



Over the fourth quarter, the Federal Reserve continued tightening financial conditions by raising the fed funds rate to 4.50%. Chairman Powell continued to deliver the message to the markets that the Federal Reserve will remain aggressive in its actions until “clear and convincing” data emerges showing that inflation has receded back toward 2-2.5% levels. The cumulative effect of all these factors led to a very significant increase in interest rates at the front end of the yield curve. The 1-month through 7-year portion of the curve yields traded between 4-5% for the first time since before the financial crisis. All taxable fixed income sectors posted positive returns for the quarter.

The S&P 500 Index delivered a most welcome +7.56% return in the fourth quarter. While volatility kept investors on their toes, the bounce into December had good breadth. Importantly, earnings reports also remained satisfactory with most companies exceeding analyst expectations and avoiding worst-case market fears in their forecasts. This is also only the third negative annual return for the Index in the past twenty years. While we certainly won’t miss 2022, we are pleased to see the “growth at any price” mentality dissipate. Valuations that have compressed relative to year-ago levels should help to stabilize the equity market, and a more fundamentally driven market favors Dana’s active management and relative value approach.

### STRATEGY CONTRIBUTORS

**Corporate Sector** – Overweight in this sector was a contributor as investors continued to find attractive bond yields and spreads tightened. In addition, the pricing power of corporations and the ability to pass on higher costs to customers is seen as a strength by investors, who are otherwise inundated with the talk of impending recession in the near future.

**Consumer Discretionary, Information Technology, and Communications Services** – Very strong returns from Tapestry, Inc. (TPR) and homebuilder, D. R. Horton, Inc. (DHI), a number of software holdings, and marketing and advertising holding, Interpublic Group of Companies (IPG) contributed to performance. Notably, not owning Tesla, Inc. (TSLA) was a boost to performance.

Average Annual Total Return as of 12/31/2022	Unannualized						
	Quarter	1 Year	3 Year	5 Year	10 Year	20 Year	Since GIPS Inception †
<b>Dana Balanced Strategy (gross of fees)</b>	<b>6.40</b>	<b>-15.68</b>	<b>3.59</b>	<b>5.13</b>	<b>7.41</b>	<b>7.25</b>	<b>7.54</b>
<b>Dana Balanced Strategy (net of fees)</b>	<b>6.27</b>	<b>-16.09</b>	<b>3.09</b>	<b>4.63</b>	<b>6.89</b>	<b>6.71</b>	<b>6.94</b>
Blended Balanced Index	5.16	-14.04	4.62	6.38	8.18	7.27	7.72

Equity Characteristics <sup>a b</sup>	Dana Large Cap Equity Strategy	S&P 500 Index
Market Cap (\$ billions)	292.8	417.5
Median Market Cap (\$ billions)	55.7	29.6
Dividend Yield (%)	1.8	1.7
3 Year Dividend Growth (%)	10.6	8.1
Return on Equity (ROE) (%) <sup>2</sup>	30.3	31.2
P/E NTM <sup>1</sup>	14.7	17.4
P/E LTM <sup>1</sup>	16.1	17.5
Historical 3Yr Sales Growth (%)	11.3	11.6
PEG	1.3	1.6

Weighted Average unless noted:  
<sup>1</sup> Weighted Harmonic Average; <sup>2</sup> Weighted Median

Fixed Income Characteristics	Dana Intermediate Bond Strategy	ICE BofAML 1-10 Year G/C Index <sup>c</sup>
Yield to Maturity (YTM) (%) †	4.81	4.60
Effective Duration	3.53	3.78
Average Maturity (Years)	4.09	4.21
Average Credit Quality	Aa3	Aa1

† For callable bonds, the expected yield to call is used.

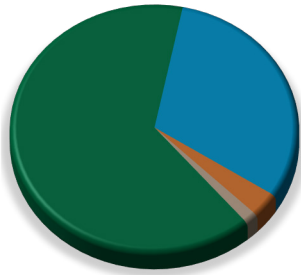
Statistics (net of fees) <sup>b</sup>	Dana Balanced Strategy	Benchmark Index
Monthly Returns Since 12/31/2002		
Beta	1.11	1.00
Sharpe Ratio	0.53	0.67
Batting Average	.525	-

### STRATEGY DETRACTORS

**Duration** – Relatively shorter duration of the corporate sector vs the benchmark was a detractor in Q4 as the longer maturity bonds that fell earlier in the year rebounded the most. With a year of varying market conditions and rising rates, having a more conservative duration posture in the Strategy for the year as a whole was also an intentional risk mitigator.

**Energy, Financials, and Materials** – Lack of exposure to energy majors, Exxon Mobil Corporation (XOM) and Chevron Corporation (CVX), detracted from relative performance and holding, Cheniere Energy, Inc. (LNG) was weak. Bank stocks lagged capital markets leaning financial firms, and materials company Albemarle Corporation (ALB), fell late in the quarter on recessionary concerns and EV demand.

