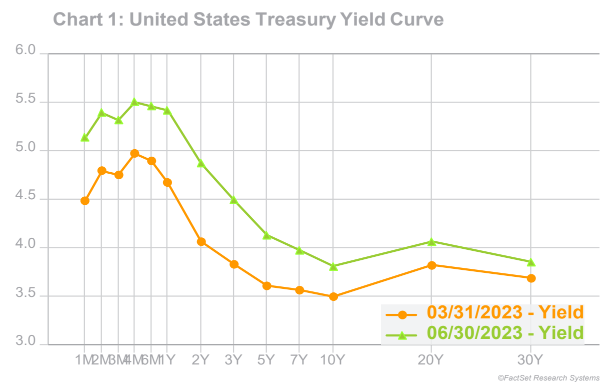
Dana Municipal Bond Strategy

Quarterly Review

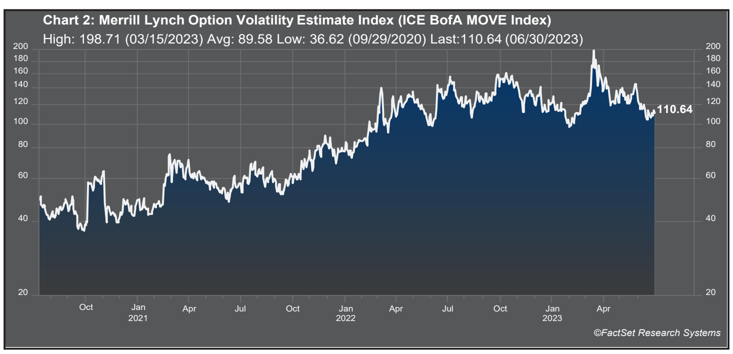
As of June 30, 2023

Skip Means More Fed Tightening

For the first time in fifteen months, the Federal Reserve held the Fed Funds Rate at 5.25% by "skipping" a rate change during the June meeting. However, Federal Reserve Chairman Powell made it clear that this skip in hikes did not mean the tightening was complete or that easing was the next Fed action; instead, he reiterated the potential for future hikes. The Federal Reserve's tightening bias carried over into the bond futures market as the market priced in an additional rate hike while eliminating meaningful rate cuts for 2023. The Two-Year U.S. Treasury yield rose 87 basis points to 4.90%, while the Ten-Year U.S. Treasury rose 37 basis points to end the quarter at 3.84% (U.S. Treasury Yield Curve – Chart 1). Market sentiment then quickly switched from an expectation of Fed easing to more Fed tightening of monetary policy as the U.S. Treasury two-year versus ten-year spread further inverted from -54 basis points to -106 basis points.



The Federal Reserve's continued restrictive policy is being validated by strong economic data. Gross Domestic Product is running at 2% as the jobs market remains strong with an average of 278,000 hires each month in 2023. Wage growth remains above pre-pandemic levels, while headline inflation at 4% (CPI) and core inflation at 5.3% remain well above the Federal Reserve's target rate of 2%. Lastly, unemployment remains very low at 3.7%. With the Federal Reserve continuing its restrictive monetary policy stance of implementing rate hikes and holding rates higher for longer, combined with regional banking stability issues, debt ceiling battles, and stronger economic data, it is not surprising that market volatility has risen and remained elevated since the depths of the pandemic (Move Index – Chart 2).



Higher levels of volatility suggest the market has very little confidence in the path of future interest rates. With the Federal Reserve mudding up the waters by adding the word "skip" to their lexicon, the market now has to contend with the likelihood that the Federal Reserve will cut, raise, pause, or skip on future interest rates based on incoming data. With the uncertainty surrounding future economic strength and the path of monetary policy, given its lag effects, today's fixed income market provides reason for active management. Bond market yields are at very attractive levels, but volatility remains elevated. It is important during periods of transitions or market volatility to remain focused on high-quality factors. A portfolio of high-quality bonds consisting of U.S. Treasuries, U.S. Agencies, and investment-grade corporate bonds can yield better than 5% without high interest-rate risk. Tax-exempt yields in municipal bonds are also attractive for investors in higher tax brackets. In these uncertain periods, investors should maintain a well-diversified core fixed income portfolio managed in an active manner to continue compounding interest no matter what path interest rates may follow into the future. Whether the yield curve flattens, steepens, twists, or inverts, an allocation to fixed income investments provide important benefits, including diversification from equities, lower return volatility, and the added predictability of a recurring income stream.

Municipal yields moved higher in the second quarter, mimicking the move higher in treasury yields, as the Federal Reserve continued to work through issues in the banking sector while also maintaining their "hawkish" view on additional rate hikes in 2023. Similar to 2022, volatility in the municipal market has been more directly related to treasury market reactions to Fed actions/comments rather than the result of weak market fundamentals or issuer credit deterioration. In that context, interest rate volatility has continued to present an opportunity to add value to client portfolios by purchasing attractive yielding bonds and reposition client portfolios for better consistency moving forward. The Dana Municipal Bond Strategy continued to benefit from actively reviewing market conditions, and the direction of interest rates, to reposition client portfolios which has helped to traverse unpredictable investment environments.

