The Davenport Funds
Quarterly Update | Q4 2020

DAVENPORT ASSET MANAGEMENT 1863

Market Returns	Q4 2020	2020
U.S. Large Caps	12.15	18.40
U.S. Mid Caps	19.91	17.10
U.S. Small Caps	31.37	19.96
International Developed Markets	16.05	7.82
Emerging Markets	19.70	18.31
Intermediate Term Bonds	0.48	6.43

Source: Morningstar Direct. Please see Important Disclosures on last page for index definitions.

Equity markets capped off a bizarre and turbulent year with a stunning fourth quarter rally. The S&P 500® Index gained 12.15% while the Russell 2000® Index was up an astonishing 31.37%. Election fears quickly became a distant memory in November and gave way to a buying stampede that went into high gear alongside the unveiling of a COVID vaccine. For the year, the S&P and Russell finished up 18.40% and 19.91%, respectively. Suffice it to say, such remarkable gains seemed unthinkable back in March when virus concerns had the S&P down over 30% for the year.

Stocks have essentially moved straight up since the March low. The S&P has rallied roughly 70% from that bottom with little interruption. As we noted through the year, the market was led by perceived COVID beneficiaries including stay at home/work from home plays and durable growth stories that were relatively unscathed by the virus. Many of these beneficiaries fell in the technology sector. The tech heavy Nasdaq 100 advanced roughly 48%, its best year since 2009. What's more, CNBC recently reported the top seven U.S. technology companies added a whopping $3.4 trillion in market cap during 2020 alone.

More recently, we've seen market leadership shift alongside vaccine news and hopes of a return to normalcy. Shares of travel, leisure and more cyclical companies have rallied sharply to close the year. A continuation of this trend should bode well for Value Stocks, which lagged Growth Stocks by the widest margin since 1979 last year. To wit, the Russell 1000 Growth® Index gained 38.49% in 2020 versus 2.80% for the Russell 1000 Value® Index.

Investors are treating 2020 as a "throw away" year. That is, they are looking past dismal 2020 earnings reports and focusing more on the next couple of years. We should witness a sharp economic acceleration through 2021 as the economy re-opens, and 2022 should bring more "normalized" results for many companies that were wounded by the pandemic. Current consensus estimates call for S&P earnings to decline 16% in 2020 before growing 22% and 17% in 2021 and 2022, respectively. Should this recovery take place as hoped, we could see an ongoing investor rotation into more economically sensitive areas, perhaps partly at the expense of momentum-oriented growth stories that have been so popular over the past year.

Meanwhile, fiscal and monetary policy remain very supportive. Congress recently passed another stimulus bill aimed at helping distressed businesses and putting money directly into consumers' pockets. In addition, the Federal Reserve has pledged yet again that it will sustain asset purchases and zero percent interest rates until progress is made towards full employment and 2% inflation – milestones it doesn't expect will be reached until 2023. Put simply, the printing presses are running wide open and abundant cheap money is both encouraging risk taking and fueling asset prices higher. Accommodative policy clearly seems to be the fulcrum for current valuation levels.

To that end, the S&P now trades at 22.7x earnings estimates for next year. This is above the 20-year average of 15.7x forward earnings and implies stocks are richly priced. However, this multiple is not unreasonable in the context of well below average interest rates. It is certainly easier to justify paying more for stocks when a 10-year Treasury offers a paltry 0.93%. That said, we have started to witness signs of speculative excess in some corners. Nosebleed valuations for certain high growth "story" stocks, recent froth in the initial public offering market (companies raised $167 billion through IPOs in 2020 versus the 1999 record of $108 billion according to the Wall Street Journal), a 180% gain for bitcoin over the last three months and record levels of margin debt suggest a touch of investor euphoria. Moreover, CNBC recently reported that a record number of retail brokerage accounts were opened in 2020 as investors took to trading stocks while staying home. As we all know, such positive sentiment can sometimes be a warning signal.

So where to go from here? We've been pleasantly surprised by the market's year-end sprint and think a COVID recovery could power ongoing gains as well as a rotation within the market. Still, it seems very reasonable to expect more modest returns across many asset classes, including stocks, over a longer time horizon. We base this on elevated starting points/valuations for most assets given the powerful effects of low interest rates and extremely supportive monetary policy. While we don't expect it near term, the slightest shift to such policy could be very disruptive to this "no fear" market. In terms of our Fund's, we are pleased to have delivered solid results last year and have been hard at work planting seeds for future returns.

Please refer to page 11 for important disclosures, risk considerations, and index definitions.

Davenport Core Fund
DAVPX

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Core Fund (DAVPX) had another quarter of robust absolute performance in the fourth quarter, gaining 10.86%. This result wraps up 2020 with strong returns, with the Fund returning 13.78% for the year. For reference, the S&P 500® Index was up 12.15% in Q4 and was up 18.40% for the year. As we noted last quarter, it has been a difficult year to keep up with the S&P 500's pace. Nevertheless, we are pleased to deliver strong absolute returns for the year, especially after being down 20% at the end of Q1, when coronavirus fears peaked.

