



DANA CARBON SENSITIVE ESG EQUITY STRATEGY

QUARTERLY REVIEW

As of December 31, 2022

After three consecutive down quarters in 2022, 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. The S&P 500 Index earnings growth was modestly positive in 2022, which raises the question, why did the Index lose -18.11% for the full year? Investors need look no further than the inflation-fighting Fed’s relentless raising of interest rates during 2022. This crushed high-flying PE ratios for many stocks and resulted in the S&P 500 Index experiencing its worst loss since 2008 (amidst the financial crisis). 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.

The Dana Carbon Sensitive ESG Equity Strategy posted a strong Q4 return of +9.12%. The equity market broadened from the narrow mega-cap tech and platform names that have dominated the past several years. Relative performance of the Strategy was positive on a fairly steady basis, which we see as a favorable signal for future relative returns of our investment style. While equity returns could be challenged over the next few months by the “known unknown” of corporate earnings in the face of a potential recession, the resiliency of the U.S. economy, an equity market sustained by relatively good fundamentals, and reasonable valuations all support our favorable outlook for the Dana Carbon Sensitive ESG Equity Strategy for 2023 and beyond.

Characteristics ^{a b}	Dana Carbon Sensitive ESG	S&P 500 Index
Market Cap (\$ billions)	264.5	417.5
Median Market Cap (\$ billions)	57.1	29.6
Dividend Yield (%)	1.9	1.7
3 Year Dividend Growth (%)	12.7	8.1
Return on Equity (ROE) (%) ²	31.9	31.2
P/E NTM ¹	15.4	17.4
P/E LTM ¹	16.0	17.5
Historical 3Yr Sales Growth (%)	12.4	11.6
PEG	1.6	1.6

Weighted Average unless noted:
¹ Weighted Harmonic Average; ² Weighted Median

Statistics (gross of fees) ^b	Dana Carbon Sensitive ESG	S&P 500 Index
Monthly Returns Since 11/30/2012		
Alpha	-1.25	-
Beta	1.00	1.00
Sharpe Ratio	0.68	0.80
Batting Average	.471	-
Information Ratio	-0.46	-

SELECT ADDITIONS

Microchip Technology, Inc. (MCHP) – Microchip Technology designs and manufactures semiconductor chips within several important categories, and serves a number of distinct end markets. Microchip’s proprietary technologies provide for high barriers to entry, a loyal customer base, lower long-term capital intensity, and the ability to sell complete solutions. Free cash flow generation is relatively consistent, and strong upward EPS revisions and improving margins add to MCHP’s attractiveness.

Walt Disney Company (DIS) – Disney has exceptional content including Marvel, Pixar and Star Wars, the highest quality theme parks, and now with the hire of Bob Iger as CEO, also has a top-notch CEO. The market appears not to be giving the company credit for these superior assets which, under the right management, could dramatically increase the earnings power of the company. Current low valuation should limit downside, while higher confidence that management can profitably transition toward streaming should elevate the stock’s valuation.

SECTOR CONTRIBUTORS

Consumer Discretionary – Some retail and a homebuilding stock led this sector higher with exceptional absolute returns. Not owning Tesla, Inc. (TSLA) was the largest contributor to relative sector performance.

Information Technology – A large majority of Strategy holdings outperformed the sector in Q4.

SECTOR DETRACTORS

Energy – The Energy sector was the strongest sector of the market in Q4. The Strategy’s lack of exposure to fossil fuel companies was a headwind during the quarter.

Financials – Modest performance from most of the Strategy holdings lagged in an outperforming sector of the S&P 500 Index. Hannon Armstrong Sustainable Infrastructure Capital, Inc. (HASI) delivered a slightly negative return in Q4.

SELECT DELETIONS

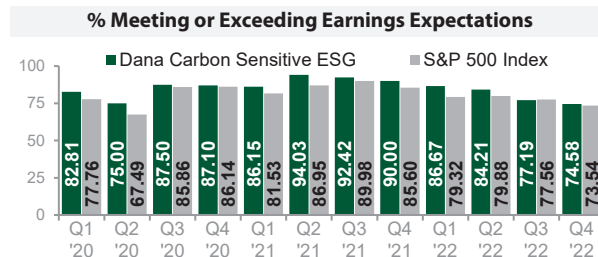
Advance Auto Parts, Inc. (AAP) – Advance Auto has seen soft trends because of share loss, while other companies in the industry have performed well. In order to mitigate share loss, the company plans incremental investments, which will hurt profitability without guaranteeing improved trends. With the increased possibility of earnings misses, there is elevated risk of poor stock performance.

Advanced Micro Devices, Inc. (AMD) – While we continue to like AMD for its technology leadership and market share gains, its premium valuation creates elevated risk from macro uncertainties and investor sentiment. The company missed consensus estimates in its latest earnings report, and guidance for the coming quarter also lagged expectations. Weak PC demand is also challenging.

