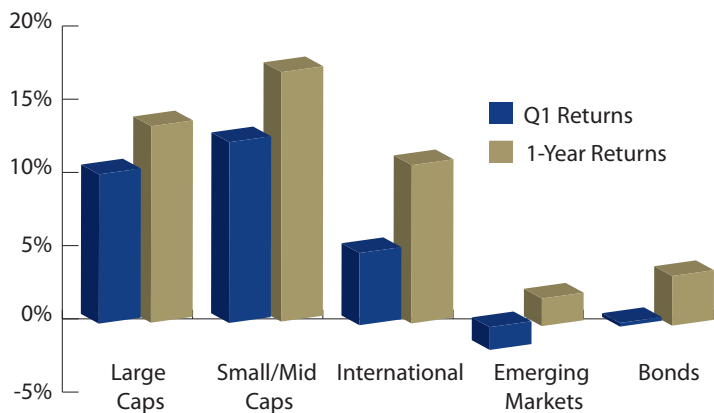


MARKET REVIEW

This has to go down as one of the most bearish bull markets in history. Most investors have had a negative view of stocks since the end of 2008 and continue to expect the next market decline to be right around the corner. However, stocks continue to plug higher. In fact, most major domestic indices are near or above their all-time highs, and the S&P 500 Index has gained 10.61% in the first quarter and 13.96% over the past year. Despite the negative headlines and uncertainty, developed international markets, as represented by the MSCI EAFE, rose 5.13% in the first quarter and 11.25% over the past year. The emerging markets, represented by the MSCI EM, have taken a bit of a breather after a very impressive fourth quarter and a stellar 18.22% return in 2012, declining 1.62% during the first quarter. At Davenport, we continue to think the big picture for stocks looks pretty positive, but will not be surprised to see some bumps along the way. Corporate earnings have remained strong, consumer spending has been resilient, employment has been improving slowly, the housing recovery is underway, mergers and acquisition activity has picked up, and we have started to see mutual fund flows favoring stocks over bonds.

You can see on the following page that the funds have had a pretty solid start to the year, with most of the stock funds posting double-digit returns for the first quarter. We have been particularly pleased with the performance of the large cap stock funds, which have collectively beaten the S&P 500 this year. Royce Value continues to be an obvious laggard that has become increasingly frustrating and remains on watch.

**MARKET PERFORMANCE:
 INDEX RETURNS**



Performance shown is historical and is no guarantee of future results. Source: Morningstar Direct as of 3/31/2013. Please see Disclosures for index definitions and important information.

RECENT & UPCOMING CHANGES

You may have noticed some trading in your account recently as we made some proactive changes to the bond allocations within the FundAdvisor program. Interest rates have been near historic lows for an extended period of time, therefore we are becoming increasingly concerned about what seems to be an inevitable rise in interest rates. We are unsure as to the timing of such a rise, but want to be early rather than late.

WE HAVE MADE THE FOLLOWING CHANGES:

1. Sold PIMCO Total Return (PTTAX)
2. Sold Delaware Diversified Income (DPDFX)
3. Purchased Eaton Vance Global Macro Absolute Return Fund (EIGMX)
4. Purchased Hartford Floating Rate (HFLIX)
5. Increased allocation to Vanguard Short-term Investment Grade Bond Fund (VFSUX)

THE NEW ALLOCATION HAS THE FOLLOWING ATTRIBUTES:

- Similar risk/return characteristics: Long-term risk/return characteristics almost identical to the Barclays Capital Intermediate Gov't/Credit Index
- More yield: yield increases from 2.4% to 2.8%
- Less sensitivity to interest rates: duration declines from 3.9 years to 1.4 years
- Lower correlation: correlation to the bond market decreases significantly and correlation to stocks remains low
- Lower expenses: decrease in overall expense ratio
- Should do well in flat or rising rate environments: we expect that the higher yield should provide nice returns in a stable rate environment and this fund combination has provided significant outperformance in previous rising rate environments

Additionally, we expect to rebalance accounts in the next few weeks. This is the annual ritual of bringing allocations back in line with our targets. In other words, we will be selling the funds that have done well and buying more of those that have not, which over time leads us to buy low and sell high.

We appreciate your business and value our relationship. As always, please feel free to contact us with any questions or concerns you may have.