As we noted last quarter, S&P 500 returns had been driven by the mega-cap Tech stocks through the end of Q3. While these stocks continued to do well in the fourth quarter , it was encouraging to see strong performance broaden out to more stocks in Q4. Technology stocks continued to do well, but other sectors more tied to a normalization from COVID and an economic recovery performed even better in Q4, including Energy, Industrials and Financials and certain Consumer Discretionary subsectors like travel.

Early in the quarter, we continued to position the Fund for a COVID-19 recovery, buying Uber Technologies Inc. (UBER) and FleetCor Technologies Inc. (FLT). Both got off to a great start for us as positive vaccine news came out subsequently. Uber is the familiar ride-sharing app with an increasingly important food delivery business, Uber Eats. New management, installed in 2017, has succeeded in turning around steep operating losses by executing on a targeted and thoughtful portfolio optimization strategy. We see substantial valuation upside as the company finally begins to break even next year, aided by the return of travel.

FleetCor is a diversified payments company with excellent financial metrics and an undemanding valuation. The shares have lagged in 2020 as the largest segment, payment capabilities for trucking fleets, came under pressure due to the pandemic. As freight volumes recover, so should FLT's business and we are bullish on the move into digitizing business-to-business payments, a massive opportunity that remains highly underpenetrated (we note that portfolio holdings Visa Inc. (V) and Mastercard Inc. (MA) are also important plays on this theme).

To fund these purchases, we sold our positions in Lockheed Martin Corp (LMT), Mondelez International Inc. (MDLZ) and CME Group Inc. (CME). While we continue to think highly of all three companies, there are some headwinds facing them, and we saw better opportunity for the funds elsewhere. LMT is facing a more difficult defense spending environment under the new administration, Mondelez will be lapping the benefits of COVID-induced pantry stocking in 2020, and CME's key interest rate futures product is less in demand with governments around the world promising low interest rates for the foreseeable future.

Late in the quarter, we bought DISH Network Corp (DISH). After underperforming in recent years, DISH may be nearing an inflection point. DISH is currently building out a next-gen 5G network in order to monetize its long-dormant (and highly valuable) spectrum. This unique network will allow enterprise customers dedicated capacity for exciting new technologies (think drones, autonomous vehicles, and connected machines). Expectations for testing on the new 5G network and initial customer signings in 2021 could provide a catalyst for the shares next year. In addition, AT&T appears to be making steps towards divesting DirectTV, which could ultimately allow for a value-creating merger with DISH.

In sum, you can see by our activity that we continue to work towards optimizing the risk/reward profile of the Fund. While we do own some, we have not been chasing the hottest stocks higher. Our purchases this quarter have had a bit of a contrarian bias to them as they have been recent underperformers, and we continue to be mindful of valuations in a decidedly "risk on" overall market environment.

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 December 31, 2020

	Q4 2020	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* 1/15/98
Core Fund (DAVPX)	10.86	13.78	12.34	13.17	12.32	7.63
S&P 500 Index	12.15	18.40	14.18	15.22	13.88	8.19
30-Day SEC Yield: -0.18%; Expense Ratio in current prospectus: 0.89%						

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. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. 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

Recent Purchases

Air Products and Chemicals Inc (APD) - The company uncharacteristically failed to meet elevated expectations with its Sept. quarter earnings report. We added to APD as shares have retreated 18% from recent highs, which we view as an excellent buying opportunity. Also, Air Products has been an excellent performer in the nearly two years we have owned it. In addition to a very strong core business, we are increasingly excited about a new growth angle for the company: hydrogen. We acknowledge that the green hydrogen angle will take years to play out for APD, but with a strong and growing core business, we are happy to wait, and therefore decided to add to the position again.

Brookfield Asset Management Inc (BAM) - We added to our position as we feel concerns regarding the negatives (though legitimate) are being over emphasized and that investors are not only overlooking the quality and durability of the remaining cash flows, but also ignoring the incredibly compelling landscape for capital deployment the company will likely benefit from in coming years.

DISH Network Corp (DISH) - More investors seem to be paying attention to the story given recent network milestones, positive commentary from peers about their next generation wireless technology and steps towards a potential combination of Dish's TV business with Direct TV. All aspects of the business are in better shape than pre-pandemic so we chose to initiate a position.

FleetCor (FLT) - We initiated a position in FleetCor which is a diversified payments provider founded in 1985 and based outside of Atlanta. Having gone public in 2010, the company has produced excellent returns for shareholders, up roughly tenfold, and has grown to a $20bn market cap. We also added to our position during the quarter, as we see ample opportunity for shares to move higher in a recovering economy in 2021. Risk/reward continues to look favorable for this diversified payments company with an asset-light, highly profitable business.

Top Ten Holdings* - % of Net Assets

as of 12/31/2020

Danaher Corp	3.54
Adobe Inc	3.48
Microsoft Corp	3.36
Brookfield Asset Mgmt Inc**	3.33
Apple, Inc	3.30
American Tower Corp	3.07
T-Mobile US Inc	3.01
Amazon.com Inc	2.96
Mastercard Inc	2.92
Accenture PLC**	2.88

UBER Technologies Inc (UBER) - While the pandemic has delayed the fruits of their labor, we initiated a position in UBER, as we see it coming out the other side of this pandemic as a leaner and more focused company capable of generating attractive returns for shareholders.

