Equity markets gave us another interesting ride in Q2, with excitement capped off by the "Brexit" vote at quarter end. This surprise initially caused a market swoon, but stocks were able to bounce back nicely in the closing days of June. Ultimately, the S&P 500 Index managed a modest gain of 2.46%, which puts it up 3.84% on a year-to-date basis. Note that the S&P 500 has now traded sideways for roughly 18 months.

"Brexit" took center stage as the quarter came to a close. Residents of the United Kingdom shocked the world by voting to leave the European Union. This unprecedented event gave way to numerous questions: What is the impact on the U.K. economy? Will other countries follow suit? How do policymakers respond? Will this event tip the globe into recession? It's hard not to construe this event as a negative and it certainly seems supportive of a "lower for longer" global growth picture. The U.K.'s exit may be a lengthy and complicated process that could yield less change than people expect.

This event has also furthered a "fear bubble." Investor sentiment has generally remained dour, with many bracing for the next crisis and few seeming to bet on improving global growth. According to a recent edition of Barron's, the average Wall Street strategist's recommended stock allocation fell to its lowest level in 15 months at the end of May. The reading of 51.6% was even lower than it was at the market bottom in March 2009. The article went on to note that markets have generally been higher 12 months later when this indicator slips to these levels. In other words, it has traditionally been a positive sign when Wall Street strategists are bearish.

Government bonds, utilities and quality companies in defensive areas such as consumer staples are commanding premiums for their perceived safety. Don't get us wrong, we love safety and quality, but the price paid for these attributes may be getting stretched. Put differently, many of these ostensibly safe/quality investments look more popular but could exhibit more downside than expected. Just because a food company or utility possesses below average business risk doesn't mean its stock will continue to possess below average risk. This could be especially true in an improving economic climate, which would support companies with more cyclical exposure.

It may sound contrarian, but we are inclined to invest on the world getting a little better. The prices we can pay for more economically sensitive companies have become relatively attractive versus those for many defensive issues. We remind investors that many domestic indicators continue to show signs of improvement. The housing market, which seems to be recovering nicely, is a prime example. As you will read in our individual portfolio write-ups, we have recently added to positions with housing exposure.

In sum, there are always things to worry about and "Brexit" adds another layer of uncertainty. We aren't ignoring obvious headwinds, but think it's important to not cave in to negative headlines. We are attempting to plant seeds for future value creation and think more cyclical names could get back on track if global growth improves. Further, many large investors remain underinvested in stocks given the anxiety we highlighted. This could also be a plus for markets should conditions prove better than generally anticipated.

Market Returns	YTD	Q2 2016
U.S. Large Caps	3.84%	2.46%
U.S. Mid Caps	5.50%	3.18%
U.S. Small Caps	2.22%	3.79%
International Developed Markets	-4.42%	-1.46%
International Small/Mid	-3.63%	-2.96%
Emerging Markets	6.60%	0.80%
Interm. Term Bonds	4.07%	1.59%

Source: Morningstar Direct. Please see Important Disclosures at the back of this document for index definitions.

Davenport Core Fund

DAVPX

DAVENPORT
ASSET MANAGEMENT

The Core Fund rose 1.62% during the second quarter, lagging the 2.46% gain in the S&P 500. Year-to-date, the Core Fund is up 1.53%, versus the S&P 500's 3.84% gain. While we are pleased with the positive absolute performance in a volatile quarter for stocks, we are somewhat disappointed by the strategy's underperformance versus the S&P 500, which we will examine below.

Investors have flocked to "defensive" stocks this year amidst a macroeconomic environment characterized by elevated volatility around the world, general unease over central bankers' unconventional policies, and uneven growth. Valuations have continued to expand on companies with defensive business models (typically low growth, mature businesses with low cyclicality), leaving these securities looking quite expensive relative to their historical valuations as well as expensive relative to other options available today.

Against this backdrop, we have been consciously shifting some funds away from the "defensive" stocks that are currently en vogue, and towards areas where we see increasingly favorable risk-adjusted returns. We have maintained our 0% weighting in the defensive Utility and Telecom Services sectors, which has hurt us so far this year. Within Consumer Staples, we have tilted our positioning towards multinational food companies, such as Nestle, Anheuser-Busch Inbev, and Mondelez, which trade at significant discounts to domestic-only peers.

