

DECEMBER 31, 2020

# Dana Large Cap Equity Fund Market Commentary



## Overview

Pressured by COVID-19 stress and pre-election uncertainty, U.S. equities retreated in the last three weeks of October. Following the election in early November, equities moved higher and were further bolstered by encouraging vaccine news from both Pfizer and Moderna. The market then broadened, and value indices outperformed growth indices for the first full quarter since 2018. However, much of the outperformance in value came from sector rotations and strong rebounds in lower-quality stocks. Mid-cap and small-cap stocks outperformed large-cap stocks by wide margins in Q4, with the Russell 2000 Index producing its single largest quarterly return since inception in 1984. Despite all of the turmoil, uncertainty, and economic disruptions that arose during 2020, the S&P 500 Index still managed to produce a generous +18.40% return for the year, with +12.15% coming in Q4, helping large-cap stocks to retain their leadership position for another full year.

The Dana Large Cap Equity Fund (the 'Fund') finished the quarter up +10.85%, having benefited from improving market breadth and generally strong equity market returns. Positive news regarding several different vaccines helped to quickly move the market in the direction of companies that could benefit from further reopening and continued economic recovery. While many of these companies were standout performers in Q4, they typically remained laggards for the full year 2020. Conversely, many companies that provided solid performance through the first three quarters of the year, saw their returns suffer on a relative basis in Q4. The Fund retained its strong fundamental foundation, and while turnover in the Fund was low in Q4, a few new holdings were added that could benefit from an easing of pandemic-induced restrictions. We anticipate that further economic recovery will continue in 2021, and we look forward to capitalizing on these newly expanding opportunities.

## Sector Contributors

### INFORMATION TECHNOLOGY

Zebra Technologies Corporation (ZBRA) was the Fund's top performer in Q4. Semiconductor holdings also contributed large returns in Q4.

### FINANCIALS

Bank holdings, led by Morgan Stanley (MS), enjoyed strong rebounds in Q4. The Fund also benefited from the timely addition of Discover Financial Services (DFS).

## Sector Detractors

### CONSUMER DISCRETIONARY

Retracements from D. R. Horton, Inc. (DHI) and Best Buy Co., Inc. (BBY), both significant outperformers in Q2 and Q3, led to Q4 underperformance in the Consumer Discretionary sector.



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**HEALTH CARE**

Amgen, Inc. (AMGN) stock suffered a steep decline in October after a disappointing phase 3 clinical trial result. Modest Q4 returns from several other sector holdings contributed to lagging performance in Health Care.

*Select Additions***TARGET CORPORATION (TGT)**

Target has been one of the economic winners from COVID. Increased consumer spending on 'things' versus experiences and closure of competitors provided an immediate windfall and provides some downside protection in case of a second major wave of shutdowns. A long-term positive effect of the pandemic is the pull forward of the payoff from multiple years of omni channel investment, as customers trialing 'click & collect' during COVID shutdown accelerates the returns to these investments.

**DISCOVER FINANCIAL SERVICES (DFS)**

Discover Financial Services is one of the most conservative lenders in the unsecured consumer lending space. Strict underwriting standards before COVID-19 have allowed the company to maintain credit limits, helping to position it for added growth as the economy reopens. The company's "cash back" cards have also become more attractive versus competing travel-oriented rewards cards. Continued normalization should also result in buybacks and dividend increases in 2021.

*Select Deletions***FIDELITY NATIONAL INFORMATION SERVICES, INC. (FIS)**

Fidelity is a financial services technology company that focuses on payments and account processing. Earnings and revenue show reasonable growth but have decelerated due to pandemic effects. With lockdowns continuing, and in some regions increasing, we see better growth opportunities within the financial technology group.

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## Portfolio

### ANNUALIZED RETURNS as of 12/31/20

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Dana Large Cap Equity Investor	<b>DLCEX</b>	10.82%	12.07%	12.07%	10.74%	12.85%	12.05%	13.48%
Dana Large Cap Equity Institutional	<b>DLCIX</b>	10.85%	12.38%	12.38%	11.01%	13.13%	N/A	11.77%
S&P 500 Index		12.15%	18.40%	18.40%	14.18%	15.22%	13.88%	14.17%

\* Represents performance of the S&P 500 Index since inception of DLCEX (3/1/2010)

The gross expense ratio for the institutional class is 0.98%/1.10%.

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 12/31/20, subject to change

APPLE, INC.	3.87%
AMAZON.COM, INC.	3.28%
MICROSOFT CORPORATION	3.05%
ALPHABET, INC. CL A	2.76%
MORGAN STANLEY	2.11%
ZEBRA TECHNOLOGIES CORP, CL A	2.03%
QORVO, INC.	1.99%
MICROCHIP TECHNOLOGY, INC.	1.94%
LAM RESEARCH CORPORATION	1.94%
UNITEDHEALTH GROUP, INC.	1.93%

Current and future portfolio holdings are subject to risk.

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12174062-UFD-2/12/2021

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](http://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.