

Davenport Asset Management Investor Summit

WEDNESDAY, APRIL 26, 2017

This year's Summit focused primarily on demographics and trends impacting our lives and investments, with a specific emphasis on Millennials. This generation has become an agent of change and continues to be a source of disruption for many industries. As investors, we understand the importance of being attuned to the opportunities and risks associated with these ongoing changes.

Please enjoy the brief summary that follows.

DAVENPORT EQUITY RESEARCH ANALYSTS: PANEL DISCUSSION

Demographic Trends Affecting Today's Economic Landscape

Davenport's in-house research effort is a vital asset to our firm. The analysts on our panel average 24 years of experience covering their respective industries and are intimately familiar with numerous companies. They have also been with the firm an average of 14 years and embody the stability that characterizes Davenport.



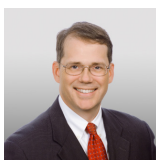
Dave West, Senior Vice President, Financials

Millennials demand convenience. Financial firms will need to deliver a wide range of products available through easy access technology, accelerating the trend away from cash and checks. Two highlighted companies addressing these trends are Capital One Financial (COF) and Visa/Mastercard (V/MA).



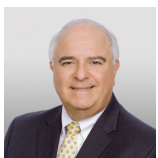
Ann Gurkin, Senior Vice President, Consumer Staples

Younger generations are changing the way shopping for staples is done. Many are blurring the lines between on-line and in-store purchases, and are increasingly shopping the store perimeter. They seek products that mirror their increasingly holistic approach to life. Nestle (NSRGY) and PepsiCo (PEP) were highlighted based on their positioning in the market.



Jeff Omohundro, Senior Vice President, Consumer Discretionary

"Spending with purpose" is the catch phrase for Millennials, who view life as more than an accumulation of things. The future of retail will need to incorporate extreme value, contextual shopping experiences and connecting physical and digital platforms. Amazon.com Inc (AMZN) and Priceline Group Inc (PCLN) are capitalizing on their strengths in the digital shopping arena.



Joel Ray, Senior Vice President, Health Care

The rise in life expectancy over the past century, coupled with scientific progress in understanding and sequencing the human genome has had tremendous impact on the health care sector. Value-added breakthrough therapeutics, antibiotics, and vaccines are driving forces in the industry. Merck (MRK) and CVS Health (CVS) were discussed as two examples of firms addressing these changes to their industry.

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FEATURED SPEAKER:

John Martin, Chief Executive Officer, SIR

HOW MILLENNIALS ARE RESHAPING OUR FUTURE

Mr. Martin offered an in-depth perspective on the Millennial generation. Because they are the largest generation in history, it is imperative for businesses to understand their distinctive traits so we may better understand how they navigate this changing world. Millennials are tech-savvy, collaborative, diverse, and socially responsible. These qualities and the current economic and social landscape have created a generation that navigates the world from a unique perspective.

Some highlights from the presentation include:

- Millennials are “change agents”; they are changing culture and society
- Millennials are more about sharing an experience vs. living an experience
- Technology is the main influence over this generation
- This generation is, on average, under-employed and facing large amounts of student debt
- There is great hope for our society because of Millennials’ collaborative nature and acceptance of differences

John Martin serves as CEO and managing partner of SIR, a 53-year-old strategic management consultancy and research firm based in Richmond, Virginia. John’s firm also includes The Institute for Tomorrow, which was founded in 2003 and became quickly established as the nation’s top authority on generational dynamics in the workplace and marketplace. The Institute has worked with large corporations and financial services firms, helping them understand older Boomers, as well as Gen Xers and Millennials. John and members of his staff have appeared on major network news programs and been quoted in newspaper and magazine articles.

For more information about John Martin and SIR, visit www.sirhq.com

DID YOU KNOW?

- **82%** of college age Millennials have spoken to their parents in the last 24 hours
- **37%** consider themselves “city people”
- **91%** expect to stay in their jobs for less than 3 years
- **95%** want to be courted by brands
- **26%** of the workforce is made up of Millennials; in 2025 this will increase to 46%

Important Disclosures

Davenport & Company LLC is not affiliated with SIR or The Institute for Tomorrow.

Risk Considerations:

Past Performance is no guarantee of future results. No graph, chart or formula can guarantee profit of any nature in the stock market and should not be relied upon solely in making investment decisions. There is no guarantee that any investment will be profitable. Investing in securities or other investment vehicles carries risk including the possible loss of principal. Equities are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees. Funds that invest in foreign securities may involve greater risks, including political and economic uncertainties, as well as risk of currency fluctuations. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies. There is no guarantee that a company will continue to pay a dividend. Investments in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, while their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes. An issuer suffering an adverse change in its financial condition could see the credit quality of its securities deteriorate, leading to greater price volatility of the security. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Certification:

As a primary author of this report, I hereby certify that the views and opinions expressed herein accurately reflect my personal views and opinions about the principal subject(s) of this report. Further, I hereby certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or personal views expressed here.

Joel M. Ray, CFA, David M. West, CFA, Ann Gurkin, Jeff Omohundro, CFA

Other Companies Mentioned:

Amazon.com, Inc. (AMZN-NASDAQ): None
 Capital One Financial (COF-NYSE): A1 A5 I U
 CVS Health Corp (CVS-NYSE): A1

Merck & Co. (MRK-NYSE): A1
 Mastercard Inc. (MA-NYSE): None
 Nestle SA ADR (NSRGY-OTC): A1

PepsiCo, Inc. (PEP-NYSE): A1
 Priceline Group Inc. (PCLN-NASDAQ): A1
 Visa Inc. (V-NYSE): None

Description of Rating System:

Buy These shares offer attractive long-term appreciation potential from current prices. We would expect these shares to outperform the market over a longer-term horizon and long-term investors can buy at current prices. **Neutral** These shares should perform roughly in-line with the current market. We neither encourage the purchase nor the sale of these securities at current prices. **Reduce/Sell** These shares have more downside risk than upside potential at current prices. We expect these shares to underperform the market at current prices.

Risk Profile Considerations

This risk classification has been determined primarily from considering the level and predictability of earnings, the volatility of the stock relative to the market, applicable debt ratings, the composition and level of the company’s capital structure, the dependence on key customers, and other relevant risk considerations.

Description of Disclosure Codes

- A1 The Research Analyst or a member of the Analyst’s household has financial interest in common stock of the subject company
- A5 The Research Analyst or a member of the Analyst’s household has financial interest in warrants for the securities of the subject company.
- I Davenport & Company LLC has received compensation for investment banking services from the subject company in the past 12 months.
- U Davenport & Company LLC managed or co-managed a public offering of securities for the subject company in the past 12 months.