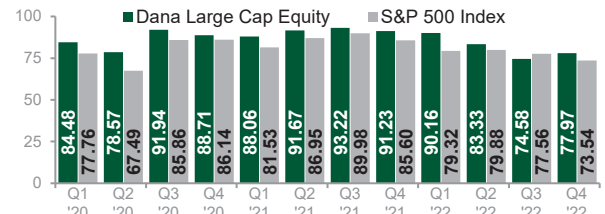
## Asset Allocation as of December 31, 2022



- 64% - Equity
- 31% - Fixed Income
- 3% - Preferred Income
- 1% - Cash

Due to rounding, totals may not equal 100%

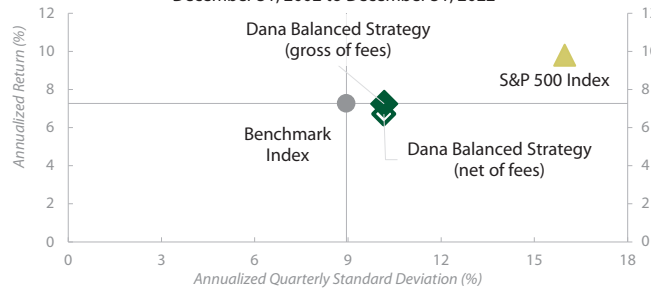
## % Meeting or Exceeding Earnings Expectations



Dana's Large Cap Equity Strategy holdings continue to execute well, experiencing more positive earnings surprises than the S&P 500 Index.

## Risk / Return <sup>b</sup>

December 31, 2002 to December 31, 2022



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Return Gross of Fees	12.13%	18.48%	10.27%	0.06%	5.33%	15.63%	-6.26%	23.23%	12.18%	17.53%	-15.68%
Total Return Net of Fees	11.55%	17.87%	9.71%	-0.45%	4.79%	15.08%	-6.69%	22.66%	11.64%	16.95%	-16.09%
Benchmark Return	11.37%	18.17%	9.46%	1.43%	7.97%	13.94%	-2.01%	21.34%	14.78%	16.04%	-14.04%
Composite 36 Month Standard Deviation	9.08%	7.80%	5.97%	6.48%	6.68%	6.09%	7.04%	7.71%	12.40%	11.60%	14.66%
Benchmark 36 Month Standard Deviation	7.75%	7.59%	5.54%	6.37%	6.25%	5.76%	6.28%	7.06%	11.23%	10.44%	13.31%
Number of Portfolios	56	61	76	127	141	144	144	113	114	122	126
Internal Dispersion	2.10%	4.30%	2.53%	0.76%	0.97%	2.95%	1.23%	1.30%	1.79%	1.46%	1.13%
Composite Assets (US\$ millions)	224.6	263.1	288.1	297.6	287.9	307.0	248.7	191.8	196.7	222.9	154.0
Strategy Assets (US\$ millions)	230.6	269.0	296.1	313.5	318.2	345.4	288.6	244.0	255.3	293.3	214.2
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	4,427.7
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	6,816.3

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.

Asset allocation, statistics, and performance data is presented for the Dana Balanced composite. Equity and fixed income characteristics only pertain to the identified investment strategies. While the identified investment strategies are contained in the Dana Balanced composite, their respective characteristics do not represent the overall Dana Balanced composite's characteristics, as actual characteristics vary based upon client preferences.

Dana Investment Advisors, Inc. ("Dana") claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has prepared and presented this report in compliance with the GIPS standards. GIPS is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Dana has been independently verified for the periods January 1, 1992 through December 31, 2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Dana Balanced composite has had a performance examination for the periods January 1, 1992 through December 31, 2021. The verification and performance examination reports are available upon request.

- **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:** December 31, 1987.
- **Composite Definition:** The Dana Balanced composite includes all fee-paying, discretionary equity portfolios that invest in a blend of U.S. and International equities and fixed income securities with the goal of providing long-term capital appreciation and income within a well-diversified balanced 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 blended benchmark for the Dana Balanced composite consists of 60% S&P 500 Index and 40% ICE BofAML 1-10 Year US Corporate & Government Index ("ICE BofAML 1-10 Yr C/G Index"). The blended benchmark is rebalanced at the beginning of each quarter. Prior to January 1, 2012, the blended benchmark utilized as the composite benchmark was 50% S&P 500 Index and 50% ICE BofAML 1-10 Year US Corporate & Government Index. The change was made as the asset allocation and characteristics of Dana Balanced composite portfolios more closely match those of a 60% S&P 500 Index and 40% ICE BofAML 1-10 Year US /Corporate & Government Index blend.
- **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. 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 Balanced fee schedule is 0.65% on the first \$10MM, 0.55% on the next \$15MM, and 0.45% 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 net-of-fees composite and the benchmark monthly returns for the period.
- **Internal Dispersion:** Dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Past performance is not indicative of future results.

Data and Chart Sources: Dana Investment Advisors; <sup>(a)</sup> FactSet Research Systems; <sup>(b)</sup> Morningstar Direct; <sup>(c)</sup> Bloomberg Finance L.P.; <sup>(d)</sup> GIPS inception January 1, 1992.