Returns as of March 31, 2013 *Returns greater than 1 year are annualized

FUND / INDEX NAME	ROLLING RETURNS					FUND / INDEX PERFORMANCE AT NET ASSET VALUE**					EXPENSE RATIO	
	Avg 1 Year	Avg 3 Year	Avg 5 Year	Up Capture	Down Capture	YTD	1 Year*	3 Years*	5 Years*	10 Years*	Gross	Net
LARGE CAP												
American Funds AMCAP F2	7.68	5.03	2.20	97.91	96.05	10.40	13.44	11.65	7.34	8.68	0.49	0.49
Diamond Hill Large Cap I	10.38	6.91	3.81	105.34	91.88	11.56	14.78	10.63	5.51	11.33	0.81	0.81
FMI Large Cap	9.81	7.27	4.82	95.04	77.66	11.40	15.20	11.05	7.73	11.15	0.96	0.96
S&P 500 Index	7.68	4.60	1.46	100.00	100.00	10.61	13.96	12.67	5.81	8.53	-	-
MID CAP AND SMALL CAP												
Munder Mid Cap Core	11.72	7.89	4.13	89.64	84.94	12.79	14.97	15.06	6.65	12.16	1.07	1.07
Royce Value Investment	13.17	9.96	6.65	97.71	91.37	3.08	2.18	7.88	4.70	13.52	1.17	1.17
Keeley Small Cap Value A	12.91	7.72	3.36	107.35	105.79	14.41	26.42	15.61	4.53	13.53	1.39	1.39
Russell 2500 Index	10.76	7.17	3.41	100.00	100.00	12.85	17.73	14.59	9.02	12.30	-	-
INTERNATIONAL												
Thornburg International Value	12.06	9.20	5.93	98.55	86.43	2.51	6.79	5.02	0.34	12.29	0.88	0.88
Dodge & Cox International	13.14	8.30	4.04	117.15	107.55	3.64	11.28	4.94	1.09	13.43	0.64	0.64
MSCI EAFE Index	9.28	5.61	1.87	100.00	100.00	5.13	11.25	5.00	-0.89	9.69	-	-
EMERGING MARKETS												
T. Rowe Price Emerging Mkts	19.72	14.08	9.10	103.81	108.29	-2.29	4.07	3.12	-1.23	16.33	1.27	1.27
MSCI Emerging Markets Index	19.14	15.00	10.84	100.00	100.00	-1.62	1.96	3.27	1.09	17.05	-	-
INTERMEDIATE GOV'T/CREDIT												
Eaton Vance Glb Mcr Abs Rtn	6.06	6.47	6.59	87.40	-6.39	1.48	3.17	2.67	4.37	6.23	1.02	0.72 ¹
Hartford Floating Rate	-	-	-	-	-	2.27	7.50	6.47	6.11	-	0.73	0.73
BarCap U.S. Intrm Govt/Credit	4.66	4.96	5.08	100.00	100.00	0.26	3.53	4.75	4.61	4.49	-	-
SHORT-TERM BOND												
Vanguard Short-Term Inv Gr.	4.05	4.34	4.18	128.21	127.09	0.48	3.47	3.45	3.97	3.95	0.11	0.11
Citigroup USBIG Gov/Corp 1-3	3.21	3.69	3.96	100.00	100.00	0.20	1.08	1.61	2.34	3.06	-	-
DYNAMIC ALLOCATION												
BlackRock Global Allocation I	9.68	8.48	6.97	76.26	54.05	4.29	6.37	6.36	3.88	11.03	0.88	0.88
IVA Worldwide I	-	-	-	-	-	6.16	6.80	7.74	-	-	1.03	1.03
Kinetics Paradigm No Load	11.43	6.87	2.37	118.65	114.25	12.21	17.90	10.00	1.64	11.29	1.78	1.64 ²
Wells Fargo Avtg Abs Rtn A	-	-	-	-	-	3.49	6.72	-	-	-	1.69	1.69
Wintergreen Investor	-	-	-	-	-	8.94	12.72	10.23	4.31	-	1.86	1.86
Ivy Asset Strategy I	12.38	11.83	10.43	85.04	64.03	4.53	9.33	8.13	3.76	11.60	0.75	0.75
MSCI World Index	8.21	5.00	1.64	100.00	100.00	7.73	11.85	8.46	2.23	8.88	-	-

Performance data quoted represents past performance. Past performance is historical and not representative nor a guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month-end, please call 1-800-853-2060.

