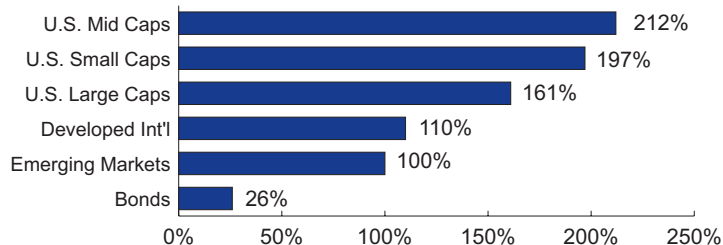


March 31, 2014

## First Quarter Market Review

The market showed some resilience in the first quarter but we were not surprised to see a much more modest pace of growth after the blowout performance of 2013. The market seems to be getting acclimated to the fact that economic growth in the Emerging Markets is slowing down and was even able to shrug off Russia's invasion of the Ukrainian province of Crimea fairly quickly. The S&P 500 Index ended the quarter up 1.81% after having lost about 5% in the middle of the quarter. Additionally, the MSCI Emerging Markets Index gained 3.07% in March and was only slightly negative for the quarter. As the recovery has matured, most asset classes have now posted impressive 5-year returns, including a 25.55% annualized return (211.96% cumulative) for mid cap stocks and a 21.16% annualized return (161.09% cumulative) for the S&P 500. By contrast, the international markets are still well below their 2007 highs, but have gained more than 16% annually over the past five years, as represented by the MSCI EAFE Index.

### 5-Year Cumulative Returns By Asset Class



As of 3/31/14; Source: Morningstar Direct. See Disclosures for index definitions†

## Fund Review

Overall, we were pleased with the performance of the mutual funds in your account, which you can see on the following page. The large cap funds all posted solid performance, particularly American Funds AMCAP, which returned 3.03% and has been one of the best large cap growth funds in the industry since we added it to portfolios in 2011. On the international front, we have been pleased with the performance of the MFS International New Discovery Fund since adding it last year in an effort to take advantage of the improving growth prospects in Europe, Japan, etc. The Dodge & Cox International Stock Fund continued its strong run in the first quarter after a very strong 26.31% return in 2013. The changes that we made to bonds last year (reducing interest rate sensitivity, or duration, and

increasing the yield) worked really well in 2013 and held up relatively well in the first quarter of 2014, despite a slight decline in interest rates during the quarter. The funds in the more flexible Opportunistic model have been able to generate better returns with the stabilization that we've seen in international markets over the past year or two.

## A Few Thoughts On Asset Allocation

With such strong gains for stocks over the past 5 years, the valuations on small and mid cap stocks have run up significantly, particularly over the past year. The table below shows the valuations (Price-to-Earnings ratios — “P/E”) for the individual asset classes that make up our FundAdvisor portfolios. This is one of many inputs that we consider as we determine asset allocation changes each year.

| Valuation By Asset Class        | 2014 P/E | 10-Yr Avg. P/E |
|---------------------------------|----------|----------------|
| U.S. Large Caps                 | 16.1     | 14.4           |
| U.S. Mid Caps                   | 18.7     | 15.7           |
| U.S. Small Caps                 | 20.5     | 16.6           |
| International Developed Markets | 13.3     | 12.7           |
| Emerging Markets                | 11.3     | 11.0           |

As of 3/31/14; Source: Morningstar Direct. See Disclosures for index definitions.†

The data implies that small and mid cap stocks look relatively expensive relative to U.S. large cap stocks, and that international markets, while not “cheap” compared to their historical averages, could have good potential, especially if we see continued economic improvements overseas. Over the past couple of years, we have gradually trimmed the mid and small cap positions in our portfolios in favor of large cap stocks. Additionally, about 27% of the stock portion of each model is invested in a combination of developed international and emerging market stocks.

We are currently in the process of finalizing some asset allocation and fund changes for this year and will be re-balancing accounts over the next several weeks. Re-balancing annually is a disciplined way to re-allocate your portfolio away from some of the best performing positions over the past year into some that have underperformed, a practice which has been shown to add value over time. As always, we thank you for your trust and will continue our rigorous monitoring and research in an effort to identify best-in-class investment managers for your portfolios.

