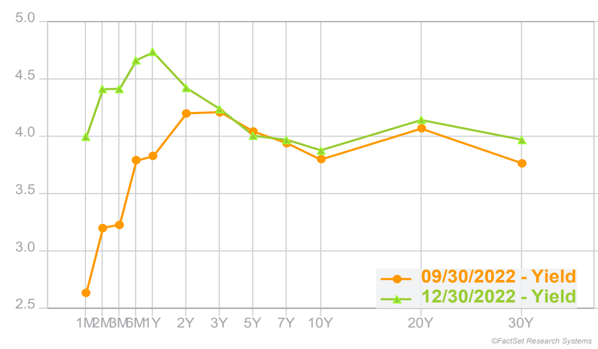
Dana Municipal Bond Strategy

Quarterly Review

As of December 31, 2022

Fed – We Have a Long Way to Go

Chart 1: United States Treasury Yield Curve



Over the fourth quarter, the Federal Reserve continued tightening financial conditions by raising the fed funds rate to 4.50%. Inflation persisted at unacceptable levels for the FOMC, with year-over-year levels hitting a 7.1% Consumer Price Index and 5.5% Personal Consumption Expenditures. Chairman Powell reiterated to the markets that the Federal Reserve will remain aggressive in its actions. He stated that there is a long way to go in restoring price stability back toward 2-2.5% levels, and they will continue even if their actions should push the economy into a recession. Strong wage growth (above 5%) coupled with a low unemployment rate remain challenging to the Fed's inflation fight. Other economic signals are just now showing the impact from these tighter monetary policy actions. Over the course of the year, consumer sentiment, as measured by the University of Michigan survey, fell from 70.6 to 59.7. The housing market also added to consumer concerns as home prices fell with rising mortgage rates negatively affecting affordability. The cumulative effect of increasing interest rates from 0%-0.25% to 4.25%-4.50% within a one-year time period while inflation has softened has given rise to an inverted yield curve (U.S. Treasury Yield Curve – Chart 1). The Two-Year U.S. Treasury yield stands at 4.43%, while the Ten-Year U.S. Treasury closed the year at 3.88%.

The Federal Reserve reduced the magnitude of interest movement to 50 basis points in December and indicated that it plans to keep rates high throughout 2023 (Federal Reserve Dot Plot – Chart 2). Chairman Powell has talked about the Fed's mistake of easing policy too early in the 1970s, which led to a rebound that required very high interest rates and deep recessions to bring it under control. Federal Reserve Governors also point to the current tightness in the labor market and rising wages, along with readings on "sticky" inflation, as reasons to keep rates higher for longer. Despite consistent messaging from the Fed that it plans to "hike and hold" throughout 2023, the futures market is pricing in rate cuts later in the year. The inverted yield curve and low readings for implied inflation expectations suggest the financial markets anticipate slowing growth and easing price pressures in the first half of 2023.

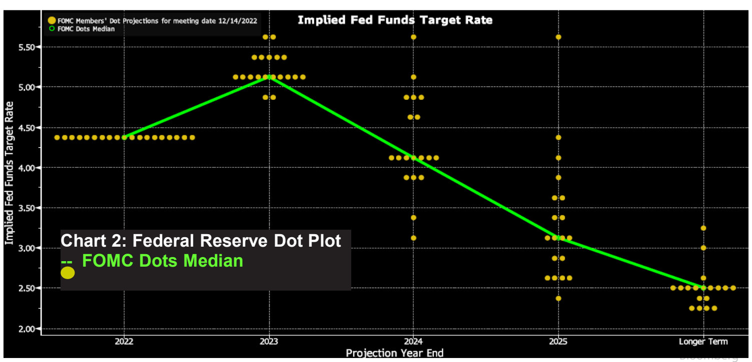


Chart 2: Federal Reserve Dot Plot
-- FOMC Dots Median

After an extremely turbulent year, the municipal market had a strong fourth quarter as investors took advantage of the higher yield environment, purchasing bonds and adding long-term value to portfolios. It is important to note that the market volatility in 2022 was an interest rate reset in direct reaction to the Fed's interest rate increases. Volatility was not a result of distressed credits or impaired securities. Market volatility did present Dana with an opportunity to add value to client portfolios by purchasing higher yielding bonds and positioning client portfolios for much better returns and consistency moving forward. The Dana Municipal Bond Strategy continued to benefit from active management which helped to traverse the unpredictable investment environment in 2022. Dana continues to proactively review market conditions and the direction of interest rates to position client portfolios appropriately in the ever changing municipal market. Dana's dynamic, active approach to portfolio construction focused on high-quality municipal securities helps to limit return volatility by providing periodic reinvestment opportunities at different points in time during changing market environments. While we do anticipate fixed income markets to remain volatile in the short term, we feel it is important for tax sensitive investors to have an allocation to high-quality municipal securities that offer portfolio diversification and lower correlations to treasuries and equities.

