

September 30, 2015

Market Update

The third quarter of 2015 was the worst quarter for the market since 2011 as the S&P 500 declined 6.4%, the Russell 2000 index of small caps stocks declined 11.9%, and Emerging markets fell 17.9%. As you can see in the chart below, the market (as defined by the S&P 500) had a peak-to-trough decline of 12% from July 20th to August 25th. The good news is that we have experienced the market “correction” (defined as a decline of more than 10%) that so many investors have been talking about and waiting for over the past several years. The bad news is that it has started to make investors wonder and predict just how much worse it will get.

Putting it in Perspective

To give some historical perspective, our research shows that there have been 36 declines of more than 10% over the past 70 years. Only eleven of them have been more than 20% and only 3 have been greater than 40%. It just happens that we have experienced 2 of those 40+% declines in the past 15 years, so they feel more prevalent than they have actually been. However, we think it is sensible for the market to take a timeout as prior years’ returns seem to have borrowed from the future a bit. We don’t know what the near term will bring,

Market Returns	YTD	Q3 2015	2015-07-20 to 2015-08-25
U.S. Large Caps	-5.29%	-6.44%	-11.97
U.S. Mid Caps	-5.84	-8.01	-10.33
U.S. Small Caps	-7.73	-11.92	-12.77
International Developed Markets	-5.28	-10.23	-9.03
Emerging Markets	-15.47	-17.90	-16.06
Interm. Term Bonds	1.77	0.95	0.45

Source: Morningstar Direct. Please see Disclosures for index definitions.†

but are sticking to our view that returns in coming years will be more moderate. That said, we don’t perceive there to be a stock market “bubble” given prevailing valuations and sentiment.

Recent Portfolio Changes

Earlier this year, we added the John Hancock Small Cap Value fund and the Vanguard Mid Cap Index fund. Although it has been a very short time period, both funds outperformed the majority of their peers in the third quarter and we have been pleased with their results.

International Stocks

The developed international markets (Germany, Japan, U.K., France, Australia, etc) have underperformed the S&P

500 in 5 of the last 7 years and have trailed by 7% per year over the trailing 7 year period. To begin the year, developed international markets were well ahead of the US on the heels of more accommodative central bank policies overseas. This shift in relative performance left us hoping that it was the beginning of a turnaround. However, international markets quickly gave some of that back in the third quarter and are now even with the US for the year. One bright spot has been the continued relative outperformance of the international funds in our portfolios. Both the FMI International and MFS International New Discovery funds have outperformed the overall international markets and were down 6.08% and 6.84% in the third quarter, respectively, as compared to -10.23% for the index.

Emerging Markets

The emerging markets remain in the headlines over concerns of slower growth in China. However, we still believe that exposure to these markets makes sense over the longer term as they will undoubtedly play a major role in global economic growth and continue to gain share of the global economy. However, you may recall that a few years ago, we took on a more conservative approach to Emerging Markets by using the American Funds New World fund, which gains exposure to emerging market economies via companies in both the developed and emerging markets. As we had hoped, this has provided a lower volatility approach and has significantly outperformed the overall emerging markets this year. Year to date, the fund has captured only about 60% of the downside in emerging markets stocks (fund has declined 9.6% versus -15.47% for the MSCI EM index).

Bonds

Within our bond allocations, we’ve positioned the portfolios with a shorter duration and higher yield than the overall bond market using a floating rate bank loan fund and a global bond fund. In doing so, they are more correlated to movements in interest rates. In other words, they go up when rates go up as opposed to a typical bond, whose value goes down when rates go up. This has been mildly negative this year as the 10 year treasury rate has declined slightly but we think we should be well positioned for higher rates in the future.

We know that the volatility in recent weeks has been enough to spook a lot of investors. Given the market’s uncertainty, we believe that developing a comfortable asset allocation and a comfortable risk return profile for your situation is the best way to invest for the long term. Our models are designed to provide you with multiple levels of global market exposure to suit your investment time horizon and your ability to sustain short-term periods of volatility. If you wish to review your allocation or have any additional questions, please don’t hesitate to contact your Investment Executive. Thank you for your confidence and your business.

**Performance discussed is historical and is no guarantee of future results. No graph, chart, formula or indicator can guarantee profit of any nature in the stock market and should not be relied upon solely in making investment decisions. Investing in stocks always carries risk, including the possible loss of principal.*