# Returns

as of March 31, 2014 \*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               |
| <b>Large Cap</b>                 |                 |            |            |            |              |   |        |          |          |           |               |                   |
| American Funds AMCAP F2          | 9.37            | 5.97       | 4.73       | 104.68     | 93.46        | 3.03  | 27.95  | 16.09    | 22.56    | 8.17      | 0.50          | 0.50              |
| Diamond Hill Large Cap I         | 10.67           | 6.31       | 4.56       | 97.93      | 92.86        | 1.71  | 24.54  | 15.08    | 21.16    | 9.75      | 0.80          | 0.80              |
| FMI Large Cap                    | 10.06           | 7.09       | 5.90       | 92.60      | 78.44        | 2.49  | 20.05  | 14.18    | 19.75    | 9.41      | 0.96          | 0.96              |
| S&P 500 Index                    | 8.65            | 5.21       | 3.32       | 100.00     | 100.00       | 1.81  | 21.86  | 14.66    | 21.16    | 7.42      | -             | -                 |
| <b>Mid Cap and Small Cap</b>     |                 |            |            |            |              |   |        |          |          |           |               |                   |
| Munder Mid Cap Core Growth Y     | 11.84           | 7.53       | 5.31       | 90.48      | 85.02        | 1.77  | 20.64  | 13.23    | 22.89    | 9.86      | 1.15          | 1.15              |
| Royce Value Investment           | 11.79           | 7.86       | 6.63       | 97.59      | 92.59        | 1.18  | 25.70  | 6.29     | 20.68    | 10.39     | 1.17          | 1.17              |
| Keeley Small Cap Value A         | 12.41           | 6.26       | 3.18       | 107.13     | 106.98       | -0.23   | 17.40  | 12.18    | 24.05    | 10.08     | 1.37          | 1.37              |
| Russell 2500 Index               | 11.43           | 7.08       | 5.42       | 100.00     | 100.00       | 2.30  | 24.01  | 13.95    | 25.33    | 9.43      | -             | -                 |
| <b>International</b>             |                 |            |            |            |              |   |        |          |          |           |               |                   |
| Thornburg International Value    | 10.57           | 6.58       | 4.63       | 95.06      | 88.57        | -4.62   | 7.72   | 2.19     | 13.41    | 7.74      | 0.86          | 0.86              |
| Dodge & Cox Int'l Stock          | 11.45           | 5.30       | 3.52       | 113.76     | 105.41       | 2.76  | 25.25  | 8.79     | 20.52    | 9.25      | 0.64          | 0.64              |
| MFS Int'l New Discovery          | 13.16           | 8.25       | 6.33       | 103.57     | 88.24        | 0.72  | 13.18  | 9.99     | 22.01    | 10.31     | 1.14          | 1.14              |
| MSCI EAFE Index                  | 8.62            | 3.51       | 1.40       | 100.00     | 100.00       | 0.66  | 17.56  | 7.21     | 16.02    | 6.53      | -             | -                 |
| <b>Emerging Markets</b>          |                 |            |            |            |              |   |        |          |          |           |               |                   |
| T. Rowe Price Emerg. Mkts Stk    | 16.02           | 9.17       | 6.79       | 104.83     | 108.97       | -0.62   | -3.06  | -2.88    | 15.43    | 9.27      | 1.25          | 1.25              |
| MSCI Emerging Markets Index      | 15.62           | 10.32      | 8.60       | 100.00     | 100.00       | -0.43   | -1.43  | -2.86    | 14.48    | 10.11     | -             | -                 |
| <b>Intermediate Gov't/Credit</b> |                 |            |            |            |              |   |        |          |          |           |               |                   |
| Eaton Vance Glb Mcr Abs Rtn      | 5.38            | 5.71       | 5.91       | 78.94      | -1.14        | 0.07  | -1.63  | 1.04     | 3.54     | 5.06      | 1.02          | 0.71 <sup>1</sup> |
| Hartford Floating Rate           | -               | -          | -          | -          | -            | 1.00  | 4.05   | 5.09     | 11.35    | -         | 0.71          | 0.71              |
| BarCap U.S. Intrm Govt/Credit    | 4.39            | 5.04       | 5.23       | 100.00     | 100.00       | 1.00  | -0.13  | 3.13     | 4.18     | 3.94      | -             | -                 |
| <b>Short-Term Bond</b>           |                 |            |            |            |              |   |        |          |          |           |               |                   |
| Vanguard Short-Term Inv Gr.      | 3.98            | 4.30       | 4.52       | 133.23     | 150.53       | 0.82  | 1.41   | 2.62     | 5.09     | 3.64      | 0.10          | 0.10              |
| Citigroup USBIG Gov/Corp 1-3 yr  | 3.11            | 3.55       | 3.70       | 100.00     | 100.00       | 0.19  | 0.65   | 1.15     | 1.90     | 2.81      | -             | -                 |
| <b>Dynamic Allocation</b>        |                 |            |            |            |              |   |        |          |          |           |               |                   |
| BlackRock Global Allocation I    | 8.84            | 7.19       | 6.38       | 71.37      | 54.91        | 0.61  | 10.66  | 5.90     | 11.75    | 8.16      | 0.88          | 0.88              |
| IVA Worldwide I                  | -               | -          | -          | -          | -            | 2.47  | 13.13  | 6.79     | 13.90    | -         | 1.02          | 1.02              |
| Kinetics Paradigm No Load        | 12.48           | 5.51       | 2.90       | 120.10     | 112.00       | 1.25  | 30.00  | 13.07    | 23.00    | 9.69      | 1.78          | 1.64 <sup>2</sup> |
| Wells Fargo Avtg Abs Rtn A       | -               | -          | -          | -          | -            | 1.08  | 7.78   | -        | -        | -         | 1.46          | 1.46              |
| Wintergreen Investor             | -               | -          | -          | -          | -            | 1.82  | 9.17   | 7.83     | 18.03    | -         | 1.89          | 1.89              |
| Ivy Asset Strategy I             | 13.43           | 10.71      | 9.20       | 92.53      | 64.88        | -1.24   | 17.72  | 9.34     | 12.43    | 11.84     | 0.74          | 0.74              |
| MSCI World Index                 | 8.40            | 4.26       | 2.31       | 100.00     | 100.00       | 1.26  | 19.07  | 10.23    | 18.28    | 6.83      | -             | -                 |