We seek to put money to work in situations with attractive long-term fundamentals and growth outlooks, yet are trading at significantly lower valuations than the broader market and the "defensive group." Two examples in this category are the iShares U.S. Home Construction ETF (ITB) and FedEx (FDX). We are constructive on housing given favorable demographics, a modest recovery thus far, attractive levels of home affordability, improved employment (the unemployment rate is now <5%), and increasing credit availability. FedEx is a logistics leader that has right-sized its Express segment and is growing its high return Ground segment by leading the industry on technology innovations (e.g. distribution center automation) to help it meet fast growing e-commerce shipping demand. Despite superior long-term growth outlooks, we believe both of these securities trade at a discount to the broader market and well below more domestically-focused defensive stocks.

Financials is another area that has hurt performance this year; as a sector, it has been the worst performing year-to-date. We are overweight in this sector as we have been attracted to low valuations, the prospect for improved earnings as regulatory change abates and the potential for higher interest rates to improve net interest margins. The continued uncertainty (thank you, United Kingdom) has pushed out expectations for rising interest rates (once again). Nevertheless, we continue to think this unloved sector offers asymmetric risk-reward, and even modest improvements in operations could drive shares meaningfully higher.

In sum, we are disappointed by the portfolio's relative under-performance so far this year, but we suspect there is a ceiling on what people will pay for mature, low growth businesses. When this wind changes direction, we expect our recent approach of recycling capital into companies with higher growth opportunities and significantly lower valuations will be rewarded.

The following chart represents Davenport Core Fund (DAVPX) performance and the performance of the S&P 500 Index, the Core Fund's primary benchmark, for the periods ended June 30, 2016.

	Q2 2016	YTD 2016	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 1/15/98
Core Fund (DAVPX)	1.62	1.53	-0.79	9.46	10.66	7.32	6.06
S&P 500 Index	2.46	3.84	3.99	11.66	12.10	7.42	6.19

30-Day SEC Yield: 0.54%; Expense Ratio in current prospectus: 0.93%.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.

*Returns great than one year are annualized. *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.

Davenport Core Fund Quarterly Transactions

DAVPX

DAVENPORT
ASSET MANAGEMENT

Recent Purchases

Carmax Inc (KMX) – We added to the position on weakness during the quarter, against a backdrop of easing comparisons throughout the year, an improving inventory/pricing situation and vast store growth opportunity longer term.

Discovery Communications Inc (DISK) – With first quarter results coming in ahead of expectations, we elected to add to the position on weakness, believing the risk/reward profile looks increasingly favorable.

FedEx Corp (FDX) – With the strong tailwind of e-commerce growth and management's commitment to increasing returns on capital, we elected to initiate a position in this dominant global delivery company during the quarter.

General Dynamics Corp (GD) – A blue-chip defense provider, we elected to initiate a position during the quarter as defense spending has been weak, leaving the stock trading at an attractive valuation.

iShares U.S. Home Construction ETF (ITB) – We initiated a position in ITB during the quarter, taking a diversified approach to an improving housing market supported by increased credit availability, supply constraints and a gradually improving demographic and employment picture.

Southwest Airlines Co (LUV) - We initiated a position in LUV during the quarter, given the company's investment grade balance sheet, substantial free cash flow generation and less exposure to more unpredictable international economies.

Recent Sales

American Airlines Group Inc (AAL) – We continue to believe there is upside to shares of AAL following the US Air merger, but opted to sell shares of AAL and buy Southwest (LUV), viewing it as a higher quality airline for the portfolio.

Anthem Inc (ANTM) – Having been a solid performer in the portfolio over time, we sold the position during the quarter alongside increasing concerns over the impact of the Affordable Care Act, rising healthcare costs and increasing regulatory action against the industry as a whole.

Exxon Mobil Corp (XOM) – While we remain attracted to the company given its strong balance sheet and solid management, we opted to reduce our position size, given current industry headwinds and fairly full valuation.

Liberty Braves Group (BATRA & BATRK) - Given the recent reclassification of Liberty Media shares and exchange into 3 tracking stocks, we elected to sell the resulting shares due to the small size of the stub positions in the portfolio.

