

MARCH 31, 2019

Dana Small Cap Equity Fund Market Commentary

Overview

The S&P 500 Index opened 2019 with its best January performance since 1987 and continued moving higher in February and March finishing the quarter up +13.65%. This also proved to be the Index's strongest calendar quarter since Q3 2009 and its best Q1 since 1998. The Russell 2000 Index delivered an even higher double-digit return of +14.58% for the quarter. The strong performance that occurred during the first half of the quarter was a continuation from the Christmas bounce, with equities moving broadly higher despite earnings estimates trending lower. Fed chairman Powell's shift to a more neutral rate stance helped to sustain this rebound. While the second half of the quarter saw mega-cap stocks resume their leadership, the small-cap index still managed to outperform the S&P 500 Index for the quarter.

The Dana Small Cap Equity Fund Institutional Class (the 'Fund') was up +14.41% for the quarter a strong start for 2019. The strongest relative and absolute sector performance was in the Information Technology sector, with several holdings up over 50%. Industrials and Consumer Discretionary sector holdings also performed well. Health Care, Communication Services and Consumer Staples holdings lagged their respective sector benchmarks. The Fund gained from the opportunistic addition of fundamentally attractive companies during the Q4 decline and continued solid performance from several long-term holdings. The Dana Small Cap Equity Fund remains sector neutral and focused on selecting stocks with good growth characteristics at attractive relative valuations.

Sector Contributors

INFORMATION TECHNOLOGY

Software and Hardware and Storage Industries led the sector; Trade Desk, Inc. (TTD) rallied early in Q1 and gapped higher on a very strong quarter as operating momentum accelerated; Quantenna Communications (QTNA) recaptured Q4 losses in January and then continued its rally after posting earnings and guidance that met consensus; Upland Software reported an adequate quarter and raised guidance modestly, highlighted by their best-ever 10% organic growth rate, suggesting management improvements in execution; Mellanox Technologies (MLNX) had been looking at strategic opportunities and reported a solid quarter and later entered a deal to sell themselves to Nvidia (NVDA).

CONSUMER DISCRETIONARY

Oversold names triumphed in January; Boot Barn Holdings (BOOT) withstood the downward pressure from lower crude prices and had a solid Q4 with its shares sharply up in Q1; G-III Apparel Group (GIII), Boyd Gaming (BYD) and Marriott Vacations Worldwide (VAC) all rebounded strongly after the Q4 rout.

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Sector Detractors

HEALTH CARE

Biotech stocks in the index were strong, yet biotech holdings Ligand Pharmaceuticals (LGND) and Emergent BioSolutions (EBS) gapped down during the quarter; Ligand retreated as investors focused on competitive uncertainty around Promacta revenue stream, yet pipeline with development partners is underappreciated; EBS reported a solid Q4, but guided Q1 down.

COMMUNICATION SERVICES

Marcus Corporation (MCS) and QuinStreet, Inc. (QNST) detracted from performance; QNST faced questions on slowing organic growth.

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Select Additions

W R GRACE & CO. (GRA)

Specialty chemical and materials manufacturer with two primary business segments Catalysts Technologies and Materials Technologies; end markets are defensive relative to some peers; capable of organic sales growth of 6%+ and has a margin improvement ramp; Catalysts segment has pricing power helping margin earnings before interest and taxes (EBIT) expansion; Materials Technologies has growth drivers in environmental trends; top-tier EBIT margins for a chemical company in mid 20s; net operating losses (NOLs) keeping cash taxes under 15% for next few years giving room for share buybacks and accretive mergers and acquisitions (M&A).

CURTISS-WRIGHT CORP. (CW)

Precision component manufacturer selling into industrial, defense and power end markets; 40% of revenues from defense end market with good growth visibility of mid-single digits out the next few years; efficiency initiatives on top of organic growth to support margins; exposure to nuclear/green investment in China with pump sales; free cash flow machine (10%+ of sales); shareholder friendly with dividends and buybacks.

Select Deletions

THE TRADE DESK, INC. (TTD)

Disruptive company continues to exceed expectations each quarter as the leader in the ad-tech space for vertically integrated software solutions with sophisticated data analytics; bidding platform is leading innovator in space; connected TV spending is accelerating faster than expected; firm is monetizing acquisitions quickly and efficiently; bought in Q2 2018 in 90s the stock reached \$200 plus, with a market cap over \$9B.

WEIGHT WATCHERS (WTW)

We gave the firm the opportunity to show execution in digital efforts after cloudy optics in the fall, but it became clear that rebranding missed the mark; company will have soft patch as it plays catch up after missing on early 2019 diet season gains; keto and other fads occupying consumer mindspace; overall the opportunity to leverage digital remains, but efforts were to dramatic and missed connecting with core audience.



Portfolio

ANNUALIZED RETURNS *as of 3/31/19*

	TICKER	QTD	YTD	1 Year	3 Years	Since Inception
Dana Small Cap Equity Investor	DSCEX	14.30%	14.30%	-1.13%	6.80%	2.89%
Dana Small Cap Equity Institutional	DSCIX	14.41%	14.41%	-0.85%	7.10%	3.19%
Russell 2000 Index TR		14.58%	14.58%	2.05%	12.93%	9.35%

The gross expense ratio for the institutional class is 1.72%, and for the investor class is 1.97%.

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 3/31/19, subject to change*

QUANTENNA COMMUNICATION INC.	2.25%	Information Technology
UPLAND SOFTWARE INC.	2.19%	Information Technology
G-III APPAREL GROUP LTD	2.07%	Consumer Discretionary
PRIMERICA, INC.	2.06%	Financials
EASTGROUP PROPERTIES INC.	1.98%	Real Estate
MARRIOTT VACATIONS WORLDWIDE CORPORATION	1.97%	Consumer Discretionary
ANI PHARMACEUTICALS INC.	1.94%	Health Care
CHESAPEAKE UTILITIES CORP	1.93%	Utilities
CORESITE REALTY CORP	1.88%	Real Estate
STAG INDUSTRIAL INC.	1.84%	Real Estate

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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.