



# DANA | Investment Advisors

January 17, 2017

Dear Clients and Friends,

Happy New Year and thank you for your continued support and trust. 2016 was quite a year of change. Besides the many market swings and a wild political environment, we moved into our new office during the fourth quarter. We doubled our office space and significantly invested in creating an employee friendly, technologically advanced and environmentally responsible new home. We look forward to hosting an open house in early March, but please feel free to visit us before then.

Our firm has continued to steadily grow and enhance our services. Thanks to your help our assets under management have grown to over \$7 billion. I'm also very proud to announce that Pensions & Investments Magazine has recently again recognized Dana Investment Advisors as the **top ranked** place to work in their "**Best Places to Work**" survey among money management firms with fewer than 50 employees. We continue to focus on creating an outstanding environment where talented employees can come together as a cohesive team to provide excellent value and personalized service, while generating consistent performance for our clients remains our primary goal.

Fortunately our high quality environment and continued growth has enabled us to expand our talented team to 43 professionals as of year-end. Our most recent addition, Sean McLeod, was added to our analyst team and is a CFA with over 20 years of analyst and portfolio manager experience. We also recently recognized several employees for their continued growth and leadership by announcing the following promotions: Rob Leuty was named Director of Fixed Income, George Tsiamis was promoted to Director of Trading and Operations, and Alton Weigley was promoted to Sales and Portfolio Specialist. Our employee development and internal promotions are meaningful investments into our future growth and success.

We also publicly launched two new investment Strategies in 2016, a Preferred Income Strategy and a Socially Responsible Bond Strategy. We have been managing both strategies for select client accounts for over five years and based on our success, felt other clients could benefit from their higher yield and sophisticated social screening respectively.

The investment business is fast moving and never easy or dull. We are focused on making our investment offerings the best in the market. We will keep you advised of market and firm developments as the year progresses. Please do not hesitate to contact us with any questions or if we can provide further assistance.

Sincerely,

A handwritten signature in black ink that reads "Mark R. Mirsberger". The signature is fluid and cursive, written in a professional style.

Mark R. Mirsberger, CPA  
Chief Executive Officer



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THE DANA VIEWPOINT

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*January 17, 2017*

*Dow: 19,885*

## **Make the Economy Great Again**

It was interesting watching the stock market the first Friday in January. The Dow Industrials came within 37 cents of hitting 20,000 and then backed off, followed by several more attempts to break that psychological level. Barring any extreme bad news that level will be breached, maybe before the inauguration. After the inauguration, the market may take a breather while investors monitor President Trump's success in implementing his policies to stimulate the economy. He should be able to reform Dodd-Frank, legislation that has imposed over 2,000 regulations that have shackled economic growth, and retract some of the over 2,000 executive rules signed by his predecessor. His plan for a corporate tax cut from 35% to 15% may be a bit much even for Republicans. If he can sell Congress on a 25% rate coupled with a reduction in regulation, that should be enough to encourage people to start new companies or expand their existing business. During the recent low interest rate environment, corporations have been borrowing money and using some of the funds to buy back their stock in order to boost per share earnings. They still have cash on their balance sheets, and those funds should find their way into expansion of existing businesses and creation of new businesses. If all this works we will see economic growth and the creation of new jobs. The creation of jobs will not only increase our tax base, but will help solve many of our social problems. Whether you like Mr. Trump or not, he will be our next President. He is surrounding himself with people who have been successful in other fields. Success often breeds success. Like his predecessor who had control of the House and Senate, Trump will have Republican control of both houses. He will have a minimum of two years to produce some results, especially on the economic front. If the public is not satisfied, they will return the Senate and maybe even the House to the Democrats. Anyone remotely connected to the economy should be pulling for the success of his plans.

Whatever happened to Fannie and Freddie? Well, they are still alive and kicking. Those two giant government backed mortgage companies are still writing and buying mortgages. They still control about 67% of the mortgage market. Their stocks are both around \$3.80 per share, up from about \$1.50 as recently as last November. Congress is still discussing what to do with them. They were bailed out by the taxpayers and have improved their balance sheets. Some in Congress want them to be fully backed agencies of the government and others want them privatized with no government backing. Two Senators - Mike Crapo (R) and former Senator Tim Johnson (D) - have a bipartisan proposal on the table. The proposal would wind down the companies and transfer their assets to a securitized platform owned by market participants that would have

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explicit guarantees from another government agency. Shareholders have filed lawsuits to stop the current “profit sweep” where the government takes the quarterly profits. An ultimate solution is probably a ways off as the new administration has more important issues to address.

And yes, there was a jobs report January 6th. Not a good one either; 2016 was the worst year for job creation since 2012. The government reported that the economy created 156,000 new jobs in December. However, the markets are now looking forward not backward. Even the Fed is anticipating that economic growth will push that number higher by February or March. They would like to hike rates another 0.25% this spring. Mr. Trump has set some lofty goals and it doesn't seem possible that he can deliver on all of them. Hopefully he delivers on his economic goals. We need more than the 1.8% annual growth in GDP that we have been averaging over the last 8 years.

The price of crude oil recently hit a twelve month high of \$55 a barrel on an intra-day basis and then backed off. It remains to be seen if the OPEC (Organization of Petroleum Exporting Countries) nations can hold to their production cuts. If they can, the price of oil could move to \$60 a barrel. Predicting what OPEC will do is more difficult than predicting the weather.

**Random Thought for January 2017:** Donald Trump is the fifth President that has never before served in an elected political office. The other four were Zachary Taylor, Ulysses Grant, Herbert Hoover, and Dwight Eisenhower.

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*If you would prefer to have our newsletter e-mailed, please send your e-mail address to [newsletter@danainvestment.com](mailto:newsletter@danainvestment.com).*



### **Dana Investment Advisors, Inc. Announces Promotions of Three Employees**

Wisconsin – January 4<sup>th</sup>, 2017 – Dana Investment Advisors, Inc. promoted Rob Leuty to Director of Fixed Income, George Tsiamis to Director of Trading and Operations, and Alton Weigley to Sales and Portfolio Specialist. These promotions reflect individual accomplishments and contributions to the Firm’s success.



Rob will be responsible for oversight and guidance of Dana’s Fixed Income Team. His twenty plus years of fixed income experience helps provide the Team with valuable insights. Rob was previously a Senior Vice President and Portfolio Manager and has been with the Firm since 2002.



George will be responsible for the oversight and coordination of the Firm’s Operations Department in addition to his role of leading the Trading Department. George was previously a Senior Vice President and Director of Trading. He has been with the Firm since 2007.



Alton will continue to support the Firm’s sales and marketing efforts with increased responsibilities in communications between Portfolio Managers and clients. He was previously an Internal Sales Consultant and has been with the Firm since 2014.

### **About Dana Investment Advisors, Inc.**

Dana Investment Advisors, a SEC Registered Investment Advisor, provides equity and fixed income asset management services for corporations, endowments, foundations, family offices, individuals and independent Registered Investment Advisors (RIAs). Dana currently advises on over \$7.0 billion in separate accounts, unified managed accounts and mutual funds.