Liberty Media Communications (LMCA & LMCK) – Given the recent reclassification of Liberty Media shares and exchange into 3 tracking stocks, we elected to sell the resulting shares due to the small size of the stub positions in the portfolio.

Monsanto Co (MON) – While we continue to like the long-term outlook for the company and maintain a meaningful position, we chipped MON during the quarter following an unsolicited bid from Bayer and resulting spike in the shares.

Perrigo Company PLC (PRGO) – While we still like the company's longer term story, we elected to sell the position as the near term risk/reward profile has changed due to increased pressures on drug pricing and delayed turnaround timing on recently acquired Omega Pharmaceuticals.

The Hershey Company (HSY) – With the company showing some difficulty growing sales volumes (particularly internationally), we elected to sell our shares as takeout speculation drove shares higher during the quarter.

Top Ten Holdings* - % of Net Assets

as of 6/30/2016

Markel Corp	3.95
Danaher Corp	3.68
Brookfield Asset Management**	3.32
Johnson & Johnson	3.26
American Tower Corp	3.24
Capital One Financial Corp	2.96
Accenture PLC**	2.84
Berkshire Hathaway Inc B	2.68
J M Smucker Co	2.64
Nestle SA	2.57

**Holdings subject to change without notice. **Foreign Holding*

The recent transactions profiled above represent securities purchased and/or sold during the quarter. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that investments in the securities identified and discussed were or will be profitable.

Davenport Value & Income Fund

DVIPX

Davenport Asset Management

The Value & Income Fund posted a strong result in the second quarter, gaining 4.11%, ahead of the 3.65% gain in the Lipper Equity Income Index. Year-to-date, Value & Income is up 7.54%, versus a 6.20% gain in the Lipper Equity Income.

Financials were our best relative sector in the month, with Real Estate Investment Trusts (REITs), performing particularly well as expectations of higher interest rates receded in the wake of the "Brexit" vote. In addition, our defensive positioning within the Energy sector again aided performance, with all four of our energy stocks gaining 10%+ during the quarter. Finally, our underweight Technology positioning also helped, as the sector has continued to struggle this year after a big move up in 2015.

On the other side of the ledger, the Materials sector detracted from performance as Eastman Chemical (EMN) and Potash Corp (POT) struggled. Our underweight positioning within Health Care also was a negative as Health Care stocks bounced back some in the second quarter.

Our transactions were generally consistent with one simple theme: we chipped stocks that have had nice runs and now look a bit expensive, and added to or bought shares that were, for one reason or another, unloved and available at inexpensive valuations. Chipped stocks during the quarter include household names McDonald's (MCD) and ExxonMobil (XOM), that have benefited from the defensive trade, as well as a few REIT names hitting new highs: Sun Communities (SUI), Equity Lifestyle Properties (ELS), and REIT-proxy Six Flags (SIX).

We added to Potash and Diageo (DEO), two leading companies in their industries (fertilizer and spirits, respectively), whose shares had been beaten down due to investor focus on unfavorable short term trends. We think this presented an attractive entry point given the strong economic moats around these businesses and the attractive structural backdrop for both companies of rising global populations and incomes, driving additional food and beverage demand.

Similarly, we purchased two down-and-out Consumer Discretionary stocks: Carnival Cruise Lines (CCL) and Williams Sonoma (WSM). Both were founded decades ago by entrepreneurs, and each has significant insider ownership. CCL and WSM have built strong brands as a result of consistently providing great products for their customers. Yet recently shares of both stocks have struggled as consumer spending has been lackluster over the past 6-12 months and as Carnival faces higher fuel costs. Nevertheless, we see good long-term growth opportunities for both, and they each offer high 2% to low 3% current dividend yields.

All told, we were pleased with the portfolio's performance during the quarter. We think that the recent transactions mentioned above are consistent with the strategy's dual mandate of searching for value while also producing attractive current income for investors.

The following chart represents Davenport Value & Income Fund (DVIPX) performance and the performance of the S&P 500 Index, the Fund's primary benchmark, and the Lipper Equity Income Index for the periods ended June 30, 2016.

