



DANA MUNICIPAL BOND STRATEGY

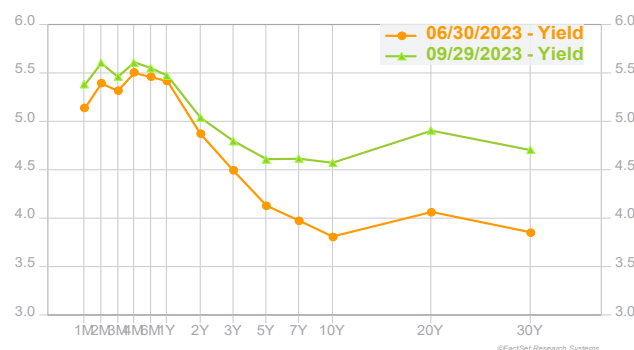
QUARTERLY REVIEW

As of September 30, 2023

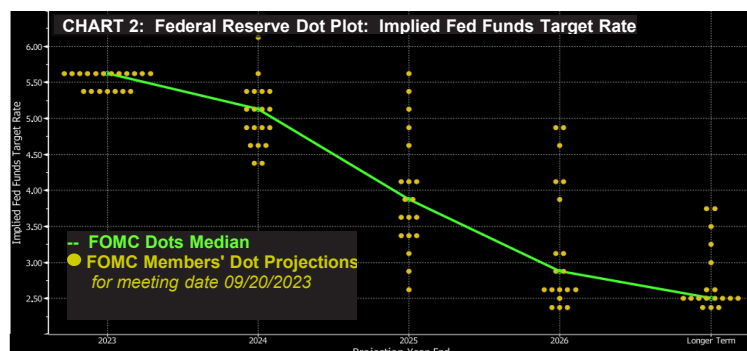
Higher for Longer that's the Fed's Message

As we closed out the third quarter, the Federal Reserve left the Fed Funds Rate unchanged in a range of 5.25% to 5.50%, but signaled the possibility of having another rate hike later this year. Whether the Fed has another interest rate hike or not misses the overarching message - the Fed will continue to keep interest rates high until inflation not only comes down, but also stays down. The fixed income market resisted this message over the first half of 2023, but during the third quarter, has moved to accept the Fed at its word. Throughout the quarter, the back end of the yield curve moved materially higher as the U.S. Treasury two-year versus ten-year spread steepened by 58 basis points. The Two-Year U.S. Treasury yield rose 15 basis points to 5.04%, while the Ten-Year U.S. Treasury rose 73 basis points to end the quarter at 4.57% (U.S. Treasury Yield Curve – Chart 1).

Chart 1: United States Treasury Yield Curve



Overall, better-than-expected economic data throughout most of 2023 – such as solid GDP and job growth, falling inflation, a low unemployment rate, and healthy consumer balance sheets and spending – helped validate the Fed's latest "Dot Plot" (Fed Dot Plot – Chart 2). As a result, interest rates were pushed even higher. The Dot Plot summarizes the projections made by the members of the Federal Reserve about the expected path of where the Fed Funds Rate will be at the end of each year in the future. Based on the latest Dot Plot, it's likely that the Fed does indeed have another rate hike scheduled this year, but, more importantly, the size of expected rate cuts in 2024 has been reduced. The median dot for next year suggests a 2024 year-end rate of 5.1%, compared to a median projection of 4.6% at the June meeting, a 50-basis-point increase, and a strong indication of interest rates remaining higher for a longer period of time.



We expect bond market volatility to remain high until there are strong economic signals that the Fed has decided to stop raising rates. With the uncertainty surrounding both the future economic strength and the path of monetary policy, given the lagging effects of each rate increase, today's fixed income market supports the need for active bond management. While bond market yields are at very attractive levels, price volatility remains elevated. It is therefore 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. Fixed income investments provide important benefits, including diversification from equities, lower return volatility, and the added predictability of a recurring income stream.

