

MARCH 31, 2020

Dana Large Cap Equity Fund Market Commentary

Overview

Investors got a lesson in viral economics during the first quarter of 2020. A novel coronavirus (COVID-19) went unnoticed by most of the world as we celebrated the western new year. But as the Chinese (lunar) new year approached, disruptions in supply chains in China started to affect some stocks. Still, U.S. equities continued to rise, with the price for the S&P 500 Index peaking at a record high close of 3386.15 on February 19, a healthy +4.8% increase from the end of 2019. Just over three weeks later, the eleven-year bull market (historic for its length) came to an end as the price on the S&P 500 Index fell more than 20% below its peak, and by March 23 the Index had declined -33.9%. While a \$2 trillion relief bill in the U.S. sparked a market rebound at the end of March, Q1 still ended with the total return for the S&P 500 Index down -19.60% for the quarter. Growth continued its dominance of value. Mega-cap stocks proved relatively defensive for the quarter as the total return for the S&P Small Cap 600 Index fell -32.64%.

The Dana Large Cap Equity Fund Institutional Share Class lagged the S&P 500 Index for the quarter with a total return of -22.12%. Mega-cap stock performance and growth dominating value by a double-digit margin challenged our relative value process. Turnover was elevated as portfolio managers deliberately made several portfolio changes to take advantage of valuation shifts that occurred in this new market environment. The investment team is diligently working to capture opportunities created within these volatile and uncertain markets, and believes that a return to zero interest rates by the Fed, coupled with unprecedented fiscal stimulus policies already enacted, and even more under discussion, will create a situation where thoughtful active management could be very rewarding to long-term investors.

Sector Contributors

UTILITIES

Both sector holdings outperformed the sector average, led by renewables leader, NextEra Energy, Inc. (NEE), the best performing Utilities stock within the S&P 500 Index.

INDUSTRIALS

Lack of exposure to Boeing Company (BA) was the largest contributor to relative performance, further aided by selling Delta Air Lines, Inc. (DAL). Several beneficial trades during the quarter included adding defense companies Lockheed Martin Corporation (LMT) and Northrop Grumman Corporation (NOC).

Sector Detractors

FINANCIALS

In a sector that was down over -30% for the period (only Energy performed worse), all but one of the Fund's holdings performed below the sector average. Starwood Property Trust (STWD) was the worst performer with investors concerned about exposure to hard-hit



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hotels. Banks, especially regionals, were also a source of weakness, and Citizens Financial Group, Inc. (CFG) suffered a steep decline during the quarter.

INFORMATION TECHNOLOGY

Long-term winner CDW Corporation (CDW) significantly underperformed due to COVID-19 uncertainty around supply constraints. Zebra Technologies Corporation (ZBRA) also detracted following an earnings miss driven by tariffs and foreign exchange.

Select Additions

NORTHROP GRUMMAN CORPORATION (NOC)

The company has one of the most visible backlogs within defense with exposure to the F-35 and B-21 which will provide revenue for the next decade. NOC is also the sole bidder on Ground Based Strategic Deterrent (next generation nuclear ICBMs) which should deploy in 2029 and provide a revenue stream until 2075. Long duration cash flow should trade at higher valuations.

REGENERON PHARMACEUTICALS, INC. (REGN)

Key products from this biotechnology company have proven more resilient than investors' expectations. EYLEA, an injectable biologic for macular degeneration, is the market leader and enjoys considerable support from the ophthalmologist community even as competitor products attempt to take share. DUPIXENT, an injectable biologic for atopic dermatitis and related allergic reactions, is one of the fastest growing therapies launched over the last few years.

ADOBE, INC (ADBE)

This software developer provides market-leading solutions in both content creation and customer experience management. Its digital media capabilities are used by businesses small and large to create and edit documents, presentations, website, and video materials. It is the dominant brand for these solutions. Its customer experience management software encompasses digital marketing, commerce, analytics and advertising solutions, with entrenched positions in large enterprises. The addressable market for both segments is large and growing. Adobe is expected to grow revenue and cash flow at a double-digit rate into the foreseeable future.

Select Deletions

RAYTHEON COMPANY (RTN)

This stock was exited in favor of another defense company with a better growth profile and relative valuation. Execution risk around Raytheon's merger with United Technologies is a concern.

ROYAL CARIBBEAN CRUISES LTD. (RCL)

The cruise industry, like other travel related companies, is on the forefront of COVID-19 exposure, and may have a longer recovery period as we exit the crisis compared to other travel industries.

DELTA AIR LINES, INC. (DAL)

While the company has a very talented management team, good balance sheet, and is arguable the best run airline in the U.S., the headwinds from plummeting air travel are too much to overcome. We prefer to wait for improved visibility before owning this name.

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Portfolio

ANNUALIZED RETURNS as of 3/31/20

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Dana Large Cap Equity Investor	DLCEX	-22.17%	-22.17%	-7.76%	3.66%	4.03%	9.59%	10.49%
Dana Large Cap Equity Institutional	DLCIX	-22.12%	-22.12%	-7.57%	3.89%	4.30%	N/A	6.95%
S&P 500 Index		-19.60%	-19.60%	-6.98%	5.10%	6.73%	10.53%	10.97%

* 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 3/31/20, subject to change

MICROSOFT CORP	2.70%
APPLE, INC.	2.66%
INTEL CORP	2.43%
AMAZON.COM, INC.	2.34%
ALPHABET INC., CLASS A	2.32%
LAM RESEARCH CORP	2.28%
WALMART, INC.	2.27%
MERCK & CO., INC.	2.20%
T-MOBILE, INC.	2.15%
VISA, INC.	2.15%

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10208421-UFD-5/11/2020

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 Ultimus Fund Distributors, LLC member FINRA. Dana Investments Advisors is not affiliated with Ultimus Fund Distributors, LLC.

The funds may lose money due to fluctuations within the stock market which may be unrelated to individual issuers and could not have been predicted. The price of the securities which the funds hold may change unpredictably due to local, regional, international, or global events. In the case of a general market downturn, multiple asset classes, or the entire market, may be negatively affected for an extended and unknown amount of time.