

MARCH 31, 2022

# Dana Epiphany ESG Small Cap Equity Fund Manager Commentary

## Overview

The U.S. stock markets were negative for the quarter as investors began to focus on changes in monetary policy, higher inflation, rising interest rates, and slower earnings momentum. Russia's invasion of Ukraine on February 24th triggered a significant economic shift that sent many commodity prices higher and put further strain on supply chains, but also saw growth stocks rebound slightly from their early quarter swoon. Volatility was not confined to the equity markets. Bond prices also declined as the Fed increased rates in mid-March and signaled that further rate hikes lay ahead in order to thwart inflation. At the close of the quarter, the S&P 500 Index was down -4.60%. Small-cap stocks, as measured by the Russell 2000 Index, declined -7.53%.

The Dana Epiphany ESG Small Cap Equity Fund (the 'Fund') returned -8.24% for the first quarter. Industrials and Materials holdings detracted from performance while Health Care and Energy holdings were strong relative performers. Health Care was a "tale of two cities" as volatility cut both ways and stock selection paid off. Energy holdings delivered hefty double-digit returns, yet this came at a significant cost to the overall market. We remain committed to our relative value approach that seeks companies with strong fundamentals at attractive prices relative to peers. We believe these qualities will be rewarded by the market as investors look for ways to limit certain risks while remaining invested.

## Sector Contributors

### HEALTH CARE

Envista Holdings Corporation (NVST), CONMED Corporation (CNMD), and Shockwave Medical, Inc. (SWAV) delivered positive returns. Shockwave materially advanced after reporting EPS and sales beats and guiding 2022 numbers higher. The biotechnology industry retreated on the risk-off rising rate environment, but Fund holdings held up better than average.

### ENERGY

Having benefited from the rapid increase in energy prices, service provider Cactus, Inc. (WHD) and E&P company, Ovintiv, Inc. (OVV), outpaced their peers.

### CONSUMER DISCRETIONARY

Bloomin' Brands, Inc. (BLMN) delivered a positive return in a sea of red for Consumer Discretionary stocks.

*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

### INDUSTRIALS

The Fund did not hold positions in positive performing industries such as marine, aerospace & defense, and trading companies & distributors, all of which outperformed. Cyclical holdings SkyWest, Inc. (SKYW), Regal Rexnord Corporation (RRX), Masonite International Corporation (DOOR), and Advanced Drainage Systems, Inc. (WMS) retreated on macroeconomic concerns and margin pressures related to commodity prices.

### MATERIALS

Lack of exposure to metals & mining companies that rallied on the commodity spikes detracted from performance. Summit Materials, Inc. (SUM) reported challenges in the quarter and some analysts questioned guidance and capex spending for 2022. This overshadowed the otherwise good news of EBITDA improvement.

### CONSUMER STAPLES

Tobacco and food retail were bright spots in a sector worried about inflation pressures. Simply Good Foods Company (SMPL) and e.l.f. Beauty, Inc. (ELF) fell on margin concerns.

## Select Additions

### CLEAN HARBORS, INC. (CLH)

This industrial waste recycling and remediation company has a strong long term outlook given the organic growth ramp in environmental services. The Safety-Kleen division is facing margin pressure on rising oil prices, yet the division has strong demand and is maneuvering to improve spreads. Management is using cash flow to reduce leverage, conduct accretive M&A and make shareholder friendly distributions.

### VERITONE, INC. (VERI)

This software company has a focus on artificial intelligence automation with end markets that are diverse and expanding in areas such as advertising and recruiting. The PandoLogic acquisition offers accretive value and strong revenue growth. PandoLogic is diversifying away from Amazon reliance (30% customer) and its aiWARE product offers upside if management is able to successfully ramp-up new markets. VERI is inexpensive on EV/Sales (4.2x LTM) mostly due to Amazon business risk and execution of new product strategies, and offers upside if management executes.

### VERITEX HOLDINGS (VBTX)

This commercial bank operating in Texas just bought interlinks, an online deposit platform, and completed a capital raise. The deal solves a funding issue and takes pressure off the loan/deposit ratio. M&A opportunities could also add funding capacity. The company has a history of increasing book value and finished 2021 with a 1.49% ROA.

## Select Deletions

### COHU, INC. (COHU)

Persistent supply chain bottlenecks in industrial and auto industry end markets cloud earnings growth. The shares rebounded from a deeply oversold state which provided an exit point.

### JACK IN THE BOX, INC. (JACK)

Omicron thwarted JACK's reopening path and inflationary pressures exacerbate the compa-

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ny's challenges. Management is struggling to hit margin goals. The acquisition of Del Taco could boost cash flow growth, but it is a distraction from the key issue of customer traffic.

### COWEN, INC. (COWN)

Cowen showed great revenue growth in 2020 and 2021, but market uncertainty impacts COWN's ability to execute on alternative investment banking. The sale reduced capital markets beta.

## Portfolio

### ANNUALIZED RETURNS as of 3/31/22

	TICKER	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Dana Epiphany ESG Small Cap Equity Fund	DSCIX	-8.22%	-8.22%	3.37%	13.10%	8.72%	7.71%
Morningstar US Small Core Index		-6.23%	-6.23%	-1.00%	10.88%	8.35%	9.52%
Russell 2000 Index		-7.53%	-7.53%	-5.79%	11.74%	9.75%	10.46%

Epiphany ESG Small Cap Inception Date – 11/02/2015

The net expense ratio is 0.95% while the gross expense ratio is 2.05%. The Adviser has contractually agreed to waive its management fee and/or reimburse certain operating expenses through 02/28/2023. Results shown reflect the waiver, without which the results would have been lower.

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.

\*The Dana Epiphany ESG Small Cap Fund has changed its primary benchmark from the FTSE Russell 2000 Index to the Morningstar US Small Core Index. Access to the FTSE Russell 2000 Index data has become cost-prohibitive for the Fund. The composition of the two indexes is substantially similar, and in the opinion of Dana Investment Advisors, Inc., investment adviser to the Fund, the Morningstar US Small Core Index provides an appropriate broad-based market comparison for the Fund.

### TOP HOLDINGS as of 3/31/22, subject to change

CACTUS, INC.	3.42%
OVINTIV, INC.	3.39%
SHOCKWAVE MEDICAL, INC.	1.97%
GLOBAL MEDICAL REIT	1.91%
ENSIGN GROUP	2.15%
STAG INDUSTRIAL, INC.	1.97%
AGREE REALTY CAPITAL, INC.	1.97%
ENVISTA HOLDING CORP	1.96%
SPIRIT REALTY CAPITAL, INC.	1.95%
CONMED CORPORATION	1.94%

Current and future portfolio holdings are subject to risk.

The universe of acceptable investments for the Fund may be limited as compared to other funds due to the Fund's ESG investment screening. Because the Fund does not invest in companies that do not meet its ESG criteria, and the Fund may sell portfolio companies that subsequently violate its screens, the Fund may be riskier than other mutual funds that invest in a broader array of securities.

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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.

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