Vertex Pharmaceuticals Inc (VRTX) - We initiated a position in VRTX, which is a leading specialty, biotechnology firm known for its position in the field of Cystic Fibrosis therapeutics. With extensive patent protection extending beyond 2030, we believe the company is poised for sustained strong growth in revenues, earnings and free cash flow over the balance of this decade.

Recent Sales

Accenture PLC (ACN) - We continue to like ACN, but elected to scale back the position to make room for UBER and other more favorable risk/reward opportunities better poised for a COVID recovery.

CME Group Inc (CME) - We continue to hold CME's business model in very high regard. However, with the Federal Reserve's clear intention to keep interest rates low for years, there is less need to transact on CME's largest product, interest rate derivatives. We believe this policy is pressuring CME's futures volumes and clouding the outlook for growth over the next few years, and therefore decided to sell the position.

Danaher Corp (DHR) - We continue to like DHR, but elected to scale back the position to make room for UBER and other more favorable risk/reward opportunities better poised for a COVID recovery.

Lockheed Martin Corp (LMT) - We are cognizant of the fact that the outlook for defense spending is less bullish under the new administration, which could continue to weigh on sentiment for LMT and elected to sell the position.

Mondelez International Inc (MDLZ) - While we continue to appreciate MDLZ's defensive characteristics and think their plans for high-single-digits earnings per share (EPS) growth are reasonable, we elected to redeploy the funds in other areas where we see higher upside potential.

Nestle NA (NSRGY) - Management continues to focus on transforming the portfolio, which has led to a nice re-rating in the stock over the last two years. That said, NSRGY now trades north of 23x Earnings Per Share (EPS), which we think reflects a more balanced risk/reward and thus we elected to chip our position to fund our addition to Air Products.

T-Mobile US Inc (TMUS) - After adding to the position twice due to our high conviction in the name, the shares have appreciated materially. While we continue to see further upside for TMUS and feel the stock remains attractively valued despite its run, we opted to pare back the position modestly due to its weighting in the portfolio.

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

The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. 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 1863

The Davenport Value & Income Fund (DVIPX) increased 13.37% in the fourth quarter and finished 2020 up 1.91%. This compares to the Fund's primary benchmark, the Russell 1000® Value Index, which increased 16.25% in the fourth quarter and ended 2020 up 2.80%. The S&P 500® Index increased 12.15% in the fourth quarter and 18.40% in 2020. We are happy to end the year in positive territory after the sharp decline in March. However, our lower exposure to some of the deep value areas (energy, interest-rate sensitive banks) hurt us relative to the benchmark in Q4. These areas rallied sharply following the November elections and the news of a COVID vaccine.

As noted in the macro letter, the Growth/Value disparity last year was the widest since 1979. Rock-bottom interest rates and low inflation have supported high valuations for Growth Stocks, which has been turbocharged by very accommodative monetary policy. While we don't know when the dynamic will reverse, we think 2021 could set up to be a good year for Value stocks as the world recovers from the pandemic and investors rotate into more economically sensitive areas, most of which are categorized as "Value" stocks. Indeed, we started to see this during the fourth quarter with strong performances from JPMorgan Chase & Co (JPM) and Capital One Financial Corp (COF), two of our top contributors. Despite the rally since March, we continue to find attractive value situations in many areas of the market.

Fourth-quarter performance was led by an eclectic mix of names including Bunge Ltd (BG), JPMorgan Chase & Co (JPM), Brookfield Asset Management (BAM), and Qualcomm Inc. (QCOM). Bunge benefited from strong economics in the soybean markets and Qualcomm was a beneficiary of the 5G iPhone launch. The other two were beneficiaries of the rotation noted above, with Financials the second best performing sector during the quarter. Key detractors during the quarter were some of the earlier COVID beneficiaries including Lowe's Companies Inc. (LOW), McDonald's Corp (MCD), and Crown Castle International Corp (CCI).

We introduced three new positions during the quarter. Newmont Corp (NEM), the world's largest gold miner, has a stable production outlook, a long reserve life, strong profit margins, and an underlevered balance sheet. Additionally, we think continued easy monetary policy and the potential for additional fiscal stimulus should be supportive of gold prices. Cannae Holdings Inc. (CNNE) is a holding company with stakes in entities spanning human resources software, data & analytics, and health care software. The story is complex, but we have followed the team behind it for many years and are confident in their value-creation strategy. We also note the stock trades at a meaningful discount to the sum of its parts. Lastly, Truist Financial Corp (TFC) is the sixth largest commercial bank in the U.S. and was formed by the merger of BB&T and SunTrust in 2019. We believe Truist should benefit from a broader cyclical recovery with additional upside from merger synergies, at an attractive valuation and 3.8% dividend yield.

During the quarter we exited positions in Merck & Co Inc. (MRK), Cisco Systems Inc. (CSCO), and Starbucks Corp (SBUX). These had been good performers for the Fund, but we felt risk/reward was more balanced at current levels.