	Q2 2016	YTD 2016	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Value & Income Fund (DVIPX)	4.11	7.54	7.54	10.17	12.51	12.65
S&P 500 Index	2.46	3.84	3.99	11.66	12.10	12.13
Lipper Equity Income Index	3.65	6.20	3.70	9.01	10.02	10.29

30-Day SEC Yield: 2.12%; Expense Ratio in current prospectus: 0.95%.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.

*Returns greater than one year are annualized.*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 **Lipper Equity Income Index** is an unmanaged index of the 30 largest funds in the Lipper Equity Income fund category. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

Davenport Value & Income Fund Quarterly Transactions

DVIPX

DAVENPORT
ASSET MANAGEMENT

Recent Purchases

Carnival Corporation Corp (CCL) – We purchased shares of CCL (the world's largest cruise line) during the quarter, believing it should be well positioned to benefit from a consolidating industry with modest supply growth and favorable long term demographics.

Diageo PLC (DEO) – With emerging market economies continuing to pressure shares, we elected to add to this position during the quarter, attracted to the business model, strong returns on capital and 3.2% dividend yield.

Potash Corporation of Saskatchewan Inc (POT) – With the agricultural down-cycle deeper than anticipated, we chose to add to our position on weakness, as indicators show potash prices in the early stages of bottoming.

Williams-Sonoma Inc (WSM) - One of the country's largest e-commerce retailers, we initiated a position in WSM during the quarter, as shares appear undervalued and well positioned to benefit from an improving housing and home furnishings market.

Recent Sales

California Resources Corp (CRC) – We sold our position in CRC during the quarter, given the small size of the position within the portfolio and debt laden balance sheet following weakness in the oil sector.

Equity Lifestyle Properties Inc (ELS) – We continue to view ELS's prospects favorably, but with Fed rate hikes pushed further out and Real Estate Investment Trusts back in vogue, we chose to chip the position on strength, reducing our overall exposure to the sector.

Exxon Mobil Corp (XOM) - While we remain attracted to the company given its strong balance sheet and solid management, we opted to reduce our position size, given current industry headwinds and fairly full valuation.

McDonald's Corp (MCD) – While we are still attracted to the stock given its strong franchise and solid dividend growth, we elected to chip our position given recent strength in share price and more full valuation level.

Six Flags Entertainment Corp (SIX) – While we remain attracted to the overall business and solid dividend yield, we elected to chip our position alongside solid operating results and corresponding strength in share price in during the quarter.

Sun Communities Inc (SUI) – We remain attracted to this manufactured housing / recreational vehicle business model, but elected to again chip this position with the stock up over 100% since our initial purchase and continued strength in the REIT sector.

Top Ten Holdings* - % of Net Assets

as of 6/30/2016

Johnson & Johnson	3.44
Fidelity National Financial Inc	3.07
Markel Corp	2.98
W.P. Carey Inc	2.91
Watsco Inc	2.78
Capital One Financial Corp	2.58
JPMorgan Chase & Co	2.56
General Electric Co	2.55
Diageo PLC**	2.48
Gaming and Leisure Properties Inc	2.30

**Holdings subject to change without notice. **Foreign Holding*
The recent transactions profiled above represent securities purchased and/or sold during the quarter. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that investments in the securities identified and discussed were or will be profitable.

Davenport Equity Opportunities Fund

DEOPX

DAVENPORT
ASSET MANAGEMENT

The Equity Opportunities Portfolio had a lackluster second quarter, more than giving back the relative improvement enjoyed in Q1. For the period, the strategy was down 0.89%, versus gains of 3.18% and 2.46% for the Russell Mid Cap Index and S&P 500 Index, respectively. Year-to-date, the strategy is up 3.39% relative to gains of 5.50% and 3.84% for the Russell Mid Cap and S&P 500.

