

JUNE 30, 2019

Dana Large Cap Equity Fund Market Commentary



Overview

U.S. equity markets were positive in Q2 while building upon the impressive returns from Q1. This resulted in the S&P 500 Index experiencing the best first half of the year since 1997. However, it was not an entirely smooth path through the quarter, as many policy issues worked to buffet investor enthusiasm. Early earnings reports in April helped allay fears of a possible year-over-year earnings decline for the S&P 500 Index. May then saw equity prices drop substantially after a breakdown in trade talks between the U.S. and China. The May sell-off was short lived, however, as stocks rebounded strongly in June on market anticipation of future rate cuts by the Fed and positive expectations on U.S.-China trade talks at the G-20 meeting. The net result was a solid +4.30% Q2 return for the S&P 500 Index, and an even stronger year-to-date return of +18.54%, with the S&P 500 Index reaching a new all-time closing high on June 20th. Growth continued to outperform value, and large-caps remained the best performing market cap range, all while style and size spreads were narrowed as market breadth continued to improve.

The Dana Large Cap Equity Fund Institutional Class (the 'Fund') beat its benchmark during the quarter and year-to-date period. The Fund was up +4.69% for the quarter and +18.62% YTD through June, with particularly strong relative performance during the market decline in May. The Dana Large Cap Equity Fund outperformed in most sectors, with the strongest relative performance occurring in the Consumer Staples sector. Materials was the Fund's weakest sector on both an absolute and relative basis. We anticipate continued relative strength for the Fund as market breadth continues to improve, and value narrows the gap of underperformance relative to growth.

Sector Contributors

CONSUMER STAPLES

Each of the Fund's holdings outperformed the S&P 500 Index sector average, led by a double-digit return from Walmart, Inc. (WMT)

HEALTH CARE

Steady performance from all but one holding, and avoidance of a handful of big losers in the large-cap health care universe, led to outperformance in the sector. Recent additions Thermo Fisher Scientific, Inc. (TMO) and Hill-Rom Holdings Inc. (HRC) had immediate positive influence.

INDUSTRIALS

Thanks to its acyclical nature, Waste Management, Inc. (WM) led the Fund in this sector. Transportation holdings Delta Air Lines, Inc. (DAL) and Norfolk Southern Corporation (NSC) also contributed to positive performance.

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Sector Detractors

MATERIALS

Reversing strong performance from Q1, both holdings in this sector declined in Q2, with economic slowing and falling steel prices leading to a double-digit drop in Steel Dynamics, Inc. (STLD).

UTILITIES

Negative returns from both holdings created underperformance within the sector; Center-Point Energy, Inc. (CNP) sagged after an earnings miss, and Exelon Corporation (EXC) faded in the final week of the quarter.

Select Additions

HILL-ROM HOLDINGS, INC. (HRC)

The largest manufacturer of hospital beds, is in the midst of a replacement cycle, as hospitals upgrade their beds to include capabilities such as patient monitoring. This is shifting their portfolio towards higher growth and higher margin products. Organic growth is expected to be in the 4-5% area, and with rising margins, earnings growth should be in excess of 10%. With a below average valuation, there is upside to the multiple as well.

WALT DISNEY COMPANY (DIS)

Arguably the best entertainment assets in the world. The company is well-managed and the outlook for the business is attractive. Theme parks should see substantial growth with new Star Wars attractions and increased ticket prices. The film slate looks strong and this should also drive the consumer products division. DIS is also starting a streaming product, and with the breadth of their content, is one of the few viable competitors to Netflix.

Select Deletions

CONSTELLATION BRANDS, INC. (STZ)

While STZ, with beer brands such as Corona and Modelo, has consistently grown above industry trends, this growth may slow, possibly hurting the stock's valuation. Margins may decline in the core beer business with higher labor and transportation costs, limiting earnings growth.

WELLCARE HEALTH PLANS, INC. (WCG)

WCG was removed from our target portfolio after it was announced that Centene (CNC) was buying the company for a combination of stock and cash. After the announced acquisition, other names in the healthcare space had better return profiles.

“We anticipate continued relative strength for the Fund as market breadth continues to improve, and value narrows the gap of underperformance relative to growth.”

Portfolio

ANNUALIZED RETURNS as of 6/30/19

| | TICKER | QTD | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|-------------------------------------|--------------|-------|--------|--------|---------|---------|-----------------|
| Dana Large Cap Equity Investor | DLCEX | 4.62% | 18.48% | 7.09% | 12.91% | 8.34% | 12.89% |
| Dana Large Cap Equity Institutional | DLCIX | 4.69% | 18.62% | 7.37% | 13.20% | 8.62% | 10.31% |
| S&P 500 Index | | 4.30% | 18.54% | 10.42% | 14.20% | 10.71% | 13.29% |

* Represents performance of the S&P 500 Index since inception of DLCEX (3/1/2010)
 The gross expense ratio for the institutional class is 0.83%, and for the investor class is 1.08%.
 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.

“Growth continued to outperform value, and large-caps remained the best performing market cap range.”

TOP HOLDINGS as of 6/30/19, subject to change

| | | |
|--------------------------------|-------|------------------------|
| APPLE, INC. | 2.24% | Information Technology |
| MICROSOFT CORP | 2.21% | Information Technology |
| ALPHABET, INC. CLASS A | 2.13% | Communication Services |
| FACEBOOK, INC. | 2.12% | Communication Services |
| STRYKER CORP | 2.10% | Health Care |
| CDW CORP | 2.09% | Information Technology |
| THERMO FISHER SCIENTIFIC, INC. | 2.07% | Health Care |
| ZEBRA TECHNOLOGIES CORP | 2.04% | Information Technology |
| BROADCOM, INC. | 2.03% | Information Technology |
| COMCAST CORP (A) | 2.02% | Communication Services |

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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.

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.