



DANA INTERMEDIATE BOND STRATEGY

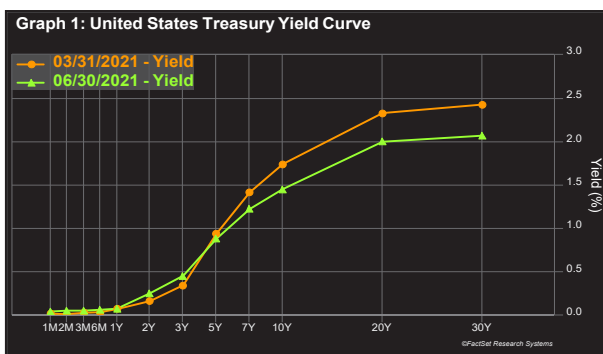
QUARTERLY
REVIEW

As of June 30, 2021

CONTINUED OPTIMISM

Strong economic expansion continued in the second quarter of 2021 and the Federal Reserve effectively conceded that, since the start of this year it had significantly underestimated the rebound out of the pandemic by raising its 2021 real GDP growth and PCE inflation forecasts from 4.2% to 7.0% and from 1.8% to 3.4%, respectively. Then, at June's FOMC meeting, the Federal Reserve's interest-rate forecast moved from zero to two interest-rate hikes in 2023, which prompted a strong market reaction.

The market's cognitive dissonance in the face of stronger economic data prompted much of the yield curve to shift lower during Q2 (Graph 1). Adding to these challenges, the Federal Reserve seemed to have clearly placed employment in front of inflationary concerns. As the Fed sought to reconcile its dual inflation and full employment mandate, it introduced an "average inflation targeting" policy which likely means that the Fed doesn't intend to pre-emptively raise rates. As a result, it is probable that the Fed would allow inflation to overshoot the previously stated inflation target of 2% for an extended period of time in order to make up for undershooting it for many years.

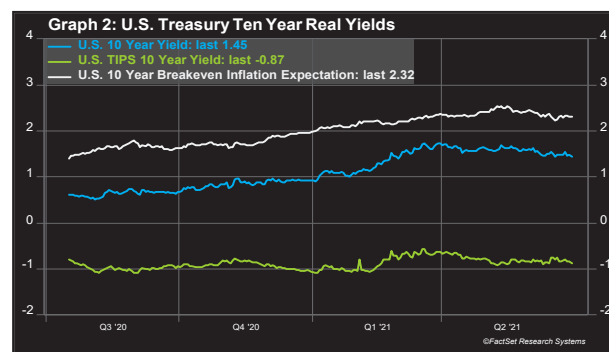


The likelihood of continued strong economic growth fueled by unprecedented fiscal stimulus, along with the Federal Reserve's willingness to allow for higher levels of inflation, forms the basis for our expectation that bond yields will likely move higher in the second half of 2021.

Our biggest near-term concern centers on negative real bond yields (nominal yields adjusted for inflation expectations). A nominal Ten-Year Treasury yield at 1.47% less the expected inflation of 2.34% translates into a negative real yield of -0.87%. This is a reflection of low expectations of rising rates (Graph 2). Negative real yields are an outgrowth of depressed economic activity and Federal Reserve monetary policy. However, as the economy improves and the Federal Reserve shifts away from its accommodative monetary policy, real rates are likely to rise taking nominal rates higher across the yield curve.

Does the prospect of easy financial conditions give way to higher interest rates? Possibly, and we view higher bond yields as an opportunity. In addition, on the positive side, it's important to remember that expansive fiscal policy and improving economic growth are supportive to the credit quality of corporate and municipal bonds. Case in point, over the past year, both taxable and municipal bonds funds experienced a quadrupling of net inflows.

The second quarter saw Treasuries rally and recoup some of their losses from the first quarter, with both April and June being the best performing months in 2021. The yield curve flattened, as intermediate rates rose slightly on concerns that the Fed might raise rates sooner than expected. Longer rates fell 20-30 basis points, highlighting market concerns that the Fed might be too early in removing stimulus. Despite these concerns, bond investors demonstrated faith in the strength of the recovery by keeping corporate spreads narrow, resulting in improved total returns for the quarter. The 10-year Treasury yield declined from 1.74% to 1.47% at quarter end. Longer maturity and lower-rated bonds across all sectors performed better than their shorter maturity counterparts. Corporations continued to take advantage of refinancing debt at very low yields, while also pushing maturities out further into the future. The lower cost of servicing their refinanced debt levels, as well as the lengthening of their average maturities, helped to reduce overall risk. As a result, investor confidence improved, especially that of global investors whose domestic bond yields remained further compressed.



We continue to suggest that investors focus on higher-credit-quality fixed income investments. Lower-credit-quality bonds, such as high-yield and emerging-market bonds, or leveraged loan funds, can be more sensitive to the ups and downs of the economy, as well as the stock market, than U.S. Treasuries or investment-grade municipal and corporate bonds. Investors should also remember that fixed income investments continue to provide many other important benefits, including diversification from equities, lower return volatility, and the added predictability of a recurring income stream.