Performance shown is historical and 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 call (800) 853-2060.

# Important 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. The performance 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](http://www.americanfunds.com), [www.blackrock.com](http://www.blackrock.com), [www.diamond-hill.com](http://www.diamond-hill.com), [www.dodgeandcox.com](http://www.dodgeandcox.com), [www.eatonvance.com](http://www.eatonvance.com), [www.fiduciarymgmt.com](http://www.fiduciarymgmt.com), [www.hartfordinvestor.com](http://www.hartfordinvestor.com), [www.ivafunds.com](http://www.ivafunds.com), [www.ivyfunds.com](http://www.ivyfunds.com), [www.keeleyfunds.com](http://www.keeleyfunds.com), [www.kineticsfunds.com](http://www.kineticsfunds.com), [www.mfs.com](http://www.mfs.com), [www.munder.com](http://www.munder.com), [www.roycefunds.com](http://www.roycefunds.com), [www.thornburginvestments.com](http://www.thornburginvestments.com), [www.troweprice.com](http://www.troweprice.com), [www.vanguard.com](http://www.vanguard.com), [www.wellsfargo.com](http://www.wellsfargo.com), [www.wintergreenfund.com](http://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 and Zephyr StyleADVISOR.

***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 (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.***

<sup>1</sup>U.S. Large Cap cumulative returns represented by the **S&P 500 Index**. U.S. Large Cap P/E ratio represented by the **Russell Top 200 Index**. U.S. Mid Caps represented by the **Russell Midcap Index**. U.S. Small Caps represented by the **Russell 2000 Index**. Developed International represented by the **MSCI EAFE Index**. Emerging Markets represented by the **MSCI Emerging Markets Index**. Bonds represented by the **Barcap Intermediate Government/Credit Index**.

The illustrations contained herein are for informational purposes only and are not intended to constitute specific investment advice. Individual circumstances vary. The information contained herein is based upon data obtained from sources believed to be reliable, however there is no guarantee of its accuracy or completeness.

**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.

<sup>1</sup>Reflects net interest expense.

<sup>2</sup>The 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 **Barcap 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 **Morgan Stanley Capital International Europe, Australia and Far East (MSCI EAFE) Index** is an unmanaged index composed of the stocks of approximately 1,000 companies traded on 20 stock exchanges from around the world, excluding the U.S., Canada, and Latin America. The **MSCI 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. The **Russell 2000® Index** measures the performance of the 2000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market. The Russell 2000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. 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 **Russell Midcap® Index** measures the performance of the 800 smallest companies in the Russell 1000, which represent approximately 25% of the total market capitalization of the Russell 1000. The Russell Midcap Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The **Russell Top 200 Index** is an unmanaged index comprising the largest 200 securities by U.S. market cap. 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. *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 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.

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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