It has been a challenging period as the Federal Reserve spent 2022 re-normalizing the yield curve, but as we begin 2023, the fixed income opportunities give rise to optimism for investors. Bond market yields are back to attractive levels, the majority of monetary tightening is behind us, and inflation is likely to continue to soften. A portfolio of high-quality bonds consisting of U.S. Treasuries, U.S. Agencies, and investment-grade corporate bonds can yield close to 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 consider maintaining a well-diversified core fixed income portfolio managed in an active manner to continue compounding interest no matter what path interest rates may follow in the future. Whether the yield curve flattens, steepens, twists, or inverts, an allocation to fixed income investments provides important benefits, including diversification from equities, lower return volatility, and the added predictability of a recurring income stream.

Average Annual Total Return (%) as of 12/31/2022	Unannualized Quarter	1 Year	3 Year	5 Year	10 Year	20 Year	Since GIPS Inception ‡
Dana Municipal Bond Strategy (gross of fees)	**2.11**	**-3.70**	**-0.06**	**0.98**	**1.33**	**2.64**	**3.67**
Dana Municipal Bond Strategy (net of fees)	**2.05**	**-3.96**	**-0.33**	**0.71**	**1.08**	**2.35**	**3.32**
Benchmark Index	2.03	-3.34	-0.11	1.01	1.04	2.14	3.27

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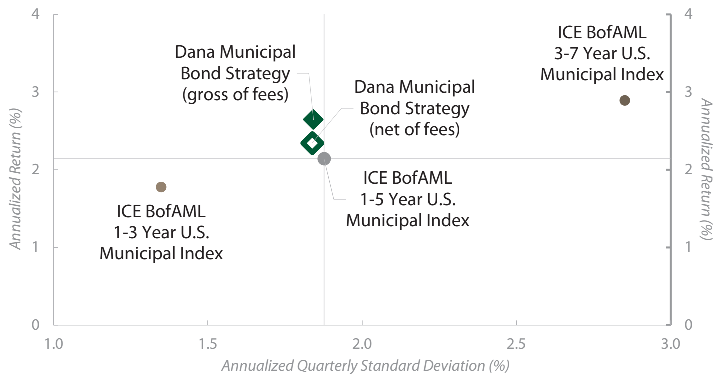
Dana Municipal Bond Strategy

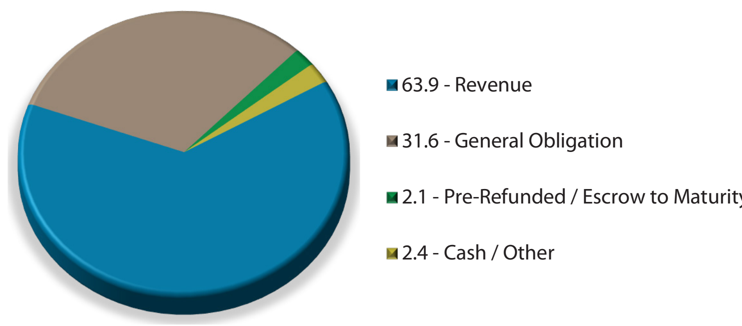
As of December 31, 2022

Risk / Return [a]

Trailing 20 Year Period Through December 31, 2022



Asset Allocation (%) as of December 31, 2022



Due to rounding, totals may not equal 100%

Characteristics	Dana Municipal Bond Strategy	ICE BofAML 1-5 Yr Municipal Index [b]
Yield to Maturity (YTM) (%) †	3.29	3.01
Effective Duration	2.46	2.40
Average Maturity (Years)	3.23	6.38
Average Credit Quality	Aa1	Aa2
Average Coupon (%)	3.29	4.43

† 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	0.42	-
Sharpe Ratio	0.58	0.46

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Return Gross of Fees	2.96%	1.16%	3.07%	1.54%	0.39%	2.31%	1.54%	3.57%	3.29%	0.35%	-3.70%
Total Return Net of Fees	2.69%	0.90%	2.83%	1.29%	0.15%	2.10%	1.31%	3.29%	3.01%	0.08%	-3.96%
Benchmark Return	1.63%	1.24%	1.30%	1.20%	0.16%	1.46%	1.79%	3.65%	2.76%	0.34%	-3.34%
Composite 36 Month Standard Deviation	1.10%	0.94%	0.75%	0.73%	1.04%	1.14%	1.22%	0.94%	1.35%	1.37%	2.70%
Benchmark 36 Month Standard Deviation	1.12%	0.99%	0.90%	0.95%	1.21%	1.38%	1.42%	1.21%	1.61%	1.57%	2.80%
Number of Portfolios	183	178	219	240	267	250	234	231	226	204	189
Internal Dispersion	0.74%	0.55%	0.76%	0.42%	0.51%	0.78%	0.30%	0.62%	0.60%	0.35%	0.95%
Composite Assets (US$ millions)	295.8	264.6	291.4	328.5	349.2	322.4	295.5	305.0	278.2	257.4	225.7
Strategy Assets (US$ millions)	295.8	264.6	291.4	328.5	349.2	322.4	295.5	305.0	278.2	257.4	225.7
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.

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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, 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, 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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