The Davenport Funds
Quarterly Update | Q3 2016

DAVENPORT ASSET MANAGEMENT

Equity markets had a good third quarter, with the S&P 500 Index up 3.85% and the Russell 2000 Index up 9.05%. Volatility subsided in Q3 after the "Brexit" vote had caused a fleeting selloff at the end of Q2. Year-to-date, the S&P 500 has gained 7.84% and the Russell 2000 is up 11.46%. This is very impressive performance in the face of widespread pessimism and one of the worst starts to the year on record. In fact, the S&P finished Q3 a whopping 18.5% above its mid-February low, when the market was down roughly 11% to start the year.

Market leadership changed significantly during the quarter. As we mentioned last quarter, we felt there was a "fear bubble" creeping into the markets as investors continued to chase share prices of "defensive" companies higher. We were concerned the share prices of these stable companies may have more risk in them than many realize, given fairly lofty valuations. In Q3 our fears were realized; the Telecom, Utilities and Consumer Staples sectors were the only areas of the market that witnessed declines, to the tune of 3-5%.

We continue to think that it is a contrarian view to believe the world gets a little better from here. We have expressed this view in our funds as we have been finding relative value in the more economically-sensitive sectors of the market this year. Our tilt towards those areas across the funds aided performance in the quarter, with the best-performing sectors including Information Technology, Financials, Industrials and Materials.

Going forward we continue to find reasons to be cautiously optimistic. Corporate earnings are forecasted to grow in Q4 (after nearly two years of declines). The uncertainty of the election will soon be behind us, and the economy appears to be able to handle a quarter-point increase in short-term interest rates if the Fed follows through on their indications of a rate hike in December (after holding rates flat year-to-date). Valuations remain reasonable in light of the easy monetary conditions, pessimism continues to abound and ample cash remains on the sidelines, all of which could assist returns if the global economy continues to heal. Please read on for a discussion of our individual funds.

Market Returns	Q3 2016	YTD
U.S. Large Caps	3.85	7.84
U.S. Mid Caps	4.52	10.26
U.S. Small Caps	9.05	11.46
International Developed Markets	6.43	1.73
Emerging Markets	9.03	16.02
Intermediate Term Bonds	0.16	4.24

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 returned 5.07% in the third quarter, versus a 3.85% return for the S&P 500. Year-to-date, the fund is up 6.68% relative to a 7.84% return for the broader market. As mentioned in the introduction letter, market leadership changed significantly during Q3, and the fund was set up favorably to take advantage of that shift.

For example, our 0% weighting in the defensive Utility and Telecom sectors aided performance this quarter, as investor's willingness to pay high valuations for perceived safety finally waned in Q3. In addition, stock picking in the Consumer Discretionary sector aided performance, with PVH (PVH), Priceline (PCLN) and Liberty Broadband (LBRDK/LBRDA) all having standout quarters. Our worst sector was Information Technology, where our underweight position cost us performance in a hot quarter for technology stocks.

We mentioned our positive view on housing last quarter and added a second housing-related stock to the fund this quarter: Weyerhaeuser (WY), the largest publicly-traded timberland REIT. After a major fund overhaul that involved shedding underperforming divisions and doubling its timberland acreage through a large acquisition, WY is well positioned for an improving housing market. We have long been attracted to the timber business. A real and renewable asset, input costs (sun and water) are cheap (or free) and capital intensity is also fairly modest. Over time, timber has a strong track record of low risk and positive returns, after inflation. Furthermore, a constructive building environment should allow the company to bring forward some value.

In addition, we focused on trimming back stocks that have worked well recently—e.g. Starbucks (SBUX), Liberty Broadband (LBRDA)—and added to a few key names that all aided performance during the quarter: FedEx (FDX), Visa (V) and Adobe (ADBE). All three companies are benefiting from long-term secular drivers: e-commerce in the case of FedEx, digital payments in the case of Visa, and the proliferation of data consumption and digital content in the case of Adobe.

Towards the end of the quarter we sold our position in Monsanto (MON) amidst acquisition-related uncertainty and put the proceeds to work in Ecolab (ECL), a specialty cleaning chemical producer. ECL has built an enviable track record over the past couple decades with its 85% consumable sales mix, 25,000 strong direct sales force, 95%+ customer retention, and technological innovation driving pricing power. More recently, results (and the stock) have been hampered by weak energy markets and foreign exchange headwinds. As both of these issues improve we think profits are poised to inflect higher. As an enabler of clean water, healthy environments, abundant energy and safe food we see a long runway for Ecolab to continue its mid-teens earnings per share growth rate.