In summary, 2020 was a turbulent year, but we were pleased to finish strong and end the year in positive territory. We remain optimistic about the Fund as we move into 2021 and believe we are well positioned for a post-COVID recovery while also being mindful of the many risks in the world today.

The following chart represents Davenport Value & Income Fund (DVIPX) performance and the performance of the Russell 1000® Value Index, the Fund's primary benchmark, and the S&P 500 Index for the periods ended December 31, 2020.

	Q4 2020	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Value & Income Fund (DVIPX)	13.37	1.91	4.44	8.96	10.64
Russell 1000® Value Index	16.25	2.80	6.07	9.74	10.50
S&P 500 Index	12.15	18.40	14.18	15.22	13.88
30-Day SEC Yield: 1.35%; Expense Ratio in current prospectus: 0.89%					

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 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. 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. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. 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 1863 ASSET MANAGEMENT

Recent Purchases

Anheuser Busch Inbev NV (BUD) - We believe BUD's business momentum should continue and the company should generate strong cash flow, which the company will use to improve the balance sheet and ultimately resume paying a dividend. Given our more positive outlook for the business, we believe there is a real value story here and elected to add to the position at reasonable valuation relative to growth expectations.

Cannae Holdings Inc (CNNE) - We initiated a position in this diversified holding company during the quarter. Due to the relatively small market cap and lower trading liquidity, we choose to start with a purchasing a smaller position; however, we are excited by the risk/reward opportunity of CNNE given that it trades at a near 20% discount to our NAV analysis. After our original initiate, we elected to use some of the proceeds from our recent transactions to make our CNNE position more meaningful. The shares continue to trade at a meaningful discount to the sum of its parts and we see several potential catalysts that should help drive the shares higher over time.

Enbridge Inc (ENB) - We added to our position as it should begin to inflect higher in 2022 and beyond, and we think the company will have ample room to continue raising the dividend. Recently management has also talked about the possibility of buying back stock as FCF improves as well. While the fossil fuel sector has well documented challenges, ENB's dominant 50+ year assets backed by long-term take or pay contracts with investment grade counterparties support a strong outlook over the medium term, despite the energy sector transition to renewables over time.

L3Harris Technologies Inc (LHX) - We believe the company is levered to high-growth defense department programs that should continue regardless of what happens to the overall defense budget in the coming years. Additionally, there is more to the story with significant merger synergies and rapidly expanding free cash flow (FCF) generation. With the stock at 15x NTM EPS (next twelve months earnings per share), we felt now was a good time to add to our position.

Newmont Corporation (NEM) - As we move past the election, we think odds for additional stimulus are more likely in the coming months, which should be supportive for gold prices. That said, regardless of whether gold prices move higher, we think NEM is an attractive investment, with a stable production outlook for many years, backed by a very long reserve life in its mines, and we therefore initiated a position.

Truist Financial Corp (TFC) - We initiated a position in TFF as we believe it offers a low risk re-opening play that should benefit from a broader cyclical recovery beyond COVID-19 with additional upside from merger synergies.

Recent Sales

Cisco Systems (CSCO) - While the stock remains "cheap" with a price-earnings ratio (P/E) of 13x and sports a nice dividend yield, we think the shares are likely to tread water for several months until order trends begin to improve and thus decided to sell our position and move funds into two higher conviction ideas.

Merck & Co Inc (MRK) - We continue to believe MRK is a well-run company with a dominant immuno-oncology franchise and a solid dividend yield. However, we think the stock could struggle until management finds a way to address this bear thesis of "too dependent" on Keytruda, and therefore elected to sell our position.

Qualcomm Inc (QCOM) - While we continue to like the QCOM story (the stock remains an above-average position) and think there is additional upside from the 5G rollout, we thought it prudent to book some profits in the name and elected to chip the position. However, we are becoming increasingly concerned that the market could eventually take a "what's next" attitude and worry that near-term earnings will be difficult to match post the 5G ramp. As such, we decided to reduce our position again given recent strength.

Starbucks Corp (SBUX) - With the stock trading at ~35x calendar 2021 earnings per share (EPS) estimates compared the 3-year forward average price-earnings ratio (P/E) multiple of 26.6x, we elected to sell the position and redeploy the funds into other ideas with more attractive valuations.

Top Ten Holdings* - % of Net Assets

as of 12/31/2020

Brookfield Asset Management Inc	3.90
Comcast Corp	3.63
Fidelity National Financial Inc	3.45
Johnson & Johnson	3.28
Lamar Advertising Co	3.25
JPMorgan Chase & Co	3.14
United Parcel Service Inc	3.07
Diageo PLC	2.90
Watsco Inc	2.90
Anheuser Busch Inbev NV	2.89

Holdings subject to change without notice. Foreign Holding*

The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. 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 1863

The Davenport Equity Opportunities Fund (DEOPX) enjoyed a strong close to the year, advancing 16.33% during the fourth quarter. This result slightly lagged the 19.91% gain for the Russell Mid Cap® Index during the period; however, the strategy's 21.43% gain for the year still nicely exceeded the 17.10% return for the index.