Average Annual Total Return (gross of fees) as of 12/31/2022	Unannualized					Since Inception
	Quarter	1 Year	3 Year	5 Year	10 Year	
Dana Carbon Sensitive ESG Equity Strategy (gross of fees)	9.28	-19.50	5.45	6.76	11.80	11.83
Dana Carbon Sensitive ESG Equity Strategy (net of fees)	9.12	-19.97	4.81	6.09	11.06	11.09
S&P 500 Index	7.56	-18.11	7.66	9.42	12.56	12.55

Sector Allocation (%) as of 12/31/2022	Dana Carbon Sensitive ESG	S&P 500 Index	Dana Carbon Sensitive ESG Top 10 Holdings (%) as of 12/31/2022	
Communication Services	6.44	7.28	Apple Inc	3.44
Consumer Discretionary	11.75	9.80	Microsoft Corp	3.36
Consumer Staples	7.39	7.20	Alphabet Inc Class A	2.86
Energy	0.00	5.23	AbbVie Inc	2.59
Financials	12.45	11.66	General Mills Inc	2.53
Health Care	16.59	15.72	Deere & Co	2.42
Industrials	8.78	8.75	UnitedHealth Group Inc	2.35
Information Technology	27.97	25.74	Bristol-Myers Squibb Co	2.31
Materials	2.57	2.73	Thermo Fisher Scientific Inc	2.30
Real Estate	2.86	2.71	D.R. Horton Inc	2.27
Utilities	3.19	3.18		

Due to rounding, totals may not equal 100%



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

	12/1/12 to 12/31/12	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Return Gross of Fees	1.14%	36.93%	22.55%	-0.34%	5.68%	24.48%	-10.47%	32.13%	13.43%	28.41%	-19.50%
Total Return Net of Fees	1.14%	35.91%	21.66%	-1.09%	4.99%	23.69%	-11.06%	31.25%	12.75%	27.59%	-19.97%
Benchmark Return	0.91%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	18.40%	28.71%	-18.11%
Composite 36 Month Standard Deviation	N/A	N/A	N/A	10.75%	11.54%	10.68%	11.94%	12.09%	18.57%	17.36%	20.87%
Benchmark 36 Month Standard Deviation	N/A	N/A	N/A	10.47%	10.59%	9.92%	10.80%	11.93%	18.53%	17.17%	20.87%
Number of Portfolios	1	1	2	9	13	12	12	14	9	7	7
Internal Dispersion	N/A	N/A	N/A*	0.97%	1.08%	1.82%	0.61%	1.37%	1.16%	0.87%	0.77%
Composite Assets (US\$ millions)	1.9	2.8	3.6	38.2	44.2	39.6	25.1	25.1	15.8	17.6	14.0
% of Bundled Fee Assets	100.0%	100.0%	100.0%	93.4%	86.3%	81.8%	91.2%	82.1%	73.5%	68.8%	65.1%
Strategy Assets (US\$ millions)	1.9	2.8	3.6	38.2	44.2	39.6	25.2	25.3	15.8	17.6	14.0
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

* Only one account was in the composite for the entire year.

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.

Dana Investment Advisors, Inc. ("Dana") claims compliance with the Global Investment Performance Standards (GIPS®) 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 Carbon Sensitive ESG Equity composite has had a performance examination for the periods November 30, 2012 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:** November 30, 2012. The composite was known as the Dana Carbon Sensitive SRI Equity composite through December 30, 2017 and thereafter known as the Dana Carbon Sensitive ESG Equity composite.
- Composite Definition:** The Dana Carbon Sensitive ESG Equity composite includes all fee-paying, discretionary equity portfolios that invest in U.S. equities with the goal of providing long-term capital appreciation within a well-diversified ESG integrated equity strategy which does not invest in the Energy sector. The composite does not have a minimum size criterion for membership. A complete list of composite descriptions is available upon request.
- Benchmark Description:** The benchmark for the Dana Carbon Sensitive ESG Equity composite is the S&P 500 Index.
- 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. The composite contains both traditional commission paying and bundled-fee (i.e., asset-based pricing) portfolios. Trading costs are allocated to bundled-fee portfolios at actual asset-based rates. If actual asset-based trading costs cannot be readily identified, the entire bundled fee (which may include costs for administration, investment management, custody, asset allocation, etc.), net of Dana's investment management fees, is deducted from the gross return. 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 Carbon Sensitive ESG Equity fee schedule is 0.75% on the first \$10MM, 0.65% on the next \$15MM, and 0.60% 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. The 36-month annualized standard deviation is not presented for 2012 to 2014 as the periods were less than 36-months from the composite's inception.
- 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; ^(a) FactSet Research Systems; ^(b) Morningstar Direct.