Average Annual Total Return (%) as of 06/30/2023	Unannualized Quarter	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	Since GIPS Inception‡
Dana Municipal Bond Strategy (gross of fees)	**-0.18**	**1.19**	**1.35**	**-0.37**	**1.12**	**1.42**	**2.58**	**3.65**
Dana Municipal Bond Strategy (net of fees)	**-0.25**	**1.06**	**1.08**	**-0.64**	**0.86**	**1.17**	**2.29**	**3.30**
Benchmark Index	-0.42	0.93	1.04	-0.39	1.05	1.13	2.09	3.25

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Dana Investment Advisors, Inc. • 20700 Swenson Drive • Suite 400 • Waukesha, Wisconsin 53186 • P.O. Box 1067 • Brookfield, WI 53008-1067
e-mail: Info@DanaInvestment.com • website: www.DanaInvestment.com • (800) 765-0157

Dana Municipal Bond Strategy

As of June 30, 2023

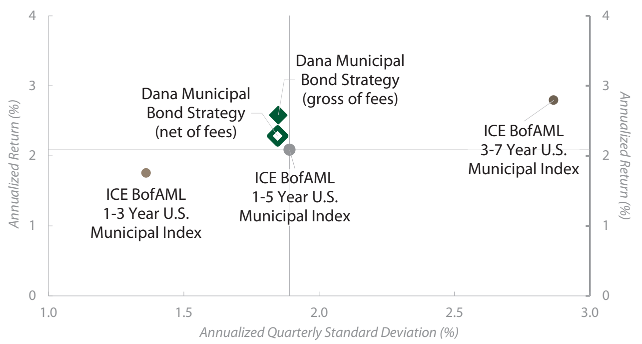
Characteristics	Dana Municipal Bond Strategy	ICE BofAML 1-5 Yr Municipal Index [b]
Yield to Maturity (YTM) (%) †	3.50	3.22
Effective Duration	2.15	2.03
Average Maturity (Years)	2.83	2.64
Average Credit Quality	Aa1	Aa2
Average Coupon (%)	3.35	4.42

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

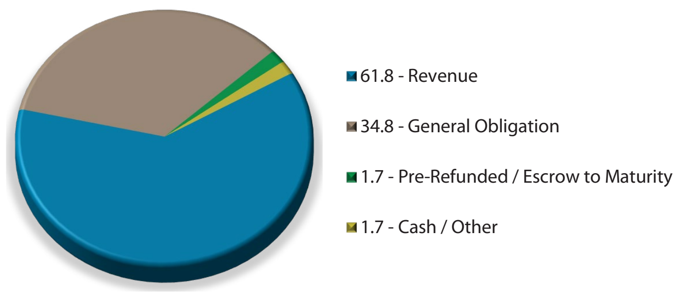
Trailing 20 Year (net of fees) [a]	Dana Municipal Bond Strategy	ICE BofAML 1-5 Yr Municipal Index
Alpha	0.37	-
Sharpe Ratio	0.49	0.37

Risk / Return [a]

Trailing 20 Year Period Through June 30, 2023



Asset Allocation (%) as of June 30, 2023



Due to rounding, totals may not equal 100%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023
Total Return Gross of Fees	1.16%	3.07%	1.54%	0.39%	2.31%	1.54%	3.57%	3.29%	0.35%	-3.70%	1.19%
Total Return Net of Fees	0.90%	2.83%	1.29%	0.15%	2.10%	1.31%	3.29%	3.01%	0.08%	-3.96%	1.06%
Benchmark Return	1.24%	1.30%	1.20%	0.16%	1.46%	1.79%	3.65%	2.76%	0.34%	-3.34%	0.93%
Composite 36 Month Standard Deviation	0.94%	0.75%	0.73%	1.04%	1.14%	1.22%	0.94%	1.35%	1.37%	2.70%	2.81%
Benchmark 36 Month Standard Deviation	0.99%	0.90%	0.95%	1.21%	1.38%	1.42%	1.21%	1.61%	1.57%	2.80%	2.87%
Number of Portfolios	178	219	240	267	250	234	231	226	204	189	181
Internal Dispersion	0.55%	0.76%	0.42%	0.51%	0.78%	0.30%	0.62%	0.60%	0.35%	0.95%	N/A
Composite Assets (US$ millions)	264.6	291.4	328.5	349.2	322.4	295.5	305.0	278.2	257.4	225.7	225.3
Strategy Assets (US$ millions)	264.6	291.4	328.5	349.2	322.4	295.5	305.0	278.2	257.4	225.7	225.3
Total Firm Assets (US$ millions)	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	4,513.0
Total Entity Assets (US$ millions)	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	6,810.3	6,890.0

Strategy Assets and Total Entity Assets are presented as supplemental information which includes applicable composite assets valued as of the most recent calendar quarter end, and wrap program assets, and model portfolio assets valued as of the prior calendar quarter end.

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, 2022.

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 Municipal Bond composite has had a performance examination for the periods January 1, 1992 through December 31, 2022. 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, 1986.
- **Composite Definition**: The Dana Municipal Bond composite includes all fixed income portfolios that invest in short to intermediate duration U.S. municipal fixed income securities with the goal of providing competitive current yield within a well-diversified, high credit quality, short to intermediate duration municipal 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 benchmark for the Dana Municipal Bond composite is the ICE BofAML 1-5 Year US Municipal Securities Index ("BofAML 1-5 Yr Muni Index"). Prior to January 1, 2009, a blended benchmark was used for the Municipal Bond composite weighted 33% Merrill Lynch 1-3 Year Municipal Bond Index and 67% Merrill Lynch 3-7 Year Municipal Bond Index. The blended benchmark was rebalanced at the beginning of each quarter. The BofAML 1-5 Year Municipal Index inception date was January 1, 1997, therefore, when since inception performance is presented, the blended benchmark is shown.
- **Composite Construction**: Prior to January 1, 2009, the composite included the Municipal Bond segment of balanced accounts. Cash was allocated to these segments based on the average cash position of the Municipal 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 Municipal Bond fee schedule is 0.35% 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 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; [a] Morningstar Direct; [b] Bloomberg Finance L.P.; ‡ GIPS inception January 1, 1992

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