In sum we are pleased with the performance in the quarter and think the actions taken during the quarter further increase the attractiveness of the fund. We look forward to reporting back at the end of the year.

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 September 30, 2016.

	Q3 2016	YTD 2016	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 1/15/98
Core Fund (DAVPX)	5.07	6.68	11.12	8.96	15.20	7.42	6.13
S&P 500 Index	3.85	7.84	15.43	11.13	16.37	7.24	6.32
30-Day SEC Yield: 0.60%; Expense Ratio in current prospectus: 0.92%							

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

Adobe Systems (ADBE)—Initially purchased back in March, we elected to make the position more meaningful on our continued confidence in growth of subscription revenue.

Ecolab Inc (ECL)—We initiated a position in this leading specialty chemical company this quarter as its cleaning solutions have been increasingly adopted by customers and the company has turned out impressive and consistent growth, consistently growing adjusted Earnings Per Share (EPS) over the last twenty years.

FedEx (FDX)—We added to the shares on weakness during the quarter, following "Brexit" related concerns and forward guidance which fell short of analyst expectations due to increased capital expenditures (which we view favorably over the longer term).

Southwest Airlines (LUV)—We added to LUV on continued sector weakness, believing the longer term thesis of sound financial management and improving pricing trends remains intact for this best in class domestic operator.

Visa (V)—We added to our position during the quarter as shorter-term currency and legal/regulatory headwinds provided an attractive entry point into this longer-term growth story operating one of the best business models around.

Weyerhaeuser (WY)—We initiated a position in this leading timberland REIT during the quarter, attracted to the high barriers to entry, renewable asset characteristics, long track record of attractive risk/return characteristics (net of inflation) and leverage to an improving housing market.

Recent Sales

Brookfield Business Partners LP (BBU)— An entity recently created through a special in-kind dividend from Brookfield Asset Management, we elected to sell this position given its K-1 tax treatment and small stub position.

Checkpoint Technologies (CHKP)—While we continue to view cybersecurity as an attractive end market, we elected to sell our position, as we are increasingly concerned over competitive pressures negatively impacting market share.

CME Group (CME)—While we remain attracted to the shares and own a meaningful position, we elected to reduce our exposure somewhat as shares have strengthened alongside moderating fears over high frequency trading.

Liberty Broadband Corporation A Shares (LBRDA)—A strong performer year to date, we elected to sell this position, moving proceeds to more timely opportunities (we retain our position in Liberty Broadband C Shares).

Monsanto Co (MON)—We elected to sell the remainder of our position during the quarter, despite the board's recent agreement to takeover offer from Bayer AG (BAYRY). There is still some risk that the deal will not go through. MON's business remains challenged due to a multiyear crop glut. We opted to put funds to work in a more timely situation.

PVH Corp (PVH)—With continued solid execution from management, shares have performed nicely since our addition earlier in the year; thus we elected to reduce the position size, capture profits and move to more attractive risk/reward opportunities.

Starbucks (SBUX)—While we remain impressed with company's execution and high margin sales growth, shares have rerated (up) substantially since our initial purchase and we felt it appropriate to sell and move to opportunities with a more favorable risk/reward profile.

Top Ten Holdings* - % of Net Assets

as of 9/30/2016

Markel Corp	3.66
Brookfield Asset Management**	3.35
Capital One Financial Corp	3.18
American Tower Corp	3.07
Visa Inc.	3.04
Johnson & Johnson	3.02
Accenture PLC**	2.90
Danaher Corp	2.71
CarMax Inc	2.59
Berkshire Hathaway Inc B	2.54

**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 gained 1.68% in the quarter, versus a 2.50% increase for the Lipper Equity Income Index. Year-to-date, the fund is up 9.35%, compared to the Lipper's 8.86%.

Standout stocks in the quarter included Las Vegas Sands (LVS), which benefited from improving sales numbers in its Macau casinos, Spectra Energy (SE), which will be acquired by Enbridge (ENB), our banks such as Capital One (COF) and our REITs which benefited from continued low interest rates. Our worst sector was Information Technology, where our underweight position cost us performance in a hot quarter for this sector.