Markets adjusted to continued "hawkish" comments from the Federal Reserve on the future path of interest rates signaling higher rates for longer. As a result, fixed income yields moved higher across the curve in the third quarter, and municipal yields followed. Dana realizes that the recent volatility in the municipal market has clients concerned. It is important to note that the move higher in municipal yields was not a fundamental problem with the market (credit downgrades or defaults) but a move higher in sympathy with treasury yields. This distinction is important because current market volatility has presented investors with a very good opportunity to invest in yields that have not been attainable in a decade(s). With volatility expected to continue in the near term, having an active manager in place to traverse difficult markets and add long-term value is as important as ever. Dana's active portfolio management and high-quality client portfolios continued to help clients traverse unpredictable investment environments.

Average Annual Total Return (%) as of 09/30/2023	Unannualized		1 Year	3 Year	5 Year	10 Year	20 Year	Since GIPS Inception†
	Quarter	YTD						
Dana Municipal Bond Strategy (gross of fees)	-1.07	0.11	2.23	-0.97	0.89	1.29	2.50	3.59
Dana Municipal Bond Strategy (net of fees)	-1.14	-0.09	1.96	-1.24	0.63	1.04	2.21	3.24
Benchmark Index	-0.92	0.04	2.08	-0.89	0.88	0.97	1.99	3.19

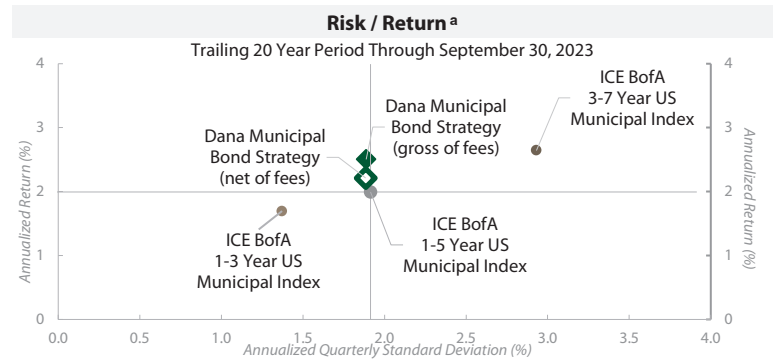
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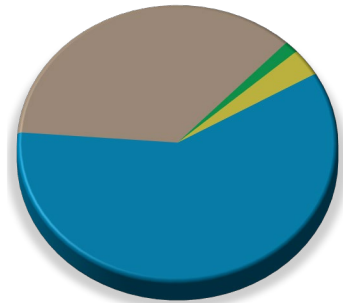
Characteristics	Dana Municipal Bond Strategy	ICE BofA 1-5 Yr US Municipal Index ^b
Yield to Maturity (YTM) (%) †	4.30	3.97
Effective Duration	2.46	2.17
Average Maturity (Years)	3.18	2.82
Average Credit Quality	Aa1	Aa2
Average Coupon (%)	3.45	4.47

Trailing 20 Year (net of fees) ^a	Dana Municipal Bond Strategy	ICE BofA 1-5 Yr US Municipal Index
Alpha	0.33	-
Sharpe Ratio	0.41	0.29

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



Asset Allocation (%) as of September 30, 2023



- 59.5 - Revenue
- 35.8 - General Obligation
- 1.4 - Pre-Refunded / Escrow to Maturity
- 3.2 - Cash / Other

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%	0.11%
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%	-0.09%
Benchmark Return	1.24%	1.30%	1.20%	0.16%	1.46%	1.79%	3.65%	2.76%	0.34%	-3.34%	0.04%
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%	2.84%
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%	2.90%
Number of Portfolios	178	219	240	267	250	234	231	226	204	189	162
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	205.5
Strategy Assets (US\$ millions)	264.6	291.4	328.5	349.2	322.4	295.5	305.0	278.2	257.4	225.7	205.5
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	4,445.4
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	6,421.2

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.

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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 BofA 1-5 Year US Municipal Securities Index ("ICE BofA 1-5 Yr Muni Index"). Prior to January 1, 2009, a blended benchmark was used for the Municipal Bond composite weighted 33% ICE BofA 1-3 Year Municipal Bond Index and 67% ICE BofA 3-7 Year Municipal Bond Index. The blended benchmark was rebalanced at the beginning of each quarter. The ICE BofA 1-5 Year Municipal Index inception date was January 1, 1997, therefore, when since inception performance is presented, the blended benchmark is shown.
- **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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