Most of the portfolio's under-performance came during the month of June, which was exacerbated by the surprise "Brexit" vote that hit companies with out-sized European exposure such as Colfax Corp (CFX), Discovery Communications (DISCK), Genesee & Wyoming (GWR) and Wabco Holdings (WBC). Many of these names had been showing signs of momentum prior to the vote. Though we believe the leave vote caused an overreaction in each of these cases, we felt the pain nonetheless. With nearly 60% of revenues generated in Europe, Wabco was the most severely impacted, declining nearly 20% immediately following the announcement. We felt this reaction was overdone, and chose to use investor hysteria to add to our position. Though near term uncertainty may be challenging for the stock, WBC is an industry leader in a space that has exciting secular tailwinds (truck and bus safety and efficiency). The company has impressive returns on capital (~38% in 2015), and generates strong cash flows with which we believe management can use to facilitate a doubling of EPS over the next several years. With the stock trading at less than 15x the conservative Street-low EPS estimate for 2017, we felt this was a unique opportunity to gain access to an exemplary business at a discount valuation.

Elsewhere, we elected to fully exit smaller positions such as NRG Energy (NRG) and American Airlines (AAL), which we had been trimming back in recent periods. With the proceeds, we elected to add to positions in Live Nation Entertainment (LYV) and TripAdvisor (TRIP), each of which is a leader in its industry, has differentiated business models, strong management and significant earnings power over time. We expect LYV's growing scale in concerts coupled with the secular global growth in live entertainment to help drive further margin expansion and cash generation from its ticketing and advertising businesses. With the stock sporting a high single digit free cash flow yield, we felt this idea to be timely. Following a conservative reset of expectations in Q1, we feel TRIP may be poised to outperform as the company's transition to a transactional booking platform gains steam, marketing spend moderates and long-term earnings power approaching $5 per share is realized.

We've clearly endured a tough stretch for relative performance. We note our concentrated approach can yield significant deviations from the broader market in the short-term as we attempt to build long-term results. On that note, we continue to think our holdings position us for meaningful gains. Many of our top positions trade at very compelling valuations (in some cases made more compelling by "Brexit") and could show solid out-performance with a turn in investor sentiment. As noted above, we are trying to bolster performance potential with recent purchases. Though these opportunistic actions may not yield instant gratification, we ultimately expect to be rewarded even if they require patience in the meantime.

The following chart represents Davenport Equity Opportunities Fund (DEOPX) performance and the performance of the Russell Midcap® Index, the Fund's primary benchmark, and the S&P 500 Index for the periods ended June 30, 2016.

	Q2 2016	YTD 2016	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Equity Opportunities Fund (DEOPX)	-0.89	3.39	-8.65	8.61	11.13	11.98
Russell Midcap Index	3.18	5.50	0.56	10.80	10.90	11.43
S&P 500 Index	2.46	3.84	3.99	11.66	12.10	12.13

30-Day SEC Yield: 0.04%; Expense Ratio in current prospectus: 1.02%.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.

*Returns greater than one year are annualized. *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®. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. 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.

Davenport Equity Opportunity Fund Quarterly Transactions

DEOPX

DAVENPORT
ASSET MANAGEMENT

Recent Purchases

CarMax Inc (KMX) - We added to the position on weakness twice during the quarter, first against a backdrop of easing comparisons throughout the year, an improving inventory/pricing situation and vast store growth opportunity longer term. And secondly following a disappointing earnings announcement, believing the longer term competitive advantages and profitable growth story remain intact.

Dish Network Corp (DISH) – We initiated a position in DISH during the quarter, attracted to the company's strong track record of value creation, significant free cash flow generation from the TV business and undervalued portfolio of wireless spectrum assets.

Hanesbrands Inc (HBI) – We added to this position on weakness during the quarter (following the company's affirmation of full year guidance), as the stock price softened alongside weather related concerns and negative analyst comments surrounding the department store channel more broadly.

Live Nation Entertainment Inc (LYV) - Attracted to the company's competitive positioning, long term growth prospects and capital allocation strategy, we elected to add to the shares on weakness during the quarter.

TripAdvisor Inc (TRIP) – With shares of travel industry related companies struggling to start the year, and expectations for upcoming quarters recently reset to more achievable levels, we elected to add to this position, believing the risk/reward profile looks very favorable.

WABCO Holdings Inc (WBC) – With over 60% of revenues generated in Europe, shares of WBC have been weak alongside other companies with European exposure ("Brexit"). We remain attracted to the differentiated business model, strong management team and significant earnings power over time, and therefore added to the position on weakness.