Disclosures

It is important to note that short-term and trailing performance will fluctuate. We expect all of the funds at some point to experience underperformance versus their benchmarks and peer groups. However, we believe that our research process has helped us identify funds that are likely to perform well over the long-term. Our decision to remove a fund is not based on short-term performance, but on in-depth analysis using our Monitoring Criteria.

**Mutual funds are offered in the FundAdvisor program at net asset value, but are subject to an annual investment advisory fee of up to 1.25% with a minimum fee of \$125 per quarter. The Davenport wrap fee includes investment advice and brokerage execution. In addition to the FundAdvisor fee, clients will bear a proportionate share of each mutual fund's management and administrative expenses, including advisory fees paid to the mutual fund's investment advisors. This chart shows the actual performance of the shares at net asset value, and does not represent individual account performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the data quoted. To obtain performance data current to the most recent month-end, please visit the following web sites: www.americanfunds.com, www.blackrock.com, www.diamond-hill.com, www.dodgeandcox.com, www.eatonvance.com, www.fiduciarymgt.com, www.hartfordinvestor.com, www.ivafunds.com, www.ivyfund.com, www.keeleyfunds.com, www.kineticsfunds.com, www.munder.com, www.roycefunds.com, www.thornburginvestments.com, www.troweprice.com, www.vanguard.com, www.wellsfargo.com, www.wintergreenfund.com. The investment and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Mutual Fund and Index returns are provided by Morningstar.

You should consider each mutual fund's investment objectives, risks, charges and expenses carefully before investing. Each mutual fund's prospectus contains this and other important information, should be read carefully before investing or sending money, and can be obtained by contacting your Investment Executive, or by calling 1-800-853-2060. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Investing in securities carries risk including the possible loss of principal.

† Large Caps represented by the S&P 500 Index. Small/Mid Cap represented by the Russell 2500 Index. International stocks represented by the MSCI EAFE Index. Emerging Markets represented by the MSCI EM Index. Bonds represented by the Barclays Capital Intermediate Government/Corporate Index.

Downside Capture Ratio measures a manager's performance in down markets relative to the market (benchmark) itself over the preceding 10-year period. **Gross Expense Ratio:** The total annual operating expenses of a fund divided by its average net assets. **Net Expense Ratio:** The total annual operating expenses of a fund, less any fee waivers, divided by its average net assets. This is the expense ratio actually charged by the fund for the previous fiscal year. **Rolling Returns:** The annualized average return for a period ending with the listed year. **Upside Capture Ratio** measures a manager's performance in up markets relative to the market (benchmark) itself over the preceding 10-year period.

¹Reflects net interest expense. ²The Investment Adviser to the Paradigm Portfolio has voluntarily agreed to waive management fees and reimburse Fund expenses so that Total Annual Fund Operating Expenses do not exceed the net expense ratio listed for the particular class. These waivers and reimbursements may be discontinued at any time.

INDEX DEFINITIONS: The S&P 500 Index is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. The Russell 2500® Index measures the performance of the small to mid cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The Barclays Capital Intermediate Government/Credit Index is an unmanaged index composed of debt securities with maturities from one to ten years issued or guaranteed by the U.S. Treasury, U.S. Government agencies, quasi-federal corporations and fixed rate dollar denominated SEC-registered corporate debt that are rated investment grade or higher by Moody's Investors Service and Standard and Poor's Corporation or Fitch Investor's Service, in that order. The Citigroup USBIG Government/Corporate 1-3 years Index measures the performance of bonds issued in the U.S. investment-grade bond market. The MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. The International stocks represented by the MSCI EAFE Index. is a capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in U.S. dollars and do not include the effects of reinvested dividends. The MSCI EM (Morgan Stanley Capital International Emerging Markets) Index is a capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in US dollars and do not include the effects of reinvested dividends. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. *An investor cannot invest in an index, and its returns are not indicative of the performance of any specific investment.*

RISK CONSIDERATIONS: International funds invest primarily in equity securities of issuers outside the United States. International investments are subject to additional risks such as currency fluctuations, political instability, and the potential for illiquid markets. 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. 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 lower the credit quality of a security, 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.

The mutual fund categories are determined by Davenport using a combination of Morningstar categories and a returns-based style analysis provided by Zephyr StyleADVISOR.

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