prospects ahead amid escalating demand for high-speed data communications.

The Strategy sold Blueprint Medicines Corporation (BPMC), Fabrinet (FN), Installed Building Products Inc. (IBP), Lantheus Holdings (LNTH), and Synovus Financial Corporation (SNV).

The acquisition of holding Blueprint Medicines by Sanofi S.A. was completed in Q3. Installed Building Products rallied on Q2 earnings, blowing through the high end of their historic multiples. We sold into the price jump. Residential construction is waning and likely to impact pricing power and organic volume growth going forward. Fabrinet guided a sequential dip in datacom revenues as the transition to new products is bound by supply constraints. Expectations have been high, and the shares are priced that way. Lantheus is feeling the pinch from competition and greater CMS reimbursement uncertainty. Synovus is under pressure from challenging regional bank sector dynamics including strained deposit growth, increasing funding costs, and modest revenue momentum. Meanwhile investors are leery of the near-term upside after the announced merger of equals with Pinnacle Financial (PNFP).

OUTLOOK

Earnings growth has remained solid this quarter, echoing last quarter's trend. That strength is tempered, however, by signs of softening in both the housing and labor markets. Against this backdrop, we remain disciplined in our approach, emphasizing relative valuation for stock selection and diversification as we move forward.

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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.