

SEPTEMBER 30, 2019

Dana Large Cap Equity Fund Market Commentary

Overview

Despite ongoing trade frictions, political turmoil, monetary policy uncertainty, and slowing global growth, large-cap U.S. stocks moved higher in Q3, while small-cap indexes moved lower. By quarter end, the S&P 500 Index had returned +20.55% year to date. Earnings reports in July included just enough good news to provide support to the market, but then in August investors turned cautious amid growing economic and policy concerns. The Fed cut interest rates twice during Q3, which helped to support prices of risk assets. September saw a strong rotation into value stocks, with the Russell 1000 Value Index outperforming the Russell 1000 Growth Index by +3.6% for the month. Yet the Russell 1000 Growth Index was still the better performing large-cap style index for the full quarter and remains +5.5% ahead of its value counterpart year to date. The quarter started with 75 S&P 500 stocks within 1% of their 52-week highs. A transition in market leadership occurred as that number fell to 59 stocks by quarter end, with only 10 stocks remaining within 1% of their highs at both sides of the quarter. While many market observers are noting September's shift toward value, we await further confirmation that growth's dominance of the market is fading.

The Dana Large Cap Equity Institutional Class (the 'Fund') performed well during Q3 and finished with a total return of +3.46%. Year to date, the Fund is up +22.72%. The Fund outperformed the S&P 500 Index each month of the quarter and has beaten the index in 6 of 9 months this year. Performance has also been steady across sectors, with outperformance in 8 of the 11 GICS sectors. Part of the Fund's relative strength for the quarter was the direct result of avoiding big losers. Over 14% of stocks in the S&P 500 Index performed worse than the Fund's weakest holding, with 40 S&P 500 Index stocks down more than -15% during Q3. If there is indeed a secular shift toward a more value-aware market, the Fund could be in for a sustained period of continued relative outperformance.

Sector Contributors

HEALTH CARE

While there was considerable volatility within pharmaceuticals and healthcare providers in part due to political uncertainty, the Fund, for the most part, was able to avoid the larger losers in the sector. CVS Health Corporation (CVS) and Bristol-Myers Squibb Company (BMY) had positive contributions during the quarter.

CONSUMER DISCRETIONARY

Continued strength in housing allowed D.R. Horton, Inc. (DHI) to be the Fund's strongest performer in Q3, with Home Depot, Inc. (HD) also contributing to strong relative performance in the Consumer Discretionary sector.



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Sector Detractors

UTILITIES

Both Utilities holdings posted positive Q3 returns but lagged the sector average in the strongest performing sector of the S&P 500 Index, resulting in a modest underperformance in the sector.

FINANCIALS

Negative returns from MetLife, Inc. (MET), American Express Company (AXP), and Morgan Stanley (MS) detracted from returns.

Select Additions

AUTOZONE, INC. (AZO)

The auto parts industry is attractive due to historically strong pricing power enjoyed by leading retailers like AZO combined with much less economically sensitive demand profile. The company is still growing its store fleet serving the "Do It Yourself" market and continues to take market share in the "Do It For Me" market where it's under scaled relative to competitors.

FIDELITY NATIONAL INFORMATION SERVICES, INC. (FIS)

A resilient business model with long-term contracts, earnings per share (EPS) growth in the 10%+ area, and the potential for growth to accelerate should allow the stock's valuation to expand.

LAM RESEARCH CORPORATION (LRCX)

LRCX is a key enabler of memory solutions for the data economy, 5G and artificial intelligence which should result in strong sales and earnings growth. In addition, the company's strong balance sheet and consistent execution allow for optionality with respect to increasing shareholder returns through buybacks or cash returns and M&A.

MONDELEZ INTERNATIONAL, INC. (MDLZ)

The company has an enviable brand portfolio with geographic exposure to structurally higher growth markets which should produce positive organic top line growth. We believe that we are paying a small premium to the sector to acquire a meaningfully better business.

Select Deletions

LULULEMON ATHLETICA, INC. (LULU)

The company has performed phenomenally well, posting a string of double-digit same-store-sales quarters as well as consistently beating and raising earnings estimates. We felt that this strong performance was more than reflected in the multiple that is now at the upper band of our universe.

BROADCOM, INC. (AVGO)

We became concerned about AVGO's M&A shift away from acting as a consolidator in the semiconductor industry and their entry into enterprise software. The continually rising debt load, which will cross over \$45 billion after the Symantec Corporation (SYMC) deal closes, creates risk in this cyclical industry.

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BROADRIDGE FINANCIAL SOLUTIONS, INC. (BR)

After strong performance during 2019 resulting in a high valuation, other names within the technology sector appeared to have better risk versus return profiles.

CVS HEALTH CORPORATION (CVS)

Pharmacy reimbursement pressures should remain elevated and large client losses in its Pharmacy Benefits Manager may put pressure on future earnings. With competitive threats increasing and a subdued retail environment, other names within healthcare looked more attractive.

TYSON FOODS (TSN)

Low expectations combined with good execution and excitement about the potential windfall from African Swine Flu caused a dramatic rerating of TSN stock. After the run in the stock, we felt there were better risk vs reward opportunities in the sector.

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Portfolio

ANNUALIZED RETURNS as of 9/30/19

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Dana Large Cap Equity Investor	DLCEX	3.39%	22.50%	4.52%	13.56%	9.15%	12.93%
Dana Large Cap Equity Institutional	DLCIX	3.46%	22.72%	4.75%	13.86%	9.44%	10.48%
S&P 500 Index		1.70%	20.55%	4.25%	13.39%	10.84%	13.11%*

* 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.

TOP HOLDINGS as of 9/30/19, subject to change

APPLE, INC.	2.36%	Information Technology
ALPHABET INC., CLASS A	2.28%	Communication Services
MICROSOFT CORP	2.21%	Information Technology
CDW CORP	2.20%	Information Technology
COMCAST CORP (A)	2.12%	Communication Services
D.R. HORTON, INC.	2.10%	Consumer Discretionary
INTEL CORP	2.09%	Information Technology
BRISTOL-MYERS SQUIBB CORP	2.06%	Health Care
T-MOBILE, INC.	2.04%	Communication Services
THERMO FISHER SCIENTIFIC, INC.	2.01%	Health Care

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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.