

MARCH 31, 2021

# Dana Large 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% for the quarter and returned +80.69% in just over a year since the COVID-induced low for the S&P 500 on 3/23/2020. Value outperformed its growth counterpart by the widest margin since Q1 2001, marking the first time since 2016 that the Russell 1000 Value Index outperformed the Russell 1000 Growth Index in back-to-back quarters.

Having benefited from improved market breadth, the Dana Large Cap Equity Fund (the 'Fund') finished the quarter up +8.25%, significantly beating the benchmark S&P 500 Index. Positive excess returns occurred in all three months, with the best relative performance being seen in sectors that had been more recently dominated by a handful of large, hyper-growth stocks and periods of increased market volatility. While our focus remained on companies with strong fundamental and valuation characteristics, we continued to seek both cyclical and secular growth opportunities too.

## Sector Contributors

### INFORMATION TECHNOLOGY

Strong returns from Zebra Technologies Corporation (ZBRA), Lam Research Corporation (LRCX) and CDW Corporation (CDW) drove excess returns in the Information Technology sector. Underweight to Apple, Inc. (AAPL) was also a significant contributor to relative performance.

### CONSUMER DISCRETIONARY

Strong performance by D. R. Horton, Inc. (DHI) and BorgWarner, Inc. (BWA) was helped by double-digit returns from Best Buy Company, Inc. (BBY) and Home Depot, Inc. (HD). Lack of exposure to Tesla, Inc. (TSLA) and underweight to Amazon.com, Inc. (AMZN) were also positives for relative performance.

## Sector Detractors

### COMMUNICATION SERVICES

Negative return from T-Mobile US, Inc. (TMUS) resulted in lagging performance in the



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Communication Services sector, while flat results from Verizon Communications, Inc. (VZ) and Activision Blizzard, Inc. (ATVI) also hampered relative performance.

#### REAL ESTATE

All Fund holdings in the sector trailed the sector average, with a negative return from Alexandria Real Estate Equities, Inc. (ARE), which was sold in the quarter, causing the largest drag on relative performance.

### Select Additions

#### NUCOR CORPORATION (NUE)

The nation's largest steel producer and recycler is experiencing record profits as demand strengthens with the global economic rebound. The stock offers strong upward sales and earnings estimates, and also provides improving margins and returns on capital fueled by strong pricing. NUE has multiple agreements to increase its energy consumption from renewable sources, and a possible infrastructure spending bill should further improve its upside potential.

#### DEERE & COMPANY (DE)

Deere is levered to the global agricultural sector which is seeing solid growth driven by increasing global consumption and rising mechanization. Deere's equipment increases farmer productivity, and with rising crop prices, farmers have more money to spend on new equipment which should fuel continued growth and market share gains.

#### ZIMMER BIOMET HOLDINGS, INC. (ZBH)

This company designs and manufactures orthopedic reconstructive implants, supplies and equipment. ZBH has been gaining traction with their robotic system which helps doctors perform hip and knee replacements and should result in stable or increasing market share after a period of share loss. ZBH may also experience outsized growth as elective surgery volumes improve after being depressed due to COVID.

### Select Deletions

#### THERMO FISHER SCIENTIFIC, INC. (TMO)

The company has done an exceptional job growing the COVID testing business from nothing to over \$6 billion in annual revenues in less than a year. This amazing feat resulted in earnings levels well above previous expectations and admirable stock returns. With more people being vaccinated, we decided to take profits as the COVID testing business is likely to decline.

#### PACKAGING CORPORATION OF AMERICA (PKG)

Packaging Corp. of America is a top-performing U.S. corrugated box manufacturer. The stock has performed well due to strong pricing on the back of excellent e-commerce box demand. We chose the take gains and reinvest in better opportunities.

#### MERCK & COMPANY INC. (MRK)

While Merck has executed well, their main growth driver, a cancer drug sold under the name Keytruda, has become an outsized portion of overall sales. This product concentration issue will limit multiple expansion on the stock, while potentially forcing the company to engage in M&A to diversify its revenue. Owing to Merck's numerous uncertainties, other names in the sector appear more attractive.

*“Having benefited from improved market breadth, the Fund finished the quarter up +8.25%, significantly beating the benchmark S&P 500 Index.”*

## Portfolio

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

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Dana Large Cap Equity Investor	<b>DLCEX</b>	8.25%	8.25%	55.88%	13.96%	14.88%	12.12%	13.97%
Dana Large Cap Equity Institutional	<b>DLCIX</b>	8.31%	8.31%	56.29%	14.22%	15.16%	N/A	12.57%
S&P 500 Index		6.17%	6.17%	56.35%	16.78%	16.29%	13.91%	14.46%*

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

The gross expense ratio for the institutional class is 0.91%/1.16%.

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

APPLE, INC.	3.41%
AMAZON.COM, INC.	3.07%
ALPHABET, INC. CL A	3.04%
MICROSOFT CORP.	2.93%
MORGAN STANLEY	2.11%
QORVO, INC.	2.07%
MICROCHIP TECHNOLOGY, INC.	2.05%
LAM RESEARCH CORPORATION	2.03%
BANK OF NEW YORK MELLON CORP	2.02%
HORIZON THERAPEUTICS PLC	2.00%

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.

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.