During the quarter, we purchased two down-and-out stocks in the consumer discretionary sector: Whirlpool (WHR) and Kroger (KR). Whirlpool is the world's largest manufacturer of major home appliances and operates a diversified fund of well-known brands across the value-premium spectrum such as Whirlpool, KitchenAid, Jenn-Air and Maytag. Currently battling inexpensive foreign competition, WHR shares have sold off, offering an attractive entry point. We see WHR as a self-help, margin improvement story with a focus on cost reduction and productivity initiatives that could enable the company to boost earnings substantially over the next few years.

With $110 billion in sales, Kroger is the second largest grocer in the US. The company has nearly 2,800 densely clustered stores across 35 states, giving the company scale and cost advantages relative to current competitors and new entrants. Over the last several years, KR has put together an impressive track record of same-store-sales growth, market share gains and profit improvement via prudent capital management, private label penetration and technology initiatives. More recently, the shares have weakened due to concerns surrounding competitive threats, fuel margin weakness and deflationary food trends. We felt this was a compelling opportunity to put money to work in a proven value creator with a defensive business model.

To fund these transactions we took some profits, chipping back positions in Altria (MO), Philip Morris International (PM), and W.P. Carey (WPC), which have all been strong performers this year. We also sold Eastman Chemical (EMN). Although Eastman has made a great deal of progress transitioning from a lower-value commodity chemical company towards a specialty chemical producer with higher market share(s) and margins, the quarter of the business that is still commodity-centric deteriorated alongside the oil selloff and remains challenged, with weak end-market demand and general oversupply. New competitors in Asia have expanded capacity and could limit a recovery in this segment even when oil prices recover. The sale also reduces the cyclicality of the fund.

In sum, we continue to be mindful of the "fear bubble" that has crept into the markets and the expensive prices the market is paying for companies with recession-resistant businesses. We remain disciplined on the valuations we are willing to pay, and continue to find more value in dividend growth stories (as opposed to current yield) and companies that have a bit more cyclicality. We think that we will be rewarded for this disciplined approach and began to see some benefit during Q3.

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 September 30, 2016.

	Q3 2016	YTD 2016	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Value & Income Fund (DVIPX)	1.68	9.35	14.73	9.57	15.51	12.39
S&P 500 Index	3.85	7.84	15.43	11.16	16.37	12.31
Lipper Equity Income Index	2.50	8.86	14.61	8.41	13.94	10.29
30-Day SEC Yield: 2.17%; 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 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

DAVENPORT
ASSET MANAGEMENT

DVIPX

Recent Purchases

Merck (MRK)—We added to shares during the quarter, as we remain attracted to the robust product pipeline, reduced headwinds from old franchises rolling off, under-levered balance sheet and attractive dividend yield.

Kroger Co (KR)—Long impressed with the company's same-store-sales growth, market share gains, prudent capital management and defensive business model, we initiated a position in this second largest US grocer during the quarter as shares weakened alongside fears of competitive threats, fuel margin weakness and deflationary food trends.

Whirlpool Corp (WHR)—With shares trading at a discount valuation, we chose to initiate a position in WHR during the quarter, attracted to the company's focus on global cost reduction, productivity initiatives and leverage to an improving US housing market.

Recent Sales

Eastman Chemical (EMN)—While the company has continued its transition from a lower-value commodity chemical company towards a specialty chemical producer with higher market shares and margins, we opted to sell our position during the quarter, concerned with increasing levels of competition, overcapacity and little improvement in end markets.

Phillip Morris International (PM)—We remain attracted to the company's strong brand equity, predictable demand patterns and robust pricing power, but with the stock currently sitting near all-time highs, we opted to chip the position and move proceeds to better risk/reward opportunities.

Altria Group (MO)—The stock has performed very well throughout the year and currently sits near all time highs. Though we remain attracted to each company's strong brand equity, predictable demand patterns and robust pricing power, we felt the funds could be put to better use and thus chipped the position.

Spectra Energy (SE)—While we remain attracted to the company's assets, demand-pull growth strategy, and the covered 4.5% current dividend yield, we elected to chip our position and take profits with the stock having rerated substantially this year (up over 50% year-to-date).