Recent Sales

American Airlines Group Inc (AAL) - We continue to believe there is upside to shares of AAL following the US Air merger, but opted to first chip AAL, and later opted to sell the remainder of AAL shares in favor of ideas more attractive from a risk/reward perspective.

NRG Energy (NRG) – While we remain encouraged by the progress of company's cost cutting and debt restructuring efforts, we elected to first chip our position in NRG alongside a recovery in natural gas prices and recent bounce in share price. We later sold the remainder of this position, as the company carries above average balance sheet risk and we elected to move to other higher quality situations which have also weakened during recent market volatility.

Top Ten Holdings* - % of Net Assets

as of 6/30/2016

American Tower Corp	5.67
Dollar Tree Inc	5.65
Gaming & Leisure Properties	5.65
Brookfield Asset Management**	5.15
Discovery Communications	5.07
CarMax Inc.	4.78
Markel Corp	4.70
Colfax Corp	4.56
Live Nation Inc	4.56
Capital One Financial Corp	4.40

*Holdings subject to change without notice. **Foreign Holding*
The recent transactions profiled above represent securities purchased and/or sold during the quarter. The securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients and the reader should not assume that investments in the securities identified and discussed were or will be profitable.

Davenport Small Cap Focus Fund

DSCPX

DAVENPORT
ASSET MANAGEMENT

The Davenport Small Cap Focus Fund gained 8.03% during the second quarter, outpacing the 3.79% advance for the Russell 2000® Index. For the year, the fund is up 10.64% relative to the Russell 2000®'s 2.22% gain.

Many of the seeds we planted last year began to bear fruit during the quarter. Chief among these holdings was mining company Fortuna Silver Mines (FSM) which advanced over 50% during the quarter alongside a rally in precious metals prices. While we have steadily trimmed the position on strength we remain attracted to the company's net debt free balance sheet, low cash costs, growing production profile and recent portfolio diversification efforts.

Other key contributors during the month included regional casino operators El Dorado Resorts (ERI), Isle of Capri Casinos (ISLE) and Monarch Casino & Resort Inc (MCRI). Though we have trimmed positions in ERI and ISLE alongside recent strength, we have maintained our holdings in MCRI, which is our largest position. Despite recent upside, shares of MCRI are down slightly on the year. This contrasts with improved results and strong cash generation that will accompany ongoing progress with the construction of a significant expansion at the company's Blackhawk, CO property. All told, we believe significant upside remains and are further confident that CEO John Farahi (who owns 17% of the shares) will continue to steer this ship in the right direction.

Boston Beer Company (SAM) was a drag on results during the quarter suffering declines as quarterly results fell short of expectations. We used this as an opportunity to make the position more meaningful. Intense competition in the craft beer segment has caused significant headwinds for same store sales in the core Samuel Adams brand which, coupled with maturing sales trajectories for newer innovations such as Angry Orchard (hard cider) and Twisted Tea, has pressured profits and resulted in estimate reductions. We remain attracted to the company's strong brands, impressive track record of innovation and highly scalable production and distribution footprint. Furthermore, the company is debt free and legendary founder Jim Koch (Chairman) has significant skin in the game through his ~25% economic interest (100% voting control). Though we admit the challenging competitive environment is likely here to stay, we think the shares offer an attractive risk/reward at roughly half the price and valuation they were just over a year ago.

In closing, we are pleased with recent performance and remain confident in the Fund's positioning. Furthermore, we note that the relative valuation of small caps versus large caps is at a historically low level, which could bode well for the relative performance of the asset class as a whole. While our performance has benefited from a few hot stocks, we have been careful to re-allocate funds towards more compelling risk/reward opportunities. Ultimately, we feel this strategy, alongside our concentrated approach, should allow the portfolio to maintain an element of timeliness.

Top Ten Holdings[1] - % of Net Assets

as of 6/30/2016

Monarch Casino & Resort	4.86
Boston Beer Co Inc	3.96
VCA Inc	3.75
Colfax Corp	3.35
Stewart Information Services	3.33
Live Nation Entertainment	3.22
Towne Bank	3.12
Watsco Inc	2.96
VWR Corp	2.95
Liberty Broadband Corp	2.90

The following chart represents Davenport Small Cap Focus Fund (DSCPX) performance and the performance of the Russell 2000® Index, the Small Cap Focus Fund's primary benchmark, for the periods ended June 30, 2016.

