

JUNE 30, 2018

Dana Small Cap Equity Fund Market Commentary



Overview

Stocks moved higher in Q2, though changes in investor concerns caused the movement to come in waves. The Russell 2000 Index posted positive returns in all three months to finish with a +7.75% total return for the quarter. Corporate earnings growth was a key driver as the positive impact of the corporate tax rate reduction began to take hold and economic growth accelerated. By the end of the quarter, increased trade tensions tempered investor expectations in certain parts of the market which still remain a source of uncertainty. Overall, we see a robust economic environment ahead with continued strong GDP growth, low unemployment and much higher capex underpinning earnings growth in the upcoming quarters, albeit with greater volatility should trade uncertainties persist.

The Dana Small Cap Equity Fund Institutional Class (the 'Fund') posted a total return of +5.00% during Q2. Lower-quality factors, such as low ROE, remained in favor, providing a significant headwind to higher-quality Dana Small Cap holdings. Some cyclical pressure also impacted more capital intensive technology holdings. We believe the Dana Small Cap Equity Fund's consistent value tilt, combined with its emphasis on selecting high-quality companies with good growth profiles, will continue to benefit investors over the long term.

Sector Contributors

HEALTH CARE

Not owning Nektar Therapeutics (NKTR) helped the Fund this quarter, as this high flyer imploded over the past three ; Supernus Pharmaceuticals, Inc. (SUPN) and ANI Pharmaceuticals (ANIP) contributed to returns and reported strong quarters; Supernus beat expected top-line growth and kept a lid on expenses; patience was rewarded as BioTelemetry, Inc. (BEAT) rebounded after a tough Q1 rallying off a strong quarter and product launch.

UTILITIES

Gas utilities outperformed other industries and the overweight paid off; Chesapeake Utilities Corporation (CPK) and Southwest Gas Holdings (SWX) rebounded from the rotation out of interest rate sensitive stocks in Q1; both companies operate in growth markets and have diversified business segments.

Sector Detractors

ENERGY

After strong contributions in Q1, E&P companies rolled over as fears of Permian supply bottlenecks, the so-called "Permian Takeaway Problem", flowed through the sector; Callon Petroleum, Company (CPE) and Matador Resources, Inc. (MTDR) lagged peers in Q2 despite solid quarters and strong production growth.

PHOTOGRAPHY



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INFORMATION TECHNOLOGY

Multiple compression continued in areas with any hint of cyclical pressure and weakening sales momentum, especially in semiconductor equipment; electronic equipment manufacturers, Rogers Corporation (ROG) and Coherent, Inc. (COHR) underperformed peers; both companies softened guidance for Q2.

Select Additions

QUANTENNA COMMUNICATIONS, INC. (QTNA)

Semiconductor manufacturer of premium wireless chips enables faster video and data streaming; unique technology has taken market share and diversified customer exposure; an elevated post-IPO valuation materially compressed following a customer push-out, providing an attractive entry point and we see ongoing takeout potential.

TRADE DESK, INC. (TTD)

The leading independent advertising technology company globally is increasingly entrenched as the technology platform of choice for agencies and digital marketers; TTD is taking share as an alternative to GOOGL, FB, and other walled platforms; the digital advertising market is growing rapidly, and new growth engines for TTD include connected television, Chinese content platforms, and streaming audio.

Select Deletions

COHERENT, INC. (COHR)

Manufacturer of high-end laser systems targeting the OLED display end market faces a challenging environment as mobile phone OLED adoption is delayed; notwithstanding OLED's advantages in thinness, battery use and display quality, the higher cost of the technology has slowed uptake; we see headwinds in near term, yet continue to appreciate the long-term story and will periodically revisit the thesis.

RPC, INC. (RES)

Oil services pumping company is showing limited ability to overcome near term pricing challenges; niche player focusing on spot market pricing on private independent E&P companies which provided a strong tailwind in 2016 & 2017; moderated as pump supply and competition has increased; we exited the stock as substantial price increases are needed to meet investor expectations.

Portfolio

ANNUALIZED RETURNS as of 6/30/18

	TICKER	QTD	1 Year	2 Years	Since Inception	Gross Exp. Ratio
Dana Small Cap Equity Investor	DSCEX	4.94%	10.08%	12.30%	6.08%	2.22%
Dana Small Cap Equity Institutional	DSCIX	5.00%	10.36%	12.58%	6.38%	1.97%
Russell 2000 Index TR		7.75%	17.57%	21.05%	14.47%	-

The performance of the Fund quoted is past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data as of the most recent month may be obtained by calling 1-855-280-9648.

“Corporate earnings growth was a key driver as the positive impact of the corporate tax rate reduction began to take hold and economic growth accelerated.”



TOP HOLDINGS *as of 6/30/18, subject to change*

UNIVERSAL INSURANCE HOLDINGS, INC.	1.81%	Financials
PREFERRED APARTMENT COMMUNITIES	1.80%	Real Estate
CENTERSTATE BANK CORP	1.80%	Financials
SUPERNUS PHARMACEUTICALS, INC.	1.80%	Health Care
STERLING BANCORP	1.78%	Financials
REALPAGE, INC.	1.78%	Info. Technology
PRIMERICA	1.76%	Financials
SOUTHWEST GAS HOLDINGS, INC.	1.75%	Utilities
MERIT MEDICAL SYSTEMS, INC.	1.75%	Health Care
COLUMBIA SPORTSWEAR	1.74%	Consumer Disc.

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There is no guarantee that this, or any, investment strategy will succeed. Mutual funds involve risk, including possible loss of principal. Small cap investing involves greater risk no associated with investing in more established companies, such as greater price volatility, business risk, less liquidity, and increased competitive threat.

Before investing you should carefully consider the investment objectives, risks, charges and expenses of the Dana Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by visiting www.DanaFunds.com or by calling 855-280-9648. The prospectus should be read carefully before investing. The Dana Funds are distributed by Unified Financial Securities, LLC member FINRA. Dana Investments Advisors is not affiliated with Unified Financial Securities, LLC.