W.P. Carey (WPC)—In the wake of ever-lower interest rates, shares have benefited from investors favoring stable income-producing securities. We therefore opted to scale back our exposure on this strength, taking profits to be used elsewhere in the fund.

Top Ten Holdings* - % of Net Assets

as of 9/30/2016

Johnson & Johnson	3.34
Fidelity National Financial Inc	3.01
Markel Corp	2.94
Capital One Financial Corp	2.91
Watsco Inc	2.77
JPMorgan Chase & Co	2.73
Merck & Co Inc	2.66
Diageo PLC**	2.53
General Electric Co	2.39
Citigroup Inc	2.23

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

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Davenport Equity Opportunities Fund

DEOPX

DAVENPORT
ASSET MANAGEMENT

The Equity Opportunities Fund posted sound results for the third quarter with a gain of 5.00%. This compares to gains of 4.52% and 3.85% for the Russell Mid Cap Index and S&P 500, respectively. Year-to-date, the fund ended the period up 8.55% versus 10.26% and 7.84% for the Russell Mid Cap and S&P 500. After “Brexit” prompted wild moves at the end of the second quarter, we were pleased to see market volatility subside in Q3. We were also pleased to see solid performance from positions that we added to during the “Brexit” tumult.

Live Nation (LYV) and Wabco (WBC) were among our leading contributors for the quarter. Fortunately, we were able to build each position at the end of Q2 when market weakness created opportunities. WBC was especially impacted by Brexit given its large exposure to Europe. In the case of LYV, a meeting with company management further bolstered our faith in this company’s numerous growth avenues and growing competitive edge in the global concert business.

Dollar Tree (DLTR) was by far our biggest detractor during the quarter. Shares of the retailer declined roughly 15% as investors fretted over a lackluster quarterly update. True, consumer spending trends have been uneven and discount retail has become more of a competitive battleground. However, DLTR has consistently executed in numerous business environments as evidenced by 34 straight quarters of same-store sales growth. We think its unique business model will continue to yield steady growth even in tougher climates. With the acquisition of Family Dollar, the company also now has the opportunity to apply its operating prowess to a much larger store base. We think this deal may yield significant synergies and believe investors are being too short-sighted in their assessment of the company. Hence, DLTR remains one of our biggest positions.

We have established a new position in Sherwin Williams (SHW). SHW manufactures and sells paints and coatings and has an impressive history of creating value for shareholders. It has the leading market share in the U.S. for architectural products, which should enjoy the tailwind of an ongoing recovery in the housing market. What’s more, the company recently reached an agreement to acquire Valspar (VAL) for $11.3 billion. This transformational deal would both expand SHW’s geographic presence and greatly enhance its position in the global protective coatings industry. We think synergies from this deal and steady growth in the existing business could allow the company to earn $20/share by the end of the decade.

We continue to feel our fund could be coiled for upside given the depressed valuations of numerous positions. In addition to some of the names mentioned above, this can be said for top holdings such as Capital One (COF), Carmax (KMX), Colfax (CFX) and TripAdvisor (TRIP). While all are “growth” stories, these companies have faced headwinds that allowed us to build stakes at very favorable prices. We want our best ideas in terms of risk/reward to be well represented in our top holdings and firmly believe that is the case today. Our concentrated approach may cause performance to come in spurts, but over time we think it will yield superior results.

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 September 30, 2016.

	Q3 2016	YTD 2016	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Equity Opportunities Fund (DEOPX)	5.00	8.55	9.57	8.11	15.97	12.37
Russell Midcap Index	4.52	10.26	14.25	9.70	16.67	11.76
S&P 500 Index	3.85	7.84	15.43	11.16	16.37	12.31
30-Day SEC Yield: 0.10%; Expense Ratio in current prospectus: 0.95%						

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*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

Capital One Financial Corp (COF)—Given recent "lower for longer" fallout from Brexit, we elected to add to these shares on weakness, as we remain attracted to growth drivers intact within the longer term story.

Fidelity National Financial Inc (FNF)—We added to shares of this high quality title insurer during the quarter, believing we are in the early innings of a recovery in housing.

Sherwin-Williams Co (SHW)—Founded in 1866, SHW is a leader in the development and distribution of paints and coatings and boasts a long track record of value creation. As such, we initiated a position during the quarter alongside continued improvement in the housing market and potential synergies following the purchase of Valspar earlier in the year.