Leading the way for both the quarter and full year was ecommerce juggernaut Etsy Inc. (ETSY), which advanced north of 45% during the quarter, finishing the year up 300%. Though we chipped this holding alongside other durable growth/stay-at-home plays such as MercadoLibre Inc. (MELI) and Take-Two Interactive Software Inc. (TTWO) during the quarter, we believe the pull-forward in user-engagement/adoption results in a higher base to grow from. Elsewhere, we were pleased to see recent purchase Align Technology, Inc. (ALGN) get off to a hot start as well as continued strength in cable entities Altice USA Inc. (ATUS) and Liberty Broadband Corp (LBRDK). We exited our position in LBRDK during the quarter following a 5-year holding period during which the stock has more than tripled. Long-standing outperformer, American Tower Corp (AMT), served as a modest detractor during the year. We remain very attracted to the tower business model and think recent underperformance has created an attractive setup in front of wireless carriers accelerating 5G deployments in 2021. If the stock simply holds its current multiple (we think it could re-rate higher), this would allow for solid double-digit returns alongside free cash flow growth.

Throughout the quarter, we continued to direct funds towards high quality "re-opening" beneficiaries. This resulted in the purchase of LiveNation Entertainment Inc. (LYV) and Hilton Hotels Corp (HLT). These two companies possess strong long-term growth stories and wide competitive moats. However, they happen to operate in industries hardest hit by the pandemic (Travel/Leisure and Entertainment). Each is run by strong management teams that have bolstered liquidity positions and identified meaningful cost savings that seem sustainable. Though we are not out of the woods yet, a strong recovery could send their results into overdrive as restrictions are lifted and pent-up demand is unleashed. Hilton could see a sharp increase in room demand from both business and leisure travelers. Live Nation could reap the benefits of not only pent up demand for concerts/events, but also an abundance of tours as artists need to hit the road again to earn a living.

We also established a position in Evoqua Water Technologies Corp (AQUA) during the quarter. Evoqua is a leading provider of industrial water treatment serving a wide variety of end markets. We have a very favorable view of the long-term demand drivers for water treatment (population growth, aging and inefficient infrastructure, contamination, etc.) and also note that AQUA should have a tailwind from the ever growing ESG investing theme. In addition to these macro drivers, the company is undergoing a business model transition towards a "water as a service" model, which should lend itself to a higher mix of recurring revenue, better cash generation and improving returns on capital. As these factors play out, we could get an added lift from multiple expansion on top of improving results.

To close, we are pleased to have produced strong absolute and relative results in such a tumultuous year. Perhaps more importantly, we are also proud to report trailing 3, 5 and 10-year results ahead of our benchmark. Our returns may vary over short periods given our concentrated approach, but we remain confident our collection of businesses, including recent additions, will generate attractive returns over the long-term. We appreciate your confidence and support throughout these years and look forward to continuing the journey together.

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 December 31, 2020.

	Q4 2020	1 Year	3 Years*	5 Years*	Since Inception* 12/31/10
Equity Opportunities Fund (DEOPX)	16.33	21.43	15.86	15.06	13.77
Russell Midcap® Index	19.91	17.10	11.61	13.40	12.41
S&P 500 Index	12.15	18.40	14.18	15.22	13.88
30-Day SEC Yield: -0.29%; Expense Ratio in current prospectus: 0.91%					

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®. 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. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

Davenport Equity Opportunities Fund
Quarterly Transactions

DAVENPORT ASSET MANAGEMENT 1863

DEOPX

Recent Purchases

American Tower Corp (AMT) - We added to our position in AMT. If the stock holds its current multiple (we think it may re-rate higher), this may allow for solid double-digit returns alongside free cash flow growth.

Cannae Holdings Inc (CNNE) - Given our belief that the risk/reward has become increasingly favorable in recent months, we added to our position. The stock is essentially unchanged since we initiated a position in June despite several announcements and market developments that we believe continue to build the underlying net asset value (NAV) of the franchise.

Colfax Corp (CFX) - We added to CFX as we continue to believe the company's portfolio is now in a good position to implement its continuous improvement program and compound value creation for shareholders. While near-term results are likely to remain choppy, we think CFX can return to pre-COVID levels of EBITDA in the next year and the shares continue to trade at a meaningful discount to peers on a blended basis.

Dish Network Corp (DISH) - We chose to add to this position twice as all aspects of the business are in better shape than pre-pandemic. Satellite TV has exceeded expectations, the recently acquired retail wireless business has proven more profitable than expected and the timeline/capital needs for the company's 5G wireless network have become more favorable. Though we acknowledge the road will be bumpy, we continue to believe DISH shareholders will be rewarded as the buildout progresses and the business model becomes clearer.

Evoqua Water Technologies Corp (AQUA) - Originally a value/operational transformation story, we decided to purchase AQUA, believing that it is evolving into the type of long-term compounder we look for in this portfolio.

Hilton Worldwide Holdings Inc (HLT) - We purchased a position in HLT as we are attracted to the company's asset light, fee driven business model that allows for strong free cash flow (FCF) generation and high returns on capital.