	Q2 2016	YTD 2016	1 Year	Since Inception* 12/31/14
Small Cap Focus Fund (DSCPX)	8.03	10.64	-3.26	0.66
Russell 2000® Index	3.79	2.22	-6.73	-1.54

30-Day SEC Yield: 0.12%; Expense Ratio in current prospectus: 1.27%.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.

[1]*Holdings subject to change without notice. **Foreign Holding* *Returns greater than one year are annualized. The **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

Davenport & Company LLC (the "Advisor") has contractually agreed, until August 31, 2016, to reduce Management Fees and to reimburse Other Expenses to the extent necessary to limit Total Annual Fund Operating Expenses (excluding Acquired Fund Fees and Expenses) to an amount not exceeding 1.27% of the Fund's average daily net assets. Total Annual Fund Operating Expenses exclude brokerage costs, taxes, interest, costs to organize the Fund and extraordinary expenses. For additional details please request a prospectus.

Davenport Balanced Income Fund

DBALX

DAVENPORT
ASSET MANAGEMENT

The Davenport Balanced Income Fund completed the second quarter gaining 2.85%, ahead of the 2.23% gain in the Morningstar Moderate Allocation Index. Year-to-date, Balanced Income is up 5.83%, versus 3.34% in the Morningstar Moderate Allocation Index.

The quarter will be most remembered for the UK's decision to leave the European Union and subsequent market volatility. With widespread uncertainty, the flight to quality trade benefited bonds around the globe. By the end of the second quarter, 10-year UK gilts fell to 0.87%, 10-year German bunds fell to -0.13%, and 10-year US treasuries fell to 1.47% (historical low 1.38%); resulting in more than $10 trillion sovereign bonds trading at negative yields around the globe. US investment grade bonds benefited during the quarter as investors search globally for yield on a relative value basis. These rate changes have led to significant price gains for most bonds during the quarter.
The bond allocation of the fund emphasized intermediate maturities with holdings invested across nine economic sectors. The effective maturity at the end of the quarter was 4.46 years with a duration of 3.73 years. The average credit rating was A2/A, a high quality profile.

The equity allocation of the fund continued to provide strong performance helping out pace our benchmark. Equity performance was attributed to our selection of Financials; specifically, Real Estate Investment Trusts (REITs) performed well as the outlook of higher rates retraced post "Brexit" vote. Our defensive positioning within the Energy sector and underweight Technology also added to our outperformance.

As investor sentiment continues to remain weak, many defensive investments are commanding stretched premiums, such as utilities and consumer staples. We are taking this opportunity to establish positions in cyclical names that will benefit from improving economic conditions and are more attractive on a risk-reward basis.

We opportunistically added to Potash (POT) and Diageo (DEO), as their shares had come under pressure in the short term. We feel that in the long term, both businesses are well positioned to take advantage of rising global population and incomes. In a similar fashion, we initiated positions in Carnival Cruise Lines (CCL) and Williams Sonoma (WSM). In the face of tepid consumer spending over the past 6-12 months and higher fuel costs for CCL, both names have traded down to levels we considered good entry points. We feel that both companies have developed strong brands with great products for their customers, resulting in good long-term growth opportunities.

In conclusion, we believe our balanced structure will continue to provide a lower volatility investment option focused on current income and long term capital appreciation. We are pleased with the strong stock performance, combined with positive bond returns, as it validates our entry into the balanced fund discipline.

Top Ten Equity Holdings[1] - % of Net Assets

as of 6/30/2016

Johnson & Johnson	2.05
Fidelity National Financial Inc	1.84
W.P. Carey Inc	1.71
Watsco Inc	1.67
Capital One Financial Corp	1.60
JP Morgan Chase & Co	1.59
Markel Corp	1.55
General Electric Co	1.55
Diageo PLC**	1.54
Wells Fargo & Co	1.37

The following chart represents Davenport Balanced Income Fund (DBALX) performance and the performance of the Morningstar Moderate Allocation, the Balanced Income Fund's primary benchmark, along with the S&P 500 Index for the periods ended June 30, 2016.