TripAdvisor Inc (TRIP)—We chose to add to shares of this travel industry leader during the quarter alongside broader weakness in the travel industry and ongoing concerns around the company's efforts to transition to more of a booking platform.

Zoetis Inc (ZTS)—We elected to purchase a position as the company is well diversified both geographically and from a product standpoint, while also being one of the purest ways to play compelling secular growth themes within the companion animal and livestock markets.

Recent Sales

Brookfield Business Partners LP (BBU)—An entity recently created through a special in-kind dividend from BAM, we elected to sell this position, given its K-1 tax treatment and small stub position within the fund.

Discovery Communications Inc A Shares (DISCA)—We continue to hold shares in the name, but given ongoing 'cord cutting' concerns and lack of near term catalysts, we opted to chip the position and move proceeds to more timely opportunities.

Discovery Communications Inc C Shares (DISCK)—While we are willing to continue owning the stock given a seemingly attractive risk/reward profile, a smaller position seems to make sense as we don't think the sentiment headwind will abate much as we move into 2017 and therefore elected to chip our position.

Gaming & Leisure Properties Inc (GLPI)—While we maintain a meaningful position in the fund, we opted to reduce the size given recent performance alongside strength in the REIT sector and broader flight to stable income plays.

Liberty Broadband Corp (LBRDK)—A strong performer year to date, we elected to capture profits and reduce the size of the position, moving proceeds to more timely opportunities from a risk return perspective.

Penn National Gaming Inc (PENN)—Having been a great stock for the fund over time, we elected to sell the remainder of our position and direct proceeds to more attractive opportunities.

Top Ten Holdings* - % of Net Assets

as of 9/30/2016

Capital One Financial Corp	5.46
Brookfield Asset Management**	5.17
Colfax Corp	5.11
Live Nation Entertainment Inc	5.02
American Tower Corp	4.93
CarMax Inc	4.90
WABCO Holdings Inc**	4.62
Dollar Tree Inc	4.46
Markel Corp	4.31
Discovery Communications Inc	4.16

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

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Davenport Small Cap Focus Fund

DSCPX

DAVENPORT
ASSET MANAGEMENT

The Davenport Small Cap Focus Fund (DSCPX) posted solid absolute results during the third quarter; however, the fund's 5.55% advance failed to keep pace with the blistering 9.05% gain for the Russell 2000 Index (more than double the return for the S&P 500 Index). Year to date, the fund's 16.78% gain remains nicely ahead of the 11.46% rise for the Russell 2000.

On the heels of significant outperformance in Q2, we were not surprised to see relative results wane. While weakness in key holdings such as Boston Beer (SAM) and Coremark Holdings (CORE) served as a drag on results, our strategy's underweight position in the technology sector (which is heavily emphasized in the Russell 2000) was also a headwind. As a reminder, our bottoms up orientation and concentrated approach can lead to meaningful variances from benchmark weightings. In this case, we missed out on some momentum in the tech sector. On the positive side, the fund continued to benefit from key holdings in the regional gaming space, where Monarch Casino (MCRI) and Isle of Capri Casinos (ISLE) posted nice gains.

In the case of ISLE, the stock advanced roughly 30% near quarter end as the company announced it has agreed to be acquired by another one of our holdings, El Dorado Resorts (ERI) for stock and cash. We believe this deal is attractive from both shareholder perspectives. As ISLE shareholders, both the transaction multiple and premium paid (30%) are reasonable. As ERI shareholders, we value the company's increased scale, favorable financing terms, ability to exceed synergy targets and opportunity to quickly de-lever with improved free cash flow conversion. As such, we have chosen to maintain holdings in ERI and ISLE, which will result in a 2.5% position in the combined entity (based on current price levels) once the deal is consummated in 2Q 2017.

We initiated a new position in American Woodmark Corporation (AMWD) during the quarter. Woodmark, headquartered in Winchester, VA, is one of the largest manufacturers of kitchen cabinets and vanities in the U.S. We view this as another way to play a recovering housing market (both new construction and repair/remodel), a theme we expect to continue for the next few years. In addition to growing end markets, AMWD has seen a dramatic improvement in its operations, with margins increasing to ~10%, from a loss position in 2011. Management accomplished this by closing plants, focusing on the highly profitable dealer channel and improving efficiencies. With double-digit revenue growth forecast over the next few years and some additional margin expansion, we think AMWD can grow earnings at a mid-teens rate for the foreseeable future.