Hilton Worldwide Holdings Inc (HLT) - While growth has been put on hold for the time being, we note the company's strong liquidity should allow HLT to weather the storm while gaining share from smaller boutique brands with less access to capital. Ultimately, we believe HLT can return to the formula of mid-to-HSD unit growth, solid pricing and margin leverage, with free cash flow eventually returned to shareholders through buybacks, and we therefore added to the position. We added to our position for the second time in the quarter, as we continue to think travel demand will exceed expectations and believe earnings estimates should rise due to margin improvements (the company recently noted it could achieve prior peak profits with revenue at 85% of prior peaks).

Live Nation Entertainment Inc (LYV) - Though the company remains heavily indebted with no imminent plans to resume hosting events, we choose to take a long-term view with a situation that we believe will benefit from tremendous pent-up demand for years to come and initiated the position. Though the timing and pace of a return to normalcy remains quite nebulous, we feel comfortable that the company's liquid position will allow them to bridge the gap and that pent up demand should re-ignite the powerful secular drivers behind the company's "flywheel" of value creation and then added to the position.

Top Ten Holdings* - % of Net Assets

as of 12/31/2020

Dish Network Corp	6.06
Brookfield Asset Management**	5.38
Etsy Inc	4.78
American Tower Corp	4.61
Fidelity National Financial Inc	4.44
Take-Two Interactive Software Inc	4.39
Markel Corp	4.23
Cannae Holdings Inc	4.08
Sherwin-Williams Co	4.04
Xylem Inc	3.76

Recent Sales

American Tower Corp (AMT)- As a part of our ongoing efforts to optimize the risk/reward profile of the strategy, we elected to chip AMT and take some profits in order to make room for new additions to the portfolio that we believe to be more timely.

ETSY Inc (ETSY) - As a part of our ongoing efforts to optimize the risk/reward profile of the strategy, we elected to chip ETSY and take some profits in order to make room for new additions to the portfolio that we believe to be more timely.

Fairfax Financial Holdings Ltd (FRFHF) - Though we feel the shares are incredibly mispriced at 60% of consensus 2021 book value estimates, we struggle to identify a near term catalyst and chipped the position.

Liberty Broadband Corp (LBRDK) - As a part of our ongoing efforts to optimize the risk/reward profile of the strategy, we initially elected to take some profits and chip the position. Later in the quarter, we elected to chip our position Gin as a continuation of recent profit taking actions aimed at re-allocating funds towards names with more attractive risk/reward profiles. However, while we continue to like the structural tailwinds for the cable industry and cash generative nature of the business models therein, we point out that we maintain ample exposure to the theme via our position in Altice USA Inc (ATUS), which carries a cheaper valuation and greater upside potential in our view and lastly elected to sell our position.

Sherwin-Williams Co (SHW) - While we are impressed with recent results and remain confident in management's ability to execute against a favorable industry backdrop, we elected to chip our position and take some profits given a more balanced risk/reward for the shares.Then, as a part of our ongoing efforts to optimize the risk/reward profile of the strategy, we elected again to take some profits in order to make room for new additions to the portfolio that we believe to be more timely.

Take-Two Interactive Software Inc (TTWO) - While we continue to favor the long-term thesis for TTWO and the video game industry, the position had become fairly large within the portfolio and we elected to take some profits on the recent strength.

Zoetis Inc (ZTS) - ZTS has been a strong performer for the strategy advancing 22.7% YTD. While we remain attracted to the company's durable cash flow and predictable growth, the risk/reward seems more balanced for the stock in light of recent multiple expansion and elected to chip the position. Following our recent chip, we feel the animal health space (and ZTS in particular) has seen a substantial amount of "safe-haven" health care flows that could reverse as election outcomes and political agendas become clearer. So, we elected to sell our position and take profits in this long time holding with the intent to redeploy the proceeds into situations with more attractive risk/reward profiles and greater upside potential.

Holdings subject to change without notice. Foreign Holding*

The recent transactions profiled above represent securities purchased and/or sold during the quarter. Current and future portfolio holdings are subject to risk. 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

The Davenport Small Cap Focus Fund (DSCPX) enjoyed a strong finish to 2020. The Fund advanced 20.28% during the fourth quarter, which lagged the Russell 2000® Index's red-hot 31.37% gain for the period. We were not surprised to have lagged in this most recent "no fear" rally, during which investors seemed to indiscriminately embrace risk. We are pleased that the Fund's 25.74% annual advance still nicely exceeded the 19.96% increase for the Russell 2000.

Re-opening plays exposed to the travel and leisure space were among the Fund's top performers during the quarter. As mentioned in previous letters, we had been building positions in names such as Monarch Casino & Resort, Inc. (MCRI), OneSpaWorld Holdings Ltd (OSW), and Lamar Advertising Co (LAMR) given the companies' solid business models, ample liquidity and ability to benefit from pent up demand as the country emerges from lockdown. Each of these holdings was a top performer during the quarter, as was Norwegian Cruise Line Holdings Ltd (NLCH), a relatively new position. Our analysis suggested the company could weather the storm and that the stock embedded very low expectations. We were pleased to be proven right in relatively short order as the stock rallied more than 50% alongside promising vaccine news and improving sentiment towards the space. We have reduced the position alongside strength, but still think the stock has room to run. Hanesbrands Inc. (HBI) was the biggest detractor for the period as expectations (and the stock) got a bit ahead of themselves heading into the company's Q3 earnings report. While we were hoping to see more sustained momentum across the business, we felt the pullback in response to disappointing guidance and the announcement of a strategic review program was overdone, and view the current risk/reward as favorable.