	Q2 2016	Since Inception* 12/31/15
Small Cap Focus Fund (DSCPX)	2.85	5.83
Morningstar Moderate Allocation	2.23	3.34
S&P 500	2.46	3.84

30-Day SEC Yield: 1.34%; Expense Ratio in current prospectus: 1.25%.

Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data, current to the most recent month end, may be obtained by calling 1-800-281-3217.

[1]*Holdings subject to change without notice. **Foreign Holding* *Returns greater than one year are annualized. The **Morningstar Moderate Allocation Index** is comprised of portfolios seeking to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than conservative-allocation portfolios. These portfolios typically have 50% to 70% of assets in equities and the remainder in fixed income and cash. 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 index is not available for direct investment; therefore its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio. An investor cannot invest in an index and index returns are not indicative of the performance of any specific investment.

Davenport & Company LLC (the "Advisor") has contractually agreed, until August 31, 2016, to reduce Management Fees and to reimburse Other Expenses to the extent necessary to limit Total Annual Fund Operating Expenses (excluding Acquired Fund Fees and Expenses) to an amount not exceeding 1.27% of the Fund's average daily net assets. Total Annual Fund Operating Expenses exclude brokerage costs, taxes, interest, costs to organize the Fund and extraordinary expenses. For additional details please request a prospectus.

Important Disclosures

DAVENPORT
ASSET MANAGEMENT

Disclosures: Any opinions expressed here are statements of judgment on this date and are subject to future change without notice. This information may contain forward looking predictions that are subject to certain risks and uncertainties which could cause actual results to differ materially from those currently anticipated or projected. The information contained herein has been compiled from sources believed to be reliable; however, there is no guarantee of its accuracy or completeness.

Mutual Fund investing involves risk, principal loss is possible. An investor should consider the fund's investment objectives, risks and charges and expenses carefully before investing. The fund's prospectus contains this and other important information. You may obtain a copy of the fund's prospectus by calling (888) 285-1863. Investors should read the prospectus carefully and discuss their goals with a qualified investment professional before deciding to invest.

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Risk disclosures:
DAVPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks.
DVIPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. There is no guarantee that a company will continue to pay a dividend.
DEOPX - The fund may not achieve its objective and/or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies.
DSCPX - The fund may not achieve its objective and/ or you could lose money on your investment in the fund. Stock markets and investments in individual stocks are volatile and can decline significantly in response to market, foreign securities, small company, exchange traded fund, investment style and management risks. Small and mid cap company stocks may be more volatile than stocks of larger, more established companies.
DBALX - Investments in debt instruments may decline in value as the result of declines in the credit quality of the issuer, borrower, counterparty, or other entity responsible for payment, underlying collateral, or changes in economic, political, issuer-specific, or other conditions. Certain types of debt instruments can be more sensitive to these factors and therefore more volatile. In addition, debt instruments entail interest rate risk (as interest rates rise, prices usually fall), therefore the Fund's share price may decline during rising rates. Funds that consist of debt instruments with longer durations are generally more sensitive to a rise in interest rates than those with shorter durations. Investments in below investment grade quality debt instruments can be more volatile and have greater risk of default, or already be in default, than higher-quality debt instruments. Investments in municipal instruments can be volatile and significantly affected.
Please see the prospectus for further information on these and other risk considerations.

Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal. Performance is shown net of fees.

U.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**.

The **Barclays Capital U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt, including corporate and non-corporate sectors. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets are excluded, but Canadian and global bonds (SEC registered) of issuers in non-emerging market countries are included. Original issue zero coupon bonds, step-up coupon structures, and 144-As are also included. The reported returns reflect equities priced in U.S. dollars and do not include the effects of reinvested dividends. 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 **Barclays Capital Municipal Bond Index** is a market value weighted index of investment grade municipal bonds with maturities of one year or more. The **Barclays Capital U.S. Government/Credit Bond Index** measures the performance of U.S. dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year. The **Lipper Equity Income Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Equity Income Fund category. The **Lipper Large Cap Growth Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Large Cap Growth Fund category. The **Lipper Large Cap Value Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Large Cap Value Fund category. 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 **Morgan Stanley Capital International Emerging Markets (MSCI EM) 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 **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 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 **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 these indices and their returns are not indicative of the performance of any specific investment**.