While relative results lagged a bit during the quarter, we are pleased with year-to-date performance. Though we would expect some moderation in the red hot returns the small cap universe has produced over the last couple quarters, we continue to find attractive opportunities to put cash to work and feel confident in the risk/reward profile of the fund.

Top Ten Holdings[1] - % of Net Assets

as of 9/30/2016

Monarch Casino & Resort	4.96
Boston Beer Co Inc	3.66
Colfax Corp	3.55
VCA Inc	3.46
Live Nation Entertainment	3.35
Seaboard Corp	3.09
Towne Bank	3.08
Liberty Broadband Corp	3.07
TripAdvisor Holdings Inc	3.02
Stewart Information Services Corp	2.88

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 September 30, 2016.

	Q3 2016	YTD 2016	1 Year	Since Inception* 12/31/14
Small Cap Focus Fund (DSCPX)	5.55	16.78	17.29	3.72
Russell 2000® Index	9.05	11.46	15.47	3.69
30-Day SEC Yield: 0.02%; Expense Ratio in current prospectus: 1.17%				

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[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 1, 2017 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 1.25% 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 gained 1.04% in the quarter, versus a 3.11% increase for the US OE Morningstar 50%-70% Equity Index. Year-to-date, the fund is up 6.93%, compared to the Morningstar's 6.37%.

Following the volatility induced by the "Brexit" vote at the end of Q2, the fixed income market traded relatively sideways for the third quarter. The Barclay's U.S. Intermediate Government Credit Index returned 0.16% for Q3 compared to its year-to-date returns of 4.24%. Treasury yields moved slightly higher during the quarter. The US 10-year treasury began the quarter at 1.47% and finished Q3 at 1.59% on September 30th, while hitting its year-to-date low of 1.36% on July 8th, post "Brexit."

The Bond allocation of the fund continues to focus on intermediate maturities. We opportunistically added to our fixed positions to increase income, while adding to our exposure in floating rate notes, in order to hedge against the anticipated rising rates, and take advantage of the rise in LIBOR rates due to money market reform. Overall, we feel that our fixed allocation strategically continues to provide current income while providing stability during periods of increased volatility.

The equity portion of the fund saw standout performance from stocks such as Las Vegas Sands (LVS), which benefited from strong sales in its Macau casinos following recent new property openings, and Spectra Energy (SE), which received a boost following Enbridge's (ENB) announcement to purchase Spectra in an all-stock deal. Moreover, our REIT holdings continued to benefit from a low interest rate environment. Our under-weight position in the Information Technology sector cost us performance, particularly in the month of July, during which technology outperformed all other sectors.

We initiated a position in Alliance Resource Partners (ARLP), which produces and markets coal primarily to major US utilities and industrials users. Shares weakened as coal inventories remained elevated early in the year following a mild winter with low natural gas prices; however, we believe a rebound in natural gas prices alongside a normalized winter, will continue to drive increased coal demand and normalize coal stock piles over the next few quarters. The company has responded to recent market conditions by lowering operating expenses and capital expenditures and has focused on maintaining liquidity. Additionally, the company offers a dividend yield of 8%.

In conclusion, we remain valuation sensitive, cognizant of the expensive prices the market is paying for more recession-resistant businesses. As such, we have increased our emphasis on more cyclical businesses, which appear to offer favorable risk/reward profiles. We continue to believe our balanced allocation will provide a lower volatility investment option in uncertain times, with a focus on current income and long term capital appreciation.

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

as of 9/30/2016

Johnson & Johnson	1.98
Fidelity National Financial Inc	1.78
Markel Corp	1.74
Capital One Financial Corp	1.72
Watsco Inc	1.64
JPMorgan Chase & Co	1.62
Merck & Co Inc	1.57
Diageo PLC**	1.50
General Electric Co	1.41
Citigroup Inc	1.32

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 September 30, 2016.

	Q3 2016	Since Inception* 12/31/15
Balanced Income Fund (DBALX)	1.04	6.93
Morningstar Allocation 50-70% Equity	3.11	6.37
S&P 500	3.85	7.84
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 Allocation 50-70% Equity Index** is composed of funds which seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 50% and 70%. 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 1, 2017 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 1.25% 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**.