We initiated a new position in Live Oak Bancshares Inc. (LOB) during the quarter and were pleased to see the holding get off to a great start. Based in Wilmington, NC, Live Oak is the nation's leading US Small Business Administration (SBA) program lender. The company's unique digitally focused business model has allowed them to grow quickly within the government guaranteed lending space through a number of specialized industries and verticals. Founder and CEO Chip Mahan owns nearly 20% of the shares outstanding and has built an entrepreneurial culture focused on growth and shareholder value creation. While the company's digitally enabled loan origination process and asset light approach (LOB does not have branches) has resulted in significant growth to date, management believes it can grow loans at a $2 billion annual clip in coming years (versus an asset base of ~$8 billion). This growth profile, along with additional potential upside from the monetization of various tech investments and with interest rate optionality all justify the premium valuation the stock carries, in our opinion.

We also purchased Chart Industries Inc. (GTLS). Chart designs and manufactures a variety of specialized equipment used in the separation, liquefaction and purification of industrial gases. Its core business serves the liquefied natural gas market, a solid business growing at a high-single-digit rate. Interestingly, the company's expertise with cryogenic molecules makes it a natural provider to the emerging hydrogen industry. Hydrogen is an exciting new industry with decades of growth in front of it, as the world seeks to decarbonize heavy industry. Chart has pressed its advantage by selling a non-core healthcare business to buy hydrogen and carbon capture companies, accelerating the growth opportunity. Unlike pure-play hydrogen stocks, GTLS trades at a reasonable valuation, and we see the potential for substantial upside as the company executes on its growth in higher-margin clean energy verticals.

In closing, we are pleased to have weathered such a tumultuous year with solid performance, and have been encouraged to see a recent emphasis on challenged sectors pay off. Furthermore, we continue to identify unique and differentiated ideas that meet our standards surrounding quality, risk and appreciation potential.

Top Ten Holdings[1] - % of Net Assets

as of 12/31/2020

Cannae Holdings Inc	6.38
Monarch Casino & Resort Inc	6.08
Evoqua Water Technologies Corp	5.20
Stewart Information Services Corp	4.02
Builders FirstSource Inc	4.00
Lamar Advertising Co	3.93
Colfax Corp	3.80
J & J Snack Foods Corp	2.96
NewMarket Corp	2.91
Switch Inc	2.88

This 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 December 31, 2020.

	Q4 2020	1 Year	3 Year*	5 Year*	Since Inception* 12/31/14
Small Cap Focus Fund (DSCPX)	20.28	25.74	14.78	18.00	13.06
Russell 2000® Index	31.37	19.96	10.25	13.26	10.10
30-Day SEC Yield: 0.08%; Expense Ratio in current prospectus: 0.97%					

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. Current and future portfolio holdings are subject to risk.* *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, representing approximately 8% of the total market capitalization of the Russell 3000. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

Davenport Balanced Income Fund

DBALX

DAVENPORT 1863 ASSET MANAGEMENT

The Davenport Balanced Income Fund (DBALX) increased 9.12% during the fourth quarter of the year, slightly behind the 9.88% increase for the blended 60% Russell 1000® Value and 40% Bloomberg Barclays Intermediate Government/Credit Index. For the full year, the Fund returned 3.58% compared to the blended benchmark's 5.21% return.

Equity markets ended the year with a significant fourth quarter rally alongside positive vaccine news and hopes for a return to normalcy, leading to above average returns for the year; however, not all equities benefited equally. For the full year, Value stocks significantly lagged their Growth counterparts by nearly 36 percentage points as exhibited by the Russell 1000® Growth's 38.49% return compared to the Russell 1000® Value's 2.80% return. Low interest rates and inflation have supported high valuations for growth stocks and it remains to be seen how long this growth/value dichotomy will last; however, we believe our value-oriented equity strategy is set up nicely for 2021 as the world emerges from the pandemic and investors turn to more economically sensitive industries that favor value.

We did begin to see a rotation to value during the fourth quarter, with the value index outperforming growth by nearly 5 percentage points. This strong rotation helped boost financial stocks and our top contributor to equity performance, JPMorgan Chase & Co (JPM). Other significant contributors included Bunge Ltd (BG) and Qualcomm Inc. (QCOM). BG benefited from strong economics in the soybean markets while QCOM was a major beneficiary of the 5G iPhone launch. Performance detractors consisted of names that had previously been pandemic beneficiaries, including McDonald's Corp (MCD), Crown Castle International Corp (CCI), and Lowe's Companies Inc. (LOW).

