

DECEMBER 31, 2021

Dana Large Cap Equity Fund Manager Commentary

Overview

In 2021, the S&P 500 Index returned +28.71% in another strong year for US equity markets. While the market did pullback coming into October and into December, these retreats were both brief and shallow. A Santa Claus rally then capped a +11.03% Q4 return for the S&P 500 Index. Even though the year was replete with challenges and stress, the buoyant S&P 500 Index set 70 record high daily closing values in 2021. Since 1929, only 1995 had more all-time closing highs. The S&P 500 Index has returned a remarkable +16.73% annualized since 3/31/2009, the depths of the global financial crisis. What a period for equities!

The Dana Large Cap Equity Fund (the 'Fund') delivered a 9.62% return in Q4, and 27.50% for the full-year 2021. The Fund delivered its best relative performance during the first half of the year, led by a broadening of the market and solid stock selection in companies positioned well for strong earnings rebounds. The second half of the year was once again driven by a small number of very large, high-growth constituents. The Fund's avoidance of some, and less-concentrated weights to the dominant, high relative value mega-cap companies were the biggest performance detractors. The strongest absolute returns for both the Fund and the benchmark came in the Real Estate sector during the quarter, while the Industrials sector was the strongest for the Fund on a relative basis. Turnover in the Fund was very light in Q4 as we were comfortable with our positioning. Going forward, we continue to see attractive valuations beyond the mega-cap and dominant growth stories throughout the market. We anticipate making steady adjustments in holdings to capitalize on some of these investment opportunities. While the transition into 2022 will likely present new challenges in the market, we see numerous companies providing fundamental performance that should reward investors.

Sector Contributors

INDUSTRIALS

Norfolk Southern Corporation (NSC) and Fortune Brands Home & Security, Inc. (FBHS) recovered from mid-year weakness to lead the Fund in the Industrials sector, where all but one of the holdings outperformed the sector average.

UTILITIES

Both Utilities holdings, NextEra Energy, Inc. (NEE) and Eversource Energy (ES), produced double-digit returns.

[Source for historical number of highs by year since 1929 is Charlie Bilello at Compound Advisors <https://twitter.com/charliebilello/status/1477025540838146054>]

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.



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Sector Detractors

INFORMATION TECHNOLOGY

Semiconductor companies Qorvo, Inc. (QRVO) and Texas Instruments (TXN) were detractors as both experienced negative returns in a strong up market. Underweights to Apple, Inc. (AAPL) and Microsoft Corporation (MSFT) also hurt relative returns as mega-cap stocks dominated the S&P 500 Index.

CONSUMER DISCRETIONARY

Lack of exposure to Tesla, Inc. (TSLA) was the most significant detractor to relative performance. Best Buy Company, Inc. (BBY) corrected, detracting from returns.

Select Addition

MERCK & COMPANY, INC. (MRK)

Merck has had tremendous success with Keytruda, a cancer drug, which has grown to about one-third of total revenues. This success has caused concern regarding the loss of patent protection in 2028, resulting in a compelling valuation with a P/E under 11x. Merck is acting to reduce its dependence on Keytruda by using their sizeable cash flow to pursue acquisitions while the pipeline of new drugs will naturally reduce this dependency. As Merck successfully diversifies away from Keytruda, the company's multiple should expand, resulting in strong performance.

ANALOG DEVICES, INC. (ADI)

Analog Devices is a diversified semiconductor supplier with strong exposure to fast-growing end markets. The company's products are designed into electric vehicles, 5G telecommunications infrastructure, and automated factory equipment. Analog Devices recently acquired peer, Maxim Integrated, to extend its product suite, adding strategic and financial scale. We expect strong revenue and earnings growth over the next several quarters if the company continues to execute in a favorable industry environment.

Select Deletion

ZIMMER BIOMET HOLDINGS, INC. (ZBH)

Zimmer's main business is orthopedics—replacement hips and knees—which has proven less resilient than most other medical procedures during Covid. The higher average age of the patient, combined with the ability to defer the procedure, has resulted in less demand than anticipated. With a somewhat cloudy outlook for growth, other companies in the Health Care sector offer superior returns versus risk.

QORVO, INC. (QRVO)

Qorvo's wireless connectivity products enjoy solid demand from 5G customers, but competition in a fluid handset category is an incremental concern. Higher exposure to a Chinese customer base adds some volatility to forward guidance. We like other semiconductor companies better in the current environment.

Portfolio

ANNUALIZED RETURNS as of 12/31/21

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Dana Large Cap Equity Investor	DLCEX	9.54%	27.18%	27.18%	24.14%	17.03%	14.75%	14.58%
Dana Large Cap Equity Institutional	DLICX	9.62%	27.50%	27.50%	24.43%	17.32%	N/A	13.59%
S&P 500 Index		11.03%	28.71%	28.71%	26.06%	18.48%	16.55%	15.34%*

Lrg Cap (I Class/N Class) – 10/28/2013 & 03/1/2010

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

The net expense ratio of the Class N is 0.98% and 0.73% for Class I, while the gross expense ratio of the Class N is 1.16% and for 0.91% Class I. The Adviser has contractually agreed to waive its management fee and/or reimburse certain operating expenses through 02/28/2022. Results shown reflect the waiver, without which the results would have been lower.

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TOP HOLDINGS as of 12/31/21, subject to change

APPLE, INC.	3.68%
MICROSOFT CORP.	3.60%
ALPHABET, INC. CL A	3.43%
AMAZON.COM, INC.	3.19%
ABBVIE, INC.	2.19%
CVS HEALTH CORP	2.17%
LAM RESEARCH CORP.	2.14%
D.R. HORTON, INC.	2.13%
ZEBRA TECHNOLOGIES	2.08%
MICROCHIP TECHNOLOGY, INC.	2.08%

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 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.