

MARCH 31, 2021

# Dana Epiphany ESG Small Cap Equity Fund Market Commentary

## Overview

The S&P 500 Index began 2021 at a historical high. Stocks continued to move broadly higher in January, with the S&P 500 Index notching five record highs before a week of R&R (Reddit and Robinhood) at month end erased those gains and left the S&P 500 negative for the opening month of 2021. Positive momentum quickly returned in February, as the S&P 500 saw five more record highs driven by a strong earnings season. March matched the prior two months, with five more record high closes for the S&P 500. Certain stocks and celebrity SPACs touted on social media, along with others that just had old-fashioned liquidity issues, propelled wild swings in individual security valuations. Rising interest rates boosted Financials sector stocks, but put downward pressure on high-valuation growth stocks. The S&P 500 Index generated a total return of +6.17% and the Russell 2000 Index more than doubled this, returning +12.70% for the quarter. With an abundance of Financials sector stocks, the Russell 2000 Value Index dramatically outperformed the Russell 2000 Growth Index.

The Dana Epiphany ESG Small Cap Equity Fund (the 'Fund') finished the quarter up +16.28%, significantly outperforming the Russell 2000 Index. Higher interest rates helped financial holdings in the Fund. Our focus remains on selecting companies with strong fundamental characteristics which included not only Financial stocks, but a number of cyclical stocks at attractive relative valuations.

## Sector Contributors

### INDUSTRIALS

Atkore Inc. (ATKR) surged 74% after beating estimates for EPS and sales. The company highlighted better-than-expected results in its PVC electrical conduit business and raised its 2021 EBITDA outlook substantially. To top it off, ATKR increased their buyback capacity. SkyWest, Inc. (SKYW) rose on reopening optimism as air traffic increased and cheap cyclical stocks drew interest.

### HEALTH CARE

An underweight to biotechnology proved fruitful as longer duration growth stocks cooled off. Health care residential service company, Ensign Group, Inc. (ENSG), rallied at the beginning of the quarter and again in March, on what was likely renewed investor interest as funds rotated out of expensive growth names and companies more levered to reopening benefitted.

## Sector Detractors

### CONSUMER STAPLES

Fund holdings Simply Good Foods (SMPL) and e.l.f. Beauty (ELF) cooled off after joining the S&P 600 Index in December, while more economically sensitive companies in retailing rebounded strongly as states started to reopen.



**MICHAEL HONKAMP, CFA**  
Senior Vice President,  
Portfolio Manager



**DAVID STAMM, CFA**  
Senior Vice President,  
Portfolio Manager



**ANN ROBERTS**  
ESG Analyst,  
Portfolio Manager



**DUANE ROBERTS, CFA**  
Director of Equities,  
Portfolio Manager



## REAL ESTATE

Strong moves in retail, office and hospitality REITs rebounded and dwarfed returns from less distressed REIT peers.

### *Select Additions*

#### **SUMMIT MATERIALS, INC. (SUM)**

This company is a vertically integrated producer of cement, aggregates, and asphalt benefiting from political winds in favor of infrastructure spending and accelerating economic strength. Price increases should offset pressure from rising wages and fuel, and we expect margin expansion in cement in 2021. SUM has a valuation discount to peers that is likely to narrow.

#### **INVESTORS BANCORP, INC. (ISBC)**

This New Jersey bank completed an acquisition of 8 branches in PA and NJ in December. There is an opportunity for multiple expansion off trough levels as net interest margin improves as well as the potential for reserve releases driven by improving portfolio credit profile. ISBC bought 2mm shares in Q4, increased their dividend, and guided to buying back 6mm + shares in 2021.

### *Select Deletions*

#### **MEDPACE HOLDINGS, INC. (MEDP)**

The shares were purchased in Q1 2020 and offered quality and visibility at a discount with exposure to smaller drug biotech research trials. After a strong 12-month performance, valuation is stretched and much of the probable near term upside is priced in.

#### **DEVON ENERGY CORPORATION (DVN)**

Devon completed the merger with portfolio holding WPX Energy on January 7<sup>th</sup>. When the dust settled, the new company hit a \$13B market valuation. The merger will offer upside in coming months, yet will focus more on synergy and assets. We sought more energy beta as crude prices showed strength.

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## Portfolio

### ANNUALIZED RETURNS as of 3/31/21

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Dana Epiphany ESG Small Cap Equity Fund	DSCIX	16.28%	16.28%	98.04%	11.54%	11.45%	8.54%
Russell 2000 Index TR		12.70%	12.70%	94.85%	14.76%	16.35%	13.76%

The gross expense ratio for the institutional class is 2.58%.

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 3/31/21, subject to change

ENSIGN GROUP	2.31%
DECKERS OUTDOOR CORPORATION	2.23%
HORIZON THERAPEUTICS PLC	2.13%
OMNICELL, INC.	2.12%
JACK IN THE BOX, INC.	2.11%
CONMED CORPORATION	2.11%
MASTEC, INC.	2.08%
BLOOMIN' BRANDS, INC.	2.08%
ATKORE INTERNATIONAL GROUP, INC.	2.08%
ADVANCED DRAINAGE SYSTEMS, INC.	2.06%

Current and future portfolio holdings are subject to risk.

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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](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.