During the quarter, we introduced a position in Truist Financial Corp (TFC), the sixth largest commercial bank in the United States formed by the combination of BB&T and SunTrust with more than $473 billion in assets. In the same manner previously mentioned, we believe TFC should benefit in a post-COVID world and broad cyclical recovery with upside from merger synergies. Moreover, the stock trades at a significant valuation discount to historical norms and sports a 3.8% dividend yield. We also exited several positions including Merck & Co Inc. (MRK), Cisco Systems Inc. (CSCO), and Starbucks Corp (SBUX) who had been great performers but we felt the risk/reward profile had become more balanced.

The bond allocation of the Balanced Income Fund consists of 24 high-quality bonds across eight sectors with the top allocations to U.S. Treasuries at 23.32%, Energy at 20.77% and Consumer Discretionary at 19.54%. The credit quality of the Fund is A/A with an effective maturity of 4 years and a duration of 3.61 years. Our floating-rate exposure continues to reduce itself as we are letting these bonds mature without the intention to reinvest in floating positions as the Federal Reserve has indicated Fed Funds will remain low for the next couple years. The income levels for the floating-rate notes change quarterly based on the level of 3-month LIBOR, which is currently around 25 basis points. With the accommodation of the Fed, we will be looking to add exposure to corporate credit when compensated for taking either duration or credit risk. That said, our transactions this quarter were light. We witnessed a lot of corporate new issuance that was met with high demand, which compressed new issue concessions. This brings down the overall yield (compensation) per unit of duration and credit risk making many of these offerings extremely expensive. We did see value in the Disney 2025 bond in the secondary market, so we initiated a 4.75% position this quarter. Going forward, we continue to look for new corporate opportunities that are high quality and still defensive on the duration front.

In closing, after a turbulent start to 2020, we are pleased to end the year on a strong note. While the Growth/Value spread reached historic levels during the year, we believe that as the world emerges from the pandemic, our allocation to dividend-paying value-oriented equities coupled with defensive fixed income positioning should situate the Fund nicely for a post-COVID recovery while also providing a volatility buffer, current income, and long-term capital appreciation.

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

as of 12/31/2020

Brookfield Asset Mgmt Inc**	2.22
Cannae Holdings Inc	2.12
Comcast Corp	2.10
Fidelity National Financial Inc	2.04
Johnson & Johnson	1.87
Brookfield Renewable Part	1.84
Lamar Advertising Co	1.82
JPMorgan Chase & Co	1.79
Diageo Plc	1.64
Anheuser Busch Inbev NV	1.64

The following chart represents Davenport Balanced Income Fund (DBALX) performance and performance of the Fund's primary benchmark, the Russell 1000® Value Index, along with the S&P 500 Index for the period ended December 31, 2020.

	Q4 2020	1 Year	3 Year	Since Inception* 12/31/15
Balanced Income Fund (DBALX)	9.12	3.58	4.32	6.60
60% Russell 1000® Value/40% BBIGC Index	9.88	5.21	6.02	7.62
30-Day SEC Yield: 0.85%; Expense Ratio in current prospectus: 0.96%				

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. Current and future portfolio holdings are subject to risk.* *Returns greater than one year are annualized. The blended **60% Russell 1000 Value/40% Bloomberg Barclay's Intermediate Government/Credit (BBIGC) Index** is included as an additional comparative index because it is representative of a balanced portfolio consisting of 60% equity and 40% fixed income securities. Equities are represented by the **Russell 1000® Value Index**, and fixed income is represented by the **Bloomberg Barclays Intermediate Government/Credit (BBIGC) Index**. The **Russell 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The **BBIGC** measures the non-securitized component of the U.S. Aggregate Index. It includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities. Intermediate maturity bonds include bonds with maturities of 1 to 9.999 years. An investor cannot invest in an index and its returns are not indicative of the performance of any specific investment.

Important Disclosures

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.

Distributed by Ultimus Fund Distributors, LLC.

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.
Index Definitions: 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**. International Developed Markets represented by the **MSCI EAFE Index**. Emerging Markets represented by the **MSCI EM Index**. Intermediate Term Bonds represented by the **Bloomberg Barclays Intermediate Government/Credit Index**.
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. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index. The **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3,000 index, representing approximately 8% of the total market capitalization of the Russell 3000. The **Russell 1000® Growth Index** measures the performance of the Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 1000® Value Index** measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. 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 2000® Index and Russell Midcap® Index are trademark/service marks of the Frank Russell Co. London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2020. FTSE Russell is a trading name of certain LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote/sponsor/endorse the content of this communication. The **NASDAQ Composite Index** is a broad-based capitalization-weighted index of all common stocks listed on the Nasdaq. The **MSCI 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 (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 **Bloomberg Barclays 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 Bloomberg Barclays Capital US FRN < 5 Years Index** is a subset of the US Floating-Rate Note (FRN) Index, which measures the performance of USD denominated, investment-grade, floating-rate notes across corporate and government-related sectors. This index has a maximum maturity of 4.9999 years and is not part of the US Aggregate Index, which is a fixed coupon index. The **Nasdaq 100 Index** is a basket of the 100 largest, most actively traded U.S companies listed on the Nasdaq stock exchange. The **Lipper Large Cap Value Index** measures an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets). **An investor cannot invest in these indices and their returns are not indicative of the performance of any specific investment**.