Average Annual Total Return (gross of fees) as of 6/30/2021	Unannualized							Since Inception
	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	
Dana Intermediate Bond Strategy	1.04%	-0.59%	1.18%	5.09%	3.05%	3.13%	4.16%	4.76%
Benchmark Index	0.98%	-0.90%	0.19%	4.70%	2.63%	2.76%	3.79%	4.40%

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All data is gross of fees unless otherwise noted

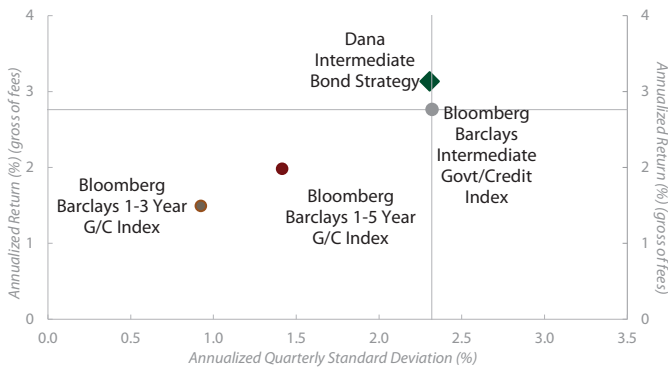
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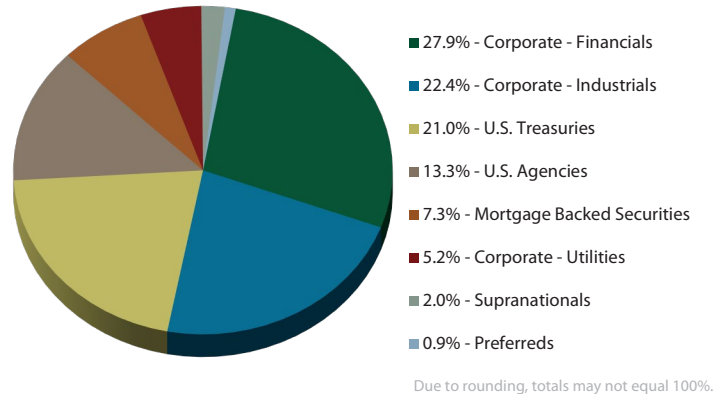
As of June 30, 2021

Risk / Return ^a

Trailing 10 Year Period Through June 30, 2021



Asset Allocation as of June 30, 2021



The Dana Intermediate Bond Strategy has outperformed its benchmark while maintaining a similar risk profile.

Characteristics & Statistics	Dana Intermediate Bond Strategy	Bloomberg Barclays Intermediate Govt/Credit Index
Yield to Maturity (YTM) ‡	1.05%	0.92%
Effective Duration	3.82	4.17
Average Maturity	4.41 Years	4.48 Years
Average Credit Quality	Aa3	Aa2
Average Coupon	3.07%	2.03%
Trailing 10 Year Alpha ^a	0.59	-
Trailing 10 Year Sharpe Ratio ^a	1.08	0.92

‡ For callable bonds, the expected yield to call is used. Data Source: BondEdge unless otherwise noted.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
Total Return Gross of Fees	3.77%	6.03%	0.32%	3.10%	1.53%	2.31%	2.61%	0.61%	7.14%	7.35%	-0.59%
Total Return Net of Fees	3.55%	5.78%	0.02%	2.79%	1.24%	2.00%	2.32%	0.33%	6.79%	7.03%	-0.73%
Benchmark Return	5.80%	3.89%	-0.86%	3.12%	1.07%	2.08%	2.14%	0.88%	6.80%	6.43%	-0.90%
Composite 36 Month Standard Deviation	2.16%	2.01%	2.11%	1.82%	1.89%	1.99%	1.92%	1.89%	1.86%	2.49%	2.48%
Benchmark 36 Month Standard Deviation	2.24%	2.16%	2.11%	1.94%	2.10%	2.23%	2.11%	2.09%	2.04%	2.31%	2.30%
Number of Portfolios	119	123	123	133	194	212	204	210	183	190	211
Internal Dispersion	1.28%	2.34%	1.03%	0.90%	0.86%	0.55%	0.51%	0.34%	1.11%	3.38%	N/A
Composite Assets (US\$ millions)	294.5	177.9	161.1	170.7	201.4	156.4	144.5	135.2	121.2	121.7	148.4
Strategy Assets (US\$ millions)	294.5	177.9	161.1	170.7	201.4	156.4	144.5	135.2	121.2	121.7	148.4
Total Firm Assets (US\$ millions)	3,061.2	3,264.2	3,662.9	4,091.7	4,490.7	4,769.4	4,865.7	5,183.2	4,548.9	4,782.0	4,535.9
Total Entity Assets (US\$ millions)	3,294.4	3,622.2	4,484.3	5,383.3	6,634.5	7,172.0	7,538.4	7,454.1	7,142.0	7,185.0	7,374.1

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, 2020.

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 Intermediate Bond composite has had a performance examination for the periods September 30, 1995 through December 31, 2020. 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:** September 30, 1995.
- Composite Definition:** The Dana Intermediate Bond composite includes all institutional fixed income portfolios that invest in intermediate duration U.S. investment grade fixed income securities with the goal of providing competitive current yield within a well-diversified, high credit quality, intermediate duration fixed income 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 benchmark for the Dana Intermediate Bond composite is the Bloomberg Barclays Intermediate Government/Credit Index ("BBIGC Index"). Prior to January 1, 2010, the ICE BofAML 1-5 Year US Corporate & Government Index was used as the composite's benchmark. The change was made to better reflect the longer duration of the Strategy as it evolved over time.
- Composite Construction:** Prior to January 1, 2009, the composite included the Intermediate Bond segment of balanced accounts. Cash was allocated to these segments based on the average cash position of the Intermediate Bond "only" portfolios in the composite.
- 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 Intermediate Bond fee schedule is 0.30% on the first \$3MM, 0.25% on the next \$7MM, and 0.20% 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 gross-of-fees composite and the benchmark monthly returns for the period.
- Internal Dispersion:** Dispersion is calculated using the equal-weighted standard deviation of annual gross 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) Morningstar Direct; (b) Bloomberg Finance L.P.

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