Returns

as of September 30, 2015 *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	10.46	8.39	9.49	98.50	93.53	-4.31	-0.99	14.42	13.87	7.62	0.47	0.47
Diamond Hill Large Cap I	9.48	7.22	8.07	97.36	96.20	-6.44	-1.15	12.66	12.37	6.85	0.76	0.76
FMI Large Cap	10.05	8.19	9.03	90.69	81.17	-5.75	-0.54	11.67	11.91	7.94	0.94	0.94
S&P 500 Index	9.52	7.04	8.22	100.00	100.00	-5.29	-0.61	12.40	13.34	6.80	-	-
Mid Cap and Small Cap												
Vctry Munder Mid Cap Core Growth Y	10.95	7.96	9.66	88.95	85.60	-5.70	-0.34	12.41	12.65	7.45	1.16	1.13 ¹
Vanguard Mid Cap Index Adm	11.28	8.37	10.10	93.43	89.65	-4.62	1.71	14.67	13.62	7.85	0.09	0.09
JHancock Small Cap Value I	-	-	-	-	-	-5.96	4.71	11.46	12.32	-	1.29	1.27
Russell 2500 Index	10.64	8.49	10.11	100.00	100.00	-5.98	0.38	12.39	12.69	7.40	-	-
International												
FMI International	-	-	-	-	-	-0.68	-0.19	10.46	-	-	1.03	1.00 ²
Dodge & Cox Int'l Stock	8.37	3.85	5.09	109.55	105.15	-12.09	-16.19	6.62	4.06	4.21	0.64	0.64
MFS Int'l New Discovery	9.72	6.29	8.12	100.19	84.33	-1.72	-2.11	6.17	7.12	6.83	1.11	1.07
MSCI EAFE Index	5.77	1.86	2.95	100.00	100.00	-5.28	-8.66	5.63	3.98	2.97	-	-
Emerging Markets												
American Funds New World F2	9.60	4.98	6.49	77.62	70.03	-9.64	-12.83	0.59	0.90	5.90	0.75	0.75
MSCI Emerging Markets Index	9.59	3.60	5.60	100.00	100.00	-15.47	-19.28	-5.27	-3.58	4.27	-	-
Intermediate Gov't/Credit												
Eaton Vance Glb Mcr Abs Rtn	4.70	4.41	4.41	69.24	-6.38	0.17	0.58	0.87	1.42	4.40	0.87	0.75 ³
Hartford Floating Rate	4.54	4.34	5.39	54.45	-17.22	0.70	-0.62	2.45	4.06	3.70	0.70	0.70
Vanguard Interm-Term Inv Grd	6.23	6.44	7.16	146.93	178.40	1.82	3.14	2.42	4.25	5.51	0.10	0.10
BarCap U.S. Intrm Govt/Credit	4.49	4.60	4.80	100.00	100.00	1.77	2.68	1.45	2.42	4.17	-	-
Short-Term Bond												
Vanguard Short-Term Inv Grd	3.90	3.89	4.17	136.81	182.31	1.41	1.63	1.64	2.18	3.68	0.10	0.10
Citigroup USBIG Gov/Corp 1-3 yr	2.95	2.87	2.81	100.00	100.00	0.97	1.14	0.82	1.00	2.83	-	-
Dynamic Allocation												
BlackRock Global Allocation I	7.26	5.71	6.46	68.04	54.76	-3.61	-4.14	4.66	4.97	6.02	0.87	0.87
IVA Worldwide I	-	-	-	-	-	-3.26	-3.95	5.91	5.72	-	1.01	1.01
Kinetics Paradigm No Load	9.43	4.90	6.11	112.91	115.06	-9.18	-11.95	9.84	8.79	4.80	1.68	1.64 ⁴
Wells Fargo Avtg Abs Rtn A	-	-	-	-	-	-6.00	-6.85	1.89	-	-	1.43	1.42 ⁵
Wintergreen Investor	-	-	-	-	-	-9.19	-10.36	2.76	3.87	-	1.89	1.89
Ivy Asset Strategy I	9.55	7.55	8.04	83.21	66.34	-10.68	-10.90	3.55	4.72	7.46	0.74	0.74
MSCI World Index	7.43	4.26	5.44	100.00	100.00	-6.04	-5.09	8.58	8.29	4.73	-	-

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, 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.jhinvestments.com, www.kineticsfunds.com, www.mfs.com, www.munder.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 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.

¹U.S. Large Caps represented by the **S&P 500 Index**. U.S. Mid Caps represented by the **Russell Midcap Index**. U.S. Small Caps represented by the **Russell 2000 Index**. Bonds represented by the **Barclays Capital Intermediate Government/Credit Index**. International Developed Markets represented by the **MSCI EAFE Index**. Emerging Markets represented by the **MSCI EM 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.

¹The Adviser has contractually agreed to waive its management fee and/or reimburse expenses so that the total annual operating expenses of Class A, C, R, R6 and Y of the Fund (excluding Acquired Fund Fees and Expenses and certain items such as interest, taxes and brokerage commissions) do not exceed the total net annual operating expenses of, respectively, Class A, C, R, R6 and Y of the Fund's predecessor, a series of the Munder Series Trust that was managed by Munder Capital Management ("MST Munder Mid-Cap Core Growth Fund") as of June 30, 2014. This agreement will remain in place for two years after the reorganization of the MST Munder Mid-Cap Core Growth Fund into the Fund (expected to be through October 31, 2016). As a result of this agreement, during that two year period, total annual operating expenses of the Fund's Class A, C, R, R6 and Y shares will not exceed 1.32%, 2.07%, 1.57%, 0.89% and 1.07%, respectively. The Adviser is permitted to recoup advisory fees waived and expenses reimbursed for up to three years after the fiscal year in which the waiver or reimbursement took place, subject to any operating expense limits in effect at the time of the original waiver or expense reimbursement and at the time of recoupment or reimbursement.

²The investment adviser has voluntarily agreed to reimburse the Fund to the extent necessary to ensure that total annual fund operating expenses do not exceed 1.00% at least through January 31, 2016.

³Reflects net interest expense.

⁴The 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, excluding acquired fund fees and expenses ("AFFE"). These waivers and reimbursements may be discontinued at any time after May 1, 2016.

⁵The Adviser has contractually committed through August 31, 2015, to waive fees and/or reimburse expenses to the extent necessary to cap the Fund's Total Annual Fund Operating Expenses After Fee Waiver at 0.57% for Administrator Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (including the expenses of GMO Benchmark-Free Allocation Fund), and extraordinary expenses are excluded from the cap. After this time, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees.

Index Definitions: 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 **CRSP US Large Cap Index** includes U.S. companies that comprise the top 85% of investable market capitalization. The **CRSP US Mid Cap Index** targets inclusion of the U.S. companies that fall between the top 70%